



NIAO Report to the Environment Committee



Department of the
Environment

www.doeni.gov.uk

Summary

Aim and scope

This report has been prepared for the information of the Environment Committee and provides an overview of the performance of the Department of the Environment between 1 April 2006 and 31 March 2011. The report reflects the information provided in the Department of the Environment's Annual Reports covering the period 2006-07 to 2010-11 combined with NIAO audit findings and other performance information. No additional audit fieldwork has been undertaken in relation to the production of this report.

Background

The Department of the Environment was established in 1999 as a result of the Northern Ireland Act 1998 and the Departments (Northern Ireland) Order 1999.

From 1 April 2011, the Department of the Environment comprises eight supporting policy, operational delivery and resources Divisions and two Executive Agencies. These Divisions and Agencies, which are organised within three functional groups, work collectively to achieve the Department's overall vision and strategic objectives.

Environmental Group:

- Environmental Policy Division
- Northern Ireland Environment Agency (NIEA)

Planning & Local Government Group¹:

- Planning Policy Division
- Strategic Planning Division
- Local Planning Division
- Local Government Policy Division

Road Safety, DVA & Corporate Services Group:

- Road Safety & Vehicle Regulation Division
- Driver & Vehicle Agency (DVA)
- Finance & Business Planning Division
- HR & Organisational Change Division

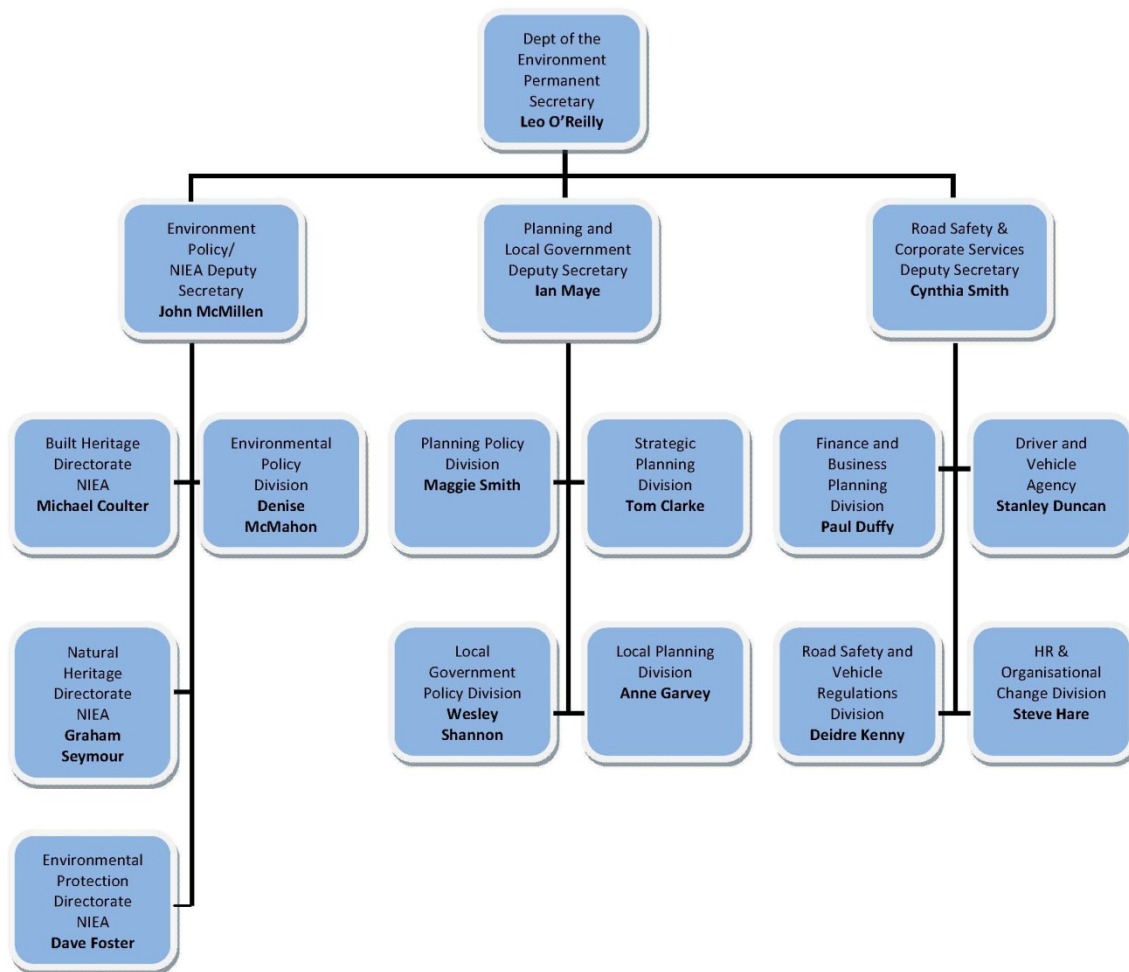
¹ With effect from 1 April 2011, Planning Service became Strategic Planning Division & Local Planning Division within the core Department

Report to the Environment Committee

The Minister

The Minister has overall political responsibility and accountability for all the Department's activities.

Department of the Environment senior staff structure



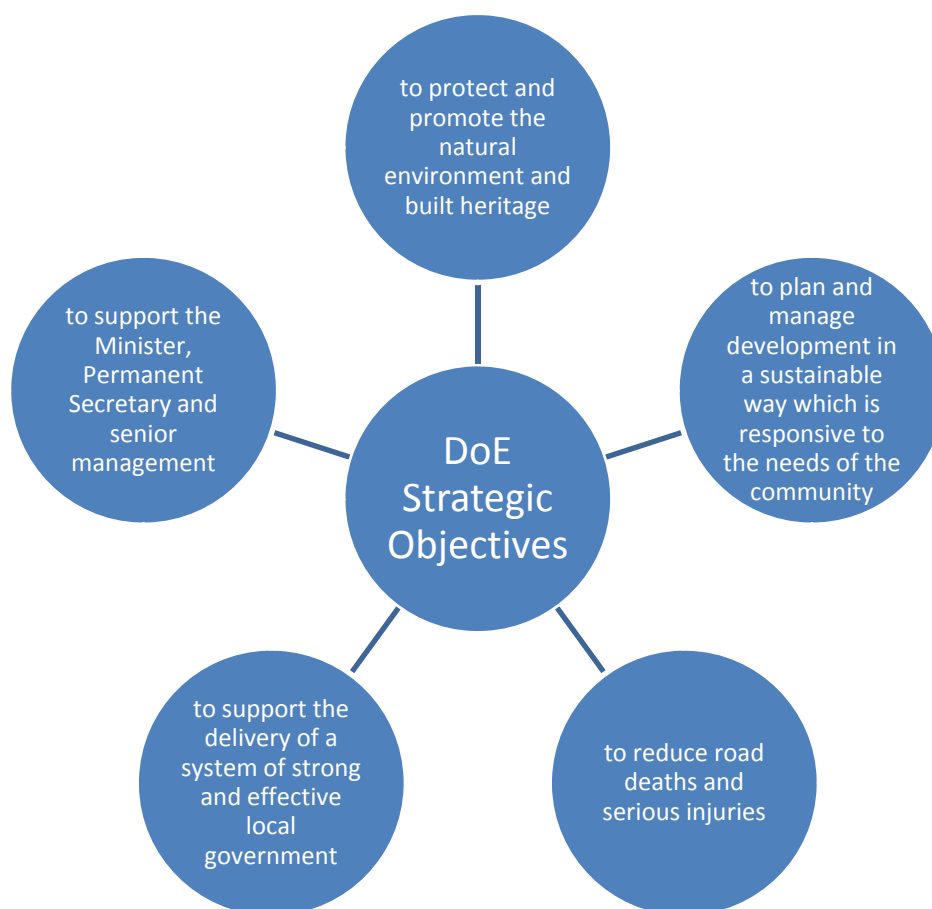
As at 31 March 2011

The Departmental Board

The work of the Department is co-ordinated and monitored by the Departmental Board. This comprises the Permanent Secretary, the Deputy Secretary/Chief Executive of Environmental Policy Division/Northern Ireland Environmental Agency (NIEA), the Deputy Secretary/Chief Executive of Planning and Local Government Group, the Deputy Secretary of Road Safety & Corporate Services Group, the Chief Executive of the Driver and Vehicle Agency and the Directors of Finance & Business Planning Division, Human Resources & Organisational Change and Environmental Policy Division. An independent Board Member provided external expertise and advice to aid the Board in its decision-making processes and in this way contributed to the corporate management of the Department. The role of the Departmental Board is to provide corporate leadership within policies determined by the Minister.

Departmental aims and objectives

The Department's aim is to contribute to a better and safer environment which will support a vibrant and dynamic economy and to support the delivery of a system of strong and effective local government. In support of this aim, the Department has five strategic objectives.



Report to the Environment Committee

Key workload and output data

The Department interacts with a large proportion of the population of Northern Ireland and provided the following services over the five year period to 2010-11.

Activity	2006-07	2007-08	2008-09	2009-10	2010-11	% change 2009-10 to 2010-11
Number of Planning applications rec'd	27,077	27,906	20,469	19,588	16,768*	(14)
Planning decisions made	29,084	26,580	24,637	20,243	16,147*	(20)
Vehicle tests carried out	649,234	667,628	896,910	921,906	972,054	5
Practical driving tests carried out	68,013	74,594	76,254	69,456	66,259	(5)
Vehicle licenses renewed	1,127,818	1,171,984	1,255,189	1,292,856	1,337,634	4
Tax discs issued	1,227,530	1,320,576	1,372,828	1,410,089	1,442,560	2
Driving licenses issued	286,661	288,588	229,064	208,485	207,727	<1

Source: DOE

*As published in the 2010-11 Annual report and these differ from the official figures published in July 2011 due to a number of planning applications being input late into the information system.

Report to the Environment Committee

In the last three years, the department has recorded the following successes.

