



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cynaliadwyedd
The Sustainability Committee**

**Dydd Mercher, 23 Mehefin 2010
Wednesday, 23 June 2010**

Cynnwys
Contents

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 4 Ymchwiliad i Bolisiau Cynllunio: Sesiwn Dystiolaeth
Inquiry into Planning: Evidence Session
- 16 Ymchwiliad i Bolisiau Cynllunio: Sesiwn Dystiolaeth
Inquiry into Planning: Evidence Session
- 25 Cynnig Trefniadol
Procedural Motion

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg..

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Lorraine Barrett	Llafur Labour
Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Michael German	Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor) Welsh Liberal Democrats (Committee Chair)
Lynne Neagle	Llafur (yn dirprwyo ar ran Irene James) Labour (substitute for Irene James)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives
Leanne Wood	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Tanya Davies	RenewableUK
Eluned Morgan	SSE
Dr Roisin Willmott	Cynghorydd Adviser

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Dr Virginia Hawkins	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Michael German:** Welcome to this meeting of the Sustainability Committee. I will make the usual housekeeping announcements at the beginning. If a fire alarm sounds, please leave the room by the fire exits and follow the ushers and staff, who will know where to go. There is no planned drill, so if an alarm sounds it will be real. Please switch off electronic equipment of all sorts—BlackBerrys, Wii consoles, PlayStations—because they interfere with the broadcasting equipment. We use English and Welsh and have headphones through which simultaneous translation may be received on channel 1 and the verbatim is on channel 0.

[2] I have received apologies from Karen Sinclair and Irene James. Lynne Neagle is substituting. Thank you very much, Lynne; welcome.

9.02 a.m.

Ymchwiliad i Bolisiau Cynllunio: Sesiwn Dystiolaeth Inquiry into Planning: Evidence Session

[3] **Michael German:** Today, we will start to take evidence for our inquiry into planning in Wales. This is the second section of our inquiry, and we will focus on how planning and renewable energy policies work together. I will just pause a second to wait for the witness to enter the room.

[4] Eluned, I paused for a moment to say one thing about the equipment. You do not have to touch any buttons—it is all self-regulating. Welcome to this morning's committee meeting. I expect very robust scrutiny from Joyce, Lorraine and Rhodri Glyn. We have a series of questions. Thank you very much for your paper. Do you want to say a few words about it before we start or do you want to go straight into questions? How do you want to play it? It is entirely up to you.

[5] **Ms Morgan:** I will give you a little bit of background about SWALEC and SSE, and from where we come at this issue. You have all probably heard of SWALEC, which provides electricity to about 60 per cent of homes in south Wales, and provides gas to 40 per cent of homes in south Wales. However, it is part of a much bigger group; it is part of SSE, which is one of the big six energy suppliers in the UK. It is one of the two British companies that are left—the other being British Gas. SSE's name was previously Scottish and Southern Energy. SWALEC is not just about supplying energy, but much broader things. It is the highest contributor of renewable energy generation in the UK, so there is quite a lot of experience in the company.

[6] There are experts all over the company, as you can imagine. I am a generalist, so I will do my best today to touch on the issues that I hope you are looking at. However, I may need to go back to the specialists in the company and get back to you later on any specific questions.

[7] As for what we would like to see in the planning system, there are some key things that we really care about. The first is that it should be transparent. It should also be objective and time-limited, and the resources should be adequate to ensure that all those things happen. There is evidence to suggest that some of those things are lacking in the system at the moment.

[8] As a company, I do not think that we want to get involved in the discussion that you are having about where the decision should be made—in Wales or the UK. We are very comfortable with the situation in Scotland, where Scotland makes the decisions. We are equally comfortable with the situation in the UK context. So we do not have a decision about where those decisions should be made; the principle for us is to have clarity, so that we can invest. There has not been that kind of stability for a long time, and now we are in the middle of another process of change with the Infrastructure Planning Commission, and that too is causing a degree of concern about where we are heading.

[9] Finally, we definitely understand this focus on localism and giving communities a say in how their areas are developed. The key thing to remember, however, is that this has to be balanced against the pressing national need for new energy infrastructure. It was emphasised in yesterday's budget that we need to see £200 billion invested in energy before 2020. The question is: where will that money come from? One thing is absolutely clear: the energy companies cannot invest anything like that kind of money, and nor can they do it without the stability of knowing what is happening in the planning system and where things are heading. Stability is, therefore, crucial. There you are—a few points just to start you off.

[10] **Michael German:** I am going to keep to the very big areas, and you have touched on our first question, which is what this inquiry is really about, namely how effective our planning regime, strategies and policies are in delivering other programmes or policies for the Welsh Assembly Government. You say in your evidence that:

[11] ‘the planning system on renewable wind farms is cumbersome and complicated and the fact that the targets set out by the WAG are so far behind schedule is testament to this’.

[12] I will, therefore, start with a general question. How effective is the current regime for renewable energy priorities, given that you have the Government’s targets, as you describe them, and then what is, in your view, a ‘cumbersome and complicated’ planning system? Can you expand on how cumbersome it is, where that cumbersome nature falls, and where you think it becomes less effective as a result?

