



The Planning  
Inspectorate

# The Planning Inspectorate Annual Report and Accounts 2021/22



# **The Planning Inspectorate Annual Report and Accounts 2021/22**

For the period 1 April 2021 to 31 March 2022

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# Introduction

**At the Planning Inspectorate, we are known for fairness, openness and impartiality in our examinations, deciding appeals and handling applications. We are focused on delivering for our customers, responding to the changing environment.**

Across England, our Inspectors deliver decisions and recommendations across our three public services: examinations, appeals and (also in Wales) 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 make sure that proposed developments meet future needs for the economy, environment and society and that the communities' views on large infrastructure applications are heard. We uphold and promote quality, assuring the checks and balances of the planning system, so that decisions are fair, impartial and open. We examine the local plans from Local Authorities that set the framework for local economic, social and environmental priorities. We have specialist experts able to advise and decide cases on specialist subjects across environmental, ecological, historic and arboricultural matters. 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.



Examination Service



Appeal Service



Application Service

# Our strategy

**Our purpose is to deal with planning appeals, national infrastructure planning applications, examinations of local plans and other planning-related and specialist casework. We share our expertise with our customers, communities, businesses, local and national governments to enable good planning.**

To fulfil our purpose and uphold the values of customer-focus, fairness, openness and impartiality, we have a vision to:

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

The Department for Levelling Up, Housing and Communities sets priorities for the Planning Inspectorate each year.

For 2021/22, the priorities were:

- recovery and operational performance;
- developing new digital services;
- Planning Reform and Project Speed;
- gender pay gap and diversity and inclusion strategy;
- resources; and
- Spending Review Settlement 2021/22 and Future Planning.

Our previous plan was founded on four priorities, which contained a number of objectives. As we began to feel the impact of COVID-19, we focused on the safety and wellbeing of our people and on keeping casework moving.

Our new [Strategic Plan](#), published in October 2021, centres on our new vision. It outlines the objectives we will be delivering over the coming three financial years to make our vision a reality.

To simplify and gain wider understanding of our strategic direction, we revised the Strategic Plan to have a vision underpinned by three core strategies. Delivering these serve as our external-facing priorities and their stated objectives are therefore our strategic objectives. These are a Customer Strategy to act as a vision for our service delivery, and two strategies that would enable its delivery. The enabling strategies focus on our people and on data and digital improvement.

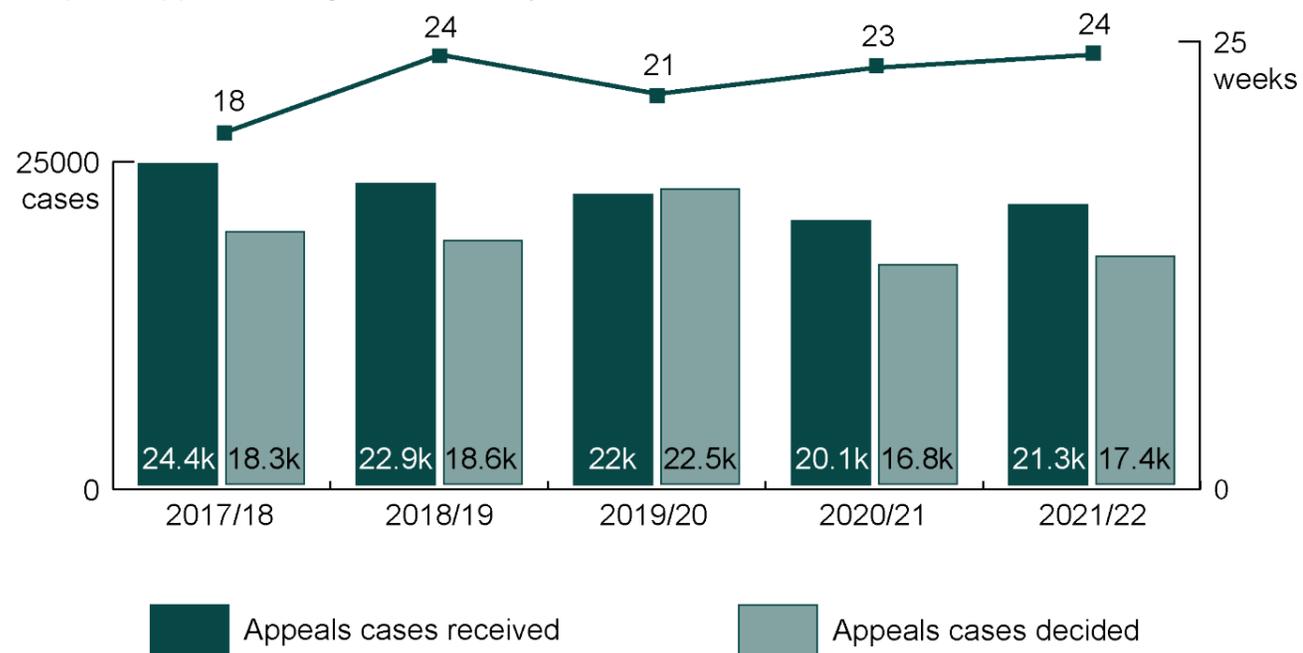
# Strategic performance

Our performance against our strategies is summarised here. For more details, look for the icons on page 5 throughout the report.

The COVID-19 pandemic reduced our capacity and halted our progress in speeding up decisions. We received 21,300 appeals in 2021/22, 6% more than in 2020/21, and close to the pre-pandemic level. As restrictions reduced during 2021/22 we increased the number of decisions we made. We decided more cases in 2021/22 than 2020/21, despite pandemic factors, including virtual hearings and inquiries taking longer than face-to-face equivalents, lockdown measures impacting employees and customers, and employees taking leave not taken the previous year.

During 2021/22 we focused on national infrastructure applications, local plan examinations and appeals needing a hearing or inquiry. These generally have the most community interest and potential to support the nation's economic recovery. This meant fewer inspectors deciding higher volume casework and we decided fewer cases than we received. Some decisions were faster than in previous years but, on average, decisions took longer. We are working hard to decide more appeals so our decisions can become consistently faster.

Graph 1. Appeals in England over five years



## Customer Strategy

### Setting up our objectives

The Inspectorate plans to use customer insight to improve its services. Membership of the Institute of Customer Services provided us with benchmarking data that we used to develop our strategy. The Strategy lays the foundation for us to become more customer focused.

### What we did in 2021/22

- Delivered our services.
- Rolled out a new customer service desk solution.
- Formalised quality assurance.

### What we will do next

- Roll out our Digital Public Services.
- Explore appeal acceleration.
- Increase customer engagement.
- Enhance Public Sector Equality Duty.

### Strategic risks

- Failure to embed changes.
- Failure to manage stakeholders.
- Planning reforms.
- Impact of national infrastructure applications.
- Prepare and react to change.
- Not meeting operational performance expectations.
- Sustainability of the long-term operating model.



## Data & Digital Strategy

### Setting up our objectives

The Data and Digital Strategy sets out an approach that focusses on outcomes and benefits rather than outputs. This gives us flexibility to work at pace with rapidly evolving technologies. Data and digital are key to improving our services and the planning system.

### What we did in 2021/22

- Designed and developed our Digital Public Services.
- Delivered change and innovation projects.
- Improved data protection.
- Developed modelling capacity.

### What we will do next

- Support Planning Reform.
- Improve management information.

### Strategic risks

- Data protection.
- Planning reforms.
- Prepare and react to changes.
- Value and quality of data.
- Sustainability of the long term operating model.



## People Strategy

### Setting up our objectives

We refreshed our People Strategy this year. It builds on our work to develop our leaders and offers our people opportunities to engage in wider work such as employee networks.

### What we did in 2021/22

- Maintained high engagement.
- Delivered effective COVID-19 response.
- Improved equality diversity and inclusion.
- Developed Strategic Workforce Plan.
- Established health and safety working groups.

### What we will do next

- Conduct learning analysis
- Design future ways of working.

### Strategic risks

- Planning reforms.
- Health, safety and well-being.
- Prepare and react to changes.
- Impact of national infrastructure applications.
- Not meeting operational performance expectations.
- Future skills.
- Sustainability of the long term operating model.

# Board Chair's Statement

**The second year of the pandemic has required us to dig deep. I am proud of the way the Inspectorate's people and Board have stepped up. I'm also grateful for the constructive collaboration of our partners and stakeholders and the support and interest of Ministers.**

We have been tenacious in our drive to keep casework moving. We determined 17,433 appeals in 2021/22. We remained focused on improving the speed with which we determine cases and have agreed new measures with Ministers, which better reflect our customers' needs. However, the pandemic has not helped the drive to improve timeliness. In January 2022, the Minister for Housing asked us to identify radical ways to accelerate the pace of the system. We recognise the performance challenge and its impact on customers. The Board supports the decision to focus on cases with the most community interest and potential to support the nation's recovery, and acknowledges the issues faced in sustainably improving the speed of decision-making in the long-term.

We issued 34 new reports on Local Plans last year. Local Plans provide for 5.2 million much needed homes and shape local places. We were able to make recommendations to Ministers on key national infrastructure by holding virtual events. This infrastructure will be critical to the country's post-pandemic recovery. We have continued to work across Government on speeding up the consenting of nationally significant infrastructure through Project Speed. The Department for Levelling Up, Housing and Communities has drawn on our expertise in the development of planning reform. Both will contribute to levelling up across the country, creating places where people can flourish.

This year saw the successful creation of the Planning and Environment Decisions Wales for the Welsh Government. We will work closely with the new organisation, wishing former colleagues well.

## Continuing to prepare for the future

We have a new [Strategic Plan](#) which has three core strands: customer, people, and data and digital. These will help us provide customers with high quality, timely and efficient services. They will also drive our contribution to the delivery of the United Nations Sustainable Development Goals and Civil Service Reform. The future of the planning system will be both digital and integrated, requiring us to upskill our workforce. We will strive to make it easier for customers to access their digitalised services. A group of Local Planning Authorities have piloted accessing the services digitally. You can read more in this [case study on page 32](#).

People are critical to our national contribution and there is a fight for talent. We have developed our first Strategic Workforce Plan for operations and Inspectors. We have a responsibility to contribute to the talent pool through developing the skills of our people and attracting a diverse workforce. This year, 9 apprentices, and 42 new inspectors joined the organisation. We have worked to improve diversity and inclusion, drawing upon the lived experience of colleagues through its employee networks, allowing their voices to be heard. We have also focused on health and safety and wellbeing. Inspectors often undertake their work remotely and alone so we have refreshed how they can do this safely. The pandemic underlined the need to address stress management and risk assessments.

In October, we adopted our first Environmental Policy and next year will deliver on the resulting action plan. We are continuing to develop our future operating model to ensure it improves the customer experience in a sustainable way.

A key role for the Board is to ensure the proper stewardship of public funds. Once again, we have received a clean bill of health from our auditors. Looking forward, the Board will continue to take assurance that we operate in a way that delivers our purpose effectively and efficiently and delivers the strategic change required to achieve our vision.

On behalf of myself and my fellow Non-Executive Directors, I would like to thank Sarah Richards and her Executive team for their skilled and tenacious leadership of the organisation and all its people for going that extra mile.

**Trudi Elliott**

**Chair of the Planning Inspectorate Board**

# Chief Executive's Statement

**The impact of the COVID-19 pandemic continued to loom large in our actions this year. I am very proud of how our people absorbed these impacts and continued to focus on service provision.**

## #Keepingcaseworkmoving

Through our use of technology, planning effectively for the future, focused resource management and robust decision making we kept casework moving through the COVID-19 pandemic. Overall, the speed of decision making for our appeals service is now steady, and in some areas has improved. We have focused our efforts on the areas that are key to the economy. These are often cases heard by inquiry and hearing, and ones with a direct impact on local communities, such as enforcement appeals. For those cases, our performance has returned to pre-pandemic levels. The Rosewell recommendations are mainstreamed in our inquiry work and we are now rolling these out into hearings. This is a notable achievement as there has been a significant rise in the number of inquiry and hearing cases this year. The way we measure and report our performance has changed this year. The new measures give our users the information they told us they want.

We have continued to meet statutory targets when delivering our applications service, with the exception of an extension for the Sizewell C application. This is another notable achievement given the increasing complexity of, and public interest in, these projects. Our examination of Local Plans has continued throughout the year with submission rates slowing from the previous years' average.

Over 50 new Inspectors and planning apprentices have joined the Inspectorate and supported the delivery of our performance. We are becoming a customer centric organisation through the improvements we are making to our digital services. Customers will experience a more straightforward and user-friendly online interface as our new services go live.

It was with a mix of sadness and pride that on 1 October 2021 we seamlessly transferred our team based in Wales to the Welsh Government. The transfer project was successful, and we now work closely with the new Planning and Environmental Decisions Wales service.

We focused on building a more inclusive and diverse Planning Inspectorate. Cultural change doesn't happen overnight, but the building blocks are now firmly in place. The gender pay gap in the Inspectorate has always been a matter of concern for me and is also something that will take time to change. This is particularly noticeable in the Inspector groups. The good news is that we are appointing more women to senior roles, and this will feed through to narrowing the gap in the coming years.

The past year has been challenging from a financial position and we finished the year with an underspend. This was due to the volatility of our income, the continuing impact of lockdown measures on our people, and to over optimism about filling vacancies when the employment

market has become very competitive and about the pace of delivery for our change projects.

## Getting ready for the future

Like many organisations, the way we work will be permanently changed by the impact of the pandemic. We are using the experience we gained to plan for the future. For example, we will use technology to enable hearings and inquiries that are flexible and inclusive of the variety of needs of those involved. This moves us away from a complete reliance on face-to-face methods. We are also planning to offer our staff more choice about where and how they work. It will take time for the full impact of these changes to be felt but we are in a good position to embrace opportunities.

In preparing the Planning Inspectorate for the future we also know that the planning system is changing. The Levelling Up and Regeneration Bill was a focus of the Queen's Speech and will set us challenges and opportunities as it brings about planning reform. Those changes will impact on our services over the coming years, as we work closely with Local Planning Authorities to level up communities across the country. We have been putting in place a robust and flexible base that will adapt to changes in policies once the reforms are launched. Through those changes, our focus will remain on improving customer experience. This goes beyond improving the timeliness of our decision making and is underpinned by our work to create accessible public digital services. We have made good progress this year: part of our appeals service is live and the first pilot for our application service went live in April 2022. We expect users to be able to use full digital services for Appeals and Applications by March 2023. We will develop a digital service for examination once we understand how we will interact with Local Planning Authorities and communities as part of the planning reforms.

I am very proud of the people at the Planning Inspectorate and how they have continued to run good public services, making a difference in places and for people, in what has been a very disrupting and challenging time.

**Sarah Richards**

**Chief Executive, Planning Inspectorate**



# Our stakeholders and customers

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



## Our customers

We have a varied group of customers across our appeals, applications, and examinations services. Our customers include Local Planning Authorities for examinations, appellants and planning agents for appeals, and applicants (including government departments) for applications. Our work also serves local residents, developers, landowners, statutory consultees and special interest groups as well as a diverse mix of stakeholders, described below. We are deepening our understanding of our customers' needs and expectations to align our services to them. This year we have been putting foundations in place to move towards being a more customer focused organisation. A key part of this work was to develop our Customer Strategy. The strategy sets out our ambitions to continuously improve our customers satisfaction with, and experience of, our services. With our Customer Strategy now in place, we can begin to deliver the actions that will realise the noticeable improvements in service and experience we aspire to.

## Our stakeholders

We know the importance of good stakeholder relationships, and the benefit they can bring to the Inspectorate. In addition to our customers, our key stakeholders include: ministers and officials at the Department for Levelling Up, Housing and Communities and other governmental bodies, Local Planning Authorities, communities, professional bodies, and news and trade media.

Engaging with our stakeholders and keeping them informed about our activities, successes and challenges is important to us. Over the summer, we conducted research with the Royal Town Planning Institute, consulting a cross section of stakeholders on the direction of our Future Operating Model for Events to complement the research and engagement with our people. This work aims to establish a long-term sustainable model for running hearings and inquiries, building on the learnings from the pandemic and incorporating the benefits of running events virtually and in person. The findings have helped us to understand the potential impacts on stakeholders and shape the design of the model.

In the autumn, we launched our refreshed corporate identity, making no changes to the Planning Inspectorate logo, but bringing in a suite of new images, colour palette and fonts. This builds on the 'flagship' corporate film we released last year that summarises our roles and responsibilities. Since launch it has had just under 7,000 views. Our self-assessment rating against the communication functional standard is 'good'.

## Our interactions

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

# Our statutory framework in England

**Our work is bound by a statutory framework. Acts of Parliament set out most key rights within the planning system.**

## Our part in the planning system

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

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

## The big three

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

- The Planning and Compulsory Purchase Act 2004  
Covers the Local Plans system, as well as the statutory duty "to determine planning applications and appeals in accordance with the development plan, unless material considerations indicate otherwise."
- The Town and Country Planning Act 1990  
Covers the right to appeal for planning, enforcement, and lawful development certificate cases, as well as our ability to determine the procedure for a variety of case types.
- The Planning Act 2008  
Covers the consenting regime for Nationally Significant Infrastructure Projects.

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

## The rules and regulations

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

## Our statutory duties

The statutory framework ensures the fair operation of the planning system. But we also carry out other statutory duties, such as those under the 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.

## Environment Act 2021

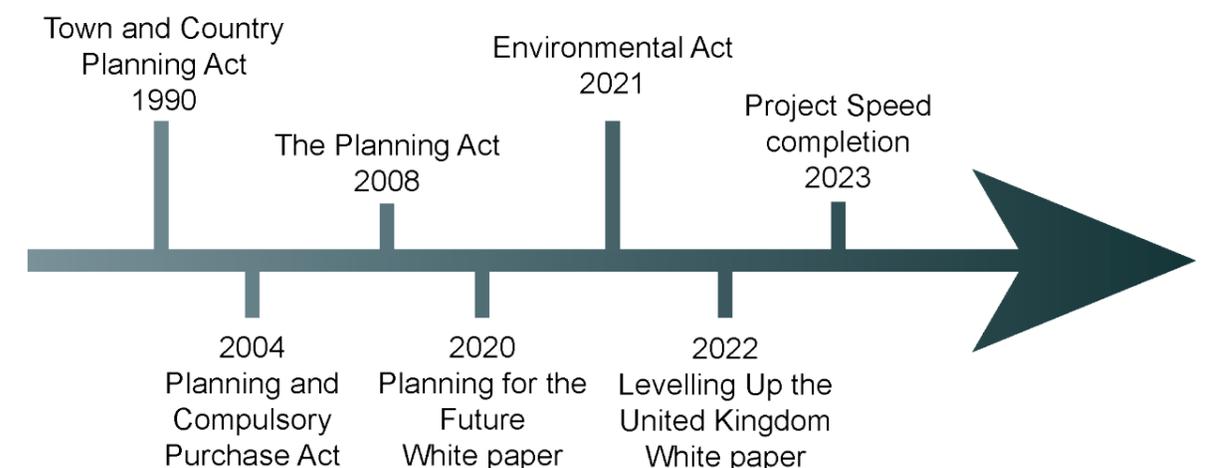
In November 2021, the Environment Act 2021 became law. It made provision for a wide range of measures, many of which apply to planning. Some of those measures are now in force while many others need secondary legislation and/or consultation on aspects of policy development. We are monitoring that process to ensure we are aware of, and ready for, the changes when they happen.

## Project Speed

Project Speed is a government-led initiative that aims to improve the process for Nationally Significant Infrastructure Projects. It challenges stakeholders to remove barriers and work faster together within the current framework of the Planning Act 2008. We are on track for significant system change by September 2023, with some improvements available earlier.

## Planning for the Future and Levelling Up the United Kingdom

Proposals to reform the planning system, including local plans, were set out in the 'Planning for the Future' (2020) and 'Levelling Up the United Kingdom' (2022) White Papers. The government will make legislation for the changes it decides to pursue. Whatever changes come forward we will ensure that we are ready for them, and that we continue to operate within the statutory framework in the interests of all those involved in the planning system.



# Our risk profile

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

## Strategic risk management

We actively manage our strategic risks to make best use of public money, maximise our performance and achieve our objectives. Each strategic risk is owned by a member of the Executive Team who assessed it using a five-by-five scoring matrix. We rate the impact by considering the consequences of the risk. We rate the likelihood by considering the probability of the risk to materialise. Each risk is categorised and the risk appetite is agreed. The risk appetite statement defines the level and type of risk exposure we will tolerate to achieve our strategic vision. The Executive Team are responsible for setting the risk appetite and will draw upon the risk appetite statement when managing the strategic risks, see page 77. Periodically the effectiveness of our Risk Management process and internal control is reviewed by our Internal Audit service provided by the Government Internal Audit Agency. No significant weaknesses have been found as summarised in the Internal Audit section on page 79.

## Our risk profile through 2021/22

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

Our current risk profile shows that the scores for all our risks are between 12 and 16. There has been movement in the scores throughout the year. However, when comparing the scores as at 31 March 2021 and 2022, only one risk score differs. Five of our strategic risks have been closed and five new risks have been added to the register, demonstrating ongoing review of the relevance of the risks and effectiveness of mitigations.

Table 1. Risk profiles

| Risk ID | Risk title  | Risk category                     | Risk appetite | Score in March 2021 | Score in March 2022 |
|---------|---|-----------------------------------|---------------|---------------------|---------------------|
| S11     | Data Protection   | Compliance, legal, and regulatory | Averse        | 12                  | 12                  |
| S12     | Failure to embed changes                                | Operational delivery              | Receptive     | 16                  | 16                  |
| S13     | Failure to manage stakeholders                          | Reputation & credibility          | Minimalist    | 12                  | 12                  |
| S14     | Planning Reforms  | Reputation & credibility          | Minimalist    | 16                  | 16                  |
| S15     | Impact of national infrastructure applications          | Operational delivery              | Averse        | 16                  | 16                  |
| S16     | Health, Safety and Wellbeing                            | People                            | Averse        | 12                  | 16                  |
| S18     | Ability to react to and be prepared for external change | Operational delivery              | Cautious      | New risk            | 12                  |
| S19     | Not meeting operational performance expectations        | Reputation & credibility          | Minimalist    | New risk            | 16                  |
| S20     | Long term operational model not sustainable             | Reputation & credibility          | Minimalist    | New risk            | 12                  |
| S21     | Future Skills   | People                            | Eager         | New risk            | 16                  |
| S22     | Value and quality of data                               | Reputation & credibility          | Minimalist    | New risk            | 16                  |

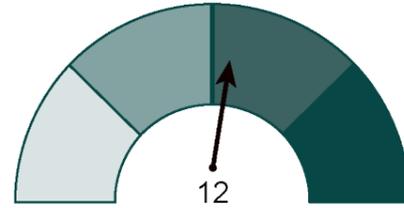
## S11 - Data protection

The lack of robust controls and an immature culture of data governance could lead to a data breach.

**Change in scoring** - no change.

### Mitigations delivered in 2021/22

- Provided an e-learning package with bespoke training to all staff.
- Appointed and trained information owners and information expert roles. Ensured accountability is understood.
- Rolled out Staff and Recruitment Privacy notice and developed the Casework Privacy notice.
- Implemented information management system to identify and manage areas of risk.
- Identified area of risk when information is shared without redaction.



### Future mitigations

- Ensure Data Protection Impact Assessments are in place for processes that have a high risk of personal data breach.
- Implement redaction policy to ensure information is redacted prior to publication.
- Put data sharing agreement in place with our stakeholders.
- Improve our record retention policy and practices.
- Deliver bespoke data protection training for Inspectors.

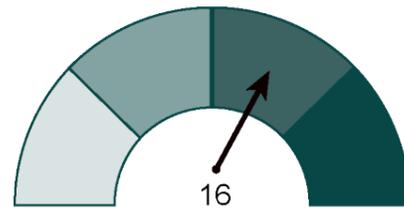
## S12 - Failure to embed changes

Due to limited capacity and capability, the Inspectorate's digital public services may not be fully operational or provide enough value to customers and taxpayers.

**Change in scoring** - no change.

### Mitigations delivered in 2021/22

- Appointed digital client-side advisers to support senior leadership on critical decisions and to provide assurance of the development of the digital services and project delivery.
- Appointed additional digital suppliers to increase capacity and capability in critical data and digital expertise area.
- Defined the long-term capacity and capability needed to develop the services and secured funding to meet those needs.



### Future mitigations

- Use funding secured to develop capacity and capability in the Inspectorate.

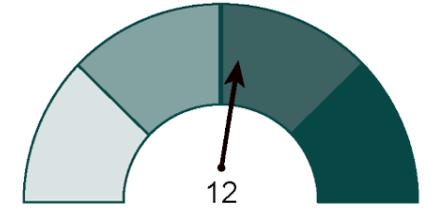
## S13 - Failure to manage stakeholders

Failure to manage stakeholder and customer relationships and communications or a badly handled error could impact our reputation.

**Change in scoring** - no change.

### Mitigations delivered in 2021/22

- Monitoring of customer contacts through a new customer service desk tool.
- Captured and used insights generated by media monitoring system.
- Monitoring customer feedback through a variety of methods.



### Future mitigations

- Develop a stakeholder management tool to gather intelligence used to safeguard the Inspectorate's reputation.
- Build effective continuous improvement approach to promptly act on insights and improve customer experience.

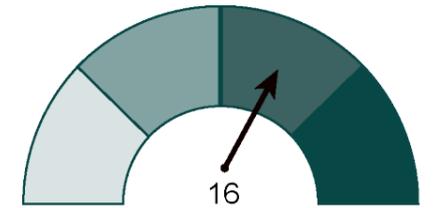
## S14 - Planning for the Future and Project Speed

Uncertainty, lack of resources, capacity and skills could delay or prevent the implementation of the changes triggered by Planning for the Future and Project Speed.

**Change in scoring** - no change.

### Mitigations delivered in 2021/22

- Worked with the Department for Levelling Up, Housing and Communities to complete Project Speed consultation.
- Trialled several innovations on a pilot project to provide enhanced pre-application advice to applicants and stakeholders.
- Assessed the potential to expand successful innovations to similar application cases.



### Future mitigations

- Expand new enhanced pre-application advice to application cases in selected sectors (for example offshore wind and solar).
- Work with the Department for Levelling Up, Housing and Communities to assess legal and policy changes and their impact on our digital services.
- Engage with Local Planning Authorities, customers, and stakeholders to prepare for changes.
- Get our systems and workforce ready to implement changes.
- Develop a programme to increase planning and environmental skills resource available to the planning system.

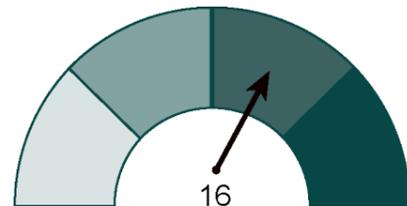
## S15 - Impact of Nationally Significant Infrastructure Project applications

The submission of a single, large, complex, high-profile and controversial application, or overlapping of several smaller cases, could surpass our capacity to deliver.

**Change in scoring** - no change.

### Mitigations delivered in 2021/22

- Improved the application process by increasing the capacity to accept comments about large projects.
- Engaged stakeholders to improve forecasting, modelling and resource allocation.



### Future mitigations

- Increase the number of Inspectors and their experience.
- Continue the delivery of the digital application service and [Project Speed](#).

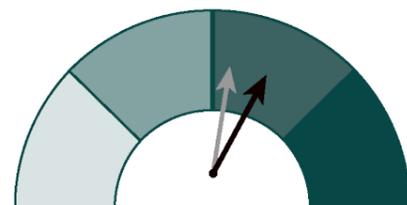
## S16 - Health, safety and wellbeing

Failure to address health, safety and wellbeing could result in a major accident, incident, near miss or ill health.