Successes 2008-09

- Saving 12 buildings on the Built Heritage at Risk Northern Ireland register.
- Declaring a further 25 Areas of Special Scientific Interest.
- Making significant progress on the development plan programme and improving application processing times within Planning Service.
- Introducing new tests for motorcyclists.
- Achieving specified appointment timescales and service standards within DVA.
- Continuing to provide timely payment of grants to district councils.

Successes 2009-10

- Saving 17 buildings on the Built Heritage at Risk Northern Ireland Register.
- Declaring a further 25 Areas of Specific Scientific Interest.
- Processing a number of significant investment proposals and improving application processing times within Planning Service.
- Introduction of Certificates of Professional Competence (CPC) for drivers of heavy goods vehicles.
- Introduction of an Individual Vehicle Approval Scheme (IVA).
- Achievement of a customer satisfaction level of almost 97% for DVA.
- Continuing to provide timely payment of grants to district councils.

Successes 2010-11

- The lowest number of roads deaths in 2010 since records began in 1931.
- The introduction of compulsory basic training for learner motorcyclists.
- Achievement of the new standard for Customer Service Excellence for DVA.
- Processing a number of significant investment proposals and improving application processing times within the Planning Service.
- Saving 15 buildings on the Built Heritage at Risk Northern Ireland register.
- The launch of the DOE-led public campaign on waste – ‘Rethink Waste’.
- Declaring a further 25 Areas of Special Scientific Interest.
- Clearance of 27,000 tonnes of illegal waste from two sites in Fermanagh and Tyrone.
- The introduction of the Local Government Finance Bill.
- Continuing to provide timely payment of grants to district councils.

Source: DOE Annual Reports 2008-09 to 2010-11

Report to the Environment Committee

Average number of persons employed

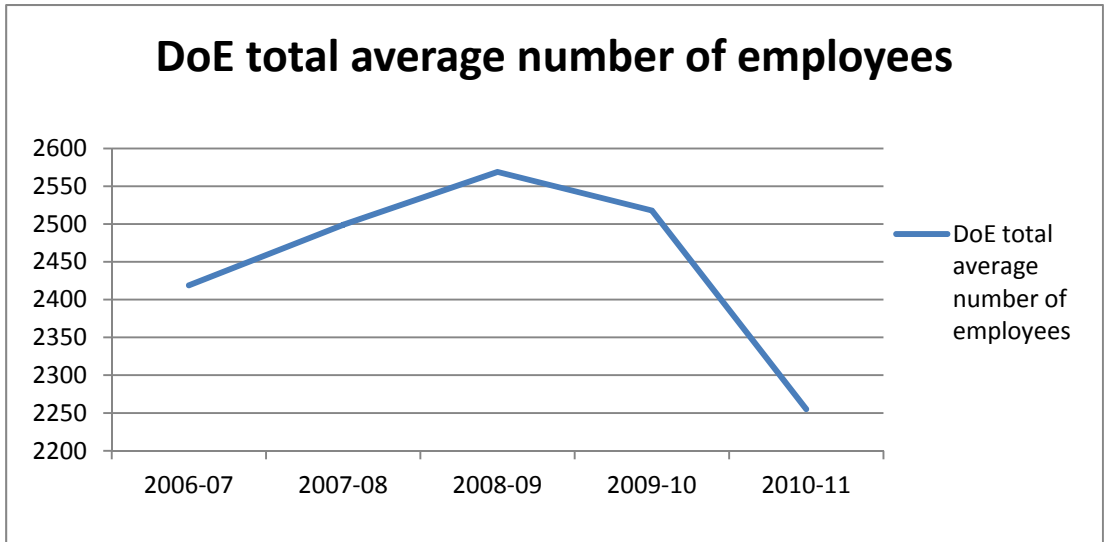
The figures provided below reflect the number of full time equivalent persons employed in the department as well as its executive agencies in the relevant financial year. The total average number of persons employed in the department increased by 6.2 per cent between 2006-07 and 2008-09. There was a subsequent reduction in staff numbers of 2 per cent between 2008-09 and 2009-10, and a further reduction of 10.5 per cent between 2009-10 and 2010-11, resulting in an overall reduction of 6.8 per cent in the five year period.

	06-07	07-08	% Change	08-09	% Change	09-10	% Change	10-11	% Change
Environmental Policy Division and NIEA	970	959	-1	1,000	4	974	-3	769	-21
Planning Policy Division and Planning Service	815	968	19	942	-3	809	-14	697	-14
Road Safety and Vehicle Regulation Division	575	526	-9	580	10	581	-	562	-3
Local Government Division	59	46	-22	47	2	54	15	42	-22
Finance and Business Planning Division and HR and Organisational Change Division	-	-	-	-	-	85	-	185	118
Capital Projects	-	-	-	-	-	15	-	-	
Total	2,419	2,499	3	2,569	3	2,518	-2	2,255	-10
Of which									
Core Department	274	278	1.5%	310	11.5%	332	7.1%	404	21.7%*

Source: DOE/NIAO

*Core Department 21.7% increase: resulting from centralisation of corporate services related functions (including HR, Finance and Business Planning) within the core of the Department

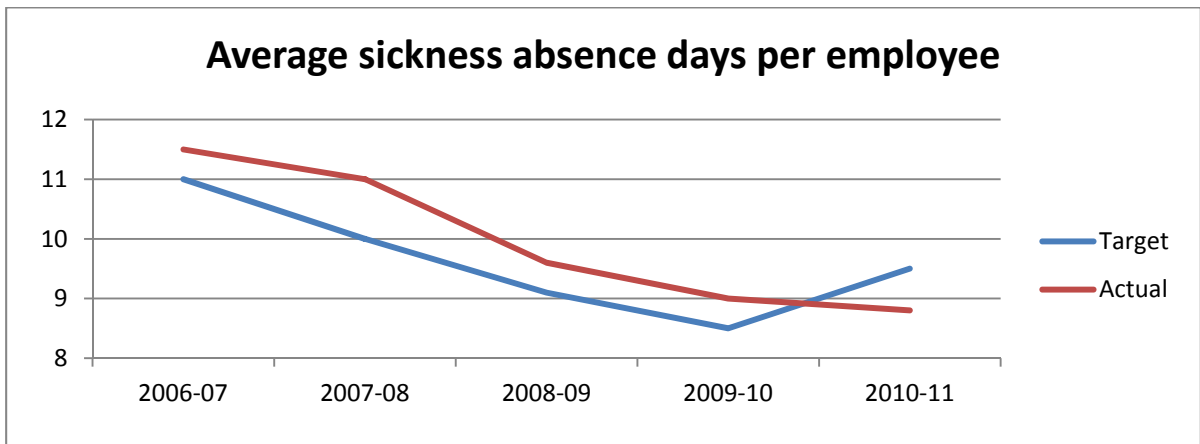
** DOE Total 10.5% decrease: reflecting the restructuring and downsizing of Planning Service and corporate services across the department with staff re-deployed to other departments/outside bodies



Source: DOE

Sickness Absence

The Northern Ireland Statistics and Research Agency (NISRA) produce an annual report on sickness absence data for the 11 Northern Ireland Government Departments. The most recent report published relates to 2009-10 and reflects that sickness absence in DoE has reduced from an average of 11.5 days in 2006-07 to an average of 9.9 days in 2009-10. In their 2010-11 annual report, DoE estimated that average sickness absence for that year would be in the region of 9 days however this has not yet been validated by DoE. Despite the reduction in the department's sickness absence statistics throughout the four year period 2006-07 to 2009-10, DoE has failed to meet its targets in four of the last five years.



Source: DOE

Part One

Financial Overview

This section provides an overview of the financial performance of the Department of the Environment (DoE) between 2006-07 and 2010-11. The information contained within this part of our report has been extracted from the DoE annual report and resource accounts. DoE's accounts are prepared in accordance with the provisions of the Government Financial Reporting Manual (FReM) in line with the Department of Finance and Personnel letter DAO (DFP) 5/10. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The 2009-10 accounts adopted the IFRSs for the first time and therefore, the 2008-09 figures referred to in this report have been restated to reflect the change in accounting standards. 2006-07 and 2007-08 figures were prepared under UK GAAP standards and have not been restated to reflect differences in the IFRS standards.

The resource accounts incorporated all entities within the departmental boundary as defined in the FReM. In DoE this included the core department and three Executive Agencies in operation at that time².

- DoE core divisions – Policy Division, Local Government Policy Division, Finance & Business Planning Division, HR & Organisational Change Division, Road Safety & Vehicle Regulation Division.
- The Planning Service.
- Northern Ireland Environment Agency (NIEA).
- Driver and Vehicle Agency (licensing functions only).

² With effect from 1 April 2011, Planning Service became Planning & Local Government Group within the core Department

Financial outturn for 2010-11

The total Departmental budget for 2010-11 was £160 million, and the net annual expenditure incurred during the year was £156.6 million. The total variance between estimate and outturn was £3.4 million and this is comprises:

- **Northern Ireland Environment Agency:** variance of +£2 million is in the main due to re-apportioned central costs
- **Planning and Environmental Policy Group:** variance of -£0.4 million due to uptake of grants and other programme costs being less than anticipated
- **Planning Service:** variance of +£0.1 due to re-apportionment of central costs
- **Local Government Services:** variance of -£1.3 million due to additional funding received for District Councils.
- **Road Safety Services:** variance of -£4.4 million is, in the main, due to relocation of resources to other business areas.
- **Driver & Vehicle Agency:** variance of -£0.4 million is due to additional receipts which were not anticipated.
- **Capital Grants to District Councils:** variance of -£0.7 million is in relation to slippage in waste management support costs.
- **Settlement of NICS Equal Pay Claims:** variance of -£0.4 million due to pay claim being less than anticipated.

