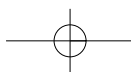
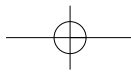


THE PLANNING SERVICE ANNUAL REPORT AND ACCOUNTS 2008/09

*Laid before the Northern Ireland Assembly under section 11(3)(c) of
the Government Resources and Accounts Act (Northern Ireland)
2001 by the Department of the Environment*

3 July 2009



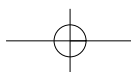


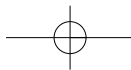
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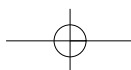
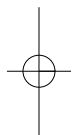


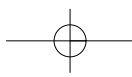
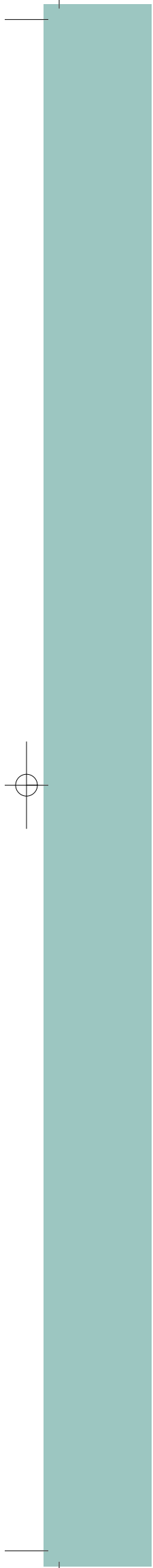
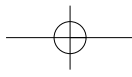


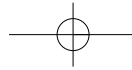
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Chief Executive's Foreword

I am pleased to present the Planning Service's Annual Report and Financial Statements for 2008/09.

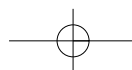
This has been a demanding year for the Agency. While continuing to deliver the core business, we have also been engaged in progressing a comprehensive programme of reform of the planning system, and taking forward a range of process improvement initiatives. In tandem with this, we are continuing to work towards implementation of the Review of Public Administration (RPA) which will see responsibility for the majority of planning functions move from the Planning Service to the new 11 Councils in 2011.

The year witnessed a drop in the number of valid planning applications received compared to the previous year, reflecting the economic climate. The Agency determined more applications than it received, leading to a significant reduction in the number of live applications in the system. Good progress was also made towards improving application processing times to achieve our Programme for Government (PfG) commitments. The Agency's Divisional Support Team, established in May 2007 to help target areas facing particular workload pressures, completed its work in the Craigavon Divisional Office in the autumn and has now been redeployed in the Downpatrick Division.

The Agency also delivered on a number of key infrastructure projects. Building on the introduction of pre-application discussions, applications for the Giants Causeway Visitor Centre, the new Headquarters for the Public Records Office for Northern Ireland and the Titanic Signature Project were all processed within a six month timeframe. Our Strategic Projects Division established two teams, enhanced by the addition of specialist staff from Roads Service and the Northern Ireland Environment Agency, to assist with the processing of large scale investment applications. Clearly it is important that proposals that will bring forward investment are processed as quickly as possible and over the year 25 large scale applications were processed to a decision or recommendation.

The development plan programme continued to be affected by the ongoing legal proceedings in relation to the Strategic Environmental Assessments which accompanied a number of Area Plans. Nevertheless, the Belfast Houses in Multiple Occupation Subject Plan 2015, the Craigavon Town Centre Boundaries and Retail Designations Plan 2010 and the Ards and Down Area Plan 2015 were adopted during the course of the year in line with our business year targets. Work is continuing on the Magherafelt Area Plan 2015 and the Banbridge, Newry and Mourne Plan 2015, both of which are progressing towards independent examinations to be held before the Planning Appeals Commission. In addition, the Commission concluded its public inquiry into the draft Belfast Metropolitan Area Plan 2015 in May 2008 and its report is awaited.

In response to our PfG commitment to overhaul the planning system we have been working throughout the year with Independent Expert, Professor Greg Lloyd, to research and develop a substantial portfolio of



reform proposals. A paper setting out our Emerging Proposals was published on our website in October and a more detailed consultation paper has since been prepared for publication in 2009/10. Key themes include the adoption of a more proportionate decision-making mechanism, with more resources being directed at applications with social and economic significance, and development of a more streamlined local development plan process. Legislation will be necessary to give effect to many of these proposed reforms, which have been developed taking account of the implications of the RPA.

A series of process improvement measures designed to produce a more immediate impact on operational performance is also being taken forward. The streamlined council consultation procedures have now been rolled out to all 26 councils. These new arrangements are expected to significantly shorten the time taken to process more straightforward applications. A review of the processing of planning applications carried out by the Department of Finance and Personnel's Performance Efficiency Delivery Unit led to five key areas being identified for action on issues such as caseload management and Divisional performance. Good progress has been made in taking these forward.

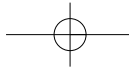
We have also made advances with a number of customer-focused initiatives. Last autumn, we introduced a new system for handling telephone customers across our Divisional offices. In addition, we were able to roll out a number of initiatives as partial implementation of our new ePlanning solution, ePIC. These comprised a new Internet portal, Pandarus which is a planning advice system with a fee calculator, Planning Explorer which tracks the progress of individual applications, and a Development Plan viewer.

The Planning Service is facing a period of significant change and the progress that has been made this year is encouraging. I am, as always, very grateful to all the staff of the Agency without whose sustained commitment and professionalism this would not have been possible.



CYNTHIA SMITH

Chief Executive



CHIEF EXECUTIVE'S REPORT

Introduction

The Planning Service presents its accounts for the year ended 31 March 2009 at pages 27 to 54. These accounts have been prepared under a direction issued by the Department of Finance and Personnel in accordance with section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Status

The Planning Service was established as a Next Steps Executive Agency within the Department of the Environment for Northern Ireland on 1 April 1996.

As Chief Executive of the Agency, I am also the Accounting Officer with the responsibilities and delegations outlined in the Agency's Framework Document.

Principal Activities

The Agency's aim is to improve the quality of life of the people of Northern Ireland by planning and managing development in ways which are sustainable and which contribute to creating a better environment.

Business Review

A full review of the Agency's business activities during the year is provided in pages 10 to 22 of the Annual Report.

Future Developments

Details of future developments are contained in the Agency's Business Plan 2009 – 2010. The Ministerial objective for the Agency, as set out in the Public Service Agreement, is to:

Deliver a modern effective planning system which meets the needs of the whole community and the economy while protecting the environment;

and the targets are:

- Ensure a fit for purpose suite of draft or adopted development plans is in place by March 2011;
- A fit for purpose legislative framework to be in place by March 2011;
- By March 2011 ensure:
 - 60% of major applications processed in 23 weeks, 70% of intermediate applications processed in 31 weeks, 80% of minor applications processed in 18 weeks.

Additionally, under the Programme for Government, the Agency is committed to deciding all large scale planning proposals within 6 months, provided there has been pre-application consultation.



Management Board

The Agency's Management Board during the year ended 31 March 2009 comprised:

Chief Executive	-	Mrs C D Smith
Director of Corporate Services	-	Mrs M Fleming
Director of Operations	-	Ms A Garvey
Director of Strategic Planning (from 9 June 2008)	-	Mr T Clarke

The Management Board meets regularly and is responsible for the effective management of the Agency's business.

Appointments to the Management Board are made in accordance with the Civil Service Commission's General Regulations. As civil servants, the remuneration of members of the Management Board is determined by the normal civil service pay arrangements.

Further details of Directors' remuneration are included in the Agency Remuneration Report at page 23.

Charitable Donations

During 2008/09 the Agency made no charitable donations.

Disabled Persons

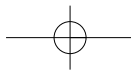
The Agency is committed to and operates within the NI Civil Service Code of Practice on the Employment of Disabled People and aims to ensure that disablement is not a bar to recruitment or advancement.

Equal Opportunities

The Agency follows the Northern Ireland Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of ability, qualifications and aptitude for the work.

Employee Involvement

The Agency's planning, administrative and support staff are essential to the conduct of its business. Every effort is made to inform staff of their progress with key performance targets and about topical issues through team briefing, publication of information on the intranet and the periodic issue of notes and the in-house publication "the Planning Bulletin" to each member of staff. During the year I undertook a programme to meet staff during visits to local offices. There is active and regular consultation between the Agency's management and staff representatives through local and Planning Service level Whitley (management and employee) Committees and at special meetings to discuss specific issues. The Agency is IIP accredited.