**Change in scoring** - The increase in scoring reflects our improved knowledge about the risk, rather than a change in circumstances.

### Mitigations delivered in 2021/22

- Set the vision and ambitions for health, safety and wellbeing.
- Reviewed mandate and changed membership of the Health and Safety Committee to improve direction setting and positively influence our culture.
- Managed and mitigated key health and safety risks (lone working and personal safety, risk assessment and stress) through working groups and training.
- Implemented a learning pathway for our people.



From 12 in April 2021 to 16 in March 2022

### Future mitigations

- Continue to monitor and respond to the COVID-19 pandemic.
- Implement a protection system and processes for lone working and personal safety.
- Embed practice to routinely carry out risk assessments as standard for employees and managers to reduce exposure.
- Improve the organisational capability to manage stress.
- Review, improve and ensure implementation of policies to ensure employee's health, safety and wellbeing.

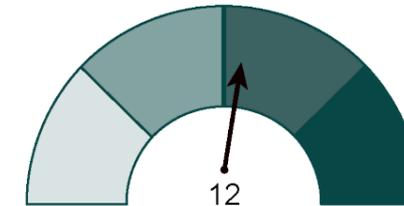
## S18 - Ability to react to and be prepared for external change

Lack of intelligence analysis leads to failed identification of external changes and misinformed strategic direction which would negatively impact on our customer service.

**Change in scoring** - This is a new risk.

### Mitigations delivered in 2021/22

- Designed a horizon scanning capability.



### Future mitigation

- Increase internal skills and establish a network for capturing intelligence so we are able to make informed decisions and set strategic direction.

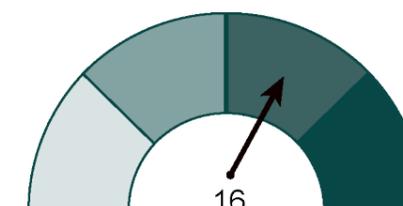
## S19 - Not meeting operational performance expectations

The mismatch between demand and insufficient operational resource could lead to not meeting customer expectations and increased uncertainty and cost for the planning system.

**Change in scoring** - This is a new risk.

### Mitigations delivered in 2021/22

- Continuous improvement of recruitment cycle.
- Development of digital services.



### Future mitigations

- Increase flexibility of case allocation to Inspectors across all services.
- Broaden the pool of candidates and improve the inclusivity and effectiveness of our selection process to increase the number and diversity of Inspectors joining.
- Improve the retention of new Inspectors by clearly setting out expectations with potential candidates and improving training of new joiners. Enable leavers to join as a fixed term employees.
- Improve the effectiveness of our internal processes by automating our digital services and recruiting apprentices.



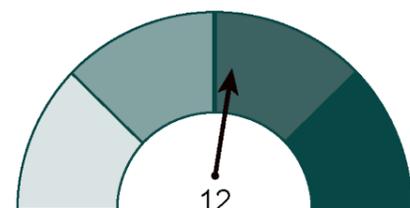
## S20 - Long term operational model not sustainable

Customers' and stakeholders' behaviours, insufficient funds, and limited skilled resource could lead to no meeting customer expectations and increased uncertainty and cost for the planning system.

**Change in scoring** - This is a new risk.

### Mitigations delivered in 2021/22

- Developed future operating model for events, based on what we learnt doing virtual and blended events.



### Future mitigations

- Identify and analyse what changes could be made across the planning system to speed up the appeal service and make recommendations to the Housing Minister.
- Identify and analyse how changes to stakeholders' behaviours could speed up the appeal service and make recommendations to the Housing Minister.



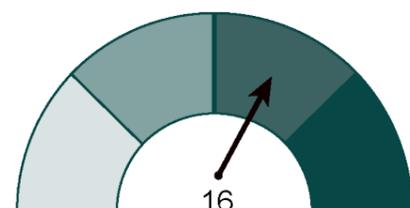
## S21 Future Skills

Failure to identify future capability requirements, could put at risk the delivery of the Strategic Plan resulting in the workforce not having the capabilities to adapt to new ways of working.

**Change in scoring** - This is a new risk.

### Mitigations delivered in 2021/22

- Embed strategic workforce planning function.
- Design the Strategic Workforce Plan for Operations.



### Future mitigations

- Implement the Strategic Workforce Plan.
- Identify critical roles and put in place succession plans.
- Set up career pathways for professions across the Inspectorate.



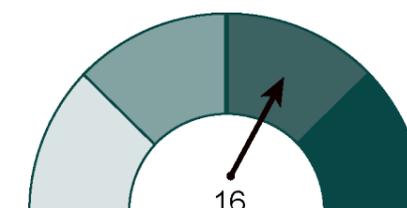
## S22 Value and quality of data

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.

**Change in scoring** - This is a new risk.

### Mitigations delivered in 2021/22

- Developed policies and standards on data quality.



### Future mitigations

- Within documents, identify the data used to support decision making.
- Add data quality integration as a control when implementing changes to our processes.
- Reduce duplication and improve quality by identifying core data used across different services.
- Enable data integration to move information more easily across systems by putting in place an operational data warehouse.
- Work with stakeholders in the planning system to create and ensure compliance with data principles, standards and guidelines.

### Risks closed

The five strategic risks that we closed this year are:

- S1 Capability and capacity and S7 Change in the organisation were closed, as the risks were merged into risk S21 on future skills.
- S2 Horizon scanning and resource planning was closed, as the risk was reframed under risk S18 Ability to react to and be prepared for external changes.
- S3 Change projects benefit realisation was closed as the risk was combined with S12 Failure to embed changes.
- S4 Operational Performance was closed, as the risk was reframed under risk S19 Not meeting operational performance expectations.
- S17 Missing opportunities to improve customers' experience was closed, as the user research completed as part of the development of Digital Public Service identified opportunities to improve customer's experience. The process to realise those opportunities is an objective in our customer strategy.



# Our organisation

**Building on what we learnt when working through the pandemic, we are now preparing for the future: creating a modern workplace that supports the wellbeing of our people, maintaining our engagement and improving our inclusivity.**

## Organisational design

We have continuously improved the organisational design we implemented in the previous year. Ninety-six people were recruited externally and 91 of our people were promoted. Almost 84% of our people are Inspectors or involved directly in the delivering of our services.

In October 2021, our Welsh Team were transferred to Welsh Government, and 46 planning professionals and their support teams were transferred from the Inspectorate.

## Future ways of working

At the same time as managing the impacts of the ongoing pandemic, we have established a programme of work that ensures we have a modern workplace that meets the needs of our people in a sustainable way and allows us to attract and retain talented individuals. This year, we have identified the kind of workplace we want and need. One that offers flexibility to our people and our teams, promotes collaborative working and continually improves the way we deliver our services to our customers. We have started to work on delivering this, focussing on three areas: our people and policies, our estates and equipment and developing our leaders.

## Strategic workforce planning

We have started to develop our strategic workforce planning, giving us the best chance of ensuring we have the skills we need to keep meeting our customers' needs and to deliver our [Strategic Plan](#). Strategic workforce planning is the process of looking at what roles, capabilities and skills an organisation might need, or no longer need, for the coming years. We have started with our two largest professions, Planning Inspectors and Operational Delivery. We are looking five-years ahead, assessing what changes might come in that timeframe and what the impacts might be for our people. We may need some new roles, some roles may need to adapt, and we may need fewer roles in some areas. If we get things right, colleagues will be able to learn and adapt gradually over the next five years to meet the changing demands of their roles. By looking at this routinely as an organisation, we will reduce the need for large-scale organisational capability exercises in the future.

## Health, safety and wellbeing

We have reflected on the lessons learnt throughout the pandemic of the challenges faced by our people as they balance work with caring responsibilities. We also recognised that the people who carry out site visits are frequently working in communities, often on their own. We have established a programme of work to make improvements across our organisation. This programme will focus on three areas: lone working and personal safety, risk assessment and stress. We have already started with the delivery of lone working training to Inspectors and the mandated use of a lone worker system. We have also offered every line manager the opportunity to attend training by the charity MIND about improving our people's mental health.

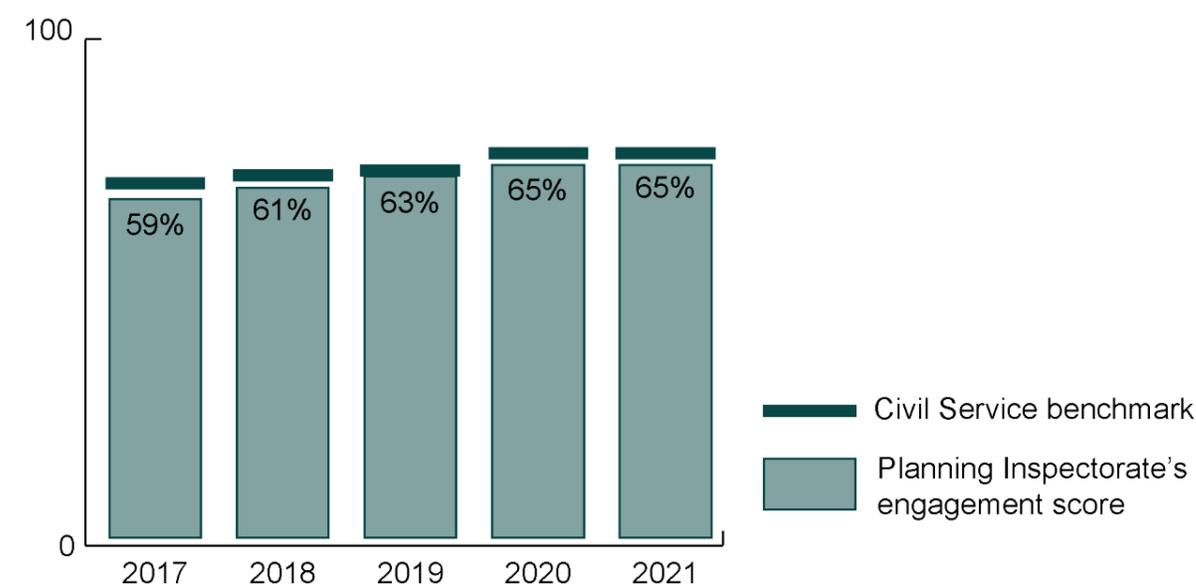
## Learning and Development

In 2021, we started the process of modernising and developing a consistent approach to learning across our organisation. The pandemic continued to challenge traditional methods of learning, and we have brought greater innovation to delivery methods. We have met emerging learning needs, established our approach and set our central learning resource key objectives, which underpin our People Strategy and [Strategic Plan](#).

## Engagement

Our people engagement score in 2021 was 65%. This result equals our 2020 score, which was our best over the previous decade. We remain one percentage point behind the Civil Service benchmark. This result underpins the improvement trend that started in 2015, when our engagement score was 56%. We saw improvement in the results for our 2020 focus areas of leadership and line manager development and Equality, Diversity and Inclusion. Our focus areas for 2022 are to continue investing in developing leaders and line managers, and on developing our professions, with a specific focus on skills and opportunities for career development.

Graph 2. Civil Service survey engagement





# Equality, Diversity and Inclusion at the Planning Inspectorate

**We are continuing to drive our approach to improve equality, diversity and inclusion for our people. This means we are progressively adopting a better perspective to the way we approach everyday business.**

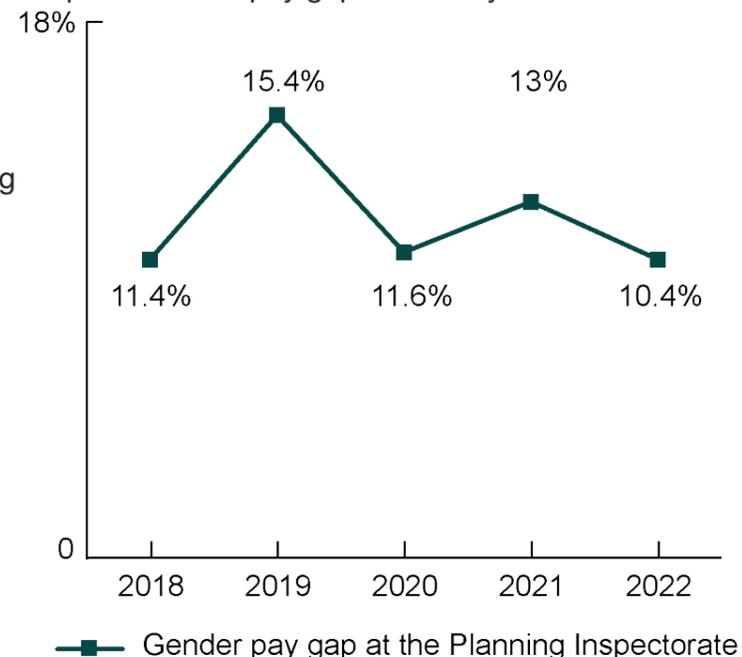
## Diversity of our customers

We do not routinely collect information on the personal characteristics of appellants (gender, disability, age or ethnicity). This is to avoid the perception that this information could influence our decisions, to reduce the amount of information appellants are required to provide, and to ensure that data protection principles are adhered to. This approach means that all groups receive the level of service needed. Ideally, we would be able to analyse all areas of our performance and be confident that there are no groups getting a different level of service. The fact that we are unable to produce this analysis is regrettable, and we will seek alternatives to getting this assurance.

## Our gender pay gap

The pay gap reported as at 31 March 2022 was 10.4% at the mean. The current gender pay gap has decreased by 2.6 percentage points since the last report in 2020/21. Closing that gap is one of the priorities set by the Department for Levelling Up, Housing and Communities. We are committed to implementing short-term and long-term plans to address current pay gaps. We have undertaken thorough analysis of our workforce and structure to understand the reasons it exists. We are confident that we have robust plans and actions in place to further address the gap. Like other professions and industries, we are working to improve our gender balance and rewards but it will take time to correct gender imbalances created in the past.

Graph 3. Gender pay gap over five years



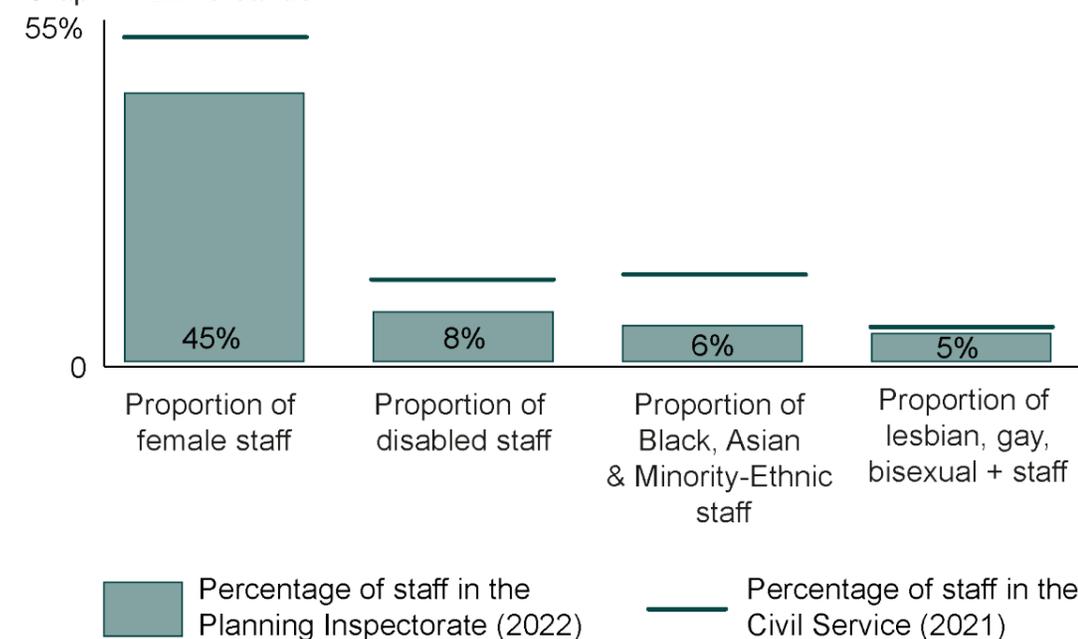
## Focus on Equality, Diversity and Inclusion

The Public Sector Equality Duty requires organisations to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act. It requires us to, advance equality of opportunity between people who share a protected characteristic and those who do not, and foster good relations between people who share a protected characteristic and those who do not.

We have published our objectives that relate to our [Public Sector Equality Duty](#) on our website. Currently, our objectives focus on fulfilling the duty with respect to our people. We will look to broaden this to include our customers in this coming financial year.

In October 2021, we published an analysis as part of a statistical release about the characteristics of our people. The aim of this analysis is to increase our transparency and accountability to our customers, stakeholders and the wider public, by providing reliable information about the diversity of our people. It also helps us identify initiatives that can be targeted to attract and retain people for certain professions. For example, we found that being in the Planning Inspector profession was a relevant factor for the overall diversity of our workforce. This was found to be the case for age, disability, ethnicity, sex, religion and working pattern. Other professions in the Inspectorate had greater levels of diversity within them. For that reason Inspector recruitment and the planning talent pipeline are key areas for us to improve in order to become more diverse. We will routinely update and publish this analysis, which will enable us to track the impact of our initiatives.

Graph 4. EDI breakdown



# The creation of Planning and Environment Decisions Wales

## Work on the Welsh Government project to establish a separate appeals body for Wales culminated in the creation of Planning and Environment Decisions Wales

The project to set up a Welsh appeals body gathered momentum early 2021/22. The date for the launch of the new service was set and a new name was chosen: Planning and Environment Decisions Wales.

Planning Inspectorate Wales kept our stakeholders informed on the progress of the project through frequent updates in articles in RTPI Cymru magazine, 'Cynllunio' as well as conference appearances and training events by the Head of Wales. A virtual stakeholder event about local development plans for local planning authority officers was held and well received.

The project was headed by a Welsh Government Project Board. The Board covered four work-streams: staff related matters, IT systems, data transfer and records management, and finance.

In parallel, the Planning Inspectorate also set up a change project to manage, monitor and deliver its own activities in relation to the creation of the new body.

### Prioritising our people

Our people's wellbeing has been our priority throughout the pandemic and this continued to be the case in the final stage of the project. Everyone had to make a choice regarding their Employment Terms and Conditions, participate in the change projects as well as deliver their usual tasks. Communication and engagement were vital to support them through a very uncertain time. Their roles were evaluated to ensure correct grading when transferred from the Planning Inspectorate to the Welsh Government. A consultation forum was created to debate and agree the terms and conditions offered. The Welsh Government created and recruited the role of Chief Planning Inspector and an indicative structure was agreed.



**Penderfyniadau  
Cynllunio ac  
Amgylchedd Cymru**

**Planning &  
Environment  
Decisions Wales**

### Our services during the transition

To facilitate the transfer of data and records from the Planning Inspectorate to the Welsh Government, it was necessary to freeze access to our casework management system and the Appeals Casework Portal in advance of the launch date. This impacted our customers as they were not able to access their cases, submit documents or new appeals via our portal for several weeks. The quality of our service in the last month suffered as a result.

By calling on the assistance of local planning authorities and working with them, Planning Inspectorate Wales found alternative ways to progress live case work. Customers were able to view appeal documents made available on local authorities' websites.

Working in compliance with lockdown measures, Inspectors continued to carry out site visits and virtual events were held more frequently.

### Performance data between April and September 2021

Planning Inspectorate Wales didn't receive or issue any local development plans from local authorities during those six months. They received 15 applications for Development of National Significance and issued four reports, all in line with the Welsh ministerial target.

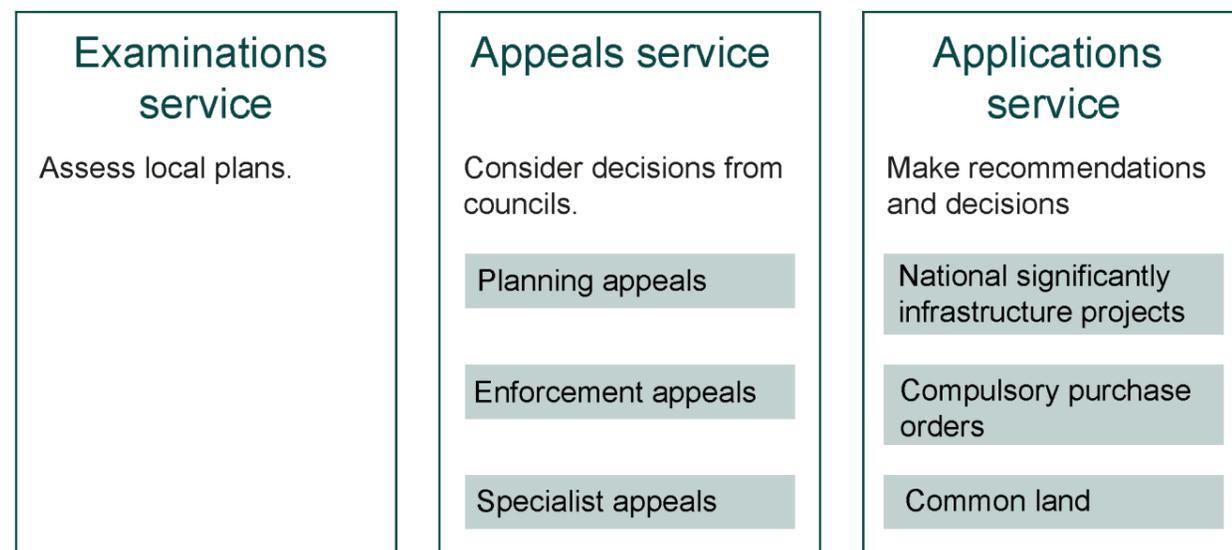
Performance for the appeal service is broken down by appeal type and procedure type:

- In total Planning Inspectorate Wales decided 235 planning appeals: 231 through written representations and four through hearings and inquiries.
- For written representations, 92% of decisions were made in line with the ministerial targets.
  - The mean decision time for the most common type of appeals, householder and minor commercial appeals, was around 7 weeks.
  - The mean decision time for the other planning appeals was around 13 weeks.
- For hearings and the inquiries, the ministerial targets were not met.
- The mean decision time for hearings and inquiries was about 16 months.
- In total Planning Inspectorate Wales decided 14 enforcement appeals: 11 through written representations and three through hearings and inquiries.
  - For written representations, 91% of decisions were made in line with the ministerial targets.
  - The mean decision time for written representations was 12.5 weeks.
  - For hearings and inquiries, only one out of three decisions was made in line with the ministerial targets.
  - The mean decision time for the hearings and inquiries was about 13 months.

Information regarding performance since October 2021 will be available as part of the consolidated Welsh annual report once it is published.

# Our three public services

**Across our services, our independent Inspectors decide cases and make recommendations in an open, fair and impartial way. This means that 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.**



## Our services in Wales

The Welsh Government's commitment to delivering sustainable development is underpinned by local development plans. They contain the strategy, policies and allocations to address key issues in an area, based on robust evidence. From April to September 2021, we examined those plans to ensure they will provide a solid base to support decision making once they are adopted. During the same period, the Planning Inspectorate decided appeals in Wales and made recommendations regarding National Significantly Infrastructure Projects and Developments of National Significance in Wales. From 1 October 2021, those services were transferred to Planning and Environmental Decisions Wales, part of the Welsh Government.

## 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.

## Appeals service

Local Planning Authorities can refuse planning and related applications, and they can fail to make a decision in time, or give you an enforcement notice requiring you to do something or stop doing something.

The Inspectorate is here if you want someone independent to re-consider the decisions from councils. 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 specialist work including:

- Tree preservation order works, hedgerow removal and anti-social high hedge appeals.
- Public rights of way such as when proposals include changes to access rights to the network or when there are objections to a new right of way.

## Applications service

### National Significantly Infrastructure Projects

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

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

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

### Common land

We also decide other applications for government, like applications for work on common land. Common land has a long history based on ancient rights under British common law and remaining common land is now publicly accessible.

### Compulsory purchase orders

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.

## New ministerial measures

The Minister agreed new measures for appeals which focus on what matters to customers. They focus on us making faster decisions, becoming more consistent in how long our decisions take, being open about how many cases we quality assure and supporting customers so that their appeals are valid when submitted. Targets for local plans, national infrastructure and DEFRA work have not changed.



# Innovation and change

**Proactively preparing for future changes to the planning system, the way we work, and keeping up to date with new ways, methods, and technology are all key to ensure we deliver a good services with best value for money**

## Innovation

Our Vision focuses on providing our customers with high quality, timely and efficient services. In last year's Annual Report, we talked about the activities undertaken to become a more agile organisation. One of these activities was establishing capabilities in innovation.

Our innovation agenda has developed over the last year. Our innovation function enables us to test riskier ideas and apply more creativity in our problem solving. We have an agreed approach to innovation and a framework that supports the innovation process. We have strategic focus areas for innovation: maintaining an appropriately skilled and trained workforce, and transforming how we work through digital automation. Our focus areas set the boundaries for innovation, ensuring we are working in the right areas to deliver most value in line with our [Strategic Plan](#).

We have taken our first step in creating a balanced innovation portfolio that focuses effort on:

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

Our current innovation portfolio tests ideas that have the potential to deliver varying degrees of impact. From lower-level incremental improvements, through to transformative new ways of working.

One of our innovation projects is helping us explore whether technology has the potential to provide a consistent and systematic approach to categorise and organise representations. Representations are written evidence from parties who wish to make a comment about a case. Cases are often very high volume, and we want our people to be able to focus on high-value activity, making best use of their skills and professional judgement. We have partnered with a technical expert to assess whether artificial intelligence can be the right technology to address our needs. This would support our decision-makers by reducing the time it takes to identify and assess the issues.

This example highlights how by transforming the way in which we work through digital automation, we can become more efficient in what we deliver, so we can focus on what matters most – quality decision-making.

Once innovative ideas have been tested and approved for implementation, they are delivered through our Change Portfolio. Through this function we control the pace of change across the organisation. We adapt to the changing political landscape, provide improved customer

experience and support our people's growth. The Department for Levelling Up, Housing and Communities is monitoring the business cases and funding approval for some of these projects. This is due to their high profile and high value.

## Change Portfolio in 2021/22

In 2021/22, we delivered a number of changes, some of them have been mentioned throughout this Annual Report:

- We successfully planned and delivered the project to support the creation of Planning and Environment Decisions Wales. We pulled together expertise from across the Inspectorate to ensure appropriate, timely and considerate engagement with the people impacted and the secure transfer of the intelligence and data.
- As mentioned in our strategic risk 'S11 - Data protection', we delivered a large volume of change in the way we manage our data. We ensure that everyone understands their responsibilities, and that we have processes and systems in place to ensure our compliance with regulations.
- We introduced a new Customer Service Desk system. The aim of this project was to ensure that queries are logged and responded to more quickly. You can read more about the impact of this change in '[Our Customer Service](#)'.
- As mentioned in '[Our stakeholders and customers](#)' we used our learning from the way we worked virtually during the pandemic to design a Future Operating Model for events.
- During the last year, we have developed our ability to use system wide techniques to support Continuous Improvement. This has already delivered improvements in some areas of our service delivery. In the coming year we plan to use those same techniques on more areas across the Inspectorate.

## Change Portfolio in 2022/25

Our 2022/25 Business Plan sets out how we are going to deliver our [Strategic Plan](#) through a series of activities and projects. Some key projects have already started:

- Two projects on Planning for the Future and Project Speed aim to deliver governmental ambitions.
- The case study on the next pages describes the work we are doing to improve our appeal service and our application service.
- We have a programme of works to improve our Health, Safety and Wellbeing, as described in strategic risk 'S16 - Health, safety and wellbeing'.
- As mentioned in our Chief Executive's opening statement, we are looking at how we can support our people to work flexibly, either from home, the office or both.
- As part of that, we will transition to a new office environment. This will be smaller and better designed to support our needs with technology and services to enable us to communicate with our customers and colleagues in the best way possible.
- We will continue to introduce new systems to our Human Resources and Financial services.