The Department's final Estimates position (£160 million), as published in the Spring Supplementary Estimates, includes resource provision for items which are not included in the Departmental Budget (£132 million). In the main these are notional costs for inter-departmental services (£16.8 million) and grants paid to district councils for capital related projects (£6.66 million). Departments primarily report performance on a budgetary basis for in-year and monitoring purposes. Estimates set out the detailed spending plans for departments and form the basis for the authorisation by the NI Assembly of sufficient funding and resources as detailed in the corresponding Budget Act. The expenditure disclosed in departments' accounts is compared to the Estimates position in the Statement of Parliamentary Supply in the audited resource accounts.

Report to the Environment Committee

Analysis of net resource outturn by section

	2007-08 £'000		2008-09 £'000		2009-10 £'000		2010-11 £'000	
	Outturn Net Total	% variance between Estimate and Outturn	Outturn Net Total	% variance between Estimate and Outturn	Outturn Net Total	% variance between Estimate and Outturn	Outturn Net Total	% variance between Estimate and Outturn
Northern Ireland Environment Agency	45,604	0.2	49,952	-0.3%	50,017	2.6%	41,826	4.8%
Planning and Environmental Policy Group	7,040	-12.1	8,629	1.5%	8,668	-14.6%	10,417	3.9%
Planning Services	9,906	-18.3	15,817	4.5%	17,252	6.1%	16,148	0.1%
Local Government Services	50,508	-2.4	51,391	-1.7%	51,463	-0.6%	49,260	2.6%
Road Safety Services*	6,094	-4.5	5,668	-3.7%	6,370	-6.8%	9,589	46.2%
Driver and Vehicle Agency**	725	-67.9	(8,690)	9.8%	3,880	-33.2%	3,329	13%
ERDF – Grants to District Councils and the Private Sector	41	-82.5	4	-33.3%	-	-	-	-
Community Initiatives	391	6.3	237	41.1%	-	-	36	-
Executive Programme Funds	491	36.0	-	-	-	-	-	-
Capital Grants to District Councils	5,796	-7.2	1,097	-20.5%	1,873	-19.3%	6,660	-10%
Settlement of NICS Equal Pay Claims	-	-	-	-	12,840	0%	(358)	-
Non-Budget								
IFRS Prior Period Adjustments	-	-	-	-	1,327	0%	-	-
Other Expenditure	14,994	-10.0	14,189	-9.3%	17,010	0.3%	16,839	-11.1%
Resource Outturn	141,590	-5.6	138,294	-2.0%	170,700	-1.3%	156,556	-2.1%

Source: DOE/NIAO

Note: The 2009-10 and 2010-11 figures are based on the Driver and Vehicle Agency (DVA) being regarded as a Public Corporation while the earlier figures are based on DVA Licensing being an Executive Agency and DVA Testing a Trading Fund.

*Road Safety underspend in 2010-11 was due to reallocation of resources to other business areas. This had arisen primarily due to re-apportionment of central costs to business areas following re-structuring.

** Driver and Vehicle Agency costs were down by 13% in 2010-11 mainly due to additional receipts which had not anticipated

Report to the Environment Committee

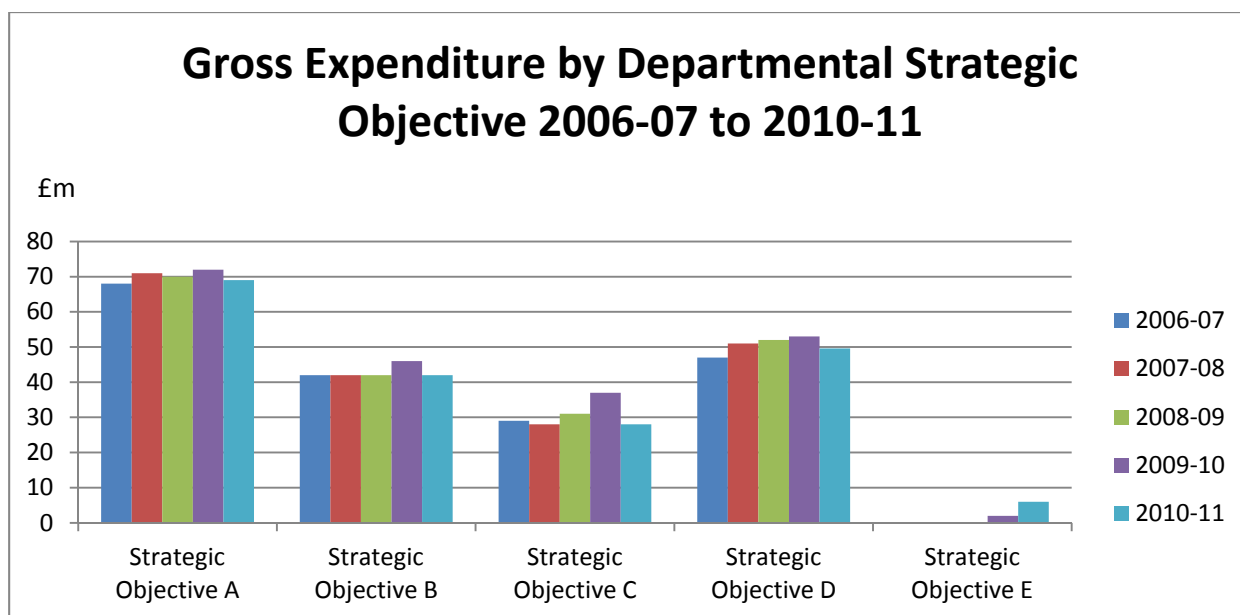
Gross Expenditure by Departmental Strategic Objective

In the period 2006-07 to 2008-09 the department had four strategic objectives (objectives A to D identified below). In 2009-10 the Department moved to a structure which incorporated a fifth strategic objective (objective E identified below).

Aim	To contribute to a better and safer environment which will support a vibrant and dynamic economy and to support the delivery of a system of strong and effective local government.
Objective A	To protect and promote the natural environment and built heritage. Objective A supports PSA 22 which aims to improve the quality of our natural and built environment and heritage and reduce our carbon footprint.
Objective B	To plan and manage development in a sustainable way which is responsive to the needs of the community. Objective B also supports PSA 22.
Objective C	To reduce road deaths and serious injuries. Objective C supports PSA 14 which aims to deliver a safer roads network and achieve measurable reductions in road deaths and serious injury.
Objective D	To support the delivery of a system of strong and effective local government. Objective D supports PSA 20 which aims to improve the quality and the cost-effectiveness of public services to include delivery of the wider public sector reform programme and efficiency savings and outworking of decisions on the Review of Public Administration.
Objective E	To support the Minister, Permanent Secretary and senior management, and oversee the securing and allocation of resources to enable the Department to achieve its business aims and meet its legal and equity obligations. Objective E supports PSA 21 which aims to provide for the effective operation of the institutions of government by supporting Ministers and facilitating effective interdepartmental working on the delivery of an agreed Programme for Government, Budget, Investment Strategy and legislative programme.

Report to the Environment Committee

Overall, gross expenditure has increased by 4.8 per cent from approximately £186 million in 2006-07 to £195 million in 2010-11. The graph below provides a breakdown of how the gross annual expenditure has fluctuated by Departmental Objective throughout the five year period.

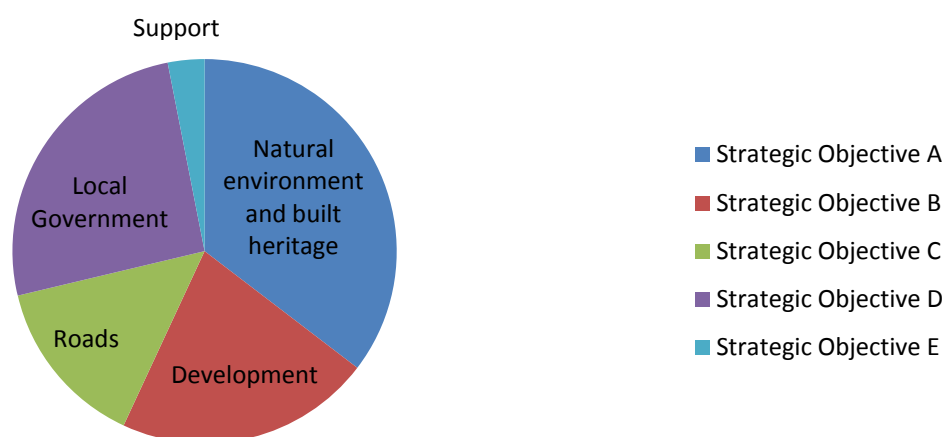


Source: DOE Resource Accounts

In 2010-11, 35 per cent of total gross expenditure incurred by the department related to Objective A, protecting and promoting the natural environment and built heritage. 22 per cent was spent on planning and managing development (Objective B), 14 per cent was spent on reducing road deaths and serious injuries (Objective C), 26 per cent was spend on local government (Objective D) and three per cent on Ministerial and Departmental support (Objective E).