Health and Safety

The Agency is committed to adhering to all existing legislation on health and safety at work to ensure that staff and customers enjoy the benefits of a safe environment.

A handwritten signature in black ink that reads "Cynthia Smith".

CYNTHIA SMITH
Chief Executive
23 June 2009



MANAGEMENT COMMENTARY

1. ABOUT THE PLANNING SERVICE

1.1 Planning Service is an Executive Agency within the Department of the Environment. The planning system exists to regulate development and land use in the public interest. The Agency's planning functions are set out in the Planning (Northern Ireland) Order 1991. At the beginning of the 2008/09 business year the Minister of the Environment with responsibility for the Planning Service was Arlene Foster MLA. She was succeeded by Sammy Wilson MP MLA on 9 June 2008.

2. THE AGENCY'S BUSINESS

2.1 The Agency's key business areas are:

- the development management process (the system for dealing with individual planning applications), including enforcement;
- the preparation of development plans.

3. FINANCIAL REVIEW

3.1 Funding

The Planning Service is funded jointly by income from fees and monies voted by the Northern Ireland Assembly. Income from fees relates to charges for planning applications and property certificates.

3.2 Results for the Year

The net cost of operations for the year as shown on page 37 was £24.315m. This included an amount of £9.083m for services provided free of charge by other Agencies and Departments (note 5).

3.3 Important Events Occurring after Year End

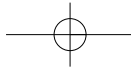
There have been no significant events since the year-end which affect these accounts.

3.4 Fixed Assets

Details of the movement on fixed assets are set out in notes 8 and 9 to the accounts. The Agency does not believe that there is any material difference between the market and book values of its assets at 31 March 2009.

3.5 Financial Assistance and Grants to Other Bodies

During the year Planning Service provided funding to "Disability Action" to raise awareness of disability access issues and to "Community Places" to enable disadvantaged community groups and individuals to participate in the planning system, and Townscape Heritage Initiative grants to groups for expenditure in connection with the promotion, preservation or enhancement of the character and appearance of Conservation Areas.



3.6 Pension Liabilities

The Department is covered by the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC). The scheme is essentially non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS(NI). The Agency meets the cost of pension cover provided for staff by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS(NI) as a whole.

3.7 Management of Attendance

The management of attendance target for the 2008/09 year was 9.0 days. Up to date sick absence figures for this financial year are not currently available but early indications are that the Department's outturn will average 9.4 days sickness absence per person. It is hoped that detailed Agency data will be available in due course.

3.8 Payments to Suppliers

The Agency is committed to the prompt payment of bills for goods and services received, in accordance with the Late Payment of Commercial Debts (Interest) Act 1998, Late Payment of Commercial Debts Regulations 2002 and British Standard 7890 – Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is the later. In November 2008, the Executive sought payments to be made within 10 days to help local businesses in the current economic climate.

In 2008-09, 97.5 % of invoices for goods or services were paid within 30 days or contract terms and in the period 1 December 2008 to 31 March 2009, 69.3 % were paid within 10 days.

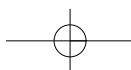
3.9 Auditor

The financial statements are audited by the Comptroller and Auditor General (C and AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Planning Service. He reports his findings to the Northern Ireland Assembly.

The Agency confirms that:

- (a) so far as its Accounting Officer (AO) is aware, there is no relevant audit information of which the entity's auditors are unaware, and
- (b) the AO has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The audit of the financial statements for 2008/09 resulted in an audit fee of £14,006.



4. AIM AND STRATEGIC OBJECTIVES

4.1 The Agency's aim is:

To improve the quality of life of the people of Northern Ireland by planning and managing development in ways which are sustainable and which contribute to creating a better environment.

4.2 The Agency's Strategic Objectives for the period up to 31 March 2009 were as follows:

<p>RESULTS</p> <p>To make good, timely planning decisions within a fit for purpose Area Plans, policy and legislative framework which supports the key priorities in the Executive's Programme for Government.</p>	<p>PROCESSES</p> <p>To review, streamline, improve and monitor the Planning Service's key systems and processes.</p>
<p>RESOURCES</p> <p>To have the necessary financial, human and other resources to deliver the Agency's aims and objectives.</p>	<p>CUSTOMER/STAKEHOLDERS</p> <p>To deliver good quality service to our customers and stakeholders.</p>

5. THE ORGANISATION

5.1 The Chief Executive of the Planning Service is directly responsible to the Minister for the Agency's performance and operations. The Planning Service Management Board comprises the Chief Executive and three Directors - the Director of Operations, the Director of Strategic Planning and the Director of Corporate Services.

5.2 Planning Service Headquarters is in Millennium House, 17-25 Great Victoria Street, Belfast, BT2 7BN. There are six Divisional Planning Offices and two Sub-Divisional Planning Offices located across Northern Ireland.

5.3 At 31 March 2009 the staff complement was 844.

6. PERFORMANCE AGAINST TARGETS

6.1 During 2008/09 in the region of 20,500 valid planning applications were received, representing a decrease of around 25% on the previous year. The number of applications decided exceeded the number received by almost 4,000, leading to an associated significant reduction in the number of live applications in the system. Good progress was also made towards improving application processing times. In relation to major (Article 31) applications, 25 were processed to a decision or recommendation to the Minister during the year.

6.2 Three development plans were adopted during the course of the year: the Craigavon Town Centre Boundaries and Retail Designations Plan 2010; the Houses in Multiple Occupation Subject Plan for Belfast City

Council; and the Ards and Down Area Plan 2015. Work also resumed on the draft Magherafelt Area Plan 2015 and the Banbridge Newry and Mourne Area Plan 2015 following the withdrawal of judicial review proceedings related to these plans.

However, the overall area plan programme continues to be hampered by a number of judicial reviews. These include two challenges related to the draft Northern Area Plan where in both cases matters have now been referred to the European Court of Justice. In addition, leave was granted during the year for a judicial review of the Strategic Environmental Assessment accompanying the Craigavon Town Centre Plan. In light of the ongoing legal proceedings, Planning Service has maintained its position that it would be inappropriate to undertake further work in the short term on a number of plans.

6.3 Department of the Environment's Public Service Agreement

The Planning Service's performance in relation to the target set out in the Department of the Environment's Public Service Agreement for 2008/09 – 2010/11 is as follows:

Target	Position at 31 March 2009
Ensure a fit for purpose suite of draft or adopted development plans is in place by March 2011.	Not likely to be achieved. Ongoing legal proceedings in relation to the Strategic Environmental Assessment process which accompanied the Draft Northern and Draft Magherafelt Area Plans have resulted in the cessation of further substantive work on a number of development plans.
A fit for purpose legislative framework to be in place by March 2011.	On track for achievement. Progress will be dependent upon Executive agreement to a planning reform consultation paper.
By March 2011: - 60% of major applications processed in 23 weeks. - 70% of intermediate applications processed in 31 weeks. - 80% of minor applications processed in 18 weeks.	On track for achievement.

Planning Service is also committed through the Programme for Government to determining all large scale investment planning proposals within 6 months provided there has been pre-application consultation.

Target	Position at 31 March 2009
Year on year from 2008-11 decide all large scale investment planning proposals within 6 months, provided there has been pre-application consultation.	On track for achievement.

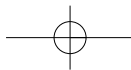
6.4 Planning Service Business Plan 2008/09

The Agency's performance against the targets, as set out in the Business Plan for 2008/09, is reflected below under the relevant strategic objectives.

Strategic Objective 1:

To make good, timely planning decisions within a fit for purpose Area Plans, policy and legislative framework which supports the key priorities in the Executive's Programme for Government.