# Digital Public Services - case study

## Our biggest change initiative centres on the appeals service and the applications service.

### The appeals service

Our appeals service includes multiple types of appeal, see page 42, and we started this work by focusing on the most straightforward type: householder appeals. Those are submitted by householders after their development permission has been rejected by their Local Planning Authorities.

We started our change project with user research, using it to develop a digital service prototype. That prototype was tested by users and we used their feedback to improve the functionalities and design. In May 2021, the service was assessed by Government Digital Services and they approved its launch as a 'Public Beta'. This allowed us to start receiving real householder appeals as we improve the system further based on users' feedback. We have been working with a few local planning authorities to direct appellants to this new service.

We have also reviewed the information we send to customers about their appeals, to clarify the information we need and how our process works. We have also improved the content we publish on GOV.UK, so that prospective customers can get clear information and make the decision that is right for them.

In 2022/23, we will increase the use of the householder appeals service by making it available on GOV.UK for appeals within the trial local authorities areas. Then we will expand our digital service to cover other local authorities areas and additional types of appeal, beyond just householders. Further work will also include appeal questionnaires, submission of interested parties comments, document sharing and a 'track my appeal' feature.

### The applications service

This change project aims to make applications for Nationally Significant Infrastructure Projects easier, faster and more cost effective. This project also started with user research. We are very grateful that 200 professional and non-professional service users have given their time and insights through various research methods. This includes one-to-one interviews, usability testing of potential website ideas and card sorting to allow us to understand how information is best grouped and labelled.

What did we learn?

- The application process for nationally significant infrastructure projects is complex and difficult to understand for first time users. They are unsure of what to expect and are unfamiliar with the technical, formal language.

- Users have difficulties finding and understanding information relating to the concerns of members of the public.

Harnessing users' insight we developed a digital service that was assessed by the Government Digital Services and passed the Alpha Assessment in September 2021. Since then, we have been developing a modular approach for nationally significant infrastructure project applications. We anticipate that users will be able to experience the first elements of the new service as part of a pilot project starting from April 2022. We are looking forward to receiving feedback on our new and improved user journey. We will use it to make improvements prior to a wider roll out of the service.

|                     | 2020/21  | 2021/22  | 2022/23   |
|---------------------|--|--|---|
| Appeal service      | <p>Conducted user research</p> <ul style="list-style-type: none"> <li>↳ Developed a digital service prototype</li> <li>↳ Prototype tested by users</li> <li>↳ Improved functionalities and interface</li> </ul> <p>Assessed by Government Digital Services</p> <ul style="list-style-type: none"> <li>↳ Approved as Alpha prototype</li> </ul> | <p>Assessed by Government Digital Services</p> <ul style="list-style-type: none"> <li>↳ Approved as a 'Public Beta'</li> <li>↳ Appellants from two local planning authorities use the new service</li> </ul>                                   | <p>Householder appeals service available on GOV.UK</p> <p>Expand digital service to cover additional types of appeal</p> <p>Collect comments from interested parties</p> <p>Add appeal questionnaires, document sharing and a 'track my appeal' feature</p>                   |
| Application service | <p>Conducted discovery to identify first application service to develop and priorities</p>   | <p>Developed prototype for National Infrastructure service</p> <ul style="list-style-type: none"> <li>↳ Met Government Digital Services alpha standards</li> <li>↳ Started service development and prepared launch of pilot project</li> </ul> | <p>Started pilot of new registration service</p> <ul style="list-style-type: none"> <li>↳ Collect users feedback</li> <li>↳ Improve functionalities and interface</li> <li>↳ Develop additional service elements'</li> <li>↳ Roll out service to more applications</li> </ul> |



# Our Quality Assurance Process

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

Individual Inspectors are responsible for the decisions and recommendations they make, and are ultimately responsible for the quality of their own work. As an organisation, how do we support them to achieve the right quality?

This will vary depending on the type of work, but it all starts with the training we provide for new Inspectors. It focuses on the importance of weighing up opposing views to reach well-justified conclusions and on the application of the Franks Principles – open, fair and impartial.

Beyond this, the Inspectorate is responsible for providing training, quality assurance processes and knowledge management. We provide all Inspectors with a monthly update of key developments in the planning world including about significant legal judgments and policy matters.

## Examinations

All Inspectors new to Local Plan work receive training backed by written advice about process and best practice. Training, advice and briefings are provided at two specific events each year and more frequently as needed, for example through monthly meetings. These allow good practice to be shared and discussed.

All Local Plan reports and soundness letters are quality assured by a panel. Quality Assurance is focused on the standard of the reasoning and drafting and Inspectors are never told what conclusions they should reach. Quality is also considered at monthly line manager meetings and in monthly conversations with Inspectors. We frequently consider the outcomes of the quality assurance process, legal challenges and complaints to assess whether we need to change anything.

In 2021/22, we published our quality framework for our examination service. It shows how all quality activities come together to improve the overall quality of our service.

## Appeals

Most Inspectors decide planning or enforcement appeals at some point during their careers. The initial training is rigorous and extensive and covers the key principles for decision-makers. Guidance is provided on the approach that should be taken, having regard to legislation, policy and case law. However, we do not provide anything more than is in national policy and guidance regarding the importance to be given to relevant considerations. The outcome of any appeal is a matter for the individual Inspector's judgement.

Training on specific topics and a legal update is delivered at twice yearly events. This often involves sharing good practice and experience. Training materials are also used in smaller meetings and in webinars.

A sample of appeal decisions are reviewed by line managers after they have been issued and feedback is given. We circulate any lessons that arise from complaints or challenges to all Inspectors.

In 2021/22, we prepared our quality framework for our appeal service. It shows how all quality activities come together to improve the overall quality of our service.

## Applications

Quality assurance for applications is a similar process to that of examinations and appeals. Comprehensive initial training takes place to ensure Inspectors are ready to examine, assess and make recommendations. There are two main training events each year and frequent updates take place on best practice and matters of policy and law. All reports are quality assured on drafting and reasoning, and not on the nature of the recommendation the Examination Panel make.



# Our operations

**Our Inspectors use three different procedures to consider evidence. The approach they use depends on the case, the type of evidence and how they can best find out what they need to make their decision or recommendation.**

## Written representations

Most of our cases 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 and businesses and anyone else interested in the appeal make their comments in writing and the Inspector decides the case after reviewing the evidence.

## Hearings

Our national infrastructure applications, local plan examinations and some appeal cases are decided after the Inspector has held a hearing. In these cases the appellant or applicant, the Local Planning Authority, local people and 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. Hearings for applications and examinations can take place over days or weeks, but hearings for appeals cases are much shorter. Inspectors often visit the site as well, and then prepare their decision or recommendation.

## Inquiries

Inquiries are held for the most complex appeals and for some other casework like compulsory purchase orders and called in planning applications. The appellant or applicant, the Local Planning Authority, local people and businesses and anyone else interested in the case also 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.

Inspectors have historically used one of the three procedures for the entirety of a case. Legal changes now make it clear that Inspectors can use more than one procedure on a single case. We call these hybrid procedures.

## Adapting operations to the pandemic

In 2020/21 the pandemic stopped the significant progress we had made in 2019/20 to improve our services for our customers. Our plans for improvement were paused while we prioritised keeping casework moving during the pandemic, keeping our employees and customers safe and supporting the wider government response. In 2021/22 the effects of the pandemic continued to affect our capacity and flexibility. Face- to-face hearings and inquiries were not permitted until

the summer. We also saw increases in demand for our services. This could have been because of 2020/21 delays in submitting and deciding applications.

This year we focused on:

- National infrastructure applications, local plan examinations and appeals by hearing and inquiry. These cases often have the highest economic impact and community interest;
- Deciding as many cases by written representations as possible with the available Inspectors; and
- A resilient approach to hearings and inquiries which improves inclusive access for participants. From September 2021, councils successfully took back responsibility for organising and hosting hearings and inquiries.

We were able to maintain business continuity throughout the year, running all our services. When pandemic restrictions applied, when key participants tested COVID-19 positive or when it was necessary to protect vulnerable participants we implemented reserve plans that we had prepared in advance so that our casework continued to be considered and decided.

## Adapting to changes in legislation

We track and respond to changes in legislation which affect the way we do our work. Such changes can amend existing rules and regulations or introduce new ones. They may provide us with opportunities to improve our service to customers.

For example, the 2021 Environment Act will play an important part in our work both now and in the future. We provided our staff with comprehensive guidance on the impact of the Act on our casework, and we shall continue to provide updates as additional provisions are implemented.

We also watch for changes in government policy and for Court judgments and take these into account as part of our training and guidance to staff. For example, in July 2021 the government published its revised National Planning Policy Framework. This was a significant policy change which had to be applied to our casework. On the day it was published we issued our people with guidance so they were informed about the changes and the actions they would need to take.



### Modelling

We have developed a resourcing model that significantly improved how we assess the number and capability of Inspectors we need to support our workload. We use this information to decide how we train and develop our existing employees and to recruit new Inspectors at different levels of experience. We also use this information to allocate resource optimally across our services and different type of cases to reduce workload. We are developing the model further, so that scenarios based modelling can be used to assess how changes to process, training or skills could impact future performance.



### Appeals acceleration

In January 2022 the former Housing Minister asked us to identify what it would take to support us in making most appeal decisions in four to eight weeks. This provides an opportunity to challenge the assumptions underlining our current services operation and to explore how a reframed appeal service could be made more sustainable. Research and engagement is taking place in Spring 2022 before we respond in early summer.



# Examining Local Plans in England

**Local Plans continued to be prepared and submitted to us throughout the year. We sometimes examined them virtually so that these important plans for local communities and the economy were not delayed.**

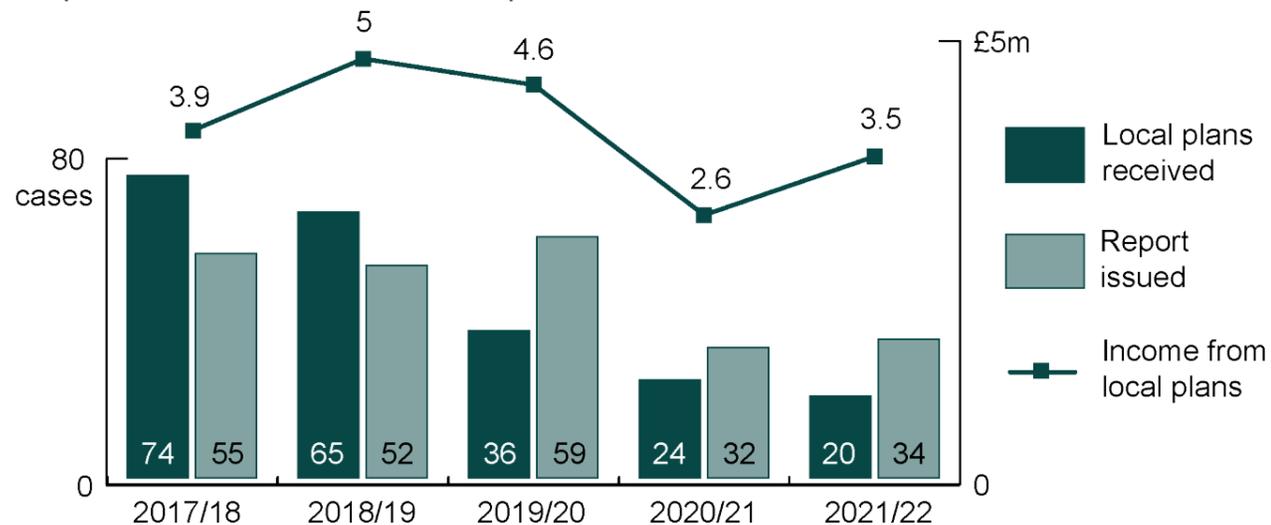
Twenty Local Plans were submitted to us for examination this year. This is the fewest submitted in any of the last five years. The pandemic and ongoing reform to the planning system are two likely reasons for this. However, in February 2022 we also received the largest plan we have ever examined: the draft plan from the Greater Manchester Combined Authority. The examination started in March 2022.

Our income increased to £3.5 million in 2021/22, close to the average of the last five years. Although we issued a comparable number of reports to 2020/21, on average they took longer and cost more to conclude than in previous years. We held 72 virtual and face-to-face events to ensure plans were not delayed by the pandemic, and issued 34 reports on local plans we examined.

All our reports concluded that the Duty to Co-operate had been met by Local Planning Authorities (normally councils). This is a legal requirement for the way Local Planning Authorities prepare their plans. If the Duty is not passed the examination of the plan cannot continue.

In most cases our 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 to help achieve this.

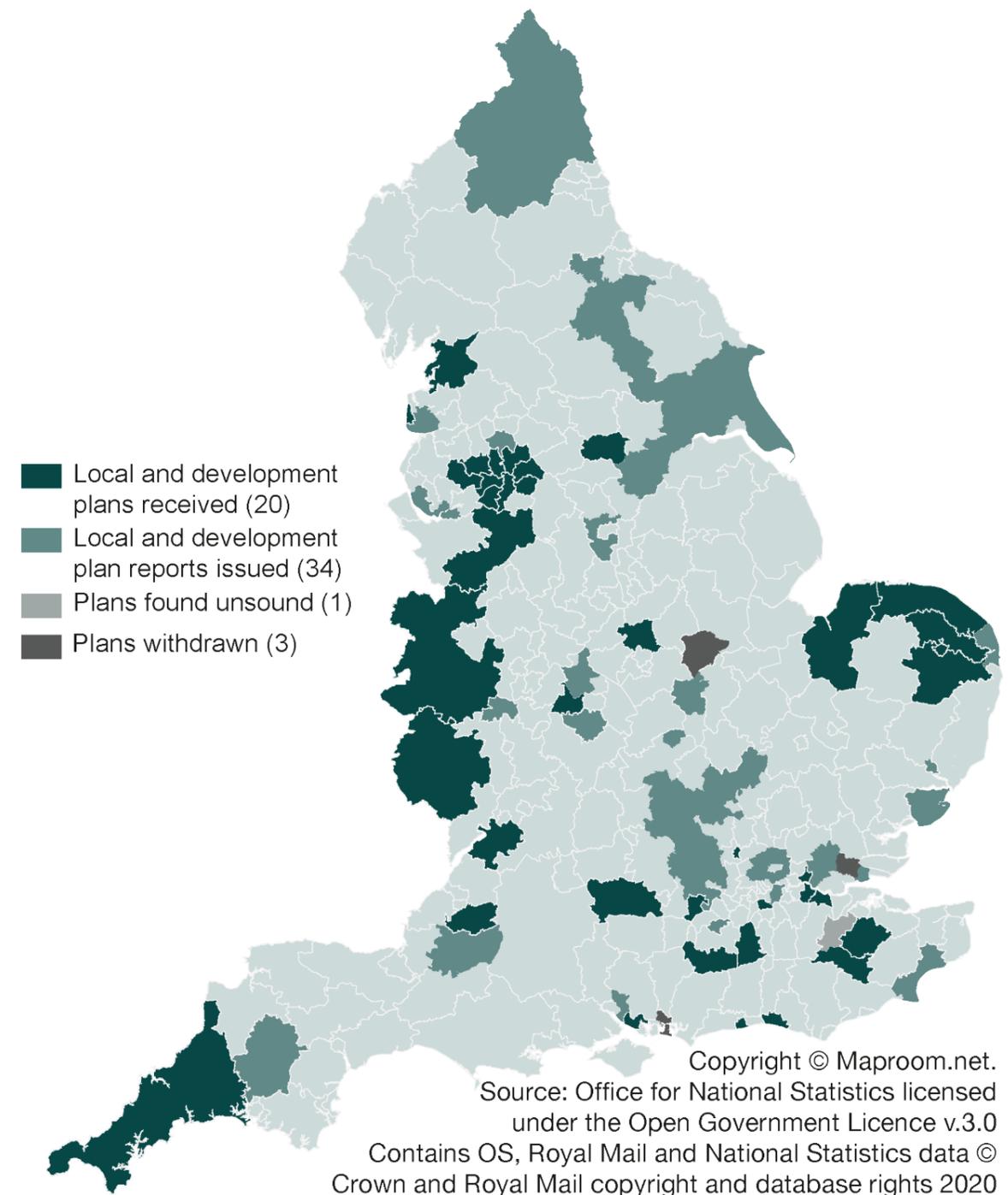
Graph 5. Local Plans received and reports issued



## Local Plans across England provide for 5.2 million homes

Source: <https://local-plans-prototype.herokuapp.com/>

Local Plan housing requirement data reflects the Department for Levelling up, Housing and Communities' understanding of adopted plans as at the end of April 2022. The data is experimental, updated monthly, and is subject to limited validation. It, therefore, should not be relied upon as a 'real-time' representation of local plan progress or content.



# Doncaster Local Plan - case study

**Doncaster Local Plan 2015 to 2035 was adopted in September 2021. The examination was conducted through hearings held using a blended approach with concurrent physical and virtual participation along with live broadcast on YouTube.**

Doncaster Borough in South Yorkshire is a large metropolitan area, home to over 300,000 people. The western part of the Borough is Green Belt, and there are extensive areas at risk of flooding including much of Doncaster urban area, several other towns, and the M18 corridor.

The Council had been working for several years to prepare a new plan and policies map. A suite of documents had been submitted for examination in 2014. However, the examining Inspector at the time identified significant concerns relating to housing need, the site selection methodology, Green Belt and flood risk. In response, the Council withdrew the plan from examination. In March 2020, the council submitted a new Plan, based on significant new evidence and several rounds of public consultation.

The examination was held between March 2020 and June 2021, with hearings held between October and December 2020. Attendees that wished to attend the hearings physically were socially distanced in the Council Chamber, which was equipped to facilitate live online participation. It was the first public event to use the Council's equipment and the first blended event for the Planning Inspectorate. The Council and other participants were positive about the blended approach used during the hearing sessions.

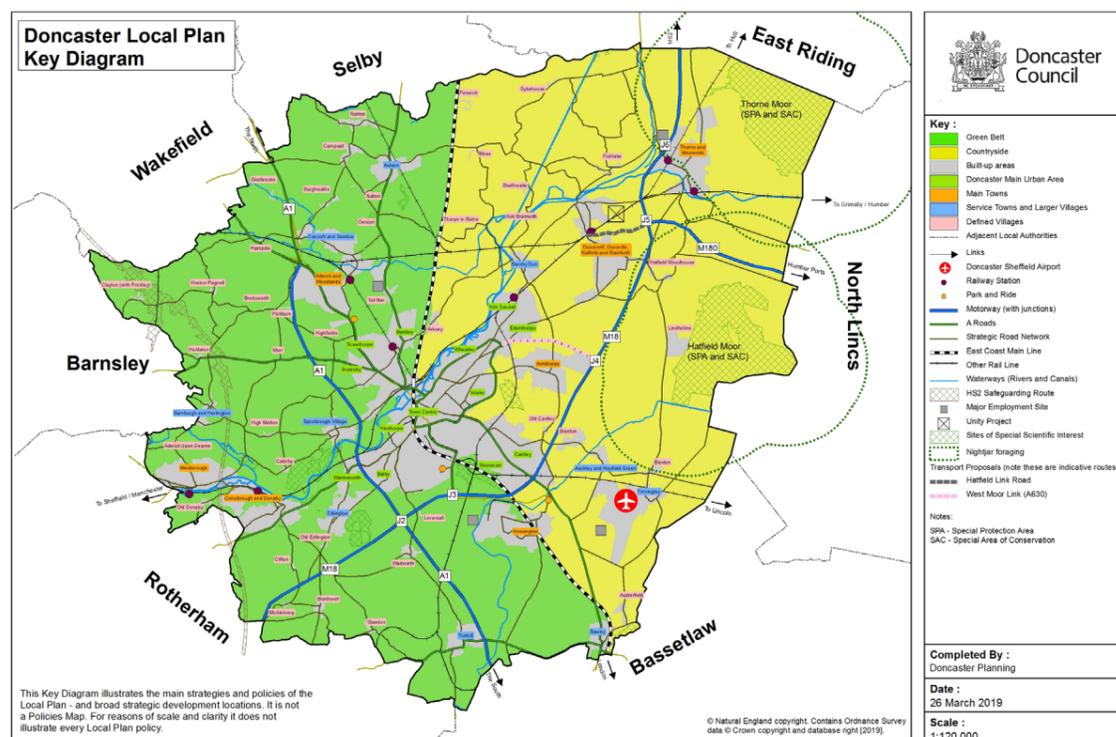
As with the first plan that was submitted, flood risk was a key aspect of the examination. National policy sets strict tests to protect people and property from flooding: development should not be allocated if other sites reasonably available in the area have a lower risk of flooding. Flood risk is a combination of the probability and the potential consequences of flooding. Assessing the level of risk for any site, and comparing that with other sites, involves a considerable degree of judgement. Such judgements need to be based on proportionate and adequate evidence.

The Plan allocated a 74 hectare site at Thorne North, in the M18 corridor, for large scale warehouse development. However, the promoters of three other sites in the M18 corridor offered evidence to show their sites were available, suitable and at lower risk of flooding than the Thorne North site.

The Inspector asked the Council to present the available evidence in a way to allow meaningful comparison of the sites and then to exercise its judgement to rank the four sites in terms of relative flood risk. The Council's assessment was that the Thorne North allocation and one other site would be at lower risk of flooding than on the other two sites. The Inspector agreed that it was reasonable to conclude that the allocated site was not at higher risk than any of the three alternatives and therefore its inclusion in the Plan was consistent with the national policy's flood risk sequential test.

Other key elements of the Plan included:

- Land for around 20,000 new homes (nearly twice as many as the national standard method indicates are needed, to support ambitious economic growth objectives).
- 8 sites removed from the Green Belt to allow housing needs to be met in the Doncaster urban area and other main towns.
- 80 hectares of land removed from the Green Belt to facilitate the continued development of the iPort rail freight intermodal facility at Rossington.
- Nearly 500 hectares of land allocated for industry and warehousing.
- Proposals to facilitate the growth of Doncaster Sheffield Airport for passenger and freight transport along with a significant amount of housing and other development on land within and around the airport.
- Identification of an extensive area for medium and large wind energy developments.
- Policies to safeguard and support the extraction and production of aggregate, industrial, building stone and energy minerals.



Credit: Doncaster Council

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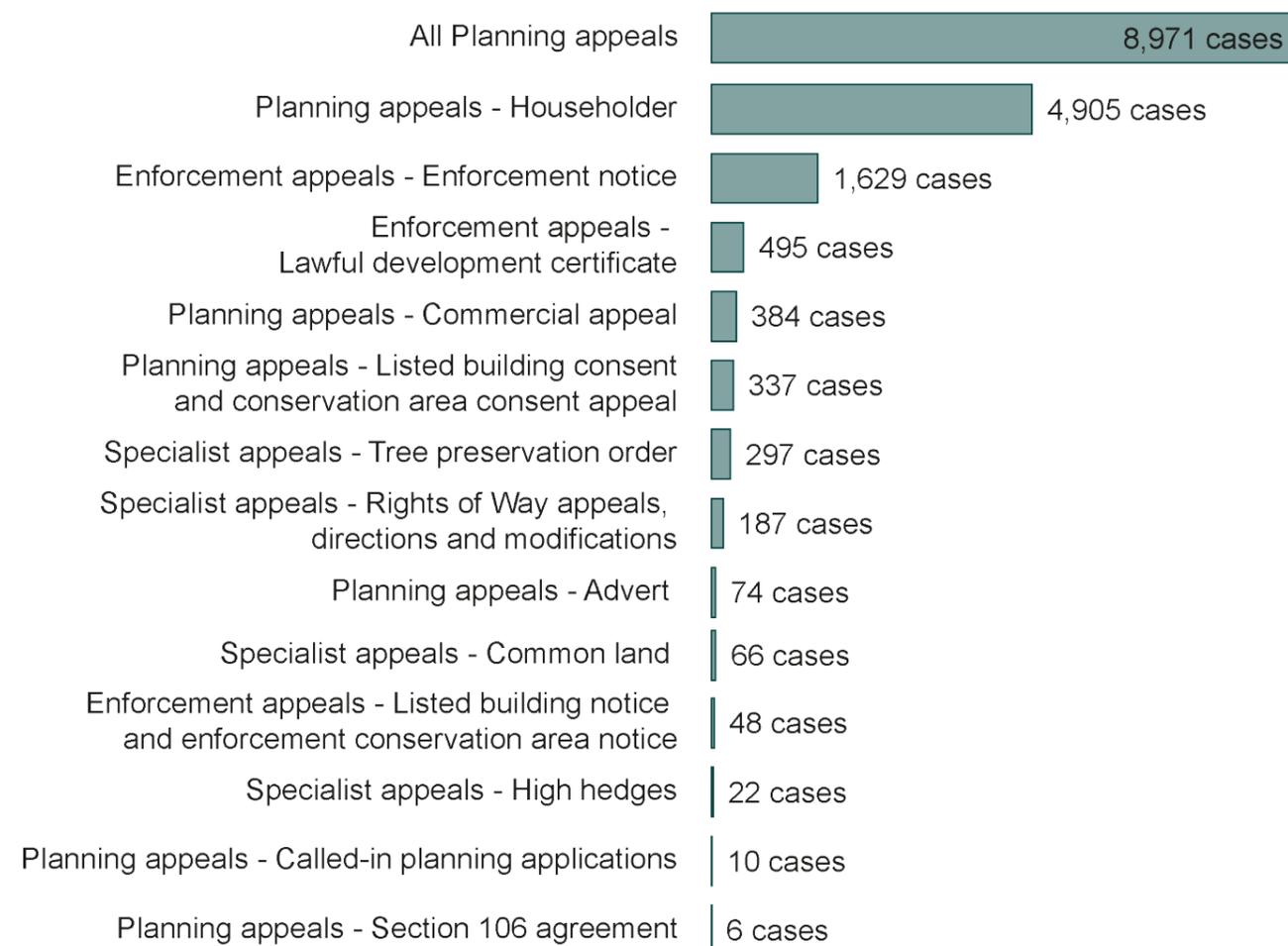
# Appeals in England

**We increased the number of decisions we made but received more cases than we decided. We started to reduce open cases in the last quarter. Cases took longer to decide.**

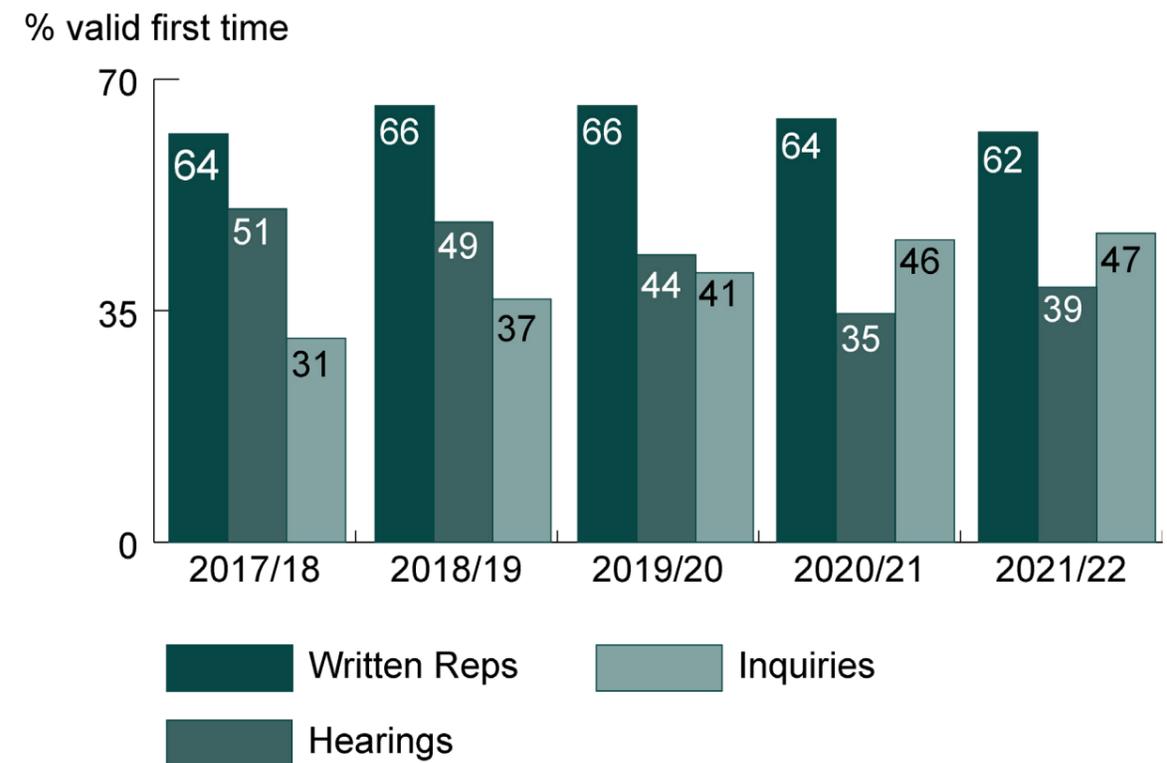
We receive a wide range of appeals, as shown in Graph 7, but we grouped them in three categories, detailed below, from the most to the least common.