In addition to expenditure on Road Safety under Objective C reported in the Departmental Resource Accounts, the Department also invests in road safety and vehicle regulation through the testing function of DVA. The testing function is constituted as a Trading Fund which is outside the departmental resource accounting boundary; consequentially DVA testing expenditure of £32million in 2010-11 is not reflected in the Departmental Resource Accounts. Further details are available in the DVA Annual Report and Accounts at www.dvlni.gov.uk

Gross Expenditure by Departmental Strategic Objective 2010-11



Source: DOE

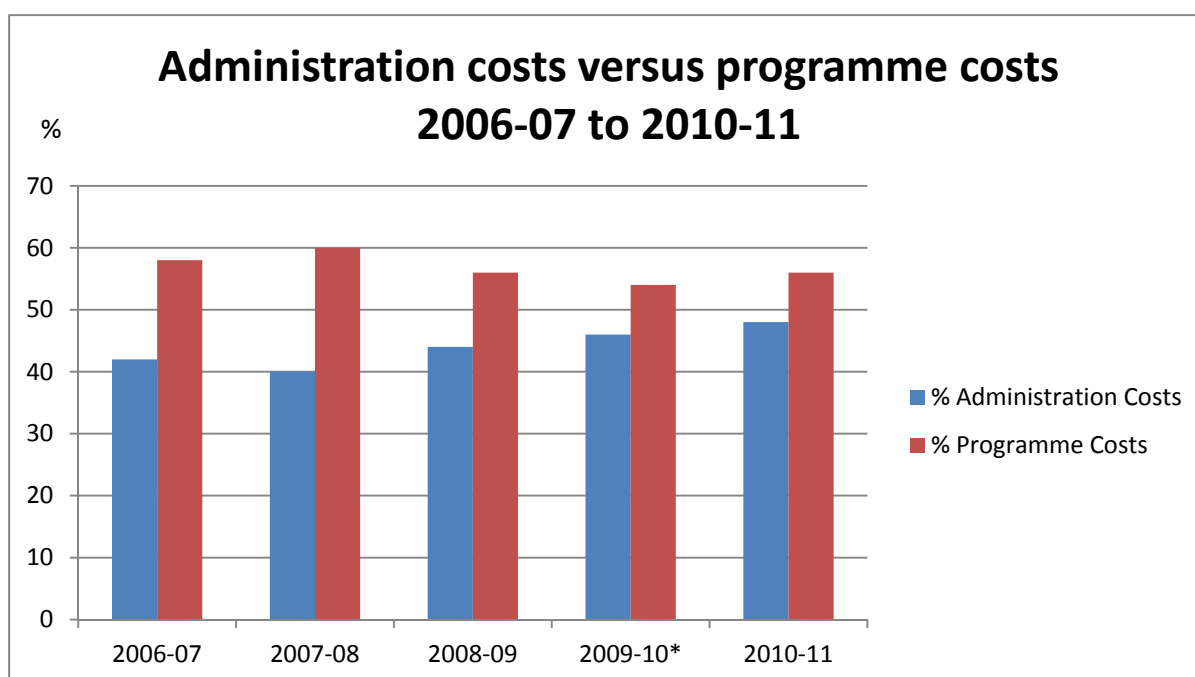
The trend in the allocation of resources against objectives has remained fairly consistent.

Year	2007-08		2008-09		2009-10		2010-11	
	% of gross expenditure	% of employees	% of gross expenditure	% of employees	% of gross expenditure	% of employees	% of gross expenditure	% of employees
Objective A	37	39	35	39	34	39	35	34
Objective B	22	32	22	37	22	32	21	31
Objective C	15	23	16	22	18	23	14	25
Objective D	26	2	27	2	25	2	26	2
Objective E	-	-	-	-	1	3	3	8

Source: DOE/NIAO

Administration costs versus programme costs

During the five year period 2006-07 to 2010-11, the proportion of administration costs to programme costs has fluctuated slightly. On average, administration costs accounted for 44 per cent of total net operating cost during the period, while programme costs accounted for 56 per cent of total net operating cost.



Source: DOE

***restated figures**

Administration costs reflect the operating costs of the department including staff costs incurred in delivering environmental services in NIEA, processing planning applications and policy development. It also includes related accommodation costs, support functions and the services provided by other departments to DOE which are notionally charged. Programme costs reflect non-administrative costs and mainly include grants and other disbursements outside the department.

NIAO financial audit opinion

2010-11

The Comptroller and Auditor General provided an unqualified audit opinion in respect of the 2010-11 resource accounts and the audit report accompanying the financial statements noted no observations.

2009-10

The Comptroller and Auditor General provided an unqualified audit opinion in respect of the 2009-10 resource accounts and the audit report accompanying the financial statements noted no observations.

2008-09

The Comptroller and Auditor General provided a qualified audit opinion on the Department of the Environment 2008-09 financial statements on 30 June 2009. This was as a result of the Department incurring an excess vote in 2008-09 in respect of its Net Cash Requirement (NCR). The requirement approved in the Spring Supplementary Estimates (SSEs) was £130,569 while the outturn position proved to be £131,074, this was an excess of £505,000.

The excess arose primarily as a result of variances between estimates and outturn in respect of the:

- movement in working capital (variance of £1,434,000 between estimates and outturn). The directive to pay invoices within 10 days of receipt issued by the Finance Minister generated a reduction in creditors which was not foreseen at the time the SSEs were finalised. This reduction was particularly pronounced in relation to the early payment of grants;
- use of provisions (variance of £942,000 between estimates and outturn);
- proceeds of fixed asset disposals (variance of £300,000 between estimates and outturn); and
- non-cash items (variance of £803,000 between estimates and outturn).

In order to ensure that its estimate procedures are sufficiently robust to avoid future excesses, the Department gave an undertaking that its Central Finance branch would engage more robustly with all business areas, but more specifically the Department's three Executive Agencies (Planning Service, the Northern Ireland Environment Agency and the Driver and Vehicle Agency), following the provision of estimated figures for the Department's SSEs. Central Finance staff were given responsibility for monitoring the Department's cash draw down between January and the end of March against the estimated NCR figure in the SSEs. If it is envisaged that the estimated NCR figure might be exceeded the Departmental Board will be advised as a matter of urgency so that timely corrective action can be taken.

Report to the Environment Committee

An Emphasis of Matter paragraph was also included in the audit certificate of the Department's 2008-09 accounts. This referred to the obligation of the Northern Ireland Civil Service to comply with equal pay legislation and address any anomalies that may have existed in its pay and grading structures. Equal pay claims were lodged with the Industrial Tribunal by the Northern Ireland Public Service Alliance (NIPSA) on behalf of its relevant members. The Minister of Finance and Personnel 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 considered that a reliable estimate of the potential liability could not be made at this point in time due to the complexities associated with the resolution of the issue. These complexities included 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 was not made in the financial statements for any liability that may result.

2007-08

The Comptroller and Auditor General provided an unqualified audit opinion in respect of the 2007-08 resource accounts and the audit report accompanying the financial statements noted no observations.

2006-07

The Comptroller and Auditor General provided an unqualified audit opinion in respect of the 2006-07 resource accounts and the audit report accompanying the financial statements noted no observations.

Source: NIAO

Part Two

Performance Overview

This section provides an overview of performance in the department in the period 2006-07 to 2010-11 and incorporates information obtained from a range of internal departmental sources as well as external quality and performance information. Key documents that have been used in preparing this summary include:

- Department of the Environment's annual report and statement on internal control
- The Northern Ireland Executive's Programme for Government 2008-11 and the subsequent delivery report for the period 1 April 2008 to 30 September 2010 compiled by Economic Policy Unit (OFMDFM) and Performance Efficiency Delivery Unit (DFP)
- NIAO's value for money audit report
- Public Accounts Committee reports.

Performance

The Northern Ireland Executive Programme for Government 2008-11 (PfG) sets out the Executive's strategic priorities and key plans for 2008-11. In order to support the Executive's priorities a framework of 23 Public Service Agreements (PSAs) was developed.

The Department of the Environment has lead responsibility within the PfG for two Public Service Agreements, PSA 14 and PSA 22 which contain nine Key Targets, and three Key Goals and Commitments. Many of these targets involve cross-cutting action with other departments and statutory agencies:

- PSA 14 – Promoting safer roads - deliver a safer roads network and achieve measurable reductions in road deaths and serious injury.
- PSA 22 – Protecting our environment and reducing our carbon footprint - improve the quality of our natural and built environment and heritage and reduce our carbon footprint.

The Department's Corporate Plan 2008-11 contains three-year targets which set out in greater detail the actions the Department needs to take to ensure delivery of its PSA targets and associated performance targets. The associated Business Plan 2010-11 provides the specific actions to be taken in 2010-11 in working towards these strategic aims.

Targets within the 2009-10 Business Plan were broken down into those driven by the PSA framework and those driven by business objectives outside the scope of PfG. The Department had 98 SMART targets to achieve during 2009-10 of which five were put in abeyance in-year due to circumstances

Report to the Environment Committee

beyond the Department's control. Of the remaining 93 targets, 63 were achieved in full, 7 were substantially achieved or experienced minor slippage, 12 experienced significant delay beyond 31 March 2010 and 11 were not achieved. Of the 91 SMART targets driven by PSA commitments 63 were achieved in full, 16 experienced some slippage and 12 were not achieved.

The Department had 98 SMART targets to achieve during 2010-11 of which 5 were put in abeyance in-year as circumstances put achievement of these targets beyond the Department's control. Of the remaining 93 targets, 63 were achieved in full, 7 were substantially achieved or experienced minor slippage, 12 experienced significant delay beyond 31 March 2011 and 11 were not achieved.

The most recent Delivery Report for the Programme for Government 2008 -2011 sets out progress against the PSA targets up to 30 September 2010. Of the 6 targets set in relation to PSA 14, 3 are rated as green RAG status, 1 as red while 2 have been completed. Of the 15 targets set in relation to PSA 22, 7 are rated as green, 6 as amber/green and 2 as red.

Report to the Environment Committee

PSAs: RAG Status of targets at September 2010

	Red	Amber	Amber/Green	Green	Completed
PSA 14	1	0	0	5	2
PSA 22	2	0	6	7	0

Source: DOE

The following PSA targets have been rated as red RAG status as at 30 September 2010:

PSA 14	Introduce additional tests for motorcyclists and a system of basic compulsory training by end of 2008.
PSA 22	A fit for purpose legislative framework to be in place by March 2011.
PSA 22	Ensure a fit for purpose suite of draft or adopted development plans is in place by March 2011.

Source: DOE

Internal Control

DoE's corporate governance framework includes the:

- Departmental Board – chaired by the Permanent Secretary;
- Departmental Audit Committee – chaired by an independent Board member;
- Audit Committees of each of the Department's three executive agencies; and
- Internal Audit Service.