Target	Outturn
To adopt three development plans as follows: <ul style="list-style-type: none"> • Ards and Down Area Plan. • Craigavon Town Centre Boundaries and Retail Designations Plan 2010. • Belfast Houses in Multiple Occupancy (HMOs) Subject Plan. 	Achieved.
To improve overall processing times of planning applications to decision or withdrawal by 5% or 1 week reduction towards the 2011 PSA major, intermediate and minor targets against 2007/08 performance.	Partially achieved. Most elements of the target were achieved. One element - that 95% of decisions issued within 4 weeks of Council meeting - bordered on achievement, subject to final validation of our statistics. The 15% reduction in the number of applications over 12 months old was not achieved but significant progress was made.
15% reduction in number of applications over 12 months old on 31 March 2008 baseline.	
75% of applications validated within 6 working days, and 95% of applications validated within 10 working days.	
75% of decisions issued within 2 weeks of Council meeting, and 95% of decisions issued within 4 weeks of Council meeting.	
Decide all large scale investment planning proposals within 6 months, provided there has been pre-application consultation.	Achieved.
Produce policy proposals on planning system reform.	Achieved.



Seek Ministerial agreement to final policy.	Not achieved. There was a delay in the Planning Reform Consultation Paper being taken by the Executive Committee
Engage with RPA implementation structures to provide for transfer of Planning functions.	Achieved.
Strategic Objective 2:	
To deliver good quality service to our customers and stakeholders.	
Target	Outturn
Communicate and engage with stakeholders on Planning Reform and RPA decision planning.	Achieved.
Strategic Objective 3:	
To review, streamline, improve and monitor the Planning Service's key systems and processes.	
Target	Outturn
Implement the following process improvements:	Partially achieved.
(a) Review overall development control processes and procedures.	Improvements (b), (c), (f) and (g) were implemented and (d) and (e) were partially implemented.
(b) Review procedure for handling housing applications.	Improvement (a) was not progressed as it was overtaken by work stemming from a review of Planning Service by the Performance Efficiency Delivery Unit.
(c) Continue review of validation procedures.	
(d) Introduce a 'development management' work practice.	
(e) Implement agreed recommendations on council consultation.	
(f) Roll out streamlined council consultation procedures to all councils with their agreement.	
(g) Review funding arrangements (particularly planning fees element).	
By 31 March 2009, have in place the 2008/09 elements of the agreed action plan in response to the Performance Efficiency Delivery Unit recommendations.	Substantially achieved. The majority of the 2008/09 elements have been fully implemented and the remainder are due to be completed early in 2009/10.



Implement the first 3 elements of ePIC. Achieved.

Strategic Objective 4:

To have the necessary financial, human and other resources to deliver the Agency's aims and objectives.

Target	Outturn
Implement year one of the 3 year Efficiency Delivery Plan by 30 June 2008.	Not achieved by target date but achieved November 2008.
Commence implementation of the Development Programme for specialist staff.	Not achieved. There was a delay in the appointment of key staff.
Implement all agreed audit recommendations within agreed timescales.	Partially achieved. The majority were implemented within year.

Overall, 11 of the 13 targets were achieved in whole or in part during the year. Of the two targets not achieved, one was due to external factors (a delay in the Executive taking a paper) and the other stemmed from a delay in the appointment of key staff. The Agency is continuing to identify and implement measures which will improve performance and help it to adapt to the constantly changing environment in which it operates.

7 OTHER COMMITMENTS

7.1 Planning Reform

Following the previous Minister's announcement, in November 2007, that she intended to reform the planning system, officials have been bringing forward emerging proposals for reform. These proposals, which were shared with the Environment Committee last summer and published on the Planning Service website in October 2008, have now been developed into a comprehensive consultation paper which was submitted to the Executive for clearance in December. Once cleared by the Executive, the proposals will be published for a period of public consultation. The aims of the reform agenda are to bring forward changes that will enable the planning system to play its part in delivering on the Programme for Government priorities and, in particular, to contribute to growing a dynamic, innovative and sustainable economy. In addition, the proposals are placed within the context of the Review of Public Administration (RPA) which will see the majority of planning functions transferring to the new 11 district councils in May 2011.

The reform proposals are detailed and wide-ranging and encompass the development plan process, development management, enforcement and planning policy, together with other support-type functions. They are focused on the planning system, not just the Planning Service, and on the roles and responsibilities of all of the participants, including planners, developers, agents, consultees,

representative bodies, elected representatives, communities and individuals.

Planning officials are continuing to work with local and central government colleagues through the overarching RPA implementation structures to develop the detailed arrangements to transfer functions and staff to councils. Through these structures, work is well underway to develop policy proposals and identify primary legislation requirements in relation to areas such as governance and decision-making, service delivery and structural reform.

Decisions have yet to be taken on how the functions transferring under RPA, including planning, will be delivered by the new 11 councils. In order to address this issue, a Local Government Service Delivery Options consultancy assignment has been taken forward which Planning Service has been feeding into as appropriate.

7.2 Short Term Measures

Good progress has been made in implementing a number of short term measures focused on a proportionate development management approach aimed at making the handling of planning applications and appeals more efficient and effective. These initiatives include the very successful streamlined consultation scheme; pre-application discussions for strategically important and other major applications; new appeal procedures; and revised handling procedures for major housing applications and reserved matters applications. Many of these short term improvements will contribute to the medium to longer term reform programme, including legislative change where necessary.

7.3 Streamlined Council Consultation Scheme

A streamlined consultation scheme for processing non-contentious planning applications was introduced as a pilot with Derry City Council and subsequently rolled out to all councils by the end of March 2009. Each council is advised weekly about applications which are considered to be of a straightforward, non-contentious nature. It has been agreed that these applications can be determined without the need to formally place them on a monthly schedule to the council's planning committee, provided the application is to be approved, there is no formal request from council to bring the application to the planning committee, no objections have been received and the proposal meets all relevant planning policies and other material considerations.

The types of applications include: extensions and alterations to a dwelling; new agricultural buildings, advertisements, change of house types, shop fronts, minor alterations and extensions to commercial and industrial premises, plus minor alterations and extensions to schools, churches, health care and community facilities and Reserved Matters.

This more proportionate approach to processing applications provides many positive benefits for both councils and the Planning Service. For example, small and medium sized development proposals can be implemented much more quickly with the resultant economic and social benefits. In addition, the council's planning committee is able to

focus on important applications, particularly those with significant economic and social implications for the area. Streamlined approval decisions now take on average 24 working days to issue and there are also positive indications that the scheme is helping to improve decision timescales for the remaining categories of development.

7.4 Implementation of Performance Efficiency and Delivery Unit Recommendations

The Performance Efficiency and Delivery Unit (PEDU) was announced as a high level efficiency taskforce, reporting to the DFP Minister, with the remit of re-examining, 'the scope for generating cash-releasing efficiencies and improving delivery and performance within Departments and across the wider public sector'. The PEDU review of Planning Service which was completed over an 8-week period at the end of last year focused specifically on the processing of planning applications with the aim of helping the Agency achieve the PSA key targets in relation to processing times.

The review highlighted five key areas for action: improving agent performance; improving consultee performance; staff and management issues; improving divisional performance; and better use of performance management. Officials have made good progress in implementing the review's recommendations including the production of a Development Management Good Practice Guide and revised Service Level Agreements with NIEA and Roads Service focusing on consultation response times. A Divisional Support Team has been established and is assisting with workload pressures in Downpatrick Division.

Following a progress review with Minister Wilson, Finance Minister Nigel Dodds indicated that he was encouraged by the positive results already evident as a consequence of the review and praised Planning Service for its 'robust and efficient implementation' of the recommendations.

The aims of the review were closely aligned to the objectives of the wider planning reform programme and the emerging recommendations have helped to inform, complement and add value to the measures that are already in place or are proposed through the wider reform programme.

7.5 Strategic Projects

Two Strategic Projects teams have been created at Planning Service Headquarters to specifically handle all large scale investment planning proposals and facilitate the pre-application process generally through the Article 31 procedures. These teams have now been further enhanced by the addition of two specialist staff, one from Roads Service and one from NIEA. This now provides the benefit of in-house expertise and is helping to ensure that any potential delay in the consultation process is minimised.

A large percentage of the applications that are likely to be economically significant in the context of Northern Ireland as a whole

will potentially fall into the category of application that will be dealt with by the Strategic Projects teams. This is therefore a high profile area, particularly in the current economic climate, when it is essential that proposals that will bring inward investment are processed to a decision as quickly as possible. To do this, there needs to be a commitment by all parties involved in the planning process to improve the quality of applications and, to this end, the Pre- Application Discussions (PADs) process is proving beneficial.