Pandemic factors affected appeals casework throughout the year. Virtual hearings and inquiries can take longer than face-to-face equivalents, lockdown measures impacted employees and customers, transport and hotels were less accessible, a rise in council decisions led to more appeals, and employees took leave not taken during the previous year.

Graph 6. Appeal cases decided by type in 2020/21



Graph 7. Percentage of appeals valid first time



Cases not being complete when we receive them means some of the information or evidence we need is missing. Consideration of the appeal is delayed whilst we wait for that information or evidence to be provided.

The general picture is that around 40% of appeals are not valid when submitted and have information or evidence missing. This has risen slightly in the last few years. Cases 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.

### Planning appeals

This is our largest area of work. New planning appeals being submitted increased, back to pre-pandemic levels and were 4% higher than 2020/21. The number of new planning appeal cases submitted needing to be heard by inquiry rose by 38%. We focused Inspectors on cases needing hearings and inquiries. These cases are more likely individually to have the highest levels of community interest and economic impact. Consequently fewer Inspectors were available for cases decided by written representations.

We decided fewer appeals than we received from April 2021 through to January 2022 but began reducing overall case numbers in the last quarter of 2021/22.

### Enforcement appeals

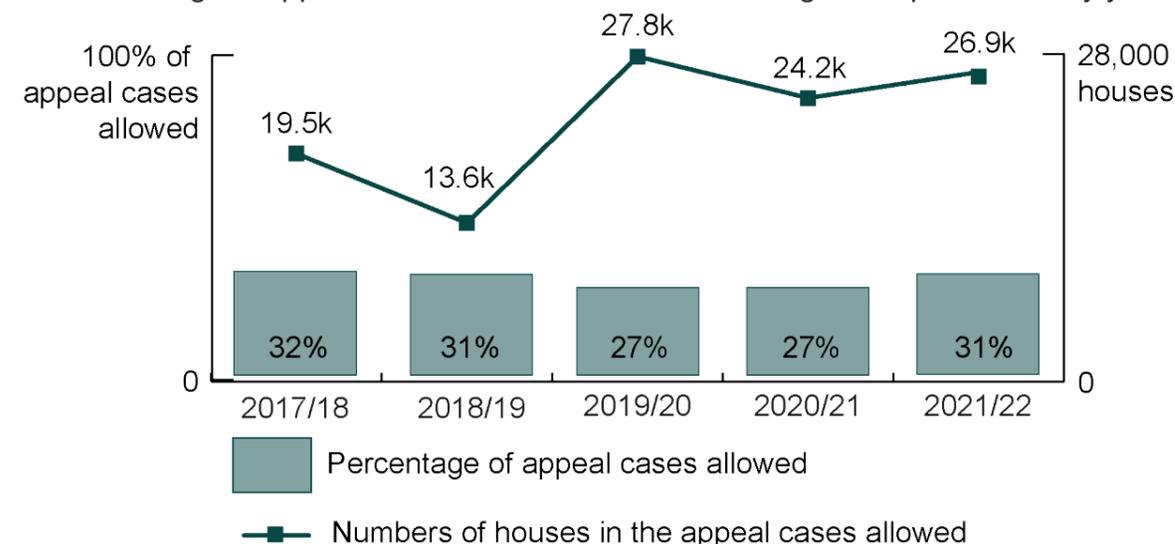
We received 10% more enforcement appeals compared to 2020/21. It is likely that fewer enforcement notices were served by Local Planning Authorities in the previous year while they focused on pandemic related priorities.

In 2021/22 we decided slightly fewer cases than in 2020/21 and closed roughly as many cases as we received. We also focused on reducing the number of cases awaiting an inquiry, successfully closing over 200 cases more than we received. This puts us in a strong position to continue speeding up our enforcement decisions in 2022/23.

### Specialist appeals

Specialist casework dealt with by our appeals service includes works to protected trees (Tree Preservation Order), environmental, hedgerow regulation and high hedge appeals and a range of casework relating to public rights of way. Overall, the number of new cases received were 21% higher than 2020/21 and were also 18% higher than before the COVID-19 pandemic. The biggest increase was public rights of way work. It is likely that Local Planning Authorities focused on pandemic-related priorities and reduced rights of way activities in 2019/20.

Graph 8. Percentage of appeals allowed and number of houses granted permission by year



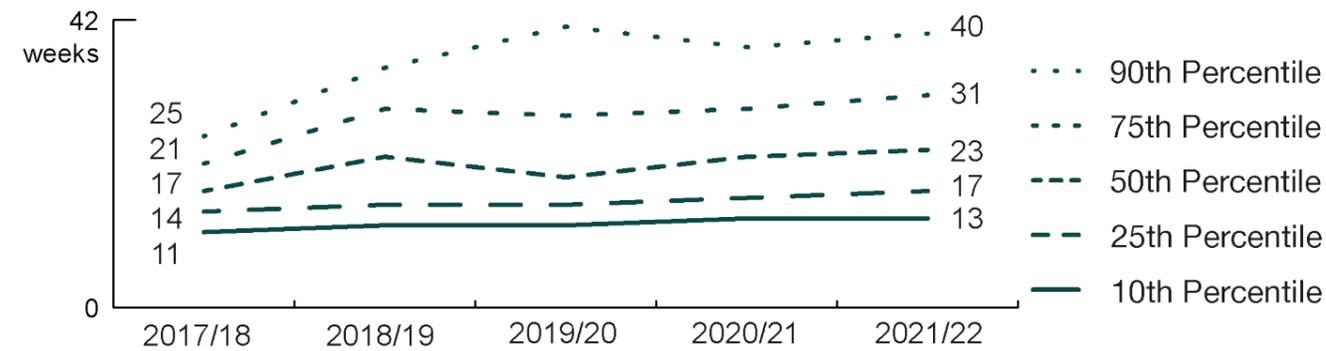
The number of houses granted on appeal continues to be comparable to 2019/20 and 2020/21, and considerably higher than the preceding period, although the percentage of appeals allowed remains in the normal range. Behind this data is a significant difference between success rates for schemes with 10 or more homes and schemes with 1 to 10 homes (including replacing one home with another). For schemes of 10 or more homes nearly 60% of appeals were allowed. In these larger schemes it is more likely that benefits can be evidenced such as meeting unmet housing need in the area or improvements to infrastructure like schools, open space, affordable housing or transport. For schemes of 1-10 homes the allowed rate is closer to 25%.



### Planning appeals decided by written representations

Throughout the year, we focused our Inspectors on cases with the highest levels of economic impact and community interest. Fewer Inspectors were assigned to written representation cases. Consequently, for much of the year we received more of these cases than we were able to decide until the last quarter, when we were able to start reversing the trend. The median time we took to reach decisions was comparable to 2020/21 at about 23 weeks.

Graph 9. Median decision time for planning appeal cases decided by written representations

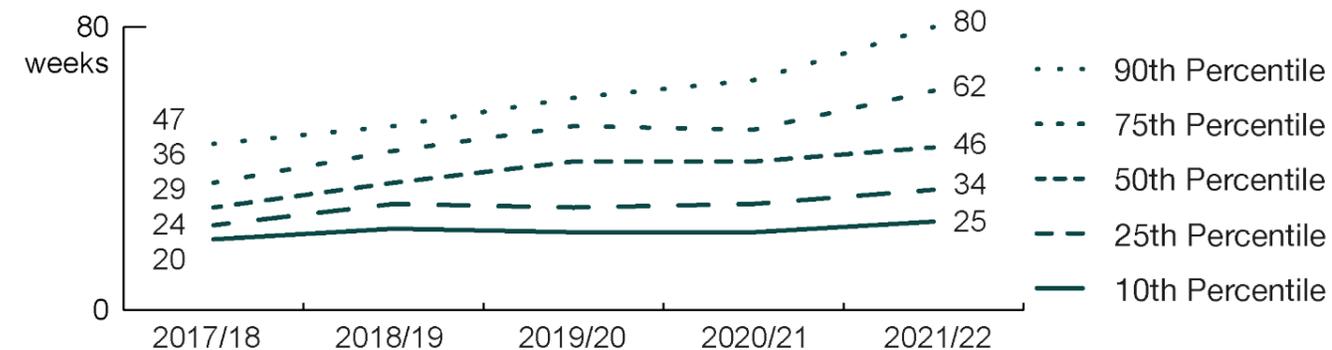


### Planning appeals decided after hearings

Virtual hearings allowed us to continue our work despite the COVID-19 pandemic, but we had been organising them on behalf of local authorities to support them with their pandemic responsibilities. From September 2021 we returned to hearings being organised by Local Planning Authorities. Some hearings took place face-to-face again, with a virtual option as a back-up to ensure participants could take part if they couldn't attend in person.

We closed 15 more cases by hearing than we received and closed a similar number to 2020/21. Whilst the quickest 50% of decisions continued to take a comparable time to 2020/21, the time taken for decisions became less consistent and some took much longer as we decided cases held up during the pandemic.

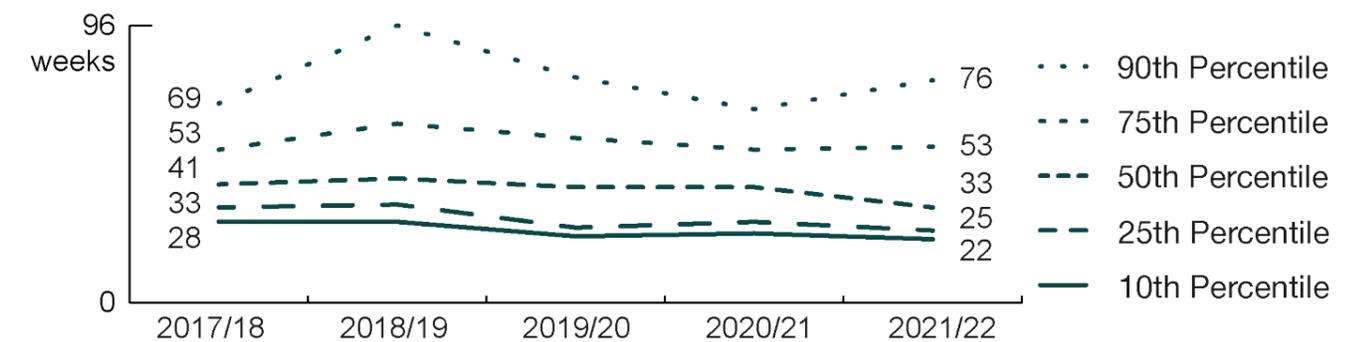
Graph 10. Median decision time for planning appeal cases decided by hearings



### Planning appeals decided after inquiries

Similarly to hearings, local authorities officially took back hosting inquiries in September 2021. This helped us handle the increased number of cases requiring inquiries, which was 50% higher than 2020/21. These cases are generally those with greatest economic impact and community interest. Because we focused our resources on those cases, we closed a similar number of cases to 2020/21 and were also able to speed up many decisions, continuing the trend from previous years following the Rosewell Review. The 10% of cases that took the longest took longer than 2020/21, but in a comparable time to before the pandemic.

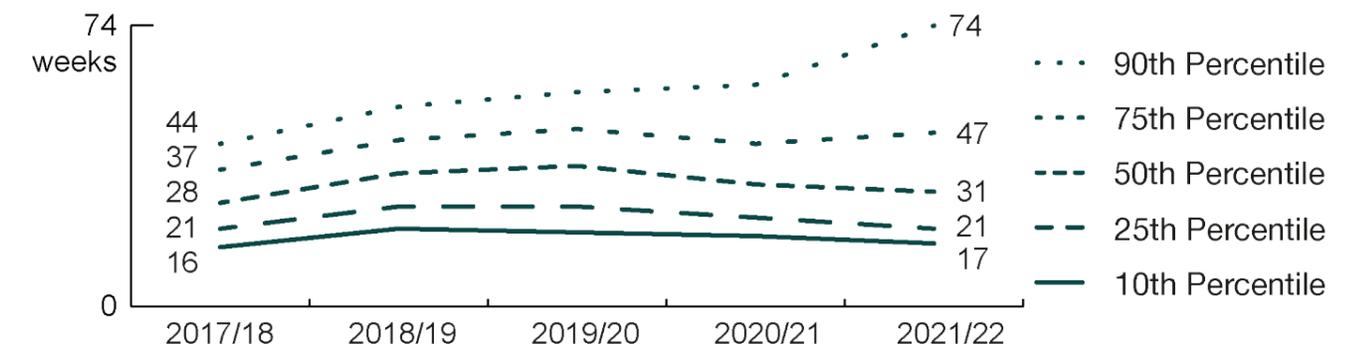
Graph 11. Median decision time for planning appeal cases decided by inquiries



### Enforcement appeals decided by written representations

The number of open cases rose slightly through 2021 while our Inspectors worked on other cases, but it has started falling again in early 2022. The time we took to decide these cases varied a little month to month but was largely consistent throughout the year. Our decision times for the quickest 50% of cases was two weeks faster than in 2020/21, continuing the trend from previous years. However, like other case types, the 10% of decisions, which took the longest, took longer, as we closed cases that were delayed during the pandemic.

Graph 12. Median decision time for enforcement appeal cases decided by written representations





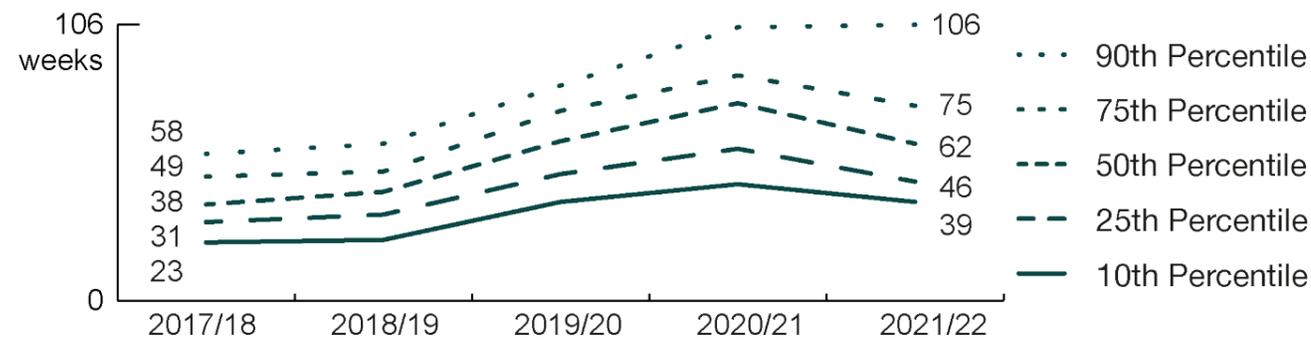
### Enforcement appeals decided after hearings and inquiries

We were holding more enforcement hearings and inquiries each month than we were receiving. Over the course of the year we continued the trend from 2020/21 by reducing the number of cases waiting for an inquiry by a quarter.

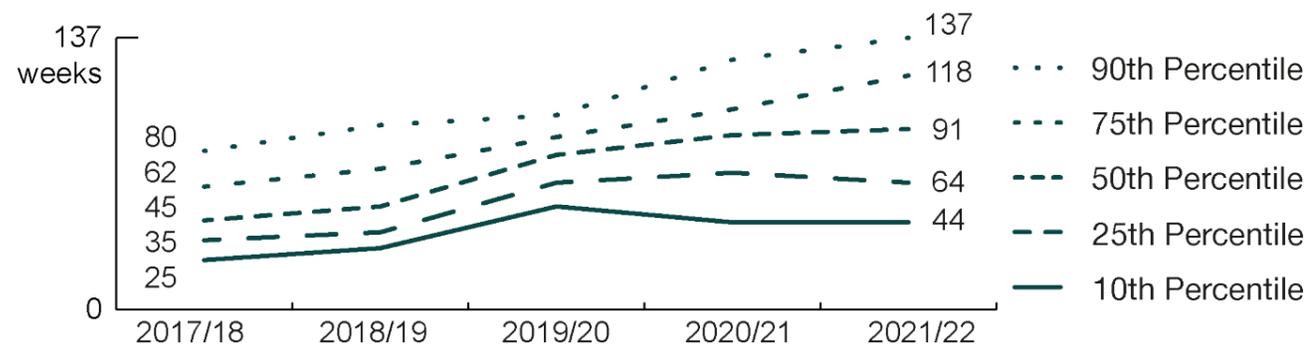
For hearings, the median decision time for the fastest 50% of cases reduced by sixteen weeks, back to pre-pandemic levels. The slowest 10% of cases took as long as last year.

For inquiries, the effect of deciding more than we were receiving was that the quarter of cases that took the longest took longer, but we continued to decide 50% of cases in comparable or faster timeframes to last year. The cases that take the longest will not speed up until we have made further progress in reducing the total number of live cases.

Graph 13. Median decision time for enforcement appeal cases decided by hearings



Graph 14. Median decision time for enforcement appeal cases decided by inquiries

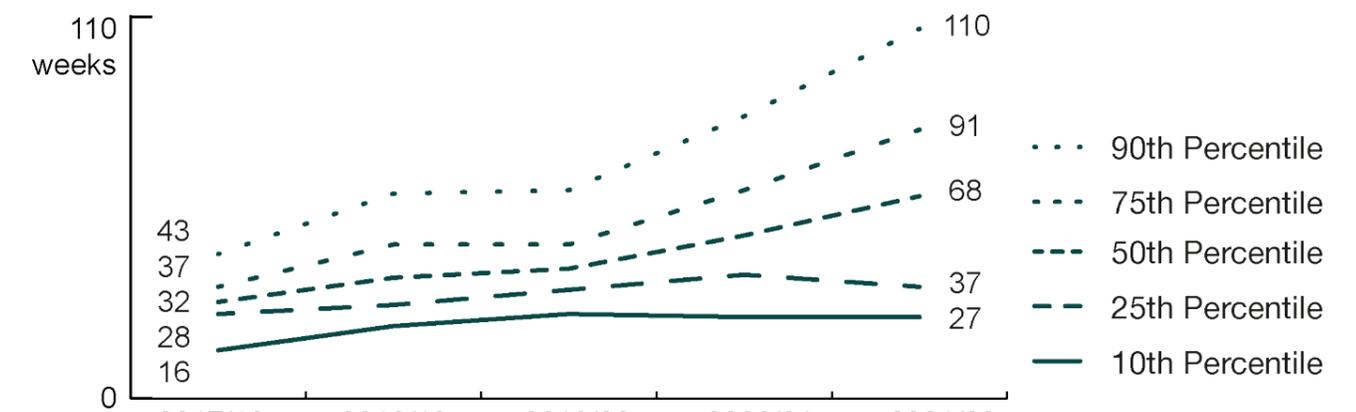


### Rights of Way

We continued to decide Rights of Way casework throughout the COVID-19 pandemic by exchanging written evidence and holding virtual hearings and inquiries. Some of our Rights of Way trained Inspectors worked on other casework during the COVID-19 pandemic to help us keep making decisions.

Our consistency has worsened in 2021/22 but the fastest 50% of decisions were comparable to the previous year or faster, reflecting the pattern in some other case types. There are different types of Rights of Way cases. Desk based procedural decisions are quicker whereas those that require inquiries take longer.

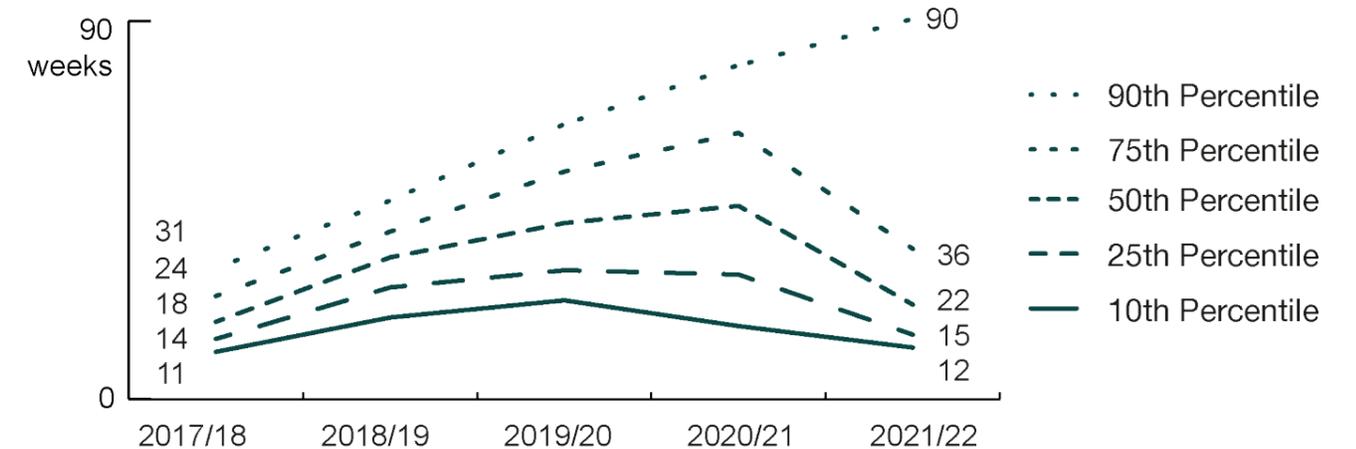
Graph 15. Median decision time for rights of way appeals



### Tree Preservation Order, High Hedge and Hedgerow Appeals

During the pandemic in 2020/21 we used less Inspector capacity than normal to decide these appeals to help us manage our overall case-load. We returned some of that capacity in 2021/22. Continuing the trend from previous years, we were able to decrease our decision time by five weeks for the 10% fastest cases and by 23 weeks for half of cases, but our overall consistency worsened, with cases in the slowest 10% taking an extra eleven weeks to be decided.

Graph 16. Median decision time for Tree Preservation Order, high hedge and hedgerow appeal cases



# Appeals - case study

**Enforcement Notices are used by local communities to reverse harmful developments as they can have major consequences for all parties. People who receive those notices can appeal to the Planning Inspectorate if they feel the notice is unreasonable or not served correctly.**

Long Riston is a small village, north of Hull, in East Riding of Yorkshire. In late 2019, the owners of the Travellers Rest had the public house demolished without planning permission, with the intention of building residential properties on the site.

The proposals for the houses were refused by the Local Planning Authority, East Riding of Yorkshire Council. The owners appealed those decisions. The Planning Inspectorate decided those appeals and upheld the Council's decisions. The construction of new homes wouldn't go ahead.

In late December 2020, the East Riding of Yorkshire Council served an enforcement notice regarding the site. The notice argued that the demolition was done without permission and required the public house to be rebuilt within 15 months. This was to replace what previous appeals and local planning policies recognised as a valued community asset.

The owner of the Travellers Rest appealed the enforcement notice on three grounds. The Inspector considered all the evidence and visited the site before making their decision.

On the first ground, the appellant accepted it was necessary to rebuild most of the building but sought not to rebuild the part that used to contain the toilets. The Council argued that the lack of customer toilets would likely make the public house not viable. The Inspector agreed that the public house needed customer toilets, but was not convinced it was necessary for them to be in the same place as before.

For the second ground of appeal, the appellant argued that the notice was not properly served on the relevant parties. The Inspector disagreed and was satisfied the notice was correctly served by the Council.

The third ground related to the steps that the Council required the owner to take in the notice. The Inspector decided it was excessive of the Council to require that the owner reinstate the internal arrangements and the external advertisements of the public house. They could have been removed without planning permission. However, the Inspector did side with the Council on another point: the new building will need to be serviced with all the utilities needed for a public house to function.

At the time of writing, the public house is being rebuilt.



Credit: East Riding of Yorkshire Council.



# Applications

**Pandemic or no pandemic, we all expect to have electricity, water and gas when we need it, to travel safely when we wish and to access the food and other goods we need at home and at work. Planning for the infrastructure the country needs has carried on throughout the COVID-19 pandemic.**

## Applications for Nationally Significant Infrastructure Projects in England and Wales

Our role in examining which projects should go ahead and providing communities the opportunity to be involved continued, but mainly virtually. This is especially important for infrastructure projects, as 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 made a decision on accepting new applications within 28 days in all cases, like previous years. We provided recommendations to a Secretary of State on 12 national infrastructure applications on time this year. In one case we requested more time due to the extent of changes made by the applicant combined with pandemic related illness among the Examining Inspectors.

We also provided advice on 70 potential infrastructure projects. One day those projects are likely to become applications. The advice is aimed at making sure those applications are supported by the right information and address the issues likely to be considered.

The uncertainty created by the COVID-19 pandemic changed the timetables for some applications and affected our income. Our income still increased to £5.3m, £0.6m more than last year and higher than many years, but significantly lower than the two years leading up to the pandemic.

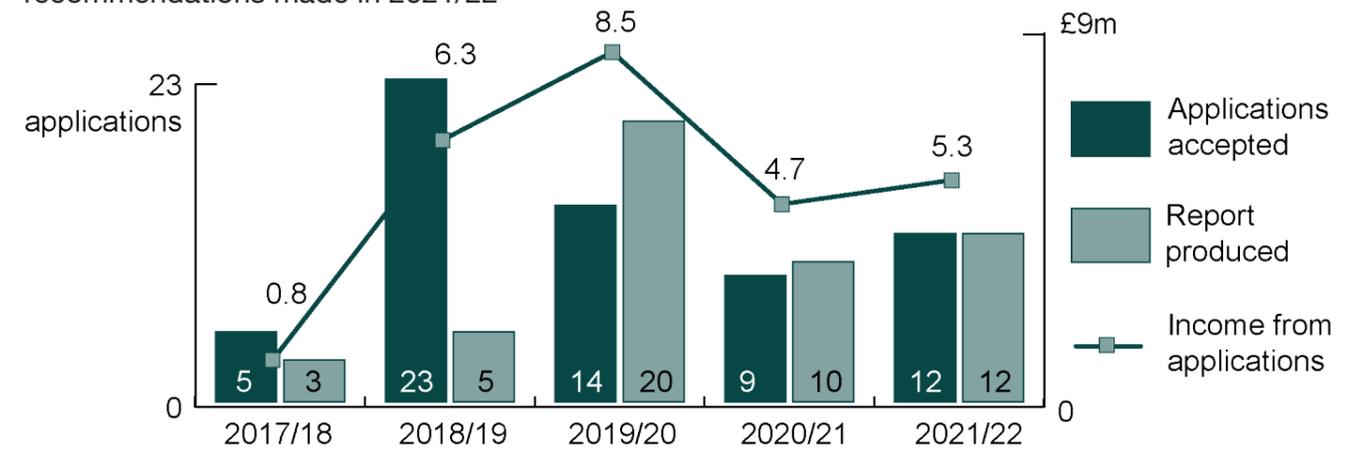
### Common land

Many applications for works on Common Land can be small, but they are often key to providing electricity or gas as essential services, for public safety or for local councils providing safe footways or public transport facilities. We received 20 more applications and made a similar number of decisions to last year. Average times increased slightly as our capacity reduced.