As Accounting Officer of the Department, the Permanent Secretary has responsibility for maintaining a sound system of internal control that supports the achievement of DOE's policies, aims and objectives. His review of the system of internal control is documented in the Statement on Internal Control (SIC) which is prepared annually and accompanies the Annual Report.

The Accounting Officer's assessment of the effectiveness of the Department's system of internal control is informed by the work of the internal auditors and executive managers throughout the Department as well as comments made by the external auditors in their Report to those Charged with Governance and other reports.

Internal Audit Branch considered the systems of risk management, control and governance to be generally satisfactory for the core department and its three executive agencies in each of the five years in the period 2006-07 to 2010-11. The SIC reported the following issues in each of the five respective years.

2010-11

The following reports received limited assurance:

1. Core Department
 - Programme Delivery Support Unit – limited assurance related to the provision of guidance, assessment of claims and monitoring and with the processing of payments. This assurance was subsequently upgraded to satisfactory during a follow-up review.
 - Data Security – data protection procedures, staff training on the Data Protection Act, compliance with the Data Protection Act, information transferred outside the Department/method of transfer and retention of data.
2. Planning Service
 - Pre-Application Discussions.

The following issues were noted in the 2010-11 Statement on Internal Control:

1. Continued limited assurance regarding the lack of an appropriate audit trail in relation to aspects of the NI Driver Licensing IT system. DVA senior management continue to accept the risk in the interim while work proceeds on an IT solution due for completion by January 2013.
2. Following the Public Accounts Committee (PAC) report of April 2009 in relation to the PFI contract for the provision and maintenance of vehicle testing equipment, a comprehensive review of the contract is on-going. A project team is taking forward the programme of work which will allow the Department to respond to the comments in the Memorandum of Reply laid after the PAC hearing.
3. Following an estimated undercharge of approximately £230,000 for existing live minerals applications in the Planning Service in 2009-10, a review of all mineral fees applications will establish the overall fee shortfall.

2009-10

The following reports received limited assurance:

1. Core Department and Planning Service
 - Financial Management – limited assurance related to the processing of payments and compliance with associated payment procedures.
2. Planning Service
 - ePIC project (Project Management and Business Continuity Arrangements (a follow-up review of the ePIC project provided a satisfactory audit opinion).
 - Pre-Application Discussions.

The following issues were noted in the 2009-10 Statement on Internal Control:

1. Senior Management in the Driver and Vehicle Agency agreed to accept the risk associated with the lack of an audit trail facility to record amendments due to the prohibitive costs of amending the existing IT systems.
2. There is ongoing work to replace the Driver Licensing system.
3. The asset impairment review carried out at 31 March 2010 identified an impairment of £250,000 in relation to the ePIC asset under construction.

4. There was an estimated undercharge of approximately £230,000 for existing live minerals applications in the Planning Service as a result of an anomaly identified by the Planning Service audit team.
5. DFP internal audit provided limited assurance for HR Connect.

2008-09

The following reports received limited assurance:

1. Driver and Vehicle Agency
 - Access security for the Vehicle Enforcement Section's database.
 - Access controls for the SUN financial accounting system and the Driver Licensing IT system.
 - Development and security of the taxi licensing system.
2. Northern Ireland Environment Agency
 - Review of Built Heritage Directorate.
3. Planning Service
 - Value for money in relation to the payment of grants.
 - Backlog of enforcement applications.
4. Policy and Environmental Policy Group (PEDU)
 - Compliance with DAO 6/05 Departmental Delegations (a follow up review provided a satisfactory audit opinion).
 - Corporate and legal services.

The following issues were noted in the 2008-09 Statement on Internal Control:

1. The Department incurred an excess of £505,000 in the net cash requirement and this led to an audit qualification.
2. Senior Management in the Driver and Vehicle Agency agreed to accept the risk in relation to its IT system due to the prohibitive costs of attempting to eliminate it. Development of new technologies was dependent on funding from the Driver and Vehicle Licensing Agency (DVLA) in Swansea.
3. There were five areas of action recommended by the Performance Efficiency and Delivery Unit (PEDU) following a review of the Planning Service in November 2008 which focused specifically on the timely processing of applications.
4. No audit work was undertaken in year on HR Connect after the system went live in November 2008.

2007-08

The following issues were noted in the 2008-09 Statement on Internal Control:

1. Internal audit identified some internal control issues regarding the receipt, custody and lodgement of cash and amendments to standing data held on the DVA's Licensing IT system.
2. In respect of the Planning Service, concerns were raised regarding policies and procedures in the Landscape Architects branch, and on Enforcement a number of issues were highlighted including tendering for legal services along with reducing the backlog of planning applications.
3. The Office of Government Commerce's Healthcheck on the Planning Service's major new IT system (ePIC) was rated as red status. However, all recommendations had been implemented by 31 March 2008.

2006-07

The 2006-07 Statement on Internal Control reflected that, despite the overall reasonable assurance opinion provided, internal audit had provided limited assurance in respect of:

1. Driver and Vehicle Testing Agency's MOT2 contract management.
2. The core department's human resource management systems.
3. The Environment Heritage Service's strategic environmental assessments.
4. The Driver and Licensing Division of DVLNI.

Source: DOE/NIAO

NIAO Value for Money Reports

In the four year period 2006-07 to 2009-10 the NIAO published 2 value for money reports on the Department of the Environment.

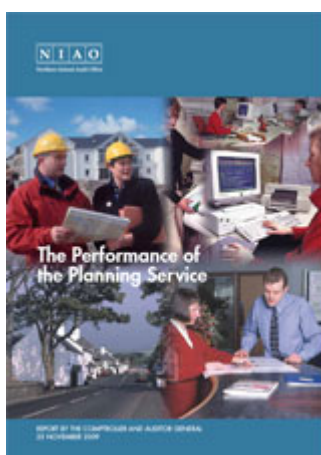


Northern Ireland's Road Safety Strategy

This report was published in September 2007 and it examined the progress made in implementing NI's Road Safety Strategy for the period up to 2012. The Strategy was published in 2002 by its key statutory stakeholders (the Departments of Environment and Regional Development and the Police Service of Northern Ireland). Its key targets are: a 33 per cent overall reduction in the numbers killed and seriously injured; and a 50 per cent reduction in child deaths and serious injuries.

The Northern Ireland's Road Safety Strategy report was the subject of a Public Accounts Committee (PAC) hearing on 11 October 2007. PAC produced a report on the basis of the evidence presented at the hearing. The report identifies 23 recommendations, 17 of which relate to DoE.

Appendix 1 provides a summary of the main findings contained in NIAO's report and outlines the recommendations made by PAC and the responses provided by the Department of Finance and Personnel (DFP) in their Memorandum of Response.



The Performance of the Planning Service³

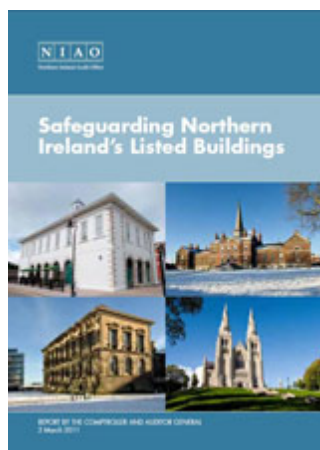
This report was published in November 2009, it examined the performance of the Northern Ireland Planning Service, an Agency within the Department of the Environment. In 2008-09, the Agency's gross expenditure was £42 million, with income of £17.7 million, mostly from planning fees. The main findings of this report are outlined below.

³ With effect from 1 April 2011, Planning Service became Planning & Local Government Group within the core Department

Report to the Environment Committee

The Performance of the Planning Service report was the subject of a Public Accounts Committee (PAC) hearing on 3 December 2009. PAC produced a report on the basis of the evidence presented at the hearing. The report identifies 15 recommendations, 13 of which relate to DoE.

Appendix 2 provides a summary of the main findings contained in NIAO's report and outlines the recommendations made by PAC and the responses provided by the Department of Finance and Personnel (DFP) in their Memorandum of Response.



Safeguarding Northern Ireland's Listed Buildings

This report was published in March 2011 and examined the performance of the Northern Ireland Environment Agency (NIEA) in undertaking the work necessary to fulfil its statutory responsibility to compile a list of historic buildings and the contribution made by grant-aid to conserving historic buildings. The total cost of compiling the list of historic buildings up to March 2010 was £2million with the final cost expected to be £5.6 million. In addition, NIEA paid £12.6 million in grants to listed building owners in the 5 year period to 2009-10. Appendix 3 provides a summary of the main findings and recommendations contained in NIAO's report.

Appendix 1

Northern Ireland's Road Safety Strategy

4 September 2007

Northern Ireland Audit Office's Key Findings

Northern Ireland's Road Safety Performance

Northern Ireland has traditionally had a poor road safety record. Aside from the obvious human cost, road deaths and casualties result in significant financial costs and impose an economic burden on the community. The Audit Office estimates that, in 2005, they resulted in a loss to the economy of £451 million, £18.3 million of which is public expenditure.

NI's road safety record has improved markedly since the inception of the Strategy. In 2005, the numbers of people killed and seriously injured were 31 per cent lower than the Strategy's 1996-2000 baseline.

Despite this progress, there are still aspects of road safety performance where improvement is required. These include: the rate of deaths and serious injuries among young and inexperienced drivers and motorcyclists; and the numbers of accidents caused by drink- and drug-related driving and excessive speeding.

Measuring the Performance of the Strategy

The Strategy's key targets are lower than those set for Great Britain and progress to date suggests that they may not have been set at a sufficiently challenging level.

The Strategy stakeholders are currently unable to estimate total spend on road safety activities. This means that it is not possible to measure the priority being given to road safety nor to assess the costs and benefits of the Strategy.

PSNI is responsible for compiling road accident and casualty figures. However its figures are almost 40 per cent lower than hospital admissions statistics and measurement of serious injuries may not, therefore, be complete or wholly accurate.