During the 2008/2009 financial year the Strategic Project teams processed to a decision or recommendation to the Minister 25 "Article 31" applications. This included a number of high priority cases such as the new Public Record Office representing an investment of £29m, the new Acute Hospital in Enniskillen at £250m and Signature Tourism projects to the value of £110m. These were all processed in line with the Programme for Government target and will provide a boost to the construction sector over the next few years.

7.6 Legislative Framework

The Planning Service's work on legislation and related policy development during this year was focused on compliance with European Directives, including European Courts of Justice judgements; policy development associated with reform of the planning system; following up on the subordinate legislation required by the Planning Reform (NI Order 2006); and responding to ad hoc requests for legislation and policy advice.

European Directives – Responsibility for Directive 2006/21/ EC on the management of waste from the extractive industries, the Mining Waste Directive, was transferred from the Planning and Environmental Policy Group to Planning Service in May 2008. Significant progress was made in 2008 and a public consultation paper on proposals to implement the requirements of the directive issued in February 2009. Regulations were made in September 2008 to comply with court judgements requiring the application of environmental impact assessment to applications for subsequent consent, including approval of reserved matters. During 2008, work restarted on regulations implementing the Directive for Control of Major Accident Hazards involving dangerous substances. In anticipation of the commencement of provisions in the Planning Reform (NI) Order 2006 relating to the review of old mineral permissions (ROMPs), regulations were drafted to apply environmental impact assessment to ROMPs applications.

Planning Reform - The proposed reform of the planning system includes detailed legislative proposals to give effect to the transfer of the majority of planning functions to district councils. The work this year was largely focused on policy development necessary to support the preparation of a consultation paper on reform of the planning system which is expected to issue in 2009.

Subordinate legislation - The Planning (Control of Advertisements) Regulations (Northern Ireland) 2009 amended the Planning (Control of Advertisements) Regulations (Northern Ireland) 1992 to provide

deemed advertising consent for advertisements on sites used for the preceding ten years or more for the display of advertisements without the required express consent. This brought Northern Ireland broadly into line with legislative provisions in England and clarified the status of long standing unauthorised advertisements. The new provisions are consistent with time limits for enforcement action against certain other breaches of planning control and include discontinuance provisions which allow the removal of deemed consent advertisements where they cause a substantial injury to the amenity of the locality or are a danger to public safety. The Planning (Avian Influenza) (Special Development) Order (Northern Ireland) 2008 provides Permitted Development (PD) rights, when necessary, for the purpose of housing poultry and other captive birds to protect them from avian influenza. Policy development relating to a number of provisions in the Planning Reform (NI) Order 2006 which have not yet been commenced was progressed to a first draft of an amendment to the General Development Order (GDO) covering design and access statements, control over certain internal operations and correction of errors in decision documents. A significant area of work this year was the review of PD rights in the GDO. An amendment to the GDO relating to PD rights for development associated with small scale renewable energy (microgeneration) was taken to final draft. Consultancy work was also commissioned on reviews of householder, non-householder and non-domestic microgeneration PD rights. Draft reports, consultation documents and impact assessments had reached an advanced stage at year end.

7.7 Freedom of Information

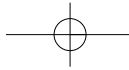
The Freedom of Information Act 2000 (FOI) and the Environmental Information Regulations 2004 (EIR) came into effect on 1 January 2005. These access to information regimes, which are fully retrospective, give individuals fully enforceable statutory rights of access to information that is held by us and the right of access to that information, subject to certain exemptions (FOI) and/or exceptions (EIRs).

Although the Planning Service has operated an open file system since November 2001, the new FOI and EIR provisions are designed to enable individuals to access more information. Between 1 April 2008 and 31 March 2009 the Planning Service received 370 requests for information. This represents just over 57% of all requests received by the Department of the Environment during this period.

7.8 Ombudsman Cases

During 2008/09, 18 complaints of alleged maladministration by the Planning Service were investigated by the Northern Ireland Ombudsman's office. By 31 March 2009, the Ombudsman had concluded and reported on his investigations in relation to 10 of these.

The Ombudsman did not find any evidence of maladministration in 7 of the cases. In the remaining 3 cases, the Ombudsman criticised the Planning Service for delays and failings in communication and administration.



8 CORPORATE GOVERNANCE

The Chief Executive, in her capacity as Agency Accounting Officer, is responsible for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and Agency assets in accordance with the responsibilities set out in "Managing Public Money Northern Ireland".

The Planning Service Management Board supports the Chief Executive by contributing to the corporate management of the Agency within the strategic policy and resources framework set by Ministers. Terms of Reference have been developed for the Management Board setting out its purpose, key roles, responsibilities and procedures. The Board undertakes an annual evaluation of its performance that involves the completion by Board members of a self-assessment questionnaire. The results of the evaluation are subsequently discussed by the Board.

Board members take decisions both corporately and collectively, acting in the public interest in accordance with the Nolan principles of public life. Those matters which have Agency-wide implications, are of a cross-cutting nature, or which are novel and contentious are normally reserved for collective decision by the Board. Major programmes are standing items on the Board's agenda. The Board may decide to delegate subsequent lower level matters to one or more Board members for decision.

The Board had no independent non-executive members during the year.

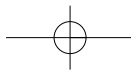
The Planning Service Audit Committee (PSAC) met quarterly in the 2008/09 year. Its role is to advise the Chief Executive on Audit and Governance matters in relation to her responsibilities as Accounting Officer. It is an advisory body and has no executive powers. The PSAC is comprised of:

- Chairman: Chief Executive
- Members: Director of Corporate Services
Director of Operations
Director of Strategic Planning
Divisional Planning Manager
Senior Administrative Officer

The Head of Internal Audit, the Head of the Planning Service Audit Team and a representative from the NIAO attend all PSAC meetings. Other Agency staff may be asked to attend PSAC meetings from time to time to advise on specific matters.

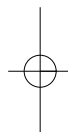
During the year the Audit Committee moved towards compliance with the five principles of the Audit Committee Handbook (DAO 7/07) and further progress is anticipated during 2009/10. Malcolm Beatty, Department of Agriculture and Rural Development, took up a position as an independent member of the Committee in October and one of the Department of the Environment's Independent Board Members

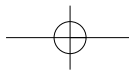




attended a number of meetings. A competition to appoint an Independent Board Member who will act as Chair of the Committee was progressed with an appointment expected in early summer 2009. The Agency is now complying with elements of each of the five principles of the Handbook and any outstanding requirements will be taken forward following the appointment of the new Chair and will be reflected in revised Terms of Reference as necessary.

The Planning Service had no arm's length bodies during the year.





AGENCY REMUNERATION REPORT

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. Further information about the work of the Review Body can be found at <http://www.omw.uk.com/>.

The pay award for staff in the Northern Ireland Senior Civil Service (SCS) is comprised of two elements; a base pay uplift and a non-consolidated bonus. Both elements are based on performance. The non-consolidated bonuses are payable to a proportion of SCS staff as part of the annual pay award.

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of the Agency.

Remuneration (Audited)

Officials	2008-09		2007-08	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mrs C Smith <i>Chief Executive</i>	95-100	—	5-10 (85-90 full year equivalent)	—
Mrs M Fleming <i>Director of Corporate Services</i>	65-70	—	60-65	—
Ms A Garvey <i>Director of Operations</i>	60-65	—	55-60	—
Mr T Clarke <i>Director of Strategic Planning (from 09/06/08)</i>	50-55 (65-70 full year equivalent)	—	—	—



Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Pension Entitlements (Audited)

Officials	Accrued pension at age 60 as at 31/3/09 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/09	CETV at 31/3/08 or date of commencement if later***	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mrs C Smith <i>Chief Executive</i>	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 0-2.5	539	491	3	0
Mrs M Fleming <i>Director of Corporate Services</i>	25-30 plus lump sum of 75-80	0-2.5 plus lump sum of 0-2.5	574	529	2	0
Ms A Garvey <i>Director of Operations</i>	20-25 plus lump sum of 70-75	0-2.5 plus lump sum of 0-2.5	531	489	2	0
Mr T Clarke <i>Director of Strategic Planning (from 09/06/08)</i>	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 0-2.5	518	487	(9)	0

*** The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with *The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2009*.