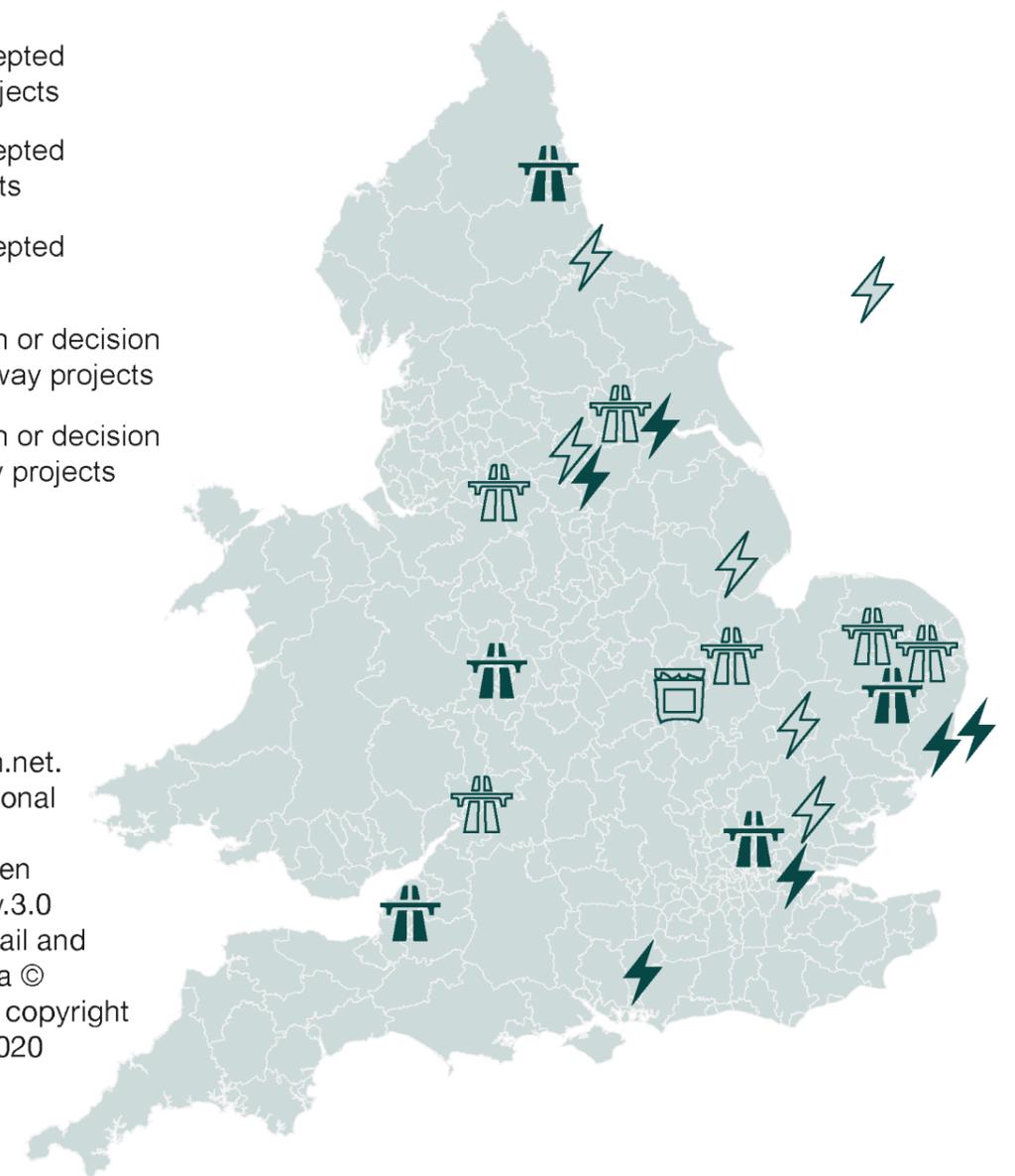
### Compulsory Purchase Orders

Compulsory Purchase Orders can help important schemes go ahead, but requiring someone to sell their land is a very significant step. These cases often involve inspectors hearing evidence on very sensitive and important issues. We decided 10 cases during the year and there are many more cases in the pipeline.

Graph 17. Nationally Significant Infrastructure Projects accepted and recommendations made in 2021/22



-  Applications accepted for motorway projects
-  Applications accepted for energy projects
-  Applications accepted for waste project
-  Recommendation or decision issued for motorway projects
-  Recommendation or decision issued for energy projects



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# Applications - case study

**To keep casework moving and our Inspector safe, we used a drone to inspect the site of a proposed energy centre. At the conclusion of our examination we recommended a Development Consent Order for the site. It could supply power close to 100,000 homes and produce energy from waste.**

The South Humber Bank Energy Centre proposed development site comprises 23 hectares of land lying within the boundary of an existing power station. It is located between the towns of Immingham and Grimsby. The estuary of the River Humber lies 175 metres to the east of the site, while the remaining surrounding area comprises a mix of industrial and agricultural uses.



Still from drone footage of South Humber Bank Energy Centre, with permission from the applicant.

The proposal almost doubled the energy output of a previously consented scheme, granted by the Local Planning Authority. The increase was gained by using more efficient technology and design, generating up to 95 megawatts of electricity, despite not increasing the annual throughput of waste used. Evidence submitted to the examination confirmed the proposed development could reduce the carbon intensity compared to the previous design. The proposed building would be almost identical in size and appearance to the original proposal.

The application was examined by an Inspector appointed at the end of June 2020. Between November 2020 and May 2021, the Inspector considered all the evidence, holding an Open Floor Hearing for any Interested Party to provide evidence and an Issue Specific Hearing into the Development Consent Order. There were two rounds of Written Questions from the Inspector to the parties, and representations were made by the community.

The Examination took place during the COVID-19 pandemic, while lockdown measures were in place, preventing accompanied site visits. To avoid delays, a drone was used to take a comprehensive high-resolution video of the proposed development site.

The drone footage was accepted into the Examination in early March 2021 and comments on it were sought. Only one response was received, stating that the drone footage was “a useful addition to the process and provides a good view of the site features, boundaries and immediate surrounding area, increasing the understanding of the issues under consideration.”

The Examination considered the likely effects of construction, operation and eventual decommissioning of the proposed development. It focused on air quality, cultural heritage, ecology, flood risk and drainage, geology, health, hydrogeology, landscape and visual amenity, land contamination, noise and vibration, socio-economics, sustainability, traffic and transport, waste management, and water resources. Consideration was also given to cumulative effects with other developments in the local area, such as cumulative air quality and transport effects.

Following the examination, the Inspector recognised the contribution the proposed development would make towards secure, diverse and affordable energy generation. It would contribute to meeting the UK’s carbon commitment and supporting the transition to a low carbon economy.

Among other matters, the Inspector identified potential impacts on heritage assets, biodiversity and nature conservation. Those impacts could be adequately mitigated as part of the Development Consent Order.

In August 2021, the Inspector's report recommended the approval of the project to the Secretary of State. The Secretary of State approved the project on 10 November 2021. All matters raised by Interested Parties were resolved either before the close of the examination or prior to the Development Consent Order being made by the Secretary of State for Business, Energy and Industrial Strategy.



# Our customer service

**We interact with a diverse range of customers and are committed to ensuring that all our casework is handled professionally. We help ensure our standards are upheld and feedback is provided when things go wrong.**

## How we handle complaints

Complaints can be raised by customers because of administrative errors, factual errors, failure in our service standards, poor conduct and where our customers feel we have not followed planning policy or guidance, relevant legislation and our procedural guidance. We carry out a robust investigation into every complaint and provide feedback to the relevant area of the organisation where complaints are upheld. Customers can escalate their complaints to the Parliamentary and Health Service Ombudsman.

## Over the last year

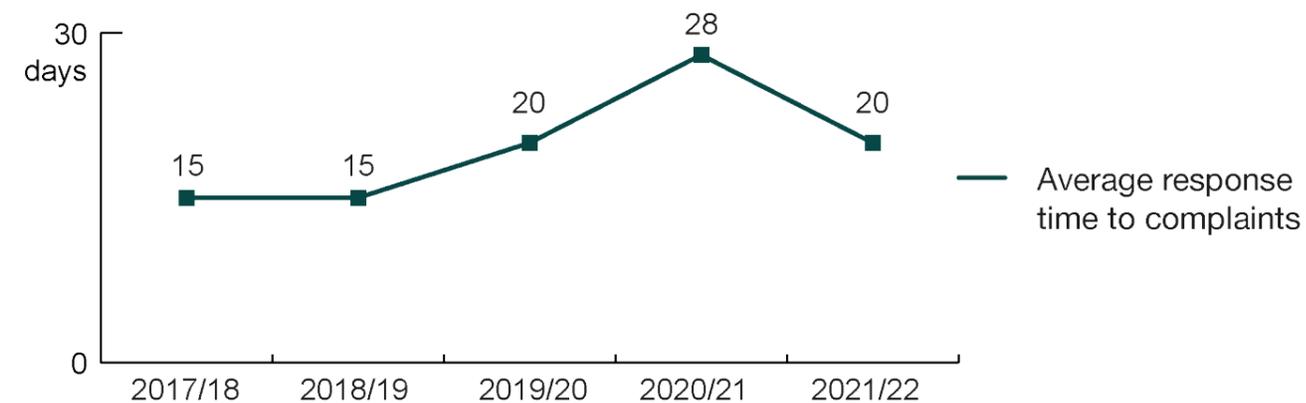
The number of complaints received by the Inspectorate has remained stable over the last five years. In 2021/22, the average time to reply to complaints has decreased from 28 to 22 days. This decrease is largely the result of implementing a customer service desk solution that improved the effectiveness and efficiency of our customer team. It also captures more data to help us understand why our customers need to get in contact with us and provides an opportunity for customers to give feedback on our service.

Customers can escalate their complaints to the Parliamentary and Health Service Ombudsman if their complaints were not resolved by us. Over the last five years, the number of complaints escalated has remained consistent and proportionate to the number of complaints received each year. Forty one complaints were escalated to the Ombudsman this year and none of those were upheld at the time of publishing. The Ombudsman has made no recommendations. This shows that we are handling our complaints as set out in our complaints procedure. We have updated our complaints procedure to focus on understanding the reasons for complaints, sharing learning across the Inspectorate and improving the services we provide.

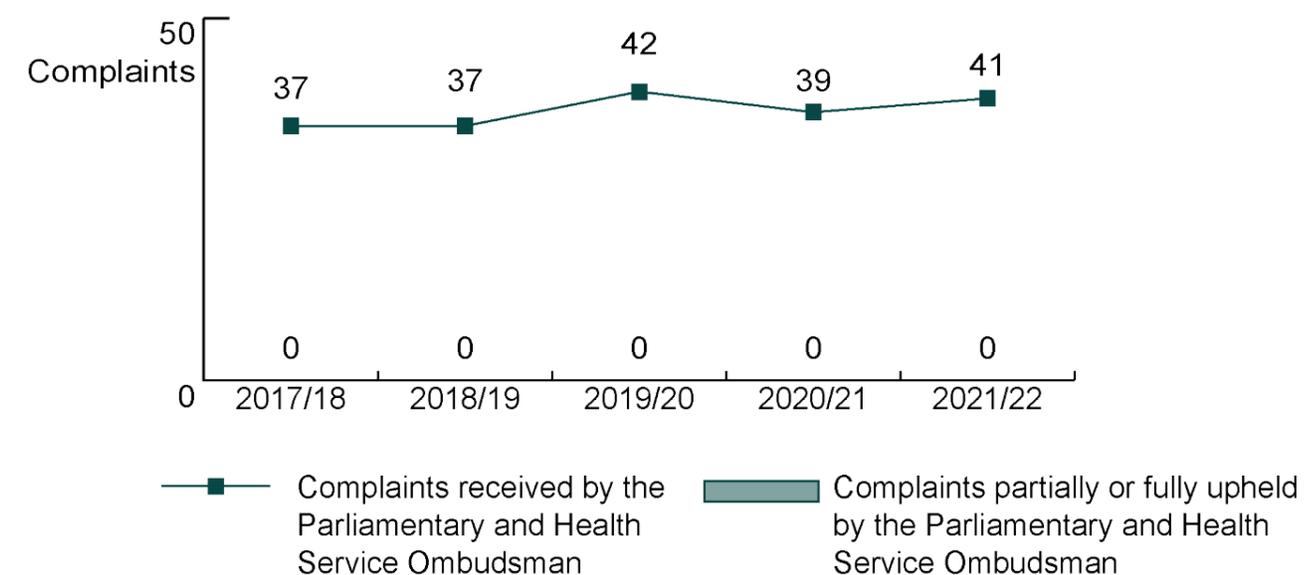
## Our plans for next year

In 2021/22 we developed our Customer Strategy. In 2022/23 we will focus on the activities that will deliver this Strategy. The aim is to have a more structured way for customers to provide feedback and to create a framework to learn from both that feedback and the complaints. We will monitor how satisfied our customers are with our service, and how easy we are to work with as an organisation. We will track the effectiveness of any changes we make in response to feedback or complaints. We will publish the results of our findings, the action we have taken and the impact of those actions periodically.

Graph 18. Average response times to complaints over five years



Graph 19. Complaints to the Parliamentary and Health Service Ombudsman



# Environmental performance and sustainability

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

### The impact of our decisions and recommendations

Sustainable development is at the heart of Government policies that set the framework for the decisions and recommendations our Inspectors make. All Inspectors are aware of their duty to ensure the planning system contributes to the achievement of sustainable development within our statutory framework. We do not design policies but our Inspectors ensure that national and local policies are implemented throughout the planning system. This is particularly important for examinations of local plans and for Nationally Significant Infrastructure Projects that require detailed consideration of sustainability criteria, including social and environmental impacts.

The 2021/22 Business Plan delivered activities designed to support with the development and implementation of our environmental management system. In particular, we developed and adopted our first Environmental Policy. The policy has been designed to contribute to and support the delivery of the Greening Government Commitments, the 25-year Environment Plan and the United Nations Sustainable Development Goals. Five of the United Nations sustainable development goals are particularly relevant to our role: #8 Economic growth, #9 Infrastructure, #11 Sustainable cities and communities, #12 Responsible consumption and production and #13 Climate action.

Work is also progressing to develop environmental action plans that will implement the policy, continuously improving our environmental performance in terms of resource utilisation, recycling, and reduction of pollution, waste and emissions.

### The impact of our organisation

Our operating model, the way we undertake our work, has a physical footprint and an environmental impact. Our people are normally split between office-based and home-based working. In both cases we have an environmental impact through transport, heating, lighting, waste, water etc. Inspectors are primarily home-based but their role requires them to visit sites around the country. This is often the case for examinations, inquiries and hearings, to ensure they fully understand the relevant economic, social and environmental impact of the proposal they are considering. We conduct around 18,000 site visits per year and each one contributes to our environmental impact. Table 2 shows the impact of official business travel on emissions, which increased by 11% in 2021/22 due to



more in person events taking place. Currently we measure some of our impact, but more could be done. In 2021/22 27 internal flights were taken while carrying out official duties. No international flights were taken in the same period. We do not have a fleet of vehicles. Instead cars are hired through a procured contract. Of those hired 3% were Ultra-Low Emission Vehicles.

The volume of paper purchased in 2021/22 (406 boxes) is higher than in 2020/21 (120 boxes), not unexpected, as in 2020/21 we were able to utilise existing stock bought in 2019/20, and a reduced workforce in the office meant less printing was carried out.

We have made efforts to reduce our environmental impact from use of technology. Our current policy is to securely dispose of equipment when assets are no longer required. This policy is under review. Our carbon intensity is 0.194 (MTCO<sub>2</sub>e per thousand active users) from Microsoft Cloud Usage. We know that our Operational Data Warehouse project has resulted in 1.1kg Co<sub>2</sub>e per working day which is about a quarter of the world average emissions per person per working day. As we improve our monitoring as part of implementing our Environmental policy, we will be able to evaluate more consistently within our organisation. This will be part of our plan to introduce new and improved measures and to deepen our understanding of our wider environmental footprint.

### Our office space

Prior to the COVID-19 pandemic our people were split between home-based Inspectors and office-based support teams in Bristol and Cardiff. Since October 2021, following the creation of the Planning and Environment Decisions Wales, our operations are entirely based in Bristol. At different points throughout the year our people have been asked or required to work from home in line with lockdown measures. The use of our offices has therefore reduced compared with pre-pandemic usage. Table 2 shows the environmental impact of our Bristol office on some specific metrics. It doesn't show the environmental impact of the office in Cardiff, which is reported by the Welsh government. It also doesn't show the impact of our home-working employees. In 2021/22 our utility consumption decreased as expected, gas (46%), electricity (37%) and water (77%). The waste produced in this office has reduced by 93% for recyclable waste and increased by 200% for non-recyclable waste. In previous years non-recyclable waste was sent to landfill but is now sent for incineration to produce energy. We anticipate that home-working has increased waste and energy use, as well as altered our resource efficiency, compared to working in the office but we have not been able to quantify that impact.

### Government greening commitment

The Inspectorate's newly adopted Environmental Policy sets clear objectives for the organisation and is directly applicable to the delivery of the Greening Government Commitment. In 2021/22 the policy has been developed and implemented; action plans are nearing completion which will operationalise the objectives. Measures necessary to benchmark and improve the organisation's environmental performance are not yet fully embedded and sufficient for publication at this time. Future years reporting will be more comprehensive in this regard and reflect the organisation's commitment to transparency and continual improvement.

As a tenant of Temple Quay House, we contribute to the Greening Government Commitment targets for sustainability, climate change adaptation and rural proofing. We report our figures along with all Government Departments and arm's length bodies. As such we do not report on controllable impacts or influenced impacts. The Inspectorate does not commission new construction.

Table 2. Environmental impact from Temple Quay House and business travel (part 1)

|  | 2017/18<br>(34%<br>occupancy) | 2018/19<br>(34%<br>occupancy) | 2019/20<br>(22%<br>occupancy) | 2020/21<br>(22%<br>occupancy)<br>(Restated) | 2021/22<br>(22%<br>occupancy) |
|--|-------------------------------|-------------------------------|-------------------------------|---|-------------------------------|
| <b>Greenhouse gas emissions</b>                              |                               |                               |                               |   |                               |
| <b>Non-financial indicators</b>                              |                               |                               |                               |   |                               |
| Gross emissions for scopes 1 and 2 (tCO2e)                   | 289.51                        | 172.37                        | 83.53                         | 115.20                                      | 65.12                         |
| Total net emissions for scopes 1 and 2 (tCO2e)               | 0                             | 0                             | 0                             | 0   | 0                             |
| Gross emissions for scope 3 official business travel (kgCO2) | 467                           | 459                           | 453                           | 302   | 334                           |
| Other scope 3 emissions                                      |                               | 0                             | 0                             | 0   | 0                             |
| <b>Related energy consumption (KW h)</b>                     |                               |                               |                               |   |                               |
| Electricity: green tariff                                    | 623,087                       | 383,382                       | 288,147                       | 282,770                                     | 179,267                       |
| Gas  | 271,294                       | 135,647                       | 190,878                       | 237,469                                     | 128,258                       |
| Liquid petroleum gas   | 0                             | 0                             | 0                             | 0   | 0                             |
| Other  | 0                             | 0                             | 0                             | 0   | 0                             |
| <b>Financial indicators (£'000)</b>                          |                               |                               |                               |   |                               |
| Expenditure on energy  | 82.55                         | 136.93                        | 59.52                         | 59.66                                       | 39.06                         |
| Carbon reduction commitment licence expenditure              | 0                             | 0                             | 0                             | 0   | 0                             |
| Carbon reduction commitment income from recycling            | 0                             | 0                             | 0                             | 0   | 0                             |
| Expenditure on official business travel                      | 846.3                         | 887.6                         | 1,026                         | 408   | 591                           |
| <b>Finite resource consumption - water</b>                   |                               |                               |                               |   |                               |
| <b>Non-financial indicators (m3)</b>                         |                               |                               |                               |   |                               |
| Water consumption - supplied                                 | 1,992                         | 1,243.38                      | 1,127                         | 1,634                                       | 373                           |
| Water consumption - abstracted                               | 0                             | 0                             | 0                             | 0   | 0                             |
| <b>Financial indicators (£'000)</b>                          |                               |                               |                               |   |                               |
| Water supply costs   | 6.63                          | 4.22                          | 4.9                           | 4.05  | 0.03                          |

Table 2. Environmental impact from Temple Quay House and business travel (part 2)

|  | 2017/18<br>(34%<br>occupancy) | 2018/19<br>(34%<br>occupancy) | 2019/20<br>(22%<br>occupancy) | 2020/21<br>(22%<br>occupancy)<br>(Restated) | 2021/22<br>(22%<br>occupancy) |
|--|-------------------------------|-------------------------------|-------------------------------|---|-------------------------------|
| <b>Waste</b>   |                               |                               |                               |   |                               |
| <b>Non-financial indicators (t)</b>                            |                               |                               |                               |   |                               |
| Total waste  | 29.76                         | 42.74                         | 61                            | 12.54                                       | 2.20                          |
| Hazardous waste  | 0                             | 0                             | 0                             | 0   | 0                             |
| Non-hazardous waste - landfill                                 | 2.80                          | 1.41                          | 0.8                           | 0.22  | 0                             |
| Non-hazardous waste - reused or recycled                       | 13.52                         | 34.05                         | 60                            | 12.10                                       | 0.88                          |
| Non-hazardous waste - incinerated or energy created from waste | 13.44                         | 7.28                          | 0                             | 0.22  | 1.32                          |
| <b>Financial indicators (£'000)</b>                            |                               |                               |                               |   |                               |
| Total disposal cost  | 10.65                         | 5.65                          | 0.1                           | 0.2   | -                             |
| Hazardous waste disposal cost                                  | 0                             | 0                             | 0                             | 0   | 0                             |
| Non-hazardous waste - landfill                                 | 0.34                          | 0.66                          | 0.035                         | 0.21  | 0                             |
| Non-hazardous waste - reused or recycled                       | 1.60                          | 1.18                          | 0.063                         | 0.051                                       | -                             |
| Non-hazardous waste - incinerated or energy created from waste | 8.72                          | 3.80                          | 0                             | 0   | -                             |

In 2019/20 the way data is reported changed to cover the first three quarters of the reporting period, with the previous year's figures restated to include quarter four of that reporting period. An error was discovered while restating the 2020/21 figures, which showed we had reported figures higher than they should have been. This has now been corrected using the restated figures.

Estimated figures were used for calculating the water usage and cost in 2020/21, when the actual figures were supplied the cost was much lower. A rebate was given in Q3 of 2021/22 resulting in much lower cost for 2021/22.

Due to the way figures are calculated and supplied, we have been unable to report against the cost of waste disposal in 2021/22 and identified figures in 2020/21 were also calculated using incorrect figures. Waste disposal costs are consolidated with all costs related to office cleaning and we are unable to separate out those costs related to waste. We will work with the Government Property Agency to improve our reporting for 2022/23.

# Financial performance

**We manage our finances effectively and efficiently to support delivery of our Strategic Plan. £48m of our spend is funded by the Department for Levelling Up, Housing and Communities with £12.7m from income on National Infrastructure, Local Plans and other casework.**

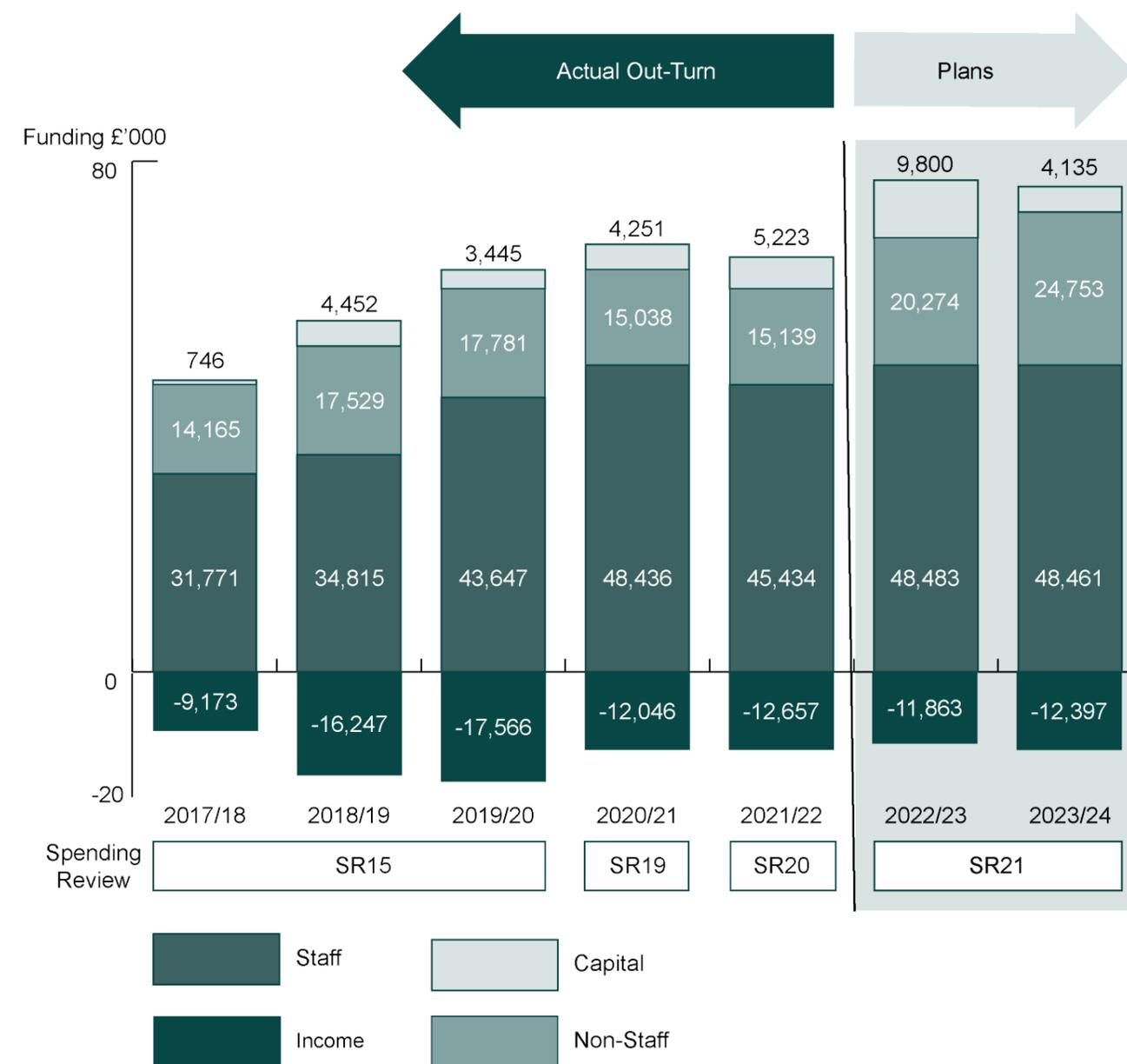
In 2021/22 we spent £60.7m on revenue expenditure, £3.3m less than the previous year. The reduction in costs is largely a result of vacant posts (103 by 31 March 2022, increased from 70 as at 1 April 2021). We handed back £2m in our Supplementary Estimates budget review and ended the year with a further £2.9m of underspend. The underspend includes £0.7m delayed costs on Planning Reform and Project Speed, £0.5m more leave taken than expected, £0.5m lower ex-gratia payments than forecast at Supplementary Estimates and extra income received of £0.3m. Our staff related costs of £45.4m are 75% of our total costs, a decrease from 2020/21 when we spent £48.4m on people costs (76% of the total expenditure). Over the years we have been able to flex some of our costs in line with the income generated from activities (see Note 2 – Statement of Operating Costs by segment), such as our non-salaried Inspectors and temporary staff. This year we continued to spend on non-salaried Inspectors to keep casework moving through the pandemic.