To date, the stakeholders have not carried out benchmarking with any suitable GB region to assess NI's performance and the success of measures in addressing road safety problems.

Education, Training and Testing of Road Users

Recent Driver and Vehicle Agency statistics showed a 12 per cent lower pass rate in driving tests overseen by supervising examiners than for unsupervised tests. This means that as many as 5,000 candidates may be passing the test annually without satisfying the standards.

The Strategy planned to review arrangements for training and testing of young and novice drivers but this has not yet begun. It has also made little progress in reviewing training arrangements for motorcycle instructors and riders. Furthermore, while all motorcycle learners in Great Britain have been required since 1990 to undertake regulated Compulsory Basic Training, there is currently no such requirement in NI.

Annually, DOE spends around £1.5 million of its Road Safety budget on advertising campaigns. However, it is difficult to measure the contribution attributable solely to advertising in reducing casualties. Three of these campaigns have been sold for limited overseas use and DOE may not be receiving an appropriate price from these sales.

Effective Enforcement

PSNI commenced the first phase of a safety camera scheme in 2003 and this was expanded in 2006. However, NI may currently be under-represented in terms of camera coverage and the likelihood of detection for speeding is significantly lower than in Great Britain.

PSNI is unable to implement operationally guidelines for speed enforcement issued by the Association of Chief Police Officers, primarily due to insufficient capacity within its Fixed Penalty Processing Centre. During 2005, between 32,000 and 42,000 motorists may have escaped possible prosecution for speeding.

Although the Strategy contained a commitment for DOE to carry out public consultation on the NI drink-drive limit by the end of 2003, this has not commenced.

Public Accounts Committee – Report on Northern Ireland’s Road Safety Strategy

11 October 2007 Report: 5/07/08R

PAC Recommendation	MoR Response
<p>Recommendation 1</p> <p>The Strategy review must result in revised targets that are set at a high enough level to maintain the impetus to reduce road casualties. Specifically, the Committee recommends that they should seek to close the gap with the rest of the UK and better-performing European countries.</p>	<p>The Department of the Environment (DOE) shares the Committee’s view on the need to reassess the levels of targets. A review of the targets was carried out in late 2006 based on 2005 data and this is being reassessed in light of more up to date data. Following the completion of the review of the Road Safety Strategy, challenging new targets will be prepared that are set at a level to maintain the impetus to reduce road safety casualties. These will be set in the context of what is achievable in Northern Ireland, initiatives to be introduced over the coming years and paying regard to the performance in other countries. Decisions on targets are ultimately for Ministers’ approval.</p>
<p>Recommendation 2</p> <p>The Committee considers that the Department should make it a priority to review the effectiveness of the GB target in reducing casualties among 17-24 year olds and to determine whether setting an equivalent target for Northern Ireland would be beneficial.</p>	<p>DOE agrees with the Committee’s view of the importance of targeting the high levels of casualties and collisions amongst 17-24 year olds and views a target for this age group as potentially beneficial. The Environment Minister has indicated that she will introduce a Departmental target.</p>
<p>Recommendation 3</p> <p>The Committee recommends that published reports should be expanded to cover all Strategy targets and measures. In areas of relatively slow progress to date, reports should state specifically what actions are underway, or planned, and provide a timetable for their delivery.</p>	<p>DOE accepts this recommendation. The Department produces a six monthly update of all targets and measures in the Strategy, including the planned next steps, which is published on DOE’s website. The review of the Road Safety Strategy will detail the up to date position in all areas of the current strategy and for those actions of relatively slow progress, specify the way forward, including timeframes where appropriate.</p>
<p>Recommendation 4</p> <p>The Committee recommends that the responsible agencies should consult with NIAO on how best to put in place a system for</p>	<p>DOE accepts this recommendation. While efforts have been made to identify the total expenditure on road safety, DOE, in consultation</p>

Report to the Environment Committee

<p>indicating expenditure totals on an ongoing basis and for making them available to the public. This information should be included in annual Strategy progress reports.</p>	<p>with other responsible agencies, will consult with NIAO on how best to put in place such a system and will include the information in annual progress reports.</p>
<p>Recommendation 5 The Committee acknowledges the difficulty of finding suitable comparators, however it is clear to the Committee that the responsible agencies should establish a benchmark threshold against which performance can be measured. This should include comparison with a region or regions whose characteristics most closely match those of Northern Ireland.</p>	<p>DOE notes the Committee’s recommendation and acknowledges the value of valid benchmarks. DOE, in conjunction with other agencies, will carry out further work on benchmarking in an attempt to identify a region or regions whose characteristics most closely match those of Northern Ireland to help assess its relative progress and performance and assist in identifying and considering best practice measures that could be introduced in Northern Ireland.</p>
<p>Recommendation 6 The Committee is concerned at the absence of a dedicated road safety research programme. The Committee considers that the Department should allocate adequate funding to undertake research as a basis for designing measures to tackle specific Northern Ireland problems. It is most important that PSNI statistics are compiled in a way that underpins this research with reliable and comprehensive data.</p>	<p>DOE notes the Committee’s views and is taking appropriate steps to secure the necessary funding to undertake a dedicated programme of road safety research. Please refer to the opening paragraph of the Memorandum titled ‘Recommendations for the Police Service of Northern Ireland’.</p>
<p>Recommendation 7 Given their particular vulnerability, early research should focus on motorcyclists and children in disadvantaged areas and the Committee regards the latter as being particularly urgent.</p>	<p>DOE accepts the Committee’s recommendation. The Department recognises the importance of these issues and currently refers to existing NI motorcycling data and GB research on deprived children to help inform decision-making. This includes targeting additional resources towards road safety education for children in areas of deprivation. DOE will progress research on motorcyclists and the effects of deprivation on child casualties as a priority.</p>
<p>Recommendation 8 The Committee believes that the Department should seek to be at the leading edge of innovation in dealing with the problem of driver training and behaviour. The Committee recommends that in future the Department should seek to participate formally in relevant pilot schemes being carried out in GB. In that way it can respond proactively to the potential road safety benefits to be gained from introducing innovative measures as early as</p>	<p>DOE notes the Committee’s recommendation and will continue to be innovative in dealing with the problem of driver training and behaviour. The Department DoEs and will continue to seek to participate formally in relevant pilot schemes being carried out in GB to help ensure that it can evaluate and where appropriate introduce innovative measures as early as possible.</p>

Report to the Environment Committee

possible.	
<p>Recommendation 9</p> <p>The Committee recommends that the Department redoubles its efforts to eradicate the pass rate variance between supervised and unsupervised tests and sets a target date for bringing the performance of its examiners into line with the rest of the UK.</p>	<p>DOE recognises the Committee's concerns on this issue. The Department will commission further research during 2008/09 to explore the reason for the pass rate variance between supervised and unsupervised tests and act appropriately to resolve any issues identified.</p>
<p>Recommendation 10</p> <p>The 45 mph limit is having an adverse effect on both the 'L' and 'R' schemes and the Committee considers that the planned consultation on driver testing and training is urgently required. It should now proceed without further delay.</p>	<p>DOE shares the Committee's concerns about the impact of the 45mph limit on the 'L' and 'R' schemes and will move forward on the necessary planned consultations as a matter of priority.</p>
<p>Recommendation 11</p> <p>The Committee recommends that the Department sets an early target date for completing a review of Roadwise, with a view to increasing the extent of its involvement in promoting the scheme. The review should include consideration of incentives by the Department and the insurance industry to encourage greater uptake among the target group.</p>	<p>DOE notes the Committee's comments. Since the PAC Hearing in September, the Roadwise scheme has been relaunched and no longer culminates in candidates taking the Institute of Advanced Motorists qualification. The value of this scheme, as reported by the NIAO, lay in the reduced collision rates of drivers who hold that qualification. The Department has asked Roadwise to evaluate its relaunched scheme following which it will consider its position in relation to its involvement in the scheme.</p>
<p>Recommendation 12</p> <p>The Committee recommends that the responsible agencies should grasp the opportunity offered by the Strategy review to evaluate graduated licensing systems and other relevant innovations around the world for potential early introduction in Northern Ireland.</p>	<p>DOE shares the Committee's views about the potential benefits of appropriate graduated licensing schemes and this is being considered as part of the current review of the Road Safety Strategy. DOE DoEs and will continue to keep abreast of relevant innovations and developments world-wide with a view to introduction in Northern Ireland where appropriate.</p>
<p>Recommendation 13</p> <p>The Committee considers that the current voluntary motorcycle instructor register is largely meaningless since anyone can provide paid instruction without registering with the Department. Consequently, the Department should establish quickly a regulatory regime equivalent to that in place for approved driving instructors, including a mandatory register.</p>	<p>DOE accepts the Committee's recommendation. The Department has already moved forward on this matter and issued in October 2007 consultation on proposals for motorcyclist training and testing including a regulatory regime for approved instructors, one part of which would be a mandatory register. Due to the considerable work involved in this project, including legislative requirements,</p>

Report to the Environment Committee

	implementation is scheduled for Spring 2009.
<p>Recommendation 14</p> <p>Motorcyclist training is another area where the Committee finds the pace of the Department's actions to tackle road safety problems completely unacceptable. In light of the ongoing increase in motorcyclist deaths and injuries, it is essential that the Department honours the Strategy commitment to introduce compulsory basic training and the Committee would like to see a firm timetable for doing so.</p>	DOE notes the Committee's recommendation. The Department has already moved forward on this matter and issued in October 2007 consultation on proposals for motorcyclist training and testing including compulsory basic training. As outlined in response to recommendation 13, implementation is scheduled for Spring 2009.
<p>Recommendations 15, 16 and 17 relate to Department of Finance and Personnel</p>	
<p>Recommendations 15, 16 and 17 relate to Police Service of Northern Ireland</p>	
<p>Recommendation 21</p> <p>Given the problem of drink driving in Northern Ireland, the Committee considers that the Department should proceed quickly with its review of the drink drive limit and introduce any changes that may be needed. This should be done without waiting for any changes in other parts of the UK or Ireland.</p>	DOE shares the Committee's views about the important issue of drink driving in Northern Ireland and will progress this issue as a matter of priority.
<p>Recommendation 22</p> <p>The Committee recommends that the revised Strategy emerging from the current review should report as a matter of urgency and should include commitments to enforce meaningful penalties for very serious road traffic offences and repeat convictions.</p>	DOE can confirm that the review of the Road Safety Strategy will report as a matter of priority.
<p>Recommendation 23</p> <p>Given the scale of the road safety challenge, the Committee urges the responsible Departments and Agencies to be both more ambitious and more innovative in their efforts to combat the poor safety record which blights Northern Ireland's roads.</p>	DOE accepts the Committee's views about the need for responsible Departments and Agencies to be ambitious and innovative in the effort to improve the road safety record in Northern Ireland.