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are

eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract annual pension increase.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or on immediately ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos. Further details about the CSP arrangements can be found at the website www.civilservice-pensions.gov.uk.

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in

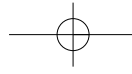
accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

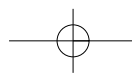
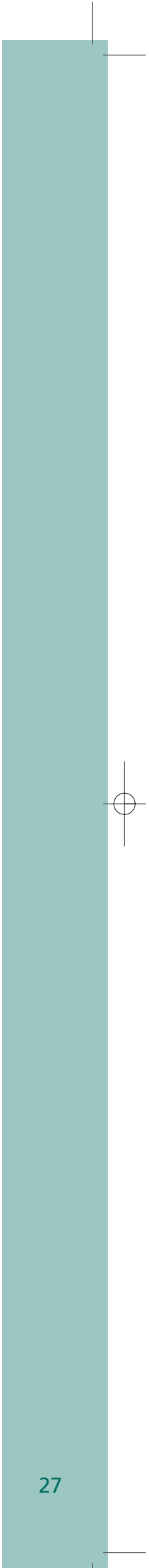
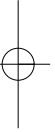
This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation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

Cynthia Smith

CYNTHIA SMITH
Chief Executive
23 June 2009



Annual Accounts 2008/09



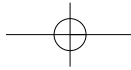
STATEMENT OF THE AGENCY'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel has directed the Planning Service to prepare for each financial year a statement of accounts in the form and on the basis set out in accounts direction DAO(DFP)03/08. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year-end and of its income and expenditure, recognised gains and losses 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 the Department of Finance and Personnel, 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 the going concern basis.

The Accounting Officer of the Department of the Environment has designated the Chief Executive of the Planning Service as Accounting Officer of the Agency. 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 Agency's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and Personnel and published in "Managing Public Money Northern Ireland".



STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Planning Service policies, aims and objectives, whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Agency policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Planning Service for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and it accords with DFP guidance.

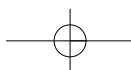
Capacity to handle risk

The Management Board leads the risk management process by approving the Agency's Risk Management Policy Statement and identifying the Agency's objectives and risks. Each Director then identifies the objectives and risks for his/her own Directorate. A control strategy is established for each risk and responsibility for controlling the risk is allocated to the appropriate member of staff. The Risk Management Policy Statement and risk registers are made available to all staff via the Agency's intranet site. Advice and guidance on risk management have been provided to staff through the staff induction process and regular reminders to heads of business units. The Agency keeps abreast of developments in risk management through regular contact with relevant branches elsewhere in the Department and receives refresher training in risk management as appropriate.

The risk and control framework

The Management Board ensures that procedures are in place for verifying that aspects of risk management and control are regularly reviewed and reported on. This is informed by the following procedures which have been established within the Agency:

- annual review of the Agency's Risk Management Policy Statement;
- the preparation and maintenance of Corporate, Directorate and business unit risk registers;
- the holding of risk management workshops for the preparation of risk registers and to ensure an appropriate link between objectives and risks;



- formal quarterly review and revision of the Corporate risk register by the Management Board, the Directorate risk registers by the relevant Director and regular reviews of business unit risk registers by the head of branch;
- the inclusion of risk management as a standing agenda item at the Agency's Audit Committee;
- ensuring that key risk priorities relate to obtaining timely and accurate information from other parties and also to human resource issues; and
- keeping staff informed on risk management issues by means of information posted on the Agency's intranet site and reminders to heads of business units.

The Planning Service does not have a single risk appetite. The level of risk that the Agency considers acceptable to bear is set on a risk by risk basis taking account of the potential impact of the risk on the Agency.

All staff are advised to be alert to potential risks and to report relevant risks to their line manager, Directorate risk co-ordinator or the Agency's Risk Manager. Significant risks are evaluated in accordance with the Agency's Risk Management Policy Statement and are considered in terms of likelihood and potential impact.

Information risk is proactively managed across the Agency and the following key measures have been put in place:

- Agency policy statement setting out Planning Service's commitment to manage information in compliance with the Data Protection Act.
- The specific identification of information risks in the Corporate risk register.
- Provision of awareness training and a programme of reviews of key business areas across the Agency with the aim of putting in place best practice on data/information processing, retention and security.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors (DRD Internal Audit and Planning Service audit team) and the senior managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process applied in maintaining and reviewing the effectiveness of the system of internal control has included monitoring of the Corporate Risk Register and is also informed by the following:

- The Agency Audit Team is responsible for reviewing the systems of internal control and makes appropriate recommendations for improvement.
- Regular reports are prepared to Government Internal Audit Standards by the Department for Regional Development's Internal Audit Unit. The Head of Internal Audit (HIA) provides me with interim reports on internal audit activity within the Agency and an Annual Assurance Report at year-end which includes the HIA's independent opinion on the adequacy and effectiveness of the Agency's risk management, control and governance processes.
- The work of the internal audit unit is informed by an analysis of the risk to which the Agency is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the senior managers within the Agency and approved by me.
- In respect of 2008/09, Internal Audit has indicated that risk management, control and governance processes within the Agency are generally satisfactory, however there remains some risk that objectives may not be fully achieved and improvements are required in some areas that received limited assurance ratings. In relation to the payment of grants, a number of concerns were raised in respect of the achievement of value for money and adherence to best practice. Progress is being made towards addressing all of the audit concerns raised including the reduction of the backlog of enforcement applications which was highlighted in 2007/08.
- Risk management and audit issues are regularly discussed at the Agency's Audit Committee and the Departmental Audit Committee.

During the year, work continued on delivery of the Agency's e-Planning solution ePIC. The ePIC system is a technically complex solution, which will provide Planning Service with a comprehensive and sophisticated IT planning facility for the benefit of the public and for staff in the Agency. Planning Service made available to the public three e-Planning Initiatives in 2008/09. These initiatives will bring real benefits to the public and to staff alike. These are:-

- The new Planning Application and Advice System (PANDARUS) incorporating an electronic Fee Calculator;
- Planning Explorer through which the public obtain an update status on their application; and
- Development Plan Viewer allowing people to view area development plans.

Additional capital funding has been required in order to ensure completion of the project by March 2010, and a bid for this funding has been made to DFP.

In the period 1 April 2008 to 31 March 2009, the number of planning applications received by the Agency has fallen by more than 25% compared with the corresponding period in 2007-08. This has resulted in

significant pressures on our planning fee income budgets. The Agency has addressed the shortfall in income in 2008/09 by a combination of measures, including securing additional funding from DFP, generation of cost savings in Planning Service and support from the wider Department.

A High Court decision has raised issues in regard to compliance with the EU Directive on Strategic Environmental Assessment - Directive 2001/42/EC (assessment of the effects of certain development plans and programmes on the environment). The decision is currently the subject of a reference from the NI Court of Appeal to the European Court of Justice, and has had significant implications for the delivery of the Agency's overall development plan programme and PSA targets. The Agency remains committed to the preparation of development plans as expeditiously as possible within the framework set out by European Directives and the Regional Development Strategy.

In December 2008, the draft planning reform consultation paper was circulated to Executive Ministers for comment. Limited comments were received and the paper was then issued in January for inclusion on an Executive agenda. However, comments have since been received from the deputy First Minister which have led to delays in getting the paper cleared by the Executive. Efforts are ongoing to try and resolve these issues. The changes required under the reform programme will require primary legislation and a huge raft of subordinate legislative changes, all of which needs to be concluded before the dissolution of the current Assembly, expected to be in spring 2011. The ongoing delays in issuing the consultation paper have had a significant knock-on effect on the overall reform programme, and put pressure on our ability to meet the PFG and PSA commitments, and ultimately on the timetable for reform and transfer of the planning functions.

During the year the Performance Efficiency and Delivery Unit (PEDU) conducted a review of the Planning Service. The review focused specifically on the processing of applications, with the aim of helping achievement of the Agency's PSA key targets in relation to processing times for applications, and was completed in November 2008. The review, which has been taken forward as part of the wider planning reform programme, highlighted five areas for action: improving agent performance; improving consultee performance; staff and management issues; improving divisional performance; and better use of performance management. Staff have been taking forward the actions needed to address the recommendations of the review. In addition to the PEDU review, the Agency underwent a Value for Money review by the Northern Ireland Audit Office during 2008/09, a draft report was received in March 2009, and the Agency's response to the draft report issued in April 2009.