During 2021/22 we continued with our capital investment to improve future performance including £4.9m on Digital Public Services as outlined on page 32. Our taxpayers equity has increased by £5.1m (see page 109) from £8.2m to £13.3m due to this capital investment and an increase in our cash balance due to the underspend.

Income has varied over the past five years from the lowest at £9.1m in 2017/18 up to £17.6m in 2019/20. The original budget for income in 2021/22 was £14.9m (see table 16, page 98) but this was reduced to £12.3m as a result of delays in the application of nationally significant infrastructure projects and expected Local Plans. Nationally Significant Infrastructure Project applications were still our largest income area with £5.3m of work completed in the year compared to £4.7m in 2020/21 (see graph 17, page 53). The remainder of our costs are funded by the Department for Levelling Up, Housing and Communities, with £0.3m for the period up to 30 September in 2021/22 (£0.6m in 2020/21) from Welsh Government for their support services.

The Spending Review 2021 period covers three years for revenue and four years capital where the first two years are shown in Graph 20.

Graph 20. Expenditure and income over the past three and future spending reviews.



*Sarah Richards*

Sarah Richards  
Chief Executive  
27 June 2022



## Statement of the Accounting Officer's responsibilities

Under Section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Planning Inspectorate to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Inspectorate and of its income and expenditure, Statement of Financial Position and cash flows for the financial year. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Departmental Accounting Officer at the Department for Levelling Up, Housing and Communities has appointed the Chief Executive as Accounting Officer of the Planning Inspectorate. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Inspectorate's assets, are set out in Managing Public Money published by the HM Treasury.

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

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

Sarah Richards,  
Chief Executive  
27 June 2022

# Directors' report



**Trudi Elliott** was appointed on 1st April 2018 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.

She attended seven Boards, five Audit and Risk Assurance Committees and eight Panels.



**Sally Dixon** was appointed on 22nd July 2019 as Non-Executive Director and rotational Chair of the Strategic Assurance Panels.

Sally is a qualified pensions actuary and a Chartered Member of the Institute for Personnel and Development. She has over 20 years experience at the professional services firm PwC. Visit <https://www.gov.uk/government/people/sally-dixon> for more information.

She attended six Boards, three Audit and Risk Assurance Committees and eight Panels.



**Stephen Tetlow** was appointed on 22nd July 2019 as Non-Executive Director and rotational Chair of the Strategic Assurance Panels.

Stephen is a Chartered Engineer. He has substantial experience of large-scale IT delivery, including the award-winning computerisation of the National MOT system. Visit <https://www.gov.uk/government/people/stephen-tetlow> for more information.

He attended seven Boards, five Audit and Risk Assurance Committees and eight Panels.



**Dr Rebecca Driver** was appointed on 31st December 2019 as Non-Executive Director and Chair of the Audit and Risk Assurance Committee.

Rebecca is an economist with over 25 years of experience. She is currently director of the research consultancy Analytically Driven Ltd. Visit <https://www.gov.uk/government/people/rebecca-driver> for more information.

She attended seven Boards, five Audit and Risk Assurance Committees and eight Panels.

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



**Sarah Richards** was appointed on 7th March 2016 as Chief Executive.

Sarah is a planner. She set up and led the Planning Advisory Service. Her previous role was Strategic Director Regeneration, Housing and Resources, at Slough Borough Council. Visit <https://www.gov.uk/government/people/sarah-richards> for more information.

She attended six Boards, five Audit and Risk Assurance Committees and six Panels.



**Navees Rahman** was appointed on 5th December 2016 as Director of Corporate Services.

Navees was trained as a Chartered Accountant. He has held leadership positions in executive agencies and central government departments. Visit <https://www.gov.uk/government/people/navees-rahman> for more information.

He attended six Boards, five Audit and Risk Assurance Committees and six Panels.



**Christine Thorby** was appointed on 1st April 2019 as Director of Strategy. She retired on 25th March 2022.

Christine joined the Inspectorate from a Local Planning Authority in February 2003 as an Inspector. She rose through the ranks to join the Executive Team, bringing an Inspector's perspective.

She attended four Boards and six Panels.



**Graham Stallwood** was appointed on 13th May 2019 as Director of Operations.

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.

He attended six Boards and five Panels.

Our register of interests is published on the GOV.UK website: <https://www.gov.uk/government/publications/register-of-planning-inspectorate-board-member-interests>

# Governance Statement

**The Planning Inspectorate is an arm's length body sponsored by the Department for Levelling Up, Housing and Communities, and by the Welsh Government until October 2021. Our governance arrangements are the controls we have in place to uphold our public duty with probity.**

This Governance Statement covers the period from 1 April 2021 to 31 March 2022. Our Chief Executive and designated Accounting Officer, Sarah Richards, is accountable for ensuring the effectiveness of governance arrangements and of the management controls, including risk management and internal audits. She is personally responsible for the organisation's use of resources to carry out its functions and for managing the organisation in accordance with our Framework Document, with the Civil Service rules and best practice on propriety and value for money. She may be required to appear before the Public Accounts Committee in relation to her responsibilities as Accounting Officer. She is satisfied that she has the necessary level of assurance through: rigorous reviews of the controls, especially risk management and audit findings, the advice of the Board, Audit and Risk Assurance Committee and panels, and through recommendations taken to Executive Team meetings. A proposal for a new corporate governance framework is under development and will be put in place in 2022/23. It aims to implement the governance required to oversee the implementation of Customer, Data and Digital and People strategies.



## Accounting Officer meetings

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

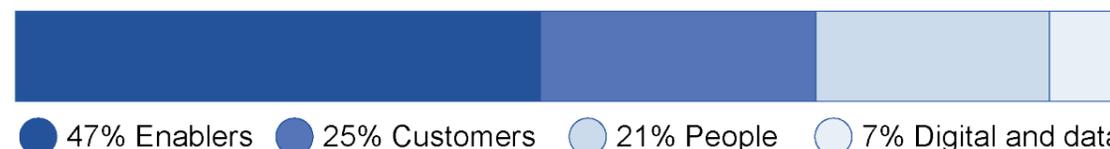
## Planning Inspectorate Board

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

Trudi Elliott is the independent Non-Executive Chair of the Board. The other members are the other Non-Executive Directors, all the Executive Directors, the Chief Executive, and a representative from the Department for Levelling Up, Housing and Communities. Until the creation of the Planning and Environment Decisions Wales (1/10/21), a representative from the Welsh Government was also a member of the Board.

The Board has a broad range of skills and experience. The non-executive team currently includes an economist, a planner, an engineer, and a pensions actuary/human resources specialist. Collectively they have extensive experience of both executive and non-executive governance as well as leadership experience. The Board's effectiveness for providing assurance and challenge on the Customer Strategy could be strengthened with broader representation from our customer base. Digital transformation skills and experience within the Board are well represented. Increased synergy with the Department's wider digital strategy would drive efficiencies and enhance public engagement.

The Board met seven times in 2021/22. Attendance is shown in the Directors' Report pages 66-67. Every meeting included an update from the Department for Levelling Up, Housing and Communities and from the Welsh Government until 1st October 2021. The Board typically reviews the strategic dashboard, which includes data about operational performance, the health, safety and wellbeing of our people, progress of change projects and our financial position. Almost half of the Board's time was spent on discussion related to enablers such as the 2021/25 [Strategic Plan](#), our budgetary position as part of the 2022/25 spending review or the environmental policy. Discussions related to our customer strategy related to analysis of our performance and review of the quality framework for the examination service. Our 'people focused' discussion concentrated on learning from the pandemic, as it informs two of our change projects; Future ways of working and Future operating model for events. Finally, discussions about the separation of the Welsh part of our operations were centred on the impact on our data and systems. Quality papers and presentations with relevant information supported those discussions.



## Audit and Risk Assurance Committee

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

The Committee is chaired by Rebecca Driver. The other two members are Non-Executive Directors Sally Dixon and Stephen Tetlow. The meetings are also attended by a range of executives and experts, representatives of the Department for Levelling Up, Housing and Communities, the National Audit Office and the Government Internal Audit Agency. The Committee's assurance on financial matters would be enhanced by the addition of a non-executive member with an accountancy qualification and relevant direct experience. We will be recruiting for new non-executive directors with those skills in 2022/23.

The Audit and Risk Assurance Committee met five times this year. Attendance is shown in the Directors' Report pages 66-67. During the year, the Committee focused a lot of its activity on reviews of different aspects of the risk assurance process and internal controls. These included the business continuity framework, cyber security framework, whistleblowing policy, conflict of interest reporting and fraud action plan. An example of the impact of challenges raised by the Committee was the amendment of the Inspectorate's risk assurance templates: to help clarify what they are designed to show. The Committee assessed how we identify and manage risks, and monitored the robustness of the internal audit programme and resulting management actions. The Committee also provided insight and challenge on the production of the annual report and accounts. A quarter of the Committee time was spent discussing internal audits. The remaining time was spent on external audits, risk management and financial and annual reporting.

In 2021/22 the National Audit Office chose our organisation as a pilot for its implementation of their new audit methodology, which incorporates changes in auditing standards such as ISA 315, which places more focus on audit risk assessment and response. The Committee has monitored the impact of the changes on the business and engagement between us and NAO.



## Strategic Assurance Panels

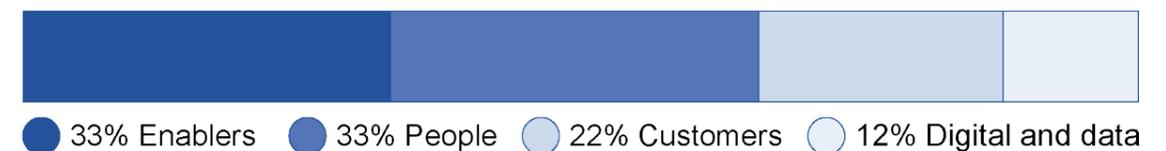
The Strategic Assurance Panels are advisory deep dives that complement the Board. They are chaired by a Non-Executive Director. Attendees are the other Non-Executive Directors, members of the Executive Team and experts with relevant knowledge. The Panels aim to offer assurance on our delivery against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

Strategic Assurance Panels have enabled deep dives into key opportunities and challenges facing the Inspectorate including Planning Reform, workforce planning, organisational digital developments, innovation and wider operating context, health and safety and customer experience, each exploring the inspectorates use of resources and impact. Enhancing how we measure benefits and impact will be key to future improvements. Our role in achieving net zero will be an enhanced focus.

Eight Strategic Assurance Panels were conducted this year. Attendance is shown in the Directors' Report pages 66-67. Topics are prioritised based on risks and value, they included:

- Strategic Workforce Planning, Equality, Diversity and Inclusion and Customer Strategy
- Digital and Data Strategy
- Planning Reform and Project Speed
- Commercial Approach
- Continuous Improvement
- Equality, Diversity, and Inclusion
- Innovation
- Engagement Survey

A third of the Panels focused on enablers and the People Strategy, about a fifth of them focused on delivery of the Customer Strategy and one meeting focused on the Digital and Data Strategy.



## Executive Team meetings

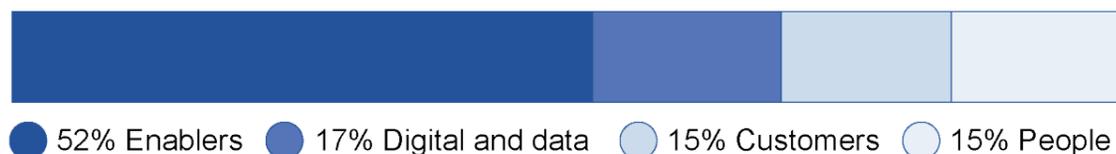
The Executive Team is composed of our Chief Executive and Directors for Operations, Strategy and Corporate Services. This group sets out and delivers our strategy.

They met every two weeks to monitor our financial and non-financial performance, mitigate strategic risks and issues, manage our relationships with our key stakeholders and give direction to the Inspectorate. They reviewed the Strategic Risk register: re-assessing them, reviewing the effectiveness of mitigation plans and considering new emerging risks.

A little over half of the items on the Executive agenda focused on enabling activities. The remaining time was split almost evenly among our three strategies. In 2021/22, the Executive Team approved the following:

- The Annual Report and Accounts;
- A revised Strategic Plan and supporting 2022/25 Business Plan;
- Key areas of focus to improve employee engagement;
- A technical option for future data architecture to build organisational capability;
- A revised approach to continuous improvement based on organisational learning;
- An approach to cyber security;
- An approach to strategic workforce planning; and
- A consultation proposal for our future operating model for events.

The 2022/25 Business Plan is aligned with our funding horizon as part of the Spending Review (see Financial Performance). The Executive Team tasked the [Change Portfolio Progress Group](#) to prioritise activities to maximise the available resources.



## COVID-19 Project Board

The COVID-19 Project Board is a temporary group established at the onset of the pandemic. It reports into the Executive Team to ensure a quick and clear decision-making process. Frequency of the group meeting varied through the year in response to our changing needs. Expenses classified as COVID-19 specific totalled £2,153 in 2021/22.

Active risk management was core to ensuring the safety of our staff and members of the public engaging with our work. The COVID-19 Project Board managed careful judgements against law and guidance issued by the government to manage health, safety and wellbeing. It focused on planning for a phased return to the office, maintaining social distancing in our working environments and offering safety provisions such as personal protective equipment, for example face masks and alcohol hand sanitiser gel. The COVID-19 Project Board made recommendations to the Executive Team to trial virtual and in-person events, once those resumed in September 2021. Throughout the year, the COVID-19 Project Board ensured our people were kept informed about changes in guidance with up-to-date policy and advice.

## Impact of the creation of Planning and Environment Decisions Wales on our governance arrangements

From 1 October 2021, Planning and Environment Decision Wales was established. A memorandum of understanding was created to set out arrangements for consultation and co-operation between the Welsh Government and the Inspectorate. There was no longer a representation from the Welsh government on our Board. We identified the need to update the Framework document to reflect the separation.

## Effectiveness review

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

Following an internal effectiveness review in late 2020, we implemented a number of actions this year to make improvements in the following themed areas:

- We published internal information to clarify our governance structure, reporting and escalation lines.
- Senior leaders have an open invitation to observe meetings in the corporate governance cycle. There is regular communication with our senior leaders about the discussions held and decisions taken by our Executive Team.
- We revised templates, our preparation timescales, and meeting guidance.

The Government Internal Audit Agency carried out an internal audit on our effectiveness this year. They found substantial assurance on our corporate governance controls, with no management actions required.

We conducted an internal effectiveness review of the Board, Audit and Risk Assurance Committee, Strategic Assurance Panels and Executive Team in February 2022. This was a light touch review to check on the progress made to address areas for improvement identified in the previous review. This review found we are making progress on those areas. It also pointed to the need for improvement in how we agree and communicate actions and decisions made during meetings.

## Compliance with the Corporate Governance Code

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

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

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

The Code states that effectiveness reviews will be led by a Non-Executive Board member and that they should periodically assess the mix of skills and experience of board members to ensure it is sufficient and relevant. Our lead Non-Executive Director carried out appraisals of the Non-Executive Directors, including an evaluation of skills mix and experience.

The impact of the COVID-19 pandemic meant that an external effectiveness review was not carried out within the recommended three-year period, which also breached our Framework Document. Sponsorship best practice guidance is being refreshed and the government is considering its schedule for reviews of its Arm's Length Bodies. Our recommendation to government is that they do not schedule an external review until we know the impact of legislative reform on the planning system.

Our Framework Agreement was due for renewal in summer 2021. We decided to delay renewal until the creation of the Planning and Environment Decision Wales and the publication of a new template produced by HM Treasury to prevent abortive work. The Framework Agreement will be renewed in the new template in Summer 2022.



# Key controls

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

## Business continuity

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

### Changes made in 2021/22

- Conducted a scenario exercise Inspectorate wide; and
- Conducted desktop exercises for all teams and updated our documentation.

### Plans for 2022/23

- Run a scenario exercise with the Crisis Management Team.

## 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, and shown on the opposite page.

Risks are managed throughout the Inspectorate and escalated to the Executive Team when they are strategic in nature. The strategic risks detailed in pages 14-21 are owned by the Executive Team. We provide visibility of our strategic risks to the Department for Levelling Up, Housing and Communities' risk management team on an annual basis.

### Changes made in 2021/22

- Rolled out new risk appetite statements;
- Formalised risk transfer when change projects end; and
- Engaged with the organisation to identify new risks.

### Plans for 2022/23

- Conduct risk workshops to embed a bottom-up and top-down approach.

|                                  | Risk Appetite  |
|----------------------------------|--|
| Reputation and credibility       | For the risk of financial loss, opportunity, reputation or disruption to business activities as a result of inability to deliver high-priority work on time, to budget and expected quality our appetite is MINIMALIST.  |
| Operations delivery              | <p>We are RECEPTIVE to taking risks in our operational delivery, recognising that we are operating in a rapidly changing environment.</p> <p>For risks to the availability of our critical business functions our appetite is AVERSE.</p> <ul style="list-style-type: none"> <li>• For risks associated with non-critical work we accept that some inefficiency may exist and provided they do not result in breach of regulation or result in litigation our appetite is CAUTIOUS.</li> <li>• When opportunities are identified that are associated with improving and developing the way we work our appetite is EAGER.</li> </ul>   |
| People                           | <p>Our people are our most important asset. We have an AVERSE appetite to taking any risks that would impact on the health, safety and well-being of our staff. But we are EAGER to accepting risks where we are taking action to improve our equality, diversity and inclusion, and to improve our ability to prepare for and deliver change in the organisation.</p> <p>We rely on motivated, diverse and high-quality staff to perform its functions. We aim to create an environment where our people are empowered to the full extent of their abilities. For Development of staff our appetite is EAGER.</p>   |
| Compliance, legal and regulatory | We endeavour to promote a high level of compliance as well as internal policies and sound governance principles. Our appetite for violations of legislative or regulatory requirements is AVERSE.  |
| Innovation                       | We remain EAGER to take advantage of new and innovative ideas that offer high rewards and are open to the risk of failure when pursuing these.   |
| Financial                        | <p>We are AVERSE to taking any action which would undermine the core processes of financial control in the organisation, but we are RECEPTIVE to taking financial risks when making innovations in our service delivery.</p> <p>For financial propriety and regularity risks with a determined focus to maintain effective financial control framework accountability structures we are AVERSE</p> <ul style="list-style-type: none"> <li>• In terms of risks related to our qualification of accounts, associated process and deviation from reporting timetables we are AVERSE.</li> <li>• To risk relating to breaching individual control totals we are MINIMALIST.</li> <li>• In relation to our budget spend with the intention that we should maximize the use of resource each year we are RECEPTIVE.</li> </ul> |

## Change management

The Change Portfolio consists of programmes and projects that aim to change the way we do things. In April 2021, we established a new change portfolio governance process. Every change project is managed by a board, and governance is provided by a Change Portfolio Progress Group. The Group assesses proposed changes, priorities them, and challenges delivery progress against project controls. Prioritisation is based on benefits to our customers. Another key focus of the Group is to ensure the balance of ability of the Inspectorate to deliver changes while maintaining operational services. There is a zero-tolerance policy for project overspend and any variances must be approved by its board. Our self-assessment rating against the Project Delivery Functional Standard is 'developing'.

### Changes made in 2021/22

- Produced new processes and templates to improve control and transparency, especially on benefit identification and realisation;
- Improved capacity to assess the impact of change to assist decision-making; and
- Reduced reliance on contracted resource to deliver change.

### Plans for 2022/23

- Review processes to identify improvements of efficiency, transparency and scrutiny;
- Produce a clear 3-year change plan aligned with business planning and financial forecast; and
- Deliver training about financial and commercial practices to project managers and project sponsors.

## Legal controls

Decisions from Inspectors are covered by Crown Indemnity. This means that the Inspectorate is liable for decisions taken, not the individual Inspectors 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 ahead of a court's ruling. Awards are reviewed and authorised through independent and financial checks.

### Changes made in 2021/22

- Reviewed ex gratia payment policy; and
- Enhanced our systemic analysis of all court challenges to capture learning points and revise our training programmes and guidance accordingly.

### Plans for 2022/23

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

## Internal audits

The Government Internal Audit Agency develops a risk-based audit plan for the Inspectorate every year. The Accounting Officer approves the audit plan after review and discussion at the Audit Risk and Assurance Committee. As part of the audit reports, management actions are agreed to strengthen controls when assurance is not substantial. The audit reports form the basis for the annual assurance opinion of 'moderate'. Each quarter, the Government Internal Audit Agency updates the Audit Risk and Assurance Committee about audits delivery and completion of management actions. Our self-assessment rating against the Internal Audit Functional Standard is 'good'.

### Changes made in 2021/22

- Controls providing substantial assurance:
  - Effectiveness review of corporate governance; and
  - Resource and workforce planning.
- Controls providing moderate assurance:
  - Operational Sustainability;
  - Payroll; and
  - General Data Protection Regulation.
- Controls providing limited assurance:
  - Public sector equality duties; and
  - Data quality.
- Benefits management audit was deferred to 2022/23
- Those internal audits raised 23 management actions:
  - 3 high priority actions;
  - 14 medium priority actions; and
  - 6 low priority actions.

The overall audit opinion for the year is moderate, recognising that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

### Plans for 2022/23

- Carry out internal audits on the following controls:
  - Benefits management;
  - Health and Safety;
  - Counter fraud;
  - Financial governance;
  - Payroll;
  - Data and digital; and
  - Cyber Security.

## Fraud and bribery

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

### Changes made in 2021/22

- Added fraud risk as part of all change project documentation; and
- Carried out a fraud awareness session during an 'All Staff Briefing', encouraging people to identify fraud risks.

### Plans for 2022/23

- Gather statistics around fraud prevention;
- Carry out additional fraud risk assessments; and
- Consider fraud awareness training for all Inspectors.



## Data protection

We previously received an internal audit opinion of 'limited' assurance around our data protection, this led to us identifying data governance as a strategic risk (S11). You can read about the mitigations we implemented in 2021/22 and what is planned for the future on page 16. One data protection breach report was made to the Information Commissioner's Office in 2021/22. This involved customer information being published on our Appeal Casework Portal which should have been redacted before publication. The Portal was taken off line and the relevant field removed before reinstatement of the Portal. As we improve our practices, we also look forward to upcoming changes to planning regulations, as part of Planning Reform, and to data protection through proposed legislative reform. Both will have an impact of how we collect, use and share data.



## Health, safety and wellbeing

We continue to progress in all areas of health, safety, and wellbeing, increasing our understanding of the risks and the mitigations needed. In 2021/22 we have recorded 8 near misses, 5 accidents and 8 incidents. None fell under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. This control has been identified as a strategic risk (S16) and we have established a change project to focus delivering the changes needed to improve health, safety, and wellbeing for our people. You can read more about this on page 18.

## Information security

We have controls in place to keep our customers' data, as well as our business-critical information, safe. As part of our continuing security improvement programme, we are certified to Cyber Essentials Plus. This is an independent technical assessment of the cyber protection levels of our digital notebooks, mobile telephone devices, servers and networks. Our self-assessment rating against the Information Security Functional Standard is 'good', with outstanding actions related to information management. No serious incidents have occurred during the year. We currently have three high priority areas: mitigating the threat of cyber-attacks, the automation of security patches and reducing the use of hardware and software without prior approval.

### Changes made in 2021/22

- Reviewed the security operations of Microsoft Office 365 to control approval of applications;
- Centralised security monitoring requirement; and
- Audited third party digital service suppliers.

### Plans for 2022/23

- Recruit additional information security staff to increase capacity to proactively identify and mitigate business risks from cyber threats;
- Continue to increase cyber awareness across the Inspectorate; and
- Carry out a continuous improvement programme to respond to ever-emerging cyber security threats.

## Human resources controls

Our human resources controls are set out in our Framework Document. The Civil Service Commission regularly audits our systems to ensure compliance with the Framework on our recruitment and selection standards. Our self-assessment rating against the Human Resource Functional Standard is 'good'. In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on the Planning Inspectorate's [website](#).

### Changes made in 2021/22

- Established a rolling programme of continuous improvement for all our human resources policies;
- Embedded our public sector equality duty to our employees through improved training and use of equality impact assessments;
- Built a learning and development framework to develop the capability of our people;
- Continued delivery of our equality, diversity and inclusion approach; and
- Improved our approach to recruitment as evidenced in a recent Civil Service Commission audit

### Plans for 2022/23

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

## Financial controls

We are accountable to the Department for Levelling Up, Housing and Communities for how we prepare and spend our budget allocation. This year there was a 6% variance on our net budget. Our processes comply with 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. We report unplanned spend to the Audit and Risk Assurance Committee such as ex gratia payments, adverse costs and bad debt write-offs. Our self-assessment rating against the Finance Functional Standard is 'better', with the rating against Debt Functional Standard reported as 'developing'.

### Changes made in 2021/22

- Implemented a new process to authorise funding requests outside of original budget;
- Aligned financial and people data to improve automation of resource forecasting and modelling;
- Developed a financial plan aligned to longer-term spending review and the [Strategic Plan](#); and
- Reviewed financial and commercial delegations from the Department for Levelling Up, Housing and Communities to ensure they are appropriate and robust.

### Plans for 2022/23

- Develop benefits reporting to ensure projects deliver their business case's commitments;
- Scope requirements for greater alignment of costs to business plan activities;
- Deliver improved Finance Business Partnering and training for budget holders;
- Improve transparency of monitoring and reporting on forecast movements; and
- Continue to improve our pay accuracy and automation of information from HR data to financial forecasts.

## Conflict of interests

Our Conflict of Interests policy requires all our people and Non-Executive Directors to declare any potential conflicts on appointment and later on as they arise. It is a standing agenda item for the Board, Audit and Risk Assurance Committee and Executive Team Meetings. There were no declarations of interest at these meetings this year.

All Directors check and update the declarations of interest register as part of the Annual Report and Accounts process. Inspectors do not work on cases set in areas where they have recent or ongoing connections. The Professional Steering Group takes assurance on this yearly as part of its annual standards review.

### Changes made in 2021/22

- Identified the need to improve the policy and processes.

### Plans for 2022/23

- Review the Conflict of Interests policy, recording and assurance procedures; and
- Improve the recording of declarations of interest through the introduction of a new application within the SAP HR system. This will prompt yearly declarations by all staff.