Appendix 2

The Performance of the Planning Service⁴

20 November 2009

Northern Ireland Audit Office's Key Findings

On the performance of the Planning Service

In seeking to plan and manage development, the Agency has established a number of targets for its main business areas over recent years. It has consistently failed to meet a number of these targets.

A full framework of Policy Planning Statements (PPS) was due to be in place by the end of 2005 but is still incomplete. It was anticipated each PPS would take an average of 18 months to complete but the actual time has been significantly longer, with some taking 3 to 5 years.

Targets for providing up-to-date Development Plan coverage for the whole of Northern Ireland have not been achieved. The Programme for Government 2002-2005 set a target for complete coverage by March 2005. This was not achieved and only 47 per cent of Northern Ireland was covered by up-to-date draft or adopted Plans by this date. The target is now to ensure complete Development Plan coverage by March 2011.

The speed with which the Agency processes individual planning applications is its key indicator of performance. To date, the Agency has not met any of its Public Service Agreement targets for processing planning applications. However, its performance has improved over the last year.

There has been a significant downward trend in customer satisfaction over the last decade. The level of customer satisfaction has fallen from approximately 76 per cent in 1998 to 32 per cent by 2008.

On the factors influencing the Planning Service's performance

The Agency's performance has been strongly influenced, until recently, by a sustained period of economic growth and a buoyant property market. Processing times were adversely affected by a significant increase in the number of planning applications. Between 1996 and 2006, numbers of applications increased from under 20,000 to a peak of over 36,000. The Agency indicated that a significant component of the increase up to 2005-06 was applications for single rural dwellings.

⁴ With effect from 1 April 2011, Planning Service became Planning & Local Government Group within the core Department

Report to the Environment Committee

In reaching a decision on planning applications, the Agency relies on advice and information from a number of other public bodies which can impact on the speed of decision making. Planning Service's figures indicate that the average time taken for consultation with third parties was approximately 25 weeks.

As far back as 1996, the Agency's caseload per planner was considerably above the average of other UK planning authorities. Caseloads still appear high for certain staff and there are significant differences across Divisional Planning Offices. The absence of a staffing and caseload model leaves the Agency poorly placed to manage its resources and inhibits its ability to meet its targets.

Although the Agency has an efficiency plan in place aiming to reduce costs and generate extra revenue, it no longer measures unit costs. In the absence of this information, the Audit Office estimated that the cost per planning application has increased by 59 per cent from 2004-05 to 2008-09. The Audit Office also estimated that the number of decisions per planner has fallen by 19 per cent in the last two years.

On initiatives to improve performance

The Agency has introduced a number of initiatives to improve its service delivery. For example, a new procedure for returning incomplete planning applications seeks to improve the quality and completeness of information received and has reduced the number of invalid applications in the system from 8,000 to 500.

The Agency has established a new Strategic Projects and Design Division (SPD) to handle major planning applications including those with significant economic and social benefits. However, at 31 March 2008, 56 per cent of SPD applications had been in the system for more than 12 months.

It is a statutory requirement for the Agency to consult with the relevant local council on planning proposals. A successful pilot for streamlined consultation introduced in December 2007 in Derry City Council has reduced the average processing time for minor planning applications from several months to less than six weeks. This has now been extended to all Councils.

In November 2004, the Agency signed a contract to procure the electronic Planning Information for Citizens (ePIC) system, intended to allow for delivery of planning processes electronically. This project is significantly behind schedule and has not yet been fully delivered. It is now expected the ePIC system will become fully operational in 2010, four years later than estimated and with a total capital cost of £12.8 million (over 130 per cent greater than the original business case estimate of £5.5 million).

Public Accounts Committee – Report on The Performance of the Planning Service

20 January 2010 Report NIA:36/09/10R

PAC Recommendation	MoR Response
<p>Recommendation 1</p> <p>Planning Service must ensure that its planning functions are fit for purpose prior to their devolution to local government. The Committee recommends that Planning Service puts in place challenging annual targets for clearing backlog cases in the short term. It should also re-examine its existing targets for processing new applications, to ensure that they are sufficient to deliver the necessary improvements in performance by 2011.</p>	<p>DOE accepts this recommendation. Both DOE and Planning Service are fully committed to ensuring that planning functions are fit for purpose prior to their transfer to local government. An extensive reform programme launched in 2008 is being driven forward by Planning Service and is improving the overall planning system. The implementation of RPA is an integral part of planning reform and programme management arrangements are in place to ensure that preparation for the transfer of functions is properly planned and managed. In the short-term, action is being taken which is reducing the number of backlog cases (those that have already exceeded the Public Service Agreement (PSA) targets) and a strategy for the 2010-11 business year is now being implemented. It includes challenging divisional targets, for processing backlog cases, with a particular emphasis on strategic and major applications, which will be closely monitored by the Planning Service Management Board on a regular basis. Planning Service recently re-examined its existing targets for processing new applications. The targets for 2010-11, have been agreed by the Executive as part of the overall three year Programme for Government (PfG) 2008-2011. These targets remain challenging, particularly in the context of new pressures on resources and the significant planning reforms that are due to be implemented alongside the transfer of functions to local government in 2011.</p>

Report to the Environment Committee

<p>Recommendation 2</p> <p>There must be a particular focus on strategically important planning applications, particularly in the current economic climate. The Committee recommends that Planning Service puts in place specific performance targets for these types of application and ensures that it delivers further improvements in processing times from pre-application discussion to decision.</p>	<p>DOE accepts this recommendation and recognises the important role that the planning system has to play in supporting the economy, particularly in the current economic climate. Whilst strategic applications have to date been included within performance targets for processing major applications and some have been subject to the PfG target of processing within 6 months, Planning Service accepts the recommendation that it should put in place performance targets specifically for all strategically significant applications. New performance targets for strategically significant applications have been agreed by the Planning Service for 2010-11. The targets have been included in the directorate business plan and performance will be monitored by the Planning Service Management Board on a regular basis. Reviews of the arrangements for pre-application discussions (PADs) have recently been carried out and a number of recommendations, which should improve and increase the timeliness of the process, have been agreed and are now being implemented; their impact will be monitored throughout 2010-11. Responsibility for timely submission of applications following pre-application discussion rests with applicants but, through the PADs process, Planning Service will continue to play its part in ensuring that all planning requirements are clearly understood by developers.</p>
<p>Recommendation 3</p> <p>Planning functions to be devolved to the new Councils must be based on a sound policy foundation that provides clarity for all parties. The Committee recommends that the Department puts in place a detailed action plan to ensure that the 2011 target for completing the full suite of Planning Policy Statements is met.</p>	<p>DOE accepts this recommendation and will review its internal action plan (known as the Planning Policy Branch Plan) to ensure that a fit for purpose suite of Planning Policy Statements will be available for approval by the NI Executive before March 2011.</p>

Report to the Environment Committee

<p>Recommendation 4</p> <p>Planning Service must continue to improve its enforcement operations. The Committee recommends that it puts in place a formal enforcement strategy and monitors and reports performance against specific, measurable targets.</p>	<p>DOE accepts this recommendation and can confirm that Planning Service's formal enforcement strategy was agreed by the Environment Minister and published on the Planning Service website in November 2009. Enforcement targets are set out in the strategy and are included in the Planning Service business plan for 2010-11. Management information is made available on a monthly basis to enable monitoring at all levels. Performance will also be reported in Planning Service's quarterly and annual statistical publications, which will be published on the Planning Service website.</p>
<p>Recommendation 5</p> <p>There is an obvious risk that the Planning Service could simply transfer the problem of poorly performing divisional offices to the new councils. The Committee recommends that Planning Service significantly reduces the current performance variations and then establishes the staffing resources needed for the future to handle the different workload patterns at each of its Divisions.</p>	<p>DOE accepts this recommendation. During 2009-10, various initiatives introduced by Planning Service contributed to improved performance in all areas, with most divisions currently achieving both the PSA and business plan processing targets for intermediate and minor applications and achieving consistent improvement in performance on major applications. By driving up performance in all areas, the variations between Divisions have been and continue to be reduced. The use of a Divisional Support Team has been particularly beneficial in addressing the largest variations that existed in some offices and the Planning Service Management Board will continue to make use of this and other appropriate approaches as required. The staffing resources for the new service delivery model will be determined, taking account of workloads and available resources, prior to the transfer of functions to local government.</p>
<p>Recommendation 6</p> <p>In order to ensure that a fit-for-purpose business is transferred to Councils, the Committee recommends that the staffing model for the delivery of planning services should be completed as a matter of urgency.</p>	<p>DOE accepts this recommendation. A staffing model for delivery of planning services, in the context of the transfer to local government, will be prepared prior to the transfer taking place. This will take account of workloads and available resources. The staffing model can only be finalised once the future service delivery model for local government has been determined. As soon as this is known, work will be progressed in partnership with local government.</p>