HR Connect

DFP Internal Audit conducted a review of the HR Connect payroll service prior to go live focusing on the documented operating procedures for shared service centre and NICS staff and provided a satisfactory level of assurance in these areas. However, Internal Audit has not undertaken any direct work since the HR Connect Service went live in November 2008.

The internal audit of the HR Connect service in 2008-09 was undertaken by the main contractor, in accordance with contractual provisions. A set of internal reports have been received from the main contractor, including a review of actual controls against expected controls in respect of the non-industrial payroll system. These have been reviewed by Corporate HR and DFP Internal Audit who are satisfied that although some weaknesses have been identified these are being addressed by Capita and Fujitsu. Corporate HR has also welcomed the establishment of a monthly forum at which Capita and Fujitsu will discuss progress on issues raised in these reports and will monitor progress on the implementation of recommendations. DFP Internal Audit will be conducting direct audit work in HR Connect during 2009-10.

Cynthia Smith

CYNTHIA SMITH
Chief Executive
23 June 2009

PLANNING SERVICE AGENCY

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Planning Service Agency for the year ended 31 March 2009 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

RESPECTIVE RESPONSIBILITIES OF THE AGENCY, THE CHIEF EXECUTIVE AND AUDITOR

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Agency's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001. I report to you whether, in my opinion, the information, which comprises the Chief Executive's Report and Management Commentary, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with the Department of Finance and Personnel's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the

effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chief Executive's Foreword and the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

BASIS OF AUDIT OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

OPINIONS

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel, of the state of the Agency's affairs as at 31 March 2009, and of the net cost of operations, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- information, which comprises the Chief Executive's Report and Management Commentary, included within the Annual Report, is consistent with the financial statements.

OPINION ON REGULARITY


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

EMPHASIS OF MATTER: SIGNIFICANT UNCERTAINTY ON ANY LIABILITY OVER EQUAL PAY ISSUES

Without qualifying my opinion, I draw attention to note 18 to the financial statements. This refers to the obligation of the Northern Ireland Civil Service to comply with equal pay legislation and address any anomalies that may exist in its present pay and grading structures. Equal pay claims have been lodged with the Industrial Tribunal by the Northern Ireland Public Service Alliance (NIPSA) on behalf of its relevant members. The present Minister of Finance and Personnel has assured NIPSA of the commitment to resolve the equal pay issue, if possible, through a negotiated settlement and without the need for litigation. The Department of Finance and Personnel considers that a reliable estimate of the potential liability cannot be made at this point in time due the complexities associated with the resolution of the issue. These complexities include establishing clearly the extent to which the claims may be valid, the groups of staff that might be entitled to a payment and the size of these payments. Consequently a provision has not been made in the financial statements for any liability that may result.

REPORT

I have no observations to make on these financial statements.



JM Dowdall CB
Comptroller and Auditor General
30 June 2009

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

OPERATING COST STATEMENT

For the Year Ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Income	2	17,715	22,469
Expenditure			
Staff Costs	3	24,930	24,122
Depreciation and Amortisation	8 and 9	164	171
Other Operating Costs	4	17,020	17,940
Total Expenditure		<u>42,114</u>	<u>42,233</u>
Net Cost of Operations before Cost of Capital Credit		(24,399)	(19,764)
Capital Credit	6	84	175
Net Cost of Operations		<u>(24,315)</u>	<u>(19,589)</u>

The net cost of operations arises wholly from continuing operations.

STATEMENT OF RECOGNISED GAINS AND LOSSES

For the Year Ended 31 March 2009

		2009 £'000	2008 £'000
Net gain on revaluation of Fixed Assets	13	(1)	5
		<u>(1)</u>	<u>5</u>

The notes on pages 40 to 54 form part of these accounts

BALANCE SHEET**As at 31 March 2009**

	Notes	2009 £'000	2008 £'000
Fixed Assets			
Tangible Assets	8	9,222	7,542
Intangible Assets	9	28	48
		<u>9,250</u>	<u>7,590</u>
Current Assets			
Debtors	10	237	489
Current Liabilities			
Creditors (amounts falling due within one year)	11	(8,431)	(11,150)
		<u>(8,194)</u>	<u>(10,661)</u>
Net Current Liabilities			
Total Assets less Current Liabilities		1,056	(3,071)
Provisions for Liabilities and Charges	12	(1,508)	(1,338)
		<u>(452)</u>	<u>(4,409)</u>
Financed by:			
Capital and Reserves			
General Fund	13	(447)	(4,418)
Revaluation Reserve	13	(5)	9
		<u>(452)</u>	<u>(4,409)</u>

The notes on pages 40 to 54 form part of these accounts

Cynthia Smith

CYNTHIA SMITH
Chief Executive
23 June 2009

CASH FLOW STATEMENT**For the Year Ended 31 March 2009**

	Notes	2009 £'000	2008 £'000
Net Cash Outflow from Continuing Operating Activities	14	(17,130)	(9,377)
Capital Expenditure	14	(2,146)	(2,019)
Payments to Consolidated Fund		(5)	(5)
		<u> </u>	<u> </u>
Net Cash Outflow before Financing		(19,281)	(11,401)
		<u> </u>	<u> </u>
Cash Inflow from Financing	14	19,281	11,401
		<u> </u>	<u> </u>

The notes on pages 40 to 54 form part of these accounts

NOTES TO THE ACCOUNTS

For the Year Ended 31 March 2009

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2008-09 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel (DFP). The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The Agency's accounting policies have been applied consistently in dealing with items considered material in relation to these accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention, as modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

1.2 Fixed Assets

The minimum level for capitalisation of a tangible fixed asset is £500 for IT equipment and £1,000 for all other assets. Computer software licences are treated as intangible assets except where they have been developed internally (bespoke software).

All tangible assets are valued at current replacement cost: IT assets by the application of an accelerated depreciation policy and other assets by using appropriate indices compiled by the Office for National Statistics.

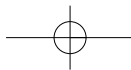
Depreciation is provided at rates calculated to write off the valuation, less estimated residual value of each asset, over its expected useful life (IT assets – accelerated depreciation; all other assets – straight line depreciation). Assets in the course of construction are not depreciated until the asset is brought into use.

The estimated useful lives of the main categories of fixed assets are:

Information Technology	3 – 5 years
Computer Software Licences (Intangible)	period of the licence
Plant & Machinery (Office Equipment)	5 years

1.3 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPSC (NI)) which is a defined benefit scheme and is unfunded and non-contributory, except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI).



1.4 Grants Payable

Grants payable by the Agency, in accordance with its statutory powers and duties, are accounted for in the period in which it is known or estimated that the recipient has carried out the activity which creates the entitlement.

1.5 Cost of Capital

In accordance with DFP guidelines, notional interest is charged or credited on the basis of 3.5 per cent of the average cost of capital employed by the Agency. Capital employed is defined as total assets less liabilities with the exception of liabilities due to the Consolidated Fund.

1.6 Value Added Tax

Income and expenditure is shown net of Value Added Tax where it is recoverable.

1.7 Private Finance Initiative (PFI) Transactions

PFI transactions have been accounted for in accordance with Technical Note 1 (Revised) How to Account for PFI Transactions as required by the FReM. Where the balance of risks and rewards of ownership of the PFI project are borne by the operator, the PFI payments are recorded as an operating cost.

Where the balance of risks and rewards of ownership are borne by the Agency, it is recognised as a fixed asset and the liability to pay for it is accounted for as a finance lease.

1.8 Provisions

The Agency provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk adjusted cashflows are discounted using the real rate set by the Department of Finance and Personnel (currently 2.2 %).

1.9 Notional Costs

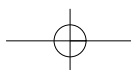
Since Resource Accounts are required to show the full economic cost of delivery of public services, the Operating Cost Statement includes certain notional elements of expenditure. These costs have been included on the basis of the estimated costs incurred by the providing department.