## Commercial controls

Commercial controls ensure effective delivery of contracts which offer value for money and comply with procurement regulations. In the year we awarded 76 new contracts, 12 of them on a single tender basis. We maintain procurement standards to support sustainability, prevent modern slavery and support economic growth. We manage suppliers through a range of techniques dependent on value, criticality and contract type. We aim to take a collaborative approach to deliver best value for money, increase innovation and transfer skills to our people. We encourage controlled early supplier engagement and procurement involvement through the contract lifecycle. We share risks with suppliers, agree liabilities and insurances, as formalised in the terms and conditions of our contracts. We aim to pay invoices within five days but we sometimes need more time to check and validate them. Our self-assessment rating against the Commercial Functional standard is 'good' while our rating against the Property Functional Standard is 'developing'.

### Changes made in 2021/22

- Introduced a business partnering approach to facilitate earlier interactions;
- Improved processes to ensure effective governance on third party spending and adherence to Cabinet Office spend controls; and
- Increased commercial expertise, capacity and effectiveness through recruitment and training.

### Plans for 2022/23

- Develop the commercial business partner role;
- Provide better transparency and analysis on third party spend and improve reporting about commercial outcomes;
- Improve contract management and supplier relationships; and
- Procure more diverse, environmentally friendly supply chain to support the Government's Social Value Model objectives.

## Whistleblowing

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

One report was made this year. It related to a perceived conflict of interest and was handled in accordance with our Whistleblowing policy. Organisational learning from this report resulted in plans to improve our Conflict of Interest and our Whistleblowing policies in 2022/23.

### Changes made in 2021/22

- One report received and investigated.

### Plans for 2022/23

- Revise whistleblowing policy to align to other Civil Service policies; and
- Initiate tender for new confidential reporting service.



## Management information

We need to understand our data and its quality so that we can provide good management information. We have created a business data catalogue and a master data map, and have updated our information asset register. With a clear understanding of our data and where we store it, we can ensure we do this securely and make evidence-based decisions. We have embedded the process of using data and analysis to understand and improve our performance. Frequent reports, analysis and insights are provided to the Executive Team and the Board.

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

### Changes made in 2021/22

- Worked with Department for Levelling Up, Housing and Communities to update our operational performance targets and improved analysis on resource requirements based on scenarios;
- Developed data principles, standards and guidelines to ensure data is safely and efficiently handled; and
- Improved the information shared with stakeholders and the public in official statistical releases about our operational performance and about the diversity of our people data (<https://www.gov.uk/government/organisations/planning-inspectorate/about/statistics>).

### Plans for 2022/23

- Develop improved reporting on the performance of our public facing digital services;
- Improve reporting in our Official Statistics;
- Improve data literacy and set levels of knowledge and skills required for the Inspectorate; and
- Build our operational data warehouse.

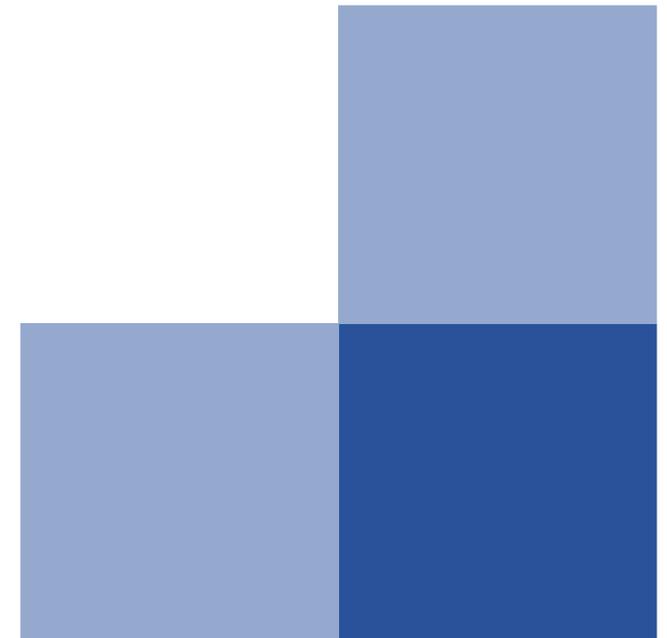
Note about the performance data showed in this report. Many of the measures included in this Annual Report are subject to technical definitions in one way or another. For example, how are decision times calculated or what cases are included. We plan to produce a guide to this report that will provide this information. However, much of this information is already published alongside [our monthly statistical releases](#).

We have recently introduced a new system for scheduling casework, which has changed the way that some records are made. In some instances this means it is not possible to reliably replicate figures for previous years. Data have been carried forward for 2020/21 and previous years, where it has not been possible to re-calculate the results.

## 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 areas to focus on improving as part of our organisational commitment to continuous improvement.

Sarah Richards  
Chief Executive  
27 June 2022



# Remuneration report

The remuneration report summarises our remuneration policy and disclosures on Directors' remuneration as required by Section 421 of the Companies Act 2006 adapted for the public sector context.

## Directors' remuneration policy

The remuneration arrangements and performance appraisal that apply at Director level and above are those which apply to the Senior Civil Service generally. The main features of these arrangements are specified centrally by the Cabinet Office. In line with Senior Civil Service pay guidance as part of the work and recommendations of the Senior Salaries Review Body, annual salary is determined on an individual basis by the Chief Executive, with oversight from Department for Levelling Up, Housing and Communities. Directors' notice period is at least one month.

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

This section of the document has been subject to audit.

The single total figures of remuneration for Directors, for the year ended 31 March 2022 and in brackets the comparative figures for the year ended 31 March 2021, are shown in Table 3. The Bonus Payment was determined via equal distribution of the delegated non-consolidated performance pay total across all staff and then applied to all grades, this was £156 (pro-rata for part-time staff) to recognise the performance of all staff during the pandemic.

Table 3. Single total figures of remuneration for Directors for the year ended 31 March 2022

|   | Salary and fees paid                    | Bonus                    | Taxable benefits      | Pension related benefits | Total for 2021/22 (2020/21) |
|---|---|--------------------------|-----------------------|--------------------------|-----------------------------|
|   | £'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    |
| <b>Accounting Officer</b>   |   |                          |                       |                          |                             |
| Sarah Richards  | 140-145                                 | 0-5                      | -                     | 56,000                   | 200-205                     |
| Chief Executive   | (140-145)                               | (0-5)                    | (-)                   | (56,000)                 | (200-205)                   |
| <b>Executive Directors</b>  |   |                          |                       |                          |                             |
| Paul McGuinness   | 0-5                                     | -                        | -                     | 4,000                    | 5-10                        |
| Interim Director of Corporate Services (from March 2020 - April 2021) | (75-80)<br>(75-80 full-time equivalent) | (0-5)                    | (-)                   | (30,000)                 | (105-110)                   |
| Navees Rahman   | 90-95                                   | 0-5                      | -                     | 38,000                   | 130-135                     |
| Director of Corporate Services  | (85-90)                                 | (0-5)                    | (-)                   | (46,000)                 | (135-140)                   |
| Graham Stallwood  | 105-110                                 | 0-5                      | -                     | 41,000                   | 145-150                     |
| Director of Operations  | (105-110)                               | (0-5)                    | (-)                   | (41,000)                 | (145-150)                   |
| Christine Thorby  | 110-115                                 | 0-5                      | -                     | -5,000                   | 105-110                     |
| Director of Strategy  | (110-115)                               | (0-5)                    | (-)                   | (40,000)                 | (150-155)                   |
| <b>Non-Executive Directors</b>  |   |                          |                       |                          |                             |
| Trudi Elliott   | 20-25                                   | -                        | -                     | -                        | 20-25                       |
| Chair, Non-Executive  | (20-25)                                 | (-)                      | (-)                   | (-)                      | (20-25)                     |
| Sally Dixon   | 10-15                                   | -                        | -                     | -                        | 10-15                       |
| Director, Non-Executive   | (10-15)                                 | (-)                      | (-)                   | (-)                      | (10-15)                     |
| Dr Rebecca Driver   | 10-15                                   | -                        | -                     | -                        | 10-15                       |
| Director, Non-Executive   | (10-15)                                 | (-)                      | (-)                   | (-)                      | (10-15)                     |
| Stephen Tetlow  | 10-15                                   | -                        | -                     | -                        | 10-15                       |
| Director, Non-Executive   | (10-15)                                 | (-)                      | (-)                   | (-)                      | (10-15)                     |

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

## Directors' pension disclosure

This section of the document has been subject to audit.

Table 4. Directors' pension disclosure

|   | Real increase in pension and related lump sum at pension age | Total accrued pension at pension age at 31/03/22 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 31/03/21   | As at 31/03/22 | Real Increase |
| Sarah Richards<br>Chief Executive                         | 2.5-5  | 20-25   | 302  | 370            | 49            |
| Navees Rahman<br>Director of Corporate Services           | 0-2.5  | 25-30   | 288  | 322            | 15            |
| Paul McGuinness<br>Interim Director of Corporate Services | 0-2.5  | 20-25   | 212  | 213            | 2             |
| Graham Stallwood<br>Director of Operations                | 0-2.5  | 5-10  | 49   | 77             | 19            |
| Christine Thorby<br>Director of Strategy                  | 0-2.5  | 55-60   | 1,131  | 1,169          | (5)           |

## 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.

## 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.

Reporting bodies are required to disclose pay ratios to enable readers to hold the organisation to account for remuneration policy.

Table 5. Fair pay disclosure

|  | 2021/22 | 2020/21      |
|--|---------|--------------|
| Change in highest paid Director's total pay                | 0%      | Not reported |
| Change in highest paid Director's bonus                    | 17%     | Not reported |
| Average change in total pay of employees                   | -4%     | Not reported |
| Average change in bonuses of employees                     | 9%      | Not reported |
| Band of Highest Paid Director's Total Remuneration (£'000) | 140-145 | 140-145      |
| Median Total – Inspector                                   | £59,412 | £59,389      |
| Remuneration Ratio - Inspector                             | 2.4     | 2.4          |
| Median Total - Support                                     | £27,684 | £27,607      |
| Remuneration Ratio - Support                               | 5.2     | 5.2          |

Table 6. Fair pay percentile ratios

| 2021/22         | Pay ratio | Salary  | Total pay |
|-----------------|-----------|---------|-----------|
| 25th Percentile | 5.2       | £27,529 | £27,684   |
| 50th Percentile | 3.3       | £42,878 | £43,484   |
| 75th Percentile | 2.4       | £58,806 | £61,221   |

The highest paid Director's total pay remains unchanged in the same disclosure bracket. The 50th Percentile ratio of 3.3 also remains unchanged from 2020/21.

The average change in total pay is adversely affected by changes in staff numbers over the last two years. Staff numbers increased later in 2020/21 as the vacancies from the Organisational Design re-structure were filled. Followed by, staff numbers decreasing in October 2021, as a result of the transfer of staff to the new Planning and Environment Decisions Wales. This has disproportionately affected average staff numbers compared to total salary cost. The average change in bonuses and performance pay represents an increase of £23 from £133 in 2020/21 to £156 in 2021/22 that was made as a one off payment pro-rata to all staff.

The banded remuneration of the highest paid Director in the financial year 2021/22 was £140,000 - £145,000 (2020/2021: £140,000 - £145,000). This was 2.4 times (Inspectors); 5.2 times (support) (2020/21: 2.4 (Inspectors); 5.2 (support)) the median remuneration of the workforce, which was £59,412 (Inspector); £27,684 (support) (2020/21: £59,389 (Inspector); £27,607 (support)). The remuneration ratio is unchanged since last year. The calculation is based on the full-time equivalent staff at the reporting period-end date on an annualised basis.

We conducted an equal pay review based on employee's average earnings in 2018/19 to establish whether the salaries paid are appropriate for the work done, and do not pose any equal pay challenges. Government pay restrictions have impacted on the progressing of this review but this work will inform our ongoing pay approach. Lower paid employees have had pay uplifts to reflect minimum wage increases. Information on the gender pay gap for the Planning Inspectorate was published on GOV.UK at <https://www.gov.uk/government/publications/dluhc-gender-pay-gap-report-and-data-2021/dluhcs-gender-pay-gap-report-2021>.

In 2021/22, nil employees received remuneration in excess of the highest paid Director (2020/21: nil). However, temporary staff, necessary to provide essential cover for vacant posts, received remuneration rates in excess of the highest paid Director, with ten remaining in post at 31 March 2022. Remuneration ranged from £179,400 to £10,500 (restated 2020/21 £179,400 to £10,500) excluding the highest paid Director. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Staff report

### Staff numbers

For the financial year 2021/22, we employed (average, full-time equivalent) 760 staff (see Table 7).

This total was made up of 45% women and 55% men which included 2 women and 2 men at Directorate level. Staff numbers include a mixture of full and part-time employees, home-based salaried Inspectors and office-based staff in the Cardiff and Bristol offices (office-based staff operating from home and office temporarily since COVID-19 pandemic). We also used the services of 80 non-salaried Inspectors (2020/21: 85) on a fee-paid contractual basis to allow flexible resourcing and value for money.

The number of full-time equivalent persons permanently employed by us (including senior management) during the year was as follows in Table 7. Turnover rate in 2021/22 was 4.5% (2020/21 9%) excluding staff transferred to the Welsh Government.

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 priority posts. There was also one seconded-out staff at management level for a longer-term post in another Government organisation. At 31 March 2022, 86 staff (77 as at 31 March 2021) were on contracts for a fixed term duration.

Table 7. Full time equivalent employed in year (This table has been subject to audit)

| Permanent (average)             | 2021/22    | 2020/21    |
|---------------------------------|------------|------------|
| Senior Civil Service Pay Band 2 | 1          | 1          |
| Senior Civil Service Pay Band 1 | 3          | 4          |
| Grade 6-7 (Senior Staff)        | 39         | 36         |
| Salaried Inspector              | 350        | 352        |
| Support                         | 117        | 117        |
| Caseworkers                     | 242        | 238        |
| <b>Total</b>                    | <b>752</b> | <b>748</b> |
| Less Secondments                | (1)        | (1)        |
| Add Agency                      | 9          | 12         |
| <b>Total Employed</b>           | <b>760</b> | <b>759</b> |

## Trade Unions

The organisation formally recognises two Unions: Public and Commercial Services, representing office-based staff, and Prospect, representing Inspectors. Formal consultation with the Unions took place largely through the four Whitley meetings held this year. 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 2021/22 consultations with Trade Unions included: Future Operating Model for Events: and job evaluation and reward work.

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

Table 8. Trade Union representation

| Employees who were relevant Union officials during the period | Full-time equivalent employees |
|---|--------------------------------|
| 16  | 14.96                          |

Table 9. Percentage of time spent on facility time

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

Table 10. Percentage of pay bill spent on facility time

|  |             |
|--|-------------|
| Total Cost of facility time                  | £46,715.81  |
| Total pay bill                               | £46,054,944 |
| Facility time cost as percentage of pay bill | 0.10%       |

Table 11. Paid Trade Union activities

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

## Attendance management

The average working days lost through sickness absence in 2021/22 was 5.2 days (4.8 days in 2020/21). Some of the absence is due to complex disability related issues. We are working 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 remains low at 9%, this figure is a slight decrease on 2020/21. 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 through reasonable adjustments to candidates. Since the COVID-19 pandemic, we have successfully conducted interviews virtually, while maintaining a high-quality selection and appointment process throughout. We will be incorporating this experience into future recruitment by offering the most suitable option to candidates wherever possible. 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.

## Staff costs

This section of the document has been subject to audit.

Table 12 includes the total staff costs for the 2021/2022 financial year, as shown in the Financial Statements.

Table 12. Total Staff costs

|                              | 2021/22<br>£'000 | 2020/21<br>£'000 |
|------------------------------|------------------|------------------|
| Wages and Salaries           | 32,432           | 34,450           |
| Social security costs        | 3,644            | 3,857            |
| Other pension costs          | 8,804            | 9,412            |
| <b>Sub Total</b>             | <b>44,880</b>    | <b>47,719</b>    |
| Agency staff                 | 566              | 717              |
| <b>Total net staff costs</b> | <b>45,446</b>    | <b>48,436</b>    |

## Pension benefits

Pension benefits are provided through the Civil Service pension arrangements. Principal Civil Service Pension Scheme and Civil Servants and Others Pension Scheme – known as ‘Alpha’ are unfunded multi-employer defined benefit schemes in which we are unable to identify our share of the underlying assets and liabilities. The last full actuarial valuation was carried out as at 31 March 2016. For details, see the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>).

For 2021/22, employers’ contributions of £8,945,700 were payable to the Principal Civil Service Pension Scheme (2020/21: £8,945,700) as one of four rates in the range 26.6% to 30.3% (2020/21: 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 2021/22 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 £32,513 (2020/21: £34,084) 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 £108 (0.5% of pensionable pay for those employees) were payable to the Principal Civil Service 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 2022 were £2,924 (2020/21: £2,916). Contributions prepaid at that date were £nil (2020/21: £nil). One person (2020/21: nil persons) retired early on ill-health grounds.

## Expenditure on consultancy and contingent labour

In 2021/22, the Planning Inspectorate incurred £597,600 (2020/21: £345,000) on contracts which were categorised as consultancy. Two contracts for consultancy and eight contracts for contingent labour were in scope of the Cabinet Office spend controls and required approval from Cabinet Office.

Our contingent labour spend falls into three main categories:

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

Our total contingent labour spend for 2021/22 was £5,284,317 (2020/21: £6,791,000).

## Off-payroll engagements

We engaged in off-payroll contracts (see the following tables for further analysis). Over 25% of incurred spend on these engagements were for the services of Non-salaried Inspectors (on a fee-paid contractual basis), to provide necessary flexibility in the Inspector workforce. The remainder of the off-payroll engagements supported a specific need in the organisation while transforming the organisation.

Table 13. Off-payroll engagements

| Highly paid off-payroll worker engagements as at 31 March 2022, earning £245 per day or greater | As at March 2022 |
|---|------------------|
| Number of existing engagements.   | 97               |
| Of which...   |                  |
| Number that have existed for less than one year at time of reporting.                           | 19               |
| 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.                  | 10               |
| Number that have existed for between three and four years at time of reporting.                 | 67               |
| 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 as to whether assurance is required that the individual is paying the right amount of tax under Inland Revenue legislation 35 (IR35) and, where necessary, that assurance has been sought.

Table 14. Off-payroll workers engaged during the year

| All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater | As at March 2022 |
|---|------------------|
| Number of temporary off-payroll workers engaged during the year ended 31 March 2022.  | 130              |
| Of which...   |                  |
| Not subject to off-payroll legislation.   | -                |
| Subject to off-payroll legislation and determined as in-scope of IR35.  | 35               |
| Subject to off-payroll legislation and determined as out-of-scope of IR35.  | 95               |
| Number of engagements reassessed for consistency/assurance purposes during the year.  | 102              |
| Of which: Number of engagements that saw a change to IR35 status following the consistency review.                            | -                |

Table 15. 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 2021 and 31 March 2022  | As at March 2022 |
|---|------------------|
| Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year.   | -                |
| Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or senior officials with significant financial responsibility', during the financial year. This figure should include both on-payroll and off-payroll engagements. | 9                |

## Exit packages

This section of the document has been subject to audit.

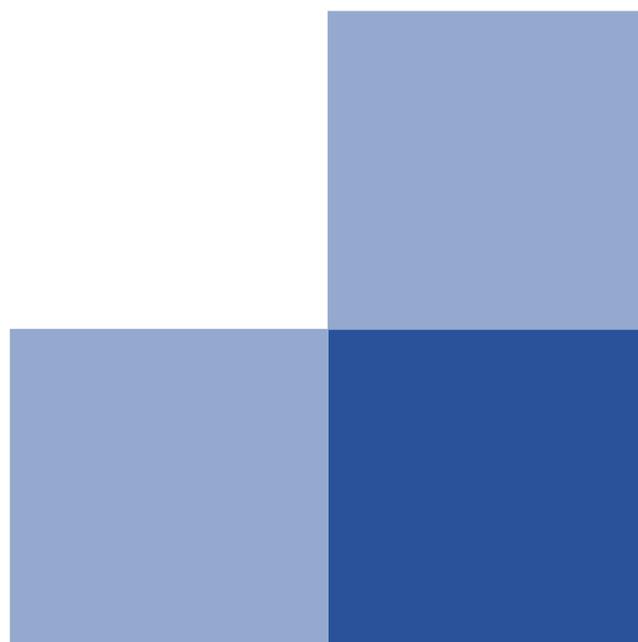
Exit costs are accounted for in full either in the year of departure or, where a binding commitment is made to leave in the subsequent year, costs are accrued. Ill-health retirement costs are met by the pension scheme.

There were nil compulsory redundancies or other departures in 2021/22 (£nil in 2020/21). Transfer of Undertakings (Protection of Employment) terms (TUPE) was used for the transfer of staff to the new Wales Division.

## Consultations

Staff were consulted in 2021/22 on the following topics and policy changes:

- Annual Leave Procedure
- Travel and Subsistence Policy
- Flexible Working Policy
- Future Operating Model
- Future Ways of Working
- ISS/Chart system procedures
- Job Evaluation (Planning Inspector role)



# Parliamentary accountability and audit report

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

## Budget Allocations and Out-turn

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

The detailed accounts for the 2021/22 financial year are included in the 'Financial Statements' part of this publication. A brief summary of our performance against budget is provided in Table 16.

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 £53.6m (2020/21 £49.6m) and the capital budget was £5.2m. The approved budget from the Department for Levelling Up, Housing and Communities was reduced by £2.1m in 2021/22 in recognition of the change in: staff recruitment; income demands; and expenditure patterns, as society adapts since the COVID-19 pandemic. We ended the year with an underspend against revised budget of £3.6m, as shown in Table 16.

Travel and subsistence costs increased during the year, as COVID-19 restrictions were incrementally removed. However, these costs are still lower than pre-pandemic levels, as virtual events are used.

During 2021/22 the total value of adverse costs paid out was £0.1m with £0.2m of costs awarded to the Planning Inspectorate. This amounted to 60 cases in total including 19 refused, 12 won and 5 lost with 11 outstanding (4 of which relate to prior year cases).

Table 16. 2021/22 Budget, out-turn and underspend

|   | Original budget<br>£'000 | Revised budget<br>£'000 | Out-turn<br>£'000 | Underspend<br>£'000 |
|---|--------------------------|-------------------------|-------------------|---------------------|
| Staff & related costs                               | 48,816                   | 45,852                  | 45,446            | (406)               |
| Non-pay running costs                               | 18,166                   | 16,507                  | 14,424            | (2,083)             |
| Receipts  | (14,954)                 | (12,327)                | (12,657)          | (330)               |
| <b>Net costs</b>                                    | <b>52,028</b>            | <b>50,032</b>           | <b>47,213</b>     | <b>(2,819)</b>      |
| Ring-fenced costs                                   | 1,500                    | 931                     | 846               | (85)                |
| <b>Total programme costs</b>                        | <b>53,528</b>            | <b>50,963</b>           | <b>48,059</b>     | <b>(2,904)</b>      |
| Non-cash costs (Annually Managed Expenditure - AME) | 161                      | 121                     | (36)              | (157)               |
| <b>Total operating expenditure</b>                  | <b>53,689</b>            | <b>51,084</b>           | <b>48,023</b>     | <b>(3,061)</b>      |
| Capital expenditure                                 | 5,290                    | 5,790                   | 5,224             | (566)               |

Table 17 shows the current provisional allocations and working assumptions for the budget. The Planning Inspectorate received an indicative budget for 2022/23 financial year, which will be confirmed in a formal budget delegation. These figures are subject to change.

Table 17. Current provisional allocations.

|                                    | 2022/23<br>£'000 |
|------------------------------------|------------------|
| Net Costs                          | 54,895           |
| Ring-fenced costs                  | 1,788            |
| <b>Total programme costs</b>       | <b>56,683</b>    |
| Annually managed expenditure       | 204              |
| <b>Total operating expenditure</b> | <b>56,887</b>    |
| Capital expenditure                | 14,085           |

## 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.

Table 18. Income and costs for casework activity

|                         | 2021/22       |                 |               | 2020/21       |                 |               |
|-------------------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
|                         | Cost<br>£'000 | Income<br>£'000 | Net<br>£'000  | Cost<br>£'000 | Income<br>£'000 | Net<br>£'000  |
| National Infrastructure | 11,426        | (5,304)         | 6,122         | 11,669        | (4,749)         | 6,920         |
| Local Plans             | 9,518         | (3,549)         | 5,969         | 7,712         | (2,635)         | 5,077         |
| Other Major Specialist  | 3,986         | (1,556)         | 2,430         | 3,687         | (1,109)         | 2,578         |
| <b>Totals</b>           | <b>24,930</b> | <b>(10,409)</b> | <b>14,521</b> | <b>23,068</b> | <b>(8,493)</b>  | <b>14,575</b> |

## Regularity of expenditure

This section of the document has been subject to audit.

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

Details of cases over £300,000: there were nil reportable cases in 2021/22 (nil reportable cases in 2020/21).

There were 35 losses and special payment cases, all 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 2022 where the case has yet to be raised. Given the remote classification, it is not possible to estimate a value but, if required, we would seek additional funding from the Department for Levelling Up, Housing and Communities as part of our normal spending review submissions.



Sarah Richards,  
Chief Executive  
27 June 2022

# 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 2022 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Planning Inspectorate's:

- Statement of Financial Position as at 31 March 2022;
- 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 2022 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 of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. 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 require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it 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 nor my auditor's certificate and report. 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.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

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

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

## Matters on which I report by exception

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

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

- I have not received all of the information and explanations I require for my audit; or
- 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
- 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;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Chief Executive as Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; 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 Chief Executive as 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 following:

- the nature of the sector, control environment and operational performance including the design of the Planning Inspectorate's accounting policies and key performance indicators.
- Inquiring 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 relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Planning Inspectorate's controls relating to compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- discussing among 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 also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Planning Inspectorate's framework of authority as well as other legal and regulatory frameworks in which the Planning Inspectorate operates, focusing 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 the Government Resources and Accounts Act 2000 and Managing Public Money, the Town and Country Planning Act 1990, the Planning Act 2008, employment law and tax legislation.

In addition, I considered inquiries of management regarding their assessment of the risk, processes for identifying and responding to the risks of fraud, knowledge of any actual, suspected or alleged fraud, and inquiries of internal audit relating to fraud, non-compliance with laws and regulations and regularity.

### Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing 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;

- enquiring of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing 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, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- review of internal audit reports, review of business documentation and correspondence relating to claims and major contracts entered into as part of our substantive testing, as well as continuous risk assessment procedures performed relating to fraud, non-compliance with laws and regulation or regularity.

I also communicated relevant identified laws and regulations and potential fraud risks 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

#### **Other auditor's responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions 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 that I identify during my audit.

#### **Report**

I have no observations to make on these financial statements.

Gareth Davies  
Comptroller and Auditor General

30 June 2022

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

## **Financial statements for the year ended 31 March 2022**

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

## Statement of comprehensive net expenditure

|  | Note | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--|------|------------------|------------------|
| Income from sale of goods and services |      | (1,433)          | (2,893)          |
| Other operating income                 |      | (11,224)         | (9,153)          |
| <b>Operating income</b>                | 5    | <b>(12,657)</b>  | <b>(12,046)</b>  |
| Staff costs                            | 4a   | 45,446           | 48,436           |
| Other administrative costs             | 4b   | 15,286           | 15,643           |
| <b>Total operating expenditure</b>     |      | <b>60,732</b>    | <b>64,079</b>    |
| <b>Net expenditure for the year</b>    |      | <b>48,075</b>    | <b>52,033</b>    |

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

The Notes starting page 110 form part of these accounts.