Report to the Environment Committee

<p>Recommendation 7</p> <p>The Committee recommends that Planning Service quickly reviews the totality of its cost base to identify where savings can be made. It also needs to produce relevant efficiency and productivity data on a routine basis. Its Management Board must use this information to identify where remedial action is needed.</p>	<p>DOE accepts this recommendation and can confirm that Planning Service is already engaged in a detailed review of its cost base in order to identify options and take forward actions to reduce and manage its costs to address the considerable pressures on its budget caused by the sharp drop in levels of income from planning fees over the past two years.</p> <p>DOE also accepts the need for Planning Service to produce and make effective use of productivity and efficiency data on a routine basis. Planning Service will include an efficiency and productivity measure in the quarterly management reports that are scrutinised by the Planning Service Management Board. The Management Board will use this information to take any appropriate action.</p>
<p>Recommendation 8</p> <p>Planning Service must change its culture to become a “can-do” organisation and to become more open and accessible to its clients. The Committee recommends that Planning Service undertakes an evaluation of its Customer Service Action Plan to ensure it is delivering significant improvements in levels of customer satisfaction.</p>	<p>DOE accepts the importance of culture change within Planning Service and the importance of continuing to develop the relationships that it has with its stakeholders in a range of ways, including in terms of openness and accessibility. The current Customer Service Action Plan was developed by Planning Service in response to the disappointing outcome to the last customer service satisfaction survey in 2008. Actions which have been taken include the roll-out of the streamlined council consultation arrangements; the development of a Good Practice Guide; the use of PADs for strategically important and other major applications; a revised website with better information and interactive tools for customers and stakeholders; and the NI Direct telephone service to provide more information to customers at the first point of contact, with managed follow up arrangements. Planning Service believes that these and other actions in the Customer Service Action Plan are helping to significantly improve its service to customers. Planning Service will continue to monitor its customer service action plan on a regular basis to ensure that the anticipated improvements are being delivered.</p>

Report to the Environment Committee

<p>Recommendation 9</p> <p>Planning Service must improve its management of the consultation process. The Committee recommends that the Department takes the necessary steps to ensure that the new statutory targets are agreed quickly with consultee organisations, in particular the NIEA. This work must not be allowed to drift, as has been the case in the past.</p>	<p>DOE accepts this recommendation. As part of the reform of the planning system, it is proposed to extend the list of statutory consultees to include, for example, Roads Service, Northern Ireland Water, Northern Ireland Environment Agency (NIEA) and others, and to require them to respond within a timeframe to be specified in legislation.</p> <p>Subject to Executive agreement, DOE intends to bring the necessary legislation to the Assembly during 2010-11.</p> <p>In the interim, Planning Service is working closely with its key consultees to improve and update the existing Service Level Agreements (SLAs). A more rigorous target for NIEA consultation responses has been agreed for 2010-11, with the existing SLA being amended accordingly.</p>
<p>Recommendation 10</p> <p>The e-PIC project represents a catalogue of project management failures. The Committee recommends that Planning Service takes robust action to ensure that there are no further delays on the project. It is essential that the project is completed no later than 2010, so that a fully functional system is handed over to local government in 2011.</p>	<p>DOE notes the Committee's concerns and accepts that certain aspects of the e-PIC project could have been handled more effectively. Robust programme management and oversight arrangements are in place, including mechanisms to enable early identification, escalation and resolution of any issues of concern. In light of this, and the appointment of a dedicated senior manager experienced in ICT and with a proven track record of successful programme/project delivery, subject to the necessary financial resources being available in 2010-11, these strengthened arrangements should ensure project success and delivery in 2010. Depending on the arrangements agreed for the transfer of planning functions in local government, the system may require modification prior to transfer of planning functions to local government.</p>
<p>Recommendation 11 relates to Department of Finance and Personnel</p>	

Report to the Environment Committee

<p>Recommendation 12</p> <p>There are major lessons to be learnt from the mismanagement of the e-PIC project, and the Committee recommends that these lessons are disseminated throughout the wider public sector.</p>	<p>DOE accepts that there are lessons to be learned from the planning, management and implementation of the e-PIC project. Lessons learned to date have been noted and addressed on an ongoing basis and have been shared with other NICS organisations through IT Assist, Department for Regional Development's Internal Audit, and DFPs Central Procurement Directorate, which is represented on the e-PIC Project Board. Planning Service will ensure that a post project implementation review is carried out three months after roll-out is completed. The wider Post Project Evaluation will be carried out within 12 months of the completion of roll-out. Planning Service will then disseminate the lessons learned from the project, including those identified by the Committee at paragraph 58 of its report, as well as any other issues of relevance to the wider public sector.</p>
<p>Recommendation 13 relates to Department of Finance and Personnel</p>	
<p>Recommendation 14</p> <p>The Committee recommends that Planning Service reviews best practice in this area and puts in place its own whistle-blowing policy as a matter of urgency and considers it important that its policy is widely disseminated and prominently advertised on its website, so that both employees and members of the public know who to contact.</p>	<p>DOE accepts this recommendation and can confirm that, in addition to the existing DOE whistle-blowing policy, Planning Service now has in place its own whistle-blowing policy. The policy has been disseminated to all staff and is prominently advertised on the Planning Service website. The policy provides the relevant contact details for anyone, whether an employee or individual external to the organisation, who wishes to raise a concern.</p>
<p>Recommendation 15</p> <p>The Committee recommends that Planning Service develops a strategy to undertake proactive detection activities to supplement and support its whistle-blowing policy.</p>	<p>DOE accepts this recommendation and can confirm that Planning Service is currently developing a strategy to undertake proactive detection activities to supplement and support its whistle-blowing policy. The strategy will be completed by September 2010.</p>

Appendix 3

Safeguarding Northern Ireland's Listed Buildings

2 March 2011

Northern Ireland Audit Office's Key Findings and Recommendations

Key Findings

Survey of historic buildings

Decisions to list buildings are based on survey work and the data gathered through this process provide wider benefits for the protection and understanding of the historic environment. The survey arrangements in place up to 2007 represented a 'rolls royce' approach, with a large number of buildings being selected for survey in a given area. This contributed to the survey falling significantly behind schedule. In the period up to 2007, NIEA did not determine, in advance, the work that contractors were required to complete, nor what it was expected to cost. This meant that the volume and cost of outputs were, in effect, determined by the contractors rather than being managed by NIEA.

Around 3,700 (approximately 60 per cent) of the buildings surveyed and processed up to 2010, at a cost of approximately £1.1 million, were not considered suitable for listing. It is to be expected that some surveyed structures would fail to meet the listed standard, but an on-going non-listed rate of this magnitude is wasteful of scarce resources and NIEA did not act quickly enough to reduce it.

The more targeted identification of buildings for survey under a new contract begun in 2010 and a revised system within NIEA has resulted in an improved outcome, with records submitted by contractors being processed within the agreed timetable.

Historic Buildings Grant Scheme

In order to encourage building conservation activities, NIEA offers repair grant aid to owners of listed buildings. It is accepted best practice for grant schemes to incorporate appropriate performance measures to ensure that the scheme achieves its objectives and delivers value for money. The only specific measure of performance for the historic buildings grant scheme has been the degree to which the planned level of spend for each financial year has been incurred in bringing individual buildings up to a required standard.

The pattern of grant aid over the last five years shows that 54 per cent of the total £12.6 million spend has been on the more important and rare buildings in the higher listed categories. A capping mechanism introduced in 2009-10 restricted the amount payable in respect of individual buildings, including one in Category A. In December 2010, the cap was further reduced to £50,000.

A targeting mechanism to prioritise grant approvals was drawn up in 2009 but not used because demand for grant aid did not exceed budget.

The NI Sustainable Development Strategy contains a target to remove 200 structures from the Built Heritage at Risk Register by 2016. However, NIEA DoEs not have a prioritised list of buildings that it wishes to see removed from the Register and there is currently no mechanism to direct grant to the most urgent or important cases

Enforcement of listed buildings regulations

Enforcement of regulations to protect listed buildings is the responsibility of Planning Service, with expert support from NIEA. However, the process has been hindered by a delay in agreeing procedures for collaborative working between NIEA and Planning Service and deficiencies in the management information systems in both Agencies.

Quality of management information relating to listed buildings

NIEA's system for recording details of the listed building stock cannot produce summary information, such as a report providing the total number of listed buildings broken down by category and by year and this must be done manually at year end. The limited functionality of the online Built Heritage at Risk register undermines its potential usefulness as a basis for ranking listed structures in order of importance or vulnerability, or for targeting action to rescue them. Departments have not complied with a UK-wide protocol setting out requirements for reporting on the condition and maintenance of listed buildings that they own.

Recommendations

1. That improved arrangements built into the current contract for targeting survey work and managing throughput of work within NIEA are reflected in all future contracts for the remainder of the survey process.
2. That NIEA builds on its procedures for the current contract by formally prioritising for survey those buildings that are most at risk. We also recommend that decisions on the approach to be taken after the current contract expires in 2013 are based on a through appraisal of a range of relevant, fully costed options, to ensure that future survey work delivers value for money.
3. That NIEA prioritises the listed properties on the Built Heritage at Risk register and engages more proactively with their owners, to encourage them to improve their properties and, if relevant, to avail of grant aid.
4. That NIEA puts in place a formal weighting and scoring mechanism for assessing grant applications and gives priority to those buildings with a higher score. As a result, buildings with a low score would become ineligible for grant.

Report to the Environment Committee

5. That OFMDFM and NIEA work together to put formal processes in place to ensure that public bodies understand, and comply with, their management and reporting responsibilities in relation to the care of the historic estate.
6. That implementation of and compliance with new enforcement procedures agreed in June 2010 between NIEA and Planning Service is regularly monitored and reported. We also recommend that the Department establishes the enforcement database recommended by the Criminal Justice Inspectorate in its 2007 report.
7. That NIEA undertakes a review to clearly establish the full range of management and costing information that it requires on an ongoing basis to fill the gaps in built heritage information systems, and quickly puts in place the systems needed to generate it.