1.10 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the most recent guidance on Estimates issued by DFP.

1.11 Leases

Operating lease rentals are charged to the Operating Cost Statement on a straight-line basis over the term of the lease.



1.12 Net Vote Funding

Supply funding is not treated as income on the face of the Operating Cost Statement, but is credited to the general fund.

2. Income

	2009 £'000	2008 £'000
Planning Fees	17,184	21,341
Property Certificate Fees	508	1,105
Recovery of Planning Compensation	16	16
CFER Income	7	7
	<u>17,715</u>	<u>22,469</u>

3. Staff Numbers and Costs

3.1 The average number of full time equivalent persons employed during the year was:

	2009 Number		2008 Number	
	Permanently employed staff	Others	Total	Total
Senior Management	65	–	65	63
Professional and Technical	419	20	439	433
Executive, Administrative and Ancillary	319	27	346	337
Temporary Staff employed through Recruitment Agencies	–	8	8	19
	<u>803</u>	<u>55</u>	<u>858</u>	<u>852</u>

3.2 The costs incurred in respect of these employees were:

	2009 £'000		2008 £'000	
	Permanently employed staff	Others	Total	Total
Salaries and Wages	19,488	620	20,108	19,221
Social Security Costs (ERNI)	1,397	53	1,450	1,396
Pension Costs (Superannuation)	3,336	2	3,338	3,220
Cost of Temporary Staff Employed through Recruitment Agencies	–	34	34	285
	<u>24,221</u>	<u>709</u>	<u>24,930</u>	<u>24,122</u>

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) is an unfunded multi-employer defined benefit scheme which produces its own resource accounts, but Planning Service is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2007 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2008/09, employers' contributions of £3,337,776.35 were payable to the PCSPS(NI) (2007/08 £3,220,256.91) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2009/10, the salary bands will be revised but the rates will remain the same (the rates will be changing with effect from April 2010). The contribution rates are set to meet the cost of the benefits accruing during 2008/09 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. No Employers' contributions were paid to stakeholder pension providers. Employer contributions are age-related and range from 3 per cent to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £3,640.28, 0.8 per cent of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at that date were £nil.

4. Other Operating Costs

	2009	2008
	£'000	£'000
General Administration Expenses	1,481	1,558
Consultants Fees and Contracted Out Costs	765	1,036
Development Control Computer System	1,102	1,140
Property Certificate Computer System	150	163
Travel and Subsistence	412	456
Planning Compensation	2	1
Administration Provisions Provided in Year	43	9
Net Programme Provisions Charged in Year	720	601
Advertising of Planning Applications	1,245	1,394
Grants Payable	485	527
Construction Service	105	79
IT and Office Equipment	64	21
Planning reform	253	—
Data Scanning	54	477
Preparation of Development Plans	72	117
Staff Training	433	248
Geographical Information	376	362
Research, Bursaries and Awards	88	71
Land Registry Charges	59	46
Hospitality	28	31
Loss on Disposal of Fixed Assets	—	13
Notional Costs (see note 5)	9,083	9,590
	<hr/>	<hr/>
	17,020	17,940
	<hr/> <hr/>	<hr/> <hr/>

5. Notional Costs

These costs relate to services received for which no actual payment is made. They are included in the accounts so as to reflect the full economic cost of provision.

	2009 £'000	2008 £'000
Services Provided by Parent Department		
Corporate Services including Finance Consultations with Northern Ireland Environment Agency	579	380
	473	335
	<u>1,052</u>	<u>715</u>
Other Notional Costs		
Consultations with Roads Service	3,880	4,184
Accommodation	2,939	2,849
Consultations with Water NI Ltd.	—	—
IT Support and Services	7	15
Personnel Management and Recruitment	143	612
Planning Inquiries and Area Plans	282	423
Finance	155	150
Training and Development	—	165
Consultations with DARD	141	85
Central Policy and Management	21	21
Telecommunications	116	102
Legal Services	188	87
Land Valuations	24	39
Audit	14	13
Miscellaneous	121	130
	<u>8,031</u>	<u>8,875</u>
	<u>9,083</u>	<u>9,590</u>

6. Capital Charges

The Operating Cost Statement bears a non-cash credit for interest relating to the use of capital by the Agency. The basis of the credit is 3.5 per cent of the average capital employed, defined as total assets less liabilities except for liabilities due to the Consolidated Fund.

7. Administration and Programme Analysis

Administration costs reflect the net resources consumed directly by the Agency in providing government services. Programme costs refer to those elements of expenditure, net of income, that do not fall within administration costs.

	Administration Costs £'000	Programme Costs £'000	Total £'000
Income	(17,692)	(23)	(17,715)
Staff Costs	24,930	—	24,930
Depreciation and Amortisation	135	29	164
Other Operating Costs	11,910	5,110	17,020
Capital Credit	(9)	(75)	(84)
	<u>19,274</u>	<u>5,041</u>	<u>24,315</u>
Net Cost of Operations	<u>19,274</u>	<u>5,041</u>	<u>24,315</u>

8. Tangible Fixed Assets

	CIP Asset £'000	Information Technology £'000	Plant & Machinery £'000	Total £'000
Cost or Valuation				
At 1 April 2008	7,390	547	245	8,182
Additions	1,791	34	—	1,825
Transfers	(158)	158	—	—
Disposals	—	(145)	(17)	(162)
Revaluation	—	—	(8)	(8)
	<u>9,023</u>	<u>594</u>	<u>220</u>	<u>9,837</u>
At 31 March 2009	<u>9,023</u>	<u>594</u>	<u>220</u>	<u>9,837</u>
Depreciation				
At 1 April 2008	—	472	168	640
Charged in year	—	103	41	144
Disposals	—	(145)	(17)	(162)
Revaluations	—	—	(7)	(7)
	<u>—</u>	<u>430</u>	<u>185</u>	<u>615</u>
At 31 March 2009	<u>—</u>	<u>430</u>	<u>185</u>	<u>615</u>
Net Book Value				
At 1 April 2008	<u>7,390</u>	<u>75</u>	<u>77</u>	<u>7,542</u>
At 31 March 2009	<u>9,023</u>	<u>164</u>	<u>35</u>	<u>9,222</u>

9. Intangible Fixed Assets

	Software Licences
	£'000
Cost or Valuation	
At 1 April 2008	350
Additions	—
Disposals	(4)
Revaluation	—
	<u> </u>
At 31 March 2009	<u>346</u>
	<u> </u>
Amortisation	
At 1 April 2008	302
Charged in year	20
Disposals	(4)
Revaluation	—
	<u> </u>
At 31 March 2009	<u>318</u>
	<u> </u>
Net Book Value	
At 1 April 2008	48
	<u> </u>
At 31 March 2009	<u>28</u>
	<u> </u>

10. Debtors: Amounts falling due within one year

10(a). Analysis by type

	2009	2008
	£'000	£'000
Other Debtors	81	173
Prepayments	156	316
	<u> </u>	<u> </u>
	<u>237</u>	<u>489</u>
	<u> </u>	<u> </u>

10(b). Intra-Government Balances

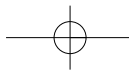
	2009	2008
	£'000	£'000
Debtors: Amounts falling due within one year		
Balances with other central government bodies	15	7
Balances with local authorities	—	—
Balances with NHS Trusts	—	—
Balances with public corporations and trading funds	—	—
Balances with bodies external to government	222	482
	<u>237</u>	<u>489</u>

11. Creditors (amounts falling due within one year)**11(a). Analysis by type**

	2009	2008
	£'000	£'000
Trade Creditors	346	742
Deferred Income	6,853	9,032
Amount due to the NI Consolidated Fund for CFER Income	4	1
Other Creditors and Accruals	1,228	1,375
	<u>8,431</u>	<u>11,150</u>

11(b). Intra-Government Balances

	2009	2008
	£'000	£'000
Creditors: Amounts falling due within one year		
Balances with other central government bodies	199	118
Balances with local authorities	—	9
Balances with NHS Trusts	—	—
Balances with public corporations and trading funds	—	—
Balances with bodies external to government	8,232	11,023
	<u>8,431</u>	<u>11,150</u>



12. Provisions for Liabilities and Charges

Provision for planning compensation is in respect of expected claims under the Planning (NI) Order 1972 for discontinuance orders and under the Land Development Values (Compensation) Act (NI) 1965 for refusal of planning permission.