## Statement of financial position

|                                   | Note | 31 March 2022<br>£'000 | 31 March 2021<br>£'000 |
|-----------------------------------|------|------------------------|------------------------|
| <b>Non-current assets</b>         |      |                        |                        |
| Property, plant and equipment     | 6    | 143                    | 758                    |
| Intangible assets                 | 7    | 8,572                  | 3,631                  |
| Prepayments greater than one year | 8    | 33                     | 1                      |
| <b>Total non-current assets</b>   |      | <b>8,748</b>           | <b>4,390</b>           |
| <b>Current assets</b>             |      |                        |                        |
| Trade and other receivables       | 8    | 6,088                  | 6,258                  |
| Cash and cash equivalents         | 9    | 6,949                  | 5,522                  |
| <b>Total current assets</b>       |      | <b>13,037</b>          | <b>11,780</b>          |
| <b>Total assets</b>               |      | <b>21,785</b>          | <b>16,170</b>          |
| <b>Current liabilities</b>        |      |                        |                        |
| Trade and other payables          | 10   | (8,438)                | (7,887)                |
| Provisions                        | 11   | (73)                   | (109)                  |
| <b>Total current liabilities</b>  |      | <b>(8,511)</b>         | <b>(7,996)</b>         |
| <b>Assets less liabilities</b>    |      | <b>13,274</b>          | <b>8,174</b>           |
| <b>Taxpayers' equity</b>          |      |                        |                        |
| General fund                      |      | 13,274                 | 8,174                  |
| <b>Total taxpayers' equity</b>    |      | <b>13,274</b>          | <b>8,174</b>           |

The Notes starting page 110 form part of these accounts.

The accounts on pages 106 to 125 were approved by the Inspectorate's Board on 9 June 2022 and signed on its behalf by:

*Sarah Richards*

Sarah Richards  
Chief Executive  
27 June 2022

## Statement of cash flows

|  | Note  | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>                                |       |                  |                  |
| Net operating expenditure  |       | (48,075)         | (52,033)         |
| Adjustments for non-cash transactions                                      | 4b, 5 | 996              | 1,253            |
| (Increase)/Decrease in trade and other receivables                         | 8     | 138              | 134              |
| Less movement in bad debt provision  | 4b    | 10               | (1)              |
| Increase/(Decrease) in trade payables                                      | 10    | 551              | 649              |
| Less movements in payables relating to items not passing through the SOCNE | 6, 7  | -                | (13)             |
| Use of provisions  | 11    | (21)             | (138)            |
| <b>Net cash outflow from operating activities</b>                          |       | <b>(46,401)</b>  | <b>(50,149)</b>  |
| <b>Cash flows from investing activities</b>                                |       |                  |                  |
| Purchase of property, plant and equipment                                  | 6     | (160)            | (65)             |
| Purchase of intangible assets  | 7     | (5,012)          | (3,568)          |
| <b>Net cash outflow from investing activities</b>                          |       | <b>(5,172)</b>   | <b>(3,633)</b>   |
| <b>Cash flows from financing activities</b>                                |       |                  |                  |
| Funding from the Department for Levelling Up, Housing and Communities      |       | 53,000           | 58,041           |
| <b>Net cashflow from financing activities</b>                              |       | <b>53,000</b>    | <b>58,041</b>    |
| <b>Net (decrease)/increase in cash and cash equivalents in the period</b>  | 9     | <b>1,427</b>     | <b>4,259</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b>            | 9     | <b>5,522</b>     | <b>1,263</b>     |
| <b>Cash and cash equivalents at the end of the period</b>                  | 9     | <b>6,949</b>     | <b>5,522</b>     |

The Notes starting page 110 form part of these accounts.

## Statement of changes in taxpayers' equity

|   | Note | 2020/21<br>£'000 |
|---|------|------------------|
| <b>Balance at 31 March 2020</b>                                       |      | <b>1,991</b>     |
| <b>Changes in Taxpayers' Equity for 2020/21</b>                       |      |                  |
| Total comprehensive expenditure                                       |      | (52,033)         |
| Non-cash charges – auditor's remuneration                             | 4b   | 60               |
| Notional charges  | 4b   | 115              |
| Funding from the Department for Levelling Up, Housing and Communities |      | 58,041           |
| <b>Balance at 31 March 2021</b>                                       |      | <b>8,174</b>     |
| <b>Changes in Taxpayers' Equity for 2021/22</b>                       |      |                  |
| Total comprehensive expenditure                                       |      | (48,075)         |
| Non-cash charges – auditor's remuneration                             | 4b   | 60               |
| Notional charges  | 4b   | 115              |
| Funding from the Department for Levelling Up, Housing and Communities |      | 53,000           |
| <b>Balance at 31 March 2022</b>                                       |      | <b>13,274</b>    |

The Notes starting page 110 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 2021/22 Government Financial Reporting Manual (FRoM) issued by HM Treasury.

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

#### Note 1.1a Accounting convention

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

#### Note 1.1b Accounting estimates and judgements

The preparation of financial information in conformity with the International Financial Reporting Standards requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The key accounting estimates and judgements are accruals (see Note 10), provisions (see Note 11) and contingent liabilities (see Note 12). Estimates are based on known information within the business and past trends.

#### Note 1.1c Value added tax

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

We are not separately registered for VAT but operate under the Department for Levelling Up, Housing and Communities' VAT registration.

#### Note 1.1d Operating income

Income is recognised when a performance obligation is satisfied e.g. by providing a service to a customer. The provision of services is by reference to time spent on casework. For casework, such as Local Plan examinations, which can span financial years, income is calculated on the work completed to the end of the financial year and accrued on a pro-rata day rate basis. We are not disclosing the value of outstanding performance obligations as our contracts with customers are charged at a fixed rate that directly relates to the work completed to date. There are no

significant financing arrangements and payment terms are within 30 days from receipt of invoice. The main services offered can be seen within the segmental analysis in Note 2 of the Financial Statements which describes the service areas and income received.

#### Note 1.1e Operating leases

Leases other than finance leases are classified as operating leases. Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease, taking account of any lease incentives in accordance with the terms of International Accounting Standards (IAS) 17 – Disclosures and treatment of finance leases as separate from operating leases. From 2022-23, the lease of the office building will be categorised as a right of use asset under IFRS 16.

#### Note 1.1f Notional costs

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

#### Note 1.1g Property, plant and equipment

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

#### Note 1.1h Depreciation

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

Information Technology (Strategic IT) 3 years

#### Note 1.1i Intangible assets

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

A new in-house software asset is under construction for a workflow management system and will be amortised once it is brought into use.

#### Note 1.1j Amortisation and impairment

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

Internally-generated software 8 years

Assets in the course of construction are amortised from the point at which the asset is brought into use. Amortisation is charged as an expense and shown in the Statement of Comprehensive Net Expenditure. The current document management system is still in use after eight years whilst the new replacement system is developed.

### Note 1.1k Finance leases and right of use assets

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

The Planning Inspectorate also reviewed all service contracts (e.g. contracts for the supply of Information Technology services) to determine whether the contracts include an embedded finance lease, under the terms of IAS 17 as interpreted by International Financial Reporting Interpretations Committee 4 - Determining Whether an Arrangement Contains a Lease.

From 2022-23, the lease of the office building will be categorised as a right of use asset– see Note 1.1o.

### Note 1.1l Accrued income and trade receivables

Accrued income is included for services provided but not invoiced as at 31 March 2022. 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 (see Note 11).

### Note 1.1n Segmental reporting

The Planning Inspectorate, as an Executive Agency of the Department for Levelling Up, Housing and Communities, reports under only one operating segment: Building better homes. It is therefore felt more appropriate to base the segmental analysis on major areas of casework, based on the internal reporting structure. The assets and liabilities have not been included in the segmental analysis as they are not apportioned but used across the organisation (see Note 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 16 Leases              | January 2016  | Effective from 2022/23                            |
| International Financial Reporting Standards 17 Insurance Contracts | May 2017  | Implementation is not expected before 2023/24     |

### Disclosure for Financial Year 2021/22

In accordance with IAS 8, we are required to disclose the impact of new standards. Below is our assessment of IFRS 16.

During the financial year we continued to negotiate a lease agreement in respect of our office accommodation in Temple Quay House, Bristol. Due to the uncertainties around our requirements relating to the outcome of our “Future Ways of Working” project and the Government Property Agency’s plans for refurbishment of the building, we have not yet signed an agreement. The disclosures in the Annual Report and Accounts for this financial year are based on a continued occupation and use of the building with rent paid as per the provisions of a draft contract. On this basis, with the draft terms for five years from 1 April 2021, we will create a right of use asset as an opening balance adjustment on 1st April 2022, on a cumulative catch-up basis as required by the standard which for us becomes effective on the same date. If the lease is signed, the implications for the accounts for the Year Ended 31 March 2023 will be as follows:

Expenditure:

- No property lease/rental costs.
- Implicit interest expensed on the new capitalised lease of £17k (assumptions and values may change).

Depreciation:

- Straight-line depreciation of £872k against the discounted value of the remaining lease payments as at 1st April 2022.

Capital Asset:

- Recognition of a right of use asset at a value of £3,471k as an opening balance adjustment. This value is the discounted value of the remaining 4 years of rental payments, discounted at a rate of 0.95% as provided for in the PES paper.

Liabilities:

- Recognition of a long-term liability of £2,591k and short-term liability of £880k at the beginning of the year. Reducing by the close of the year to a long-term liability of £1,719k and a short-term liability of £872k.
- During the year a cash payment to the value of the annual rental of £897k will be made against the liability, offset by the net effect of the capitalised discounted value of the rental payment and an implied interest charge.

We have undertaken an assessment of IFRS 16 and other than Temple Quay House, there are no other leases which will fall under this standard.

### Note 1.1q Going concern

In common with other Government organisations, the future financing of our liabilities is to be met by resources approved annually by Parliament. Approval for amounts required for 2022/23 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 2021/22 Financial Statements.

## Note 2. Transfer of function

On 1 October 2021, the activities of the Planning Inspectorate in Wales were transferred to a new single body for Planning and Environment Decisions Wales under a Machinery of Government change. As a transfer of function to a devolved administration this has been accounted for as a Transfer by Absorption under the FReM. The accounts for the year ended 31 March 2022 include six months of income and expenditure relating to casework in Wales as noted in the table below. The Welsh Government's contribution to costs for the period to 30 September 2021 was £300k (£600k for the Financial Year Ended 31 March 2021). No assets or liabilities were transferred and there was no change to cash or reserves as a result of the separation. From 1 October 2021, any services provided to or received from Planning and Environment Decisions Wales are provided on an arm's length basis, and an appropriate service level agreement would be formed between the two entities. The agreement would detail the charges involved based on full cost recovery for the service provided and proportionate overheads.

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

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

The table below shows the costs and income for activities by income stream in Wales up to 30 September 2021. The net cost of the Wales function of £300k was funded from Welsh Government.

|                                  | 2021/22<br>£'000 | 2021/22<br>£'000 | 2021/22<br>£'000 |
|----------------------------------|------------------|------------------|------------------|
|                                  | Cost             | Income           | Net              |
| Planning appeals                 | 371              | -                | 371              |
| National Infrastructure          | -                | -                | -                |
| Local Plans                      | 234              | -                | 234              |
| Enforcement appeals              | 74               | -                | 74               |
| Rights of Way                    | 62               | -                | 62               |
| Listed Building Planning appeals | 5                | -                | 5                |
| Other Major Specialise Casework  | 826              | -                | 826              |
| Income from Welsh Government     | -                | (1,433)          | (1,433)          |
| Transformation Programme         | -                | -                | -                |
| Other                            | 18               | -                | 18               |
| <b>Totals</b>                    | <b>1,590</b>     | <b>(1,433)</b>   | <b>157</b>       |

Forty-five members of staff (43.39 full-time equivalent) were transferred from the Planning Inspectorate to Planning and Environment Decisions Wales for the Welsh Government. There were nil redundancies. Transfer of Undertakings (Protection of Employment) terms (TUPE) was used for the transfer of staff to the new Wales Division.

Staff transferred analysed by grade is as follows:

|                    | FTE as at<br>30/09/22 |
|--------------------|-----------------------|
| Senior staff       | 2                     |
| Salaried inspector | 19.05                 |
| Support            | 22.34                 |
| <b>Total</b>       | <b>43.39</b>          |

### Note 3. Statement of operating costs by segment

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

|                                  | 2021/22       | 2021/22         | 2021/22       | 2020/21       | 2020/21         | 2020/21       |
|----------------------------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
|                                  | Cost          | Income          | Net           | Cost          | Income          | Net           |
|                                  | £'000         | £'000           | £'000         | £'000         | £'000           | £'000         |
| Planning appeals                 | 27,416        | -               | 27,416        | 31,199        | -               | 31,199        |
| National Infrastructure          | 11,426        | (5,304)         | 6,122         | 11,669        | (4,749)         | 6,920         |
| Local Plans                      | 9,518         | (3,549)         | 5,969         | 7,712         | (2,635)         | 5,077         |
| Enforcement appeals              | 5,156         | -               | 5,156         | 5,393         | -               | 5,393         |
| Rights of Way                    | 1,011         | -               | 1,011         | 1,046         | -               | 1,046         |
| Listed Building Planning appeals | 164           | -               | 164           | 323           | -               | 323           |
| Compulsory purchase orders       | 461           | (208)           | 253           | 188           | (123)           | 65            |
| Other Major Specialise Casework  | 3,986         | (1,556)         | 2,430         | 3,687         | (1,109)         | 2,578         |
| Income from Welsh Government     | -             | (1,433)         | (1,433)       | -             | (2,893)         | (2,893)       |
| Programme support                | 138           | -               | 138           | 894           | -               | 894           |
| Other                            | 1,456         | (607)           | 849           | 1,968         | (537)           | 1,431         |
| <b>Totals</b>                    | <b>60,732</b> | <b>(12,657)</b> | <b>48,075</b> | <b>64,079</b> | <b>(12,046)</b> | <b>52,033</b> |

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

The Planning Inspectorate receives most of its funding from Department for Levelling Up, Housing and Communities but approximately 21% of its costs in 2021/22 (19% in 2020/21) have been recovered by charging a mixture of other central government departments, local government bodies or private individuals and businesses.

Description of segments

1.Planning Appeals: This covers the usual planning appeals affecting householders, advertisement and minor commercial appeals.

2.National Infrastructure: This relates to work undertaken on large-scale proposals that support the economy, and vital public services, including railways, energy generation stations, harbours and airports. These costs include an element of pre-application work which occurs before the point of income recognition, so costs and associated income can span different financial years.

3.Local Plans: This covers work undertaken in relation to examination of Local Planning Authorities' local plans.

4.Enforcement appeals: This is where an appeal is made against enforcement notices when a development is carried out without planning permission or not in accordance with an approved planning application.

5.Rights of way: This is work undertaken in reviewing orders regarding rights of way.

6.Listed building planning appeals: This covers appeals in relation to work being undertaken with respect to listed buildings.

7.Compulsory purchase orders: This is work undertaken in respect of objections received in relation to a compulsory purchase order.

8.Other major specialist casework: This covers work undertaken on behalf of other government departments. These costs are only partially recovered from the work we undertake on behalf of other government departments.

9. Income from Welsh Government: this covers work undertaken on behalf of Welsh Government for which we recover costs until 30 September 2021 as reflected in Note 2 and Note 5 to the Accounts.

10. Programme support: Additional support to the Change programme that cannot be directly attributable to casework types.

11.Other: This covers all other casework not listed above and includes making cost decisions arising mainly from withdrawn appeals/enforcement notices and making decisions on Purchase Notice appeals. Such work can include subjects such as tree preservation orders and transport.

### Note 4. Operating expenditure

#### Note 4a. Staff costs

#### Remuneration for Directors

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

Staff costs - Staff costs comprise:

|                              | 2021/22       | 2020/21       |
|------------------------------|---------------|---------------|
|                              | £'000         | £'000         |
| Wages and salaries           | 32,432        | 34,450        |
| Social security costs        | 3,644         | 3,857         |
| Other pension costs          | 8,804         | 9,412         |
| <b>Sub Total</b>             | <b>44,880</b> | <b>47,719</b> |
| Agency staff                 | 566           | 717           |
| <b>Total net staff costs</b> | <b>45,446</b> | <b>48,436</b> |

#### Note 4b. Other administrative costs

Auditor's remuneration - Represents the notional audit fee in respect of the Comptroller and Auditor General's annual certification of the Planning Inspectorate's financial statements. There was no remuneration due for non-audit work.

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

Other administration costs include professional fees, publications, furniture and fittings, recruitment services and translation services.

|  | Note | 2021/22 - £'000 | 2020/21 - £'000 |
|--|------|-----------------|-----------------|
| <b>Rentals under operating leases:</b>                         |      |                 |                 |
| Hire of plant and machinery                                    |      | 166             | 110             |
| Other operating leases   |      | 946             | 957             |
| <b>Total</b>   |      | <b>1,112</b>    | <b>1,067</b>    |
| <b>Non-cash items:</b>   |      |                 |                 |
| Depreciation   | 6    | 775             | 905             |
| Amortisation   | 7    | 71              | 63              |
| Provision for doubtful debt                                    |      | (9)             | 1               |
| Auditor's remuneration   |      | 60              | 60              |
| Department for Levelling Up, Housing and Communities recharges |      | 115             | 115             |
| Apprenticeship Levy Training Services                          |      | 30              | 17              |
| In-year increase in provision                                  |      | -               | 109             |
| Write-back of provisions                                       |      | (15)            | -               |
| <b>Total</b>   |      | <b>1,027</b>    | <b>1,270</b>    |
| <b>Other expenditure:</b>                                      |      |                 |                 |
| Fees to Non-salaried Inspectors                                |      | 1,309           | 839             |
| Travel, subsistence and hospitality                            |      | 1,136           | 732             |
| Accommodation costs  |      | 1,069           | 880             |
| Legal and professional services                                |      | 1,991           | 1,956           |
| Support Services   |      | 3,768           | 3,889           |
| Research and Development                                       |      | 52              | 605             |
| Information Technology   |      | 1,983           | 2,293           |
| Ex gratia costs  |      | 288             | 74              |
| Adverse costs  |      | 284             | 685             |
| Bad debts and write offs                                       |      | 60              | 128             |
| Telecoms   |      | 115             | 143             |
| Training and conferences                                       |      | 273             | 238             |
| Postal services  |      | 136             | 47              |
| Office supplies  |      | 118             | 77              |
| Other administration costs                                     |      | 565             | 720             |
| <b>Total</b>   |      | <b>13,147</b>   | <b>13,306</b>   |
| <b>Total administrative costs</b>                              |      | <b>15,286</b>   | <b>15,643</b>   |

#### Note 5. Operating income

|  | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--|------------------|------------------|
| <b>Fees and charges</b>                    |                  |                  |
| Local plans                                | 3,549            | 2,635            |
| National infrastructure                    | 5,304            | 4,749            |
| Compulsory purchase orders                 | 208              | 123              |
| Other major specialist casework            | 1,556            | 1,109            |
| <b>Total Fees and charges</b>              | <b>10,617</b>    | <b>8,616</b>     |
| <b>Goods and services</b>                  |                  |                  |
| Income from Welsh Government               | 1,433            | 2,893            |
| <b>Total Goods and services</b>            | <b>1,433</b>     | <b>2,893</b>     |
| <b>Miscellaneous income</b>                |                  |                  |
| Recovery of adverse costs                  | 569              | 518              |
| Other                                      | 7                | 2                |
| <b>Total Miscellaneous income</b>          | <b>576</b>       | <b>520</b>       |
| <b>Total Miscellaneous notional income</b> | <b>31</b>        | <b>17</b>        |
| <b>Total Operating income</b>              | <b>12,657</b>    | <b>12,046</b>    |

## Note 6. Property, plant and equipment

|  | 2021/22<br>Information<br>Technology<br>£'000 | 2020/21<br>Information<br>Technology<br>£'000 |
|--|---|---|
| <b>Cost or valuation</b>               |   |   |
| At 1 April 2021                        | 2,694   | 2,616   |
| Additions                              | 160   | 78  |
| Disposals                              | (1)   | -   |
| <b>At 31 March 2022</b>                | <b>2,853</b>                                  | <b>2,694</b>                                  |
| <b>Depreciation</b>                    |   |   |
| At 1 April 2021                        | 1,936   | 1,031   |
| Charged in year                        | 775   | 905   |
| Disposals                              | (1)   | -   |
| <b>At 31 March 2022</b>                | <b>2,710</b>                                  | <b>1,936</b>                                  |
| <b>Net book value at 31 March 2022</b> | <b>143</b>                                    | <b>758</b>                                    |
| At 31 March 2021                       | 758   | 1,585   |
| <b>Asset financing</b>                 |   |   |
| Owned at 31 March 2022                 | 143   | 758   |

## Note 7. Intangible assets

The Intangibles assets note mainly consists of a significant asset for the document management system. This asset has a cost value of over £8million.

The current document management system, with a net book value of nil, is still in existence whilst the replacement system is being developed.

The asset under construction addition of £4.9m 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 2022.

Capital Commitments for the asset under construction as at 31 March 2022 were £0.4m as funding is released and approved on a quarterly basis (2020/21 £0m).

## Internally Generated Information Technology

| 2021/22                                | Asset under<br>construction<br>£'000 | In operation<br>£'000 | Total<br>£'000 |
|--|--------------------------------------|-----------------------|----------------|
| <b>Cost or valuation</b>               |                                      |                       |                |
| At 1 April 2021                        | 3,568                                | 3,473                 | 7,041          |
| Additions                              | 4,939                                | 73                    | 5,012          |
| Disposals                              | -                                    | (171)                 | (171)          |
| <b>At 31 March 2022</b>                | <b>8,507</b>                         | <b>3,375</b>          | <b>11,882</b>  |
| <b>Amortisation</b>                    |                                      |                       |                |
| At 1 April 2021                        | -                                    | 3,410                 | 3,410          |
| Charged in year                        | -                                    | 71                    | 71             |
| Disposals                              | -                                    | (171)                 | (171)          |
| <b>At 31 March 2022</b>                | <b>-</b>                             | <b>3,310</b>          | <b>3,310</b>   |
| <b>Net book value at 31 March 2022</b> | <b>8,507</b>                         | <b>65</b>             | <b>8,572</b>   |
| At 31 March 2021                       | 3,568                                | 63                    | 3,631          |
| <b>Asset financing</b>                 |                                      |                       |                |
| Owned at 31 March 2022                 | 8,507                                | 65                    | 8,572          |

| 2020/21                                | Asset under<br>construction<br>£'000 | In operation<br>£'000 | Total<br>£'000 |
|--|--------------------------------------|-----------------------|----------------|
| <b>Cost or valuation</b>               |                                      |                       |                |
| At 1 April 2020                        | -                                    | 3,473                 | 3,473          |
| Additions                              | 3,568                                | -                     | 3,568          |
| <b>At 31 March 2021</b>                | <b>3,568</b>                         | <b>3,473</b>          | <b>7,041</b>   |
| <b>Amortisation</b>                    |                                      |                       |                |
| At 1 April 2020                        | -                                    | 3,347                 | 3,347          |
| Charged in year                        | -                                    | 63                    | 63             |
| <b>At 31 March 2021</b>                | <b>-</b>                             | <b>3,410</b>          | <b>3,410</b>   |
| <b>Net book value at 31 March 2021</b> | <b>3,568</b>                         | <b>63</b>             | <b>3,631</b>   |
| At 31 March 2020                       | -                                    | 126                   | 126            |
| <b>Asset financing</b>                 |                                      |                       |                |
| Owned at 31 March 2021                 | 3,568                                | 63                    | 3,631          |

### Note 8. Trade receivables and other current assets

Other receivables includes balances due from organisations and other government departments which are not in relation to regular fee-based work and various payroll advances and recoveries.

| Amounts falling due within one year    | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--|------------------|------------------|
| Trade receivables                      | 1,560            | 1,365            |
| Other receivables - VAT                | 314              | 360              |
| Other receivables - Other              | 142              | 471              |
| Prepayments and accrued income         | 4,072            | 4,062            |
| <b>Total</b>                           | <b>6,088</b>     | <b>6,258</b>     |
| Prepayments falling due after one year | 33               | 1                |
| <b>Total</b>                           | <b>6,121</b>     | <b>6,259</b>     |

### Note 9. Cash and cash equivalents

All cash balances are held in the Government Banking Service.

|   | 2021/22<br>£'000 | 2020/21<br>£'000 |
|---|------------------|------------------|
| <b>Balance at 1 April</b>                       | <b>5,522</b>     | <b>1,263</b>     |
| Net change in cash and cash equivalent balances | 1,427            | 4,259            |
| <b>Balance at 31 March</b>                      | <b>6,949</b>     | <b>5,522</b>     |

### Note 10. Trade payables and other current liabilities

| Amounts falling due within one year                | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--|------------------|------------------|
| Trade payables                                     | 5                | 65               |
| Other payables - VAT, taxation and social security | 953              | 990              |
| Other payables - including payroll deductions      | 1,597            | 1,297            |
| Accruals and deferred income                       | 5,883            | 5,535            |
| <b>Total payables at 31 March</b>                  | <b>8,438</b>     | <b>7,887</b>     |

### Note 11. Provisions

|                                 | Ex gratia<br>£'000 | Adverse costs<br>£'000 | Total<br>£'000 |
|---------------------------------|--------------------|------------------------|----------------|
| Balance at 1 April 2021         | 73                 | 36                     | <b>109</b>     |
| Utilised in the year            | -                  | (21)                   | <b>(21)</b>    |
| Written back in the year        | -                  | (15)                   | <b>(15)</b>    |
| <b>Balance at 31 March 2022</b> | <b>73</b>          | <b>-</b>               | <b>73</b>      |
| Balance at 1 April 2020         | 138                | -                      | <b>138</b>     |
| Provided in the year            | 73                 | 36                     | <b>109</b>     |
| Utilised in the year            | (138)              | -                      | <b>(138)</b>   |
| <b>Balance at 31 March 2021</b> | <b>73</b>          | <b>36</b>              | <b>109</b>     |

|                         | 2021/22<br>£'000 | 2020/21<br>£'000 |
|-------------------------|------------------|------------------|
| Not later than one year | 73               | 109              |

#### Ex gratia

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

#### Adverse costs

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

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

There were two types of contingent liability which existed at 31 March 2022, 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 £243,000 (2020/21: £188,000);
- (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 £64,000 (2020/21: £70,000).

### Note 13. Commitments under leases

During the year two properties are occupied by the Inspectorate and used for operational activities, one in Cardiff (Wales) and one in Bristol (England). Both properties are provided through a memorandum of terms of occupation with other Crown bodies. The property in Cardiff was transferred as part of the transfer of function to the devolved administration in Wales. To cancel the memorandum of terms of occupations, we are required to serve 12-months notice. Should either be terminated with less notice, the Inspectorate would be liable for the agreed costs for the full 12-month period. We are currently in the process of renegotiating the lease so there are no commitments to disclose as at 31 March 2022.

### Note 14. Other financial commitments

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

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

|  | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--|------------------|------------------|
| Not later than one year                          | 592              | 821              |
| Later than one year and not more than five years | -                | 25               |

### Note 15. Financial Instruments

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

### Note 16. Related-party transactions

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

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

In addition, the Inspectorate has had a significant number of material transactions with other government departments, central government bodies and local government organisations, in relation to the usual course of business. The Departments with which the Inspectorate has the most significant transactions are: Department for Environment, Food and Rural Affairs; Department for Transport; Highways England; Government Legal Department; and the Government Property Agency.

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

The remuneration of senior managers/Board members is set out in the [Remuneration Report](#).

### Note 17. Events after the reporting period

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

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

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