Other provisions include legal costs which may become payable in respect of on-going judicial reviews and unsettled employer liability cases, and provisions for early retirement costs.

	Planning Compensation £'000	Legal Costs £'000	Early Departure Costs £'000	Total £'000
At 1 April 2008	299	1,027	12	1,338
Amounts incurred and charged against this provision during the year	(412)	(148)	(33)	(593)
Unused amounts reversed during the year	—	(192)	—	(192)
Increases to existing provision and additional provisions required	369	543	43	955
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2009	256	1,230	22	1,508
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. Reconciliation of Movement in Reserves and Government Funds

	General Revaluation Fund £'000	Revaluation Reserve £'000	2009 Total £'000	2008 Total £'000
At 1 April	(4,418)	9	(4,409)	(5,634)
Transfer from Reval Reserve to GF	13	(13)	—	—
Net Vote Funding in Year	19,281	—	19,281	11,401
Net Cost of Operations	(24,315)	—	(24,315)	(19,589)
Notional Costs	9,083	—	9,083	9,590
Capital Credit	(84)	—	(84)	(175)
CFER Creditor	—	—	—	—
CFER Adjustment	(7)	—	(7)	(7)
Arising on Revaluation during the year (net)	—	(1)	(1)	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March	(447)	(5)	(452)	(4,409)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>



14. Notes to Cash Flow Statement

14.1 Reconciliation of Net Cost of Operations to Net Cash Outflow from Operating Activities

	2009 £'000	2008 £'000
Net Cost of Operations before Capital Credit	(24,399)	(19,764)
<i>Adjustments for Non-Cash Transactions</i>		
Notional Costs	9,083	9,590
Movement in Provisions	170	519
Depreciation and Amortisation Charge	164	171
Loss on Disposal of Fixed Assets	—	13
	<u>9,417</u>	<u>10,293</u>
<i>Adjustments for Movements in Working Capital</i>		
Decrease/(increase) in Debtors	252	(178)
(Decrease)/Increase in Creditors	(2,400)	272
	<u>(17,130)</u>	<u>(9,377)</u>

14.2 Capital Expenditure

	2009 £'000	2008 £'000
Payments for Tangible Fixed Assets	(2,146)	(2,258)
Payments for Intangible Fixed Assets	—	(7)
Proceeds of Sale of Tangible Fixed Assets	—	246
	<u>(2,146)</u>	<u>(2,019)</u>

14.3 Financing

	2009 £'000	2008 £'000
Drawdown from Department	35,637	36,826
Accruing Receipts	(16,356)	(25,425)
	<u>19,281</u>	<u>11,401</u>

15. Capital Commitments

	2009	2008
	£'000	£'000
Contracted capital commitments at 31 March 2009 for which no provision has been made	1,489	1,504
	<u> </u>	<u> </u>

16. Commitments under Operating Leases

Commitments under operating leases to pay rentals during 2009/10 are given in the table below, analysed according to the period in which the lease expires.

Obligations under operating leases comprise:

	2009
	£'000
Land and Buildings	
Expiry within one year	—
Expiry after one year but not more than five years	—
Expiry thereafter	—
	<u> </u>
	<u> </u>
Other:	
Expiry within 1 year	3
Expiry after one year but not more than five years	8
Expiry thereafter	—
	<u> </u>
	<u> </u>
	11
	<u> </u>

17. Commitments under PFI Contracts

In December 1997, a PFI contract was signed for the provision of a computerised development control system. The contract was initially for a five year period (with the option of two one-year extensions) and commenced in October 1999 when the last planning office went live. The estimated capital value of the contract is £2.1m. The contract was extended in September 2004, November 2005, October 2006, and again in October 2007 and will end on 31 December 2010.

Annual commitments under PFI contracts expiring:

	2009
	£'000
Within one year	—
Within two to five years	504
Thereafter	—
	<u> </u>
	<u> </u>
	504
	<u> </u>

18. Contingent Liabilities

The former Minister for Finance and Personnel announced measures in May 2008 to address equal pay issues in the Northern Ireland Civil Service. The present Minister for Finance and Personnel has assured NIPSA of the commitment to resolve the equal pay issue, if possible, through a negotiated settlement and without the need for litigation. In May 2009 he confirmed to NIPSA that a settlement offer had not been made but that he had instructed officials to work intensively with NIPSA to establish, as clearly as possible, parameters within which a negotiated settlement might be reached so that he, in conjunction with his Ministerial colleagues in the Executive, can consider how the matter should be taken forward.

NIPSA has lodged equal pay claims with the Industrial Tribunal on behalf of its female members in the AA, AO and EOII and analogous grades in the NICS. The Department of Finance and Personnel (DFP) has assessed the potential impact of these equal pay claims and the wider equal pay issue against relevant accounting standards, in particular Financial Reporting Standard (FRS) 12. The ministerial statements have created an obligation on the part of the NICS to comply with equal pay legislation and to address any anomalies that may exist in its present pay and grading structures. However, DFP considers that a reliable estimate cannot be made, at this point in time, of the potential liability to resolve the issue. This is as a result of the complexities associated with the resolution of the issue, including establishing clearly the extent to which the claims may be valid, the groups of staff that might be entitled to a payment and the size of those payments. Consequently, DFP does not consider that it is possible to reach a reliable estimate of the obligation, and thus make a provision under the criteria set out in FRS12.

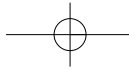
The Agency has no other contingent liabilities as at the Balance Sheet date.

19. Key Corporate Financial Targets

The Agency is required to recover in full the costs of determining planning applications and responding to property enquiries (both cash and non-cash costs on an accruals basis). Performance for the year is shown below.

	Income	Expenditure	(Deficit)/ Surplus	Recovery
2009	£'000	£'000	£'000	%
Planning Applications	17,052	23,881	(6,829)	71.4%
Property Certificates	508	575	(67)	88.4%
	<u>17,560</u>	<u>24,456</u>	<u>(6,896)</u>	

This information is provided for fees and charges purposes only, and not for SSAP 25 purposes.



20. Related Party Transactions

The Planning Service is an executive agency of the Department of the Environment.

The Department of the Environment is regarded as a related party. During the year, the Agency has had material transactions with the Department, and with other entities for which the Department is regarded as the parent department, primarily Northern Ireland Environment Agency.

In addition, the Planning Service has had material transactions with other government departments and other central government bodies; primarily the Department for Regional Development and the Department of Finance and Personnel.

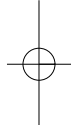
During the year, none of the Management Board members, members of the key management staff or other related parties have undertaken any material transactions with the Agency.

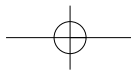
21. Review of Public Administration and Planning Reform

The Environment Minister is taking forward a comprehensive programme of medium to long term reform of the planning system. The legislative changes which will be brought forward as a result of the reform programme, incorporating the changes necessary to implement the Review of Public Administration (RPA), are due to be in place by May 2011. A public consultation paper outlining the proposals for reform is due to be issued shortly and, once policy has been finalised following consultation, it will then be necessary to fully assess the potential financial impact of the reforms.

In March 2008, the then Environment Minister announced the key decisions agreed by the Northern Ireland Executive in relation to the review of the local government aspects of the Review of Public Administration. The Minister announced that, in line with the RPA proposals approved by the previous administration, the majority of planning functions will transfer to 11 newly created district councils in 2011. Planning officials are working with local government through the overarching RPA implementation structures to deal with all of the issues associated with transfer, including service delivery models, staffing and resources. Consultants have been appointed to assess the options for how best the 11 district councils should deliver their new functions and to develop models for the future delivery of key services by the 11 new councils. Final decisions on the service delivery models for the new district councils, including delivery of planning functions, are due by June 2009.

At this stage, therefore, it is too early for an accurate assessment of the potential financial impact to be made in relation to both the reform initiatives and the decisions made as a result of RPA.





22. Events Occurring after the Balance Sheet Date

The Annual Report and Accounts were authorised to be issued and laid in the Assembly by the Accounting Officer on 23 June 2009. There were no events after the Balance Sheet that require disclosure.