[13] **Ms Morgan:** The first thing to say is that, as a company, we are impressed by the ambitious renewable energy targets that the Assembly Government has set itself. The direction of travel is very much something that we endorse. The key thing for us, however, is to ensure that those are not just targets, but that there is a method of reaching them. It is interesting, because the very fact that you have set targets means that there is a lot in the planning process as it is, and although we are behind on the targets set for 2010, there is a lot in the system that will mean we will catch up soon. The fact that you know where you are heading means that people have got into the market and that we are heading in the right direction. The fact that we have not met the targets is partly because of the slow and cumbersome nature of the system.

[14] The first thing that we need to look at is what we are talking about. Let us start with projects of over 50 MW. We are involved in one such project at the moment at a windfarm at Nant-y-Moch near Machynlleth. This is in a technical advice note 8 area, as designated by the Welsh Assembly Government—that is something that, perhaps, does not come across to the general public. There is a big debate going on at the moment about where the decisions should be made and who makes them, and it is often the case that an area is designated a TAN 8 area by the Welsh Assembly Government, rather than the UK Government. That is the process.

9.10 a.m.

[15] What has happened there is that a new process with the IPC was put in place by the last Government, which effectively means that a lot of the planning discussion is frontloaded—even before you put the application in formally. For example, we have had a long period of analysing the area where we would like to develop this windfarm, and we have been discussing with communities in those areas. We have formulated relationships; we have a community development officer and a constant link with the local community councils, and last week a formal presentation was given to the community. We have not even put the application in yet; it will probably go in at the end of this year.

[16] One of the complications is that, even if we were to go down that route—and we are not quite sure what will happen with the IPC—and even if we were to get the planning permission, the next part of the process is quite complicated. Having a windfarm there, connected to nothing, is no good to anyone, so you then have to establish a transmission network to go alongside the windfarm, which is a separate IPC application by the National Grid. So there are two things that you have to put in place. On top of that, you will have to have a substation that, somehow, redirects the energy, and that again is a separate application, to be decided by the local authority. The point is that if any one of those things falls down, the whole project falls down. As a company, we are investing millions and millions of pounds in

this project. You have this idea that the IPC is there to streamline things and fast-track them, but it is possible that, at the end of the process, it could be a problem very much at the last minute and at a local level that stops the project. Of course we are anxious that the communities are involved, and it is correct and right that local councils are involved, but in terms of a company that has a choice in terms of where we choose to invest, it is more complicated in Wales than it is in England and Scotland. In Scotland, you have a route where the decision process is in one area, and in Wales we have these different complications. It is something worth considering.

[17] **Michael German:** Would those three applications be conducted as a bundle in England? Is that better practice, to have them done at the same time, rather than treating them as consecutive applications, which could fall at any hurdle?

[18] **Ms Morgan:** There would be two applications in England rather than three. That is the major difference. We need a transmission system because it is a very rural area and lots of windfarms are being proposed for that area, and there may be a nuclear power station in Anglesey. There are lots of different reasons why that transmission system is not there, and it may be that it would not be an issue elsewhere; those transmission systems may exist already. However, the extra complication of what is called ‘associated developments’ are a part of the IPC process in England, but are not in Wales.

[19] **Brynle Williams:** I know that it is a silly question, but are there any small renewable turbines running that are not connected into the grid? One hears frequently in north Wales that turbines are not connected—they have been put up but they are not functional simply because they cannot get planning consent to connect into the grid. Is that a myth?

[20] **Ms Morgan:** I have not heard of that and there would not be much point in developing such a windfarm, but potentially, that could happen. I am not sure if it happens in reality, but in principle, if they are not both done at the same time, that could happen. However, most of us plan so that they all come together at the same time.

[21] **Brynle Williams:** I cannot see a multi-million pound venture going ahead without connecting to the grid, but this is cropping up frequently now in north Wales with some of the smaller units, namely that they are not functional and people are asking, ‘Why have we got them?’ Some of these are coming from community projects.

[22] **Rhodri Glyn Thomas:** Mae fy nghwestiwn yn gysylltiedig â'r pwynt a gododd Brynle. Mae'n ymwneud â chynlluniau cymunedol, er enghraifft pan fo cymunedau yn datblygu tyrbin ar gyfer eu defnydd eu hunain. Yn Hermon, yn sir Benfro, mae'r gymuned wedi llwyddo i gysylltu â'r grid drwy gwmni masnachol sydd â fferm wynt yn lleol. A oes gan eich cwmni gynlluniau tebyg, lle mae cymunedau yn gallu cysylltu â'r grid drwy fenter fasnachol yr ydych yn gyfrifol amdani? Os nad oes gennych gynlluniau o'r fath ar hyn o bryd, a oes cynlluniau ar gyfer hynny yn y dyfodol?

Rhodri Glyn Thomas: My question relates to the point that Brynle raised. It is on community schemes, for example when communities develop a turbine for their own use. In Hermon, in Pembrokeshire, the community has managed to link into the grid through a commercial company that has a local windfarm. Does your company have similar schemes, whereby communities are able to link into the grid through a commercial venture for which you are responsible? If you do not have any such schemes at present, do you have plans to do that in the future?

[23] **Ms Morgan:** Yr ydym yn awyddus iawn i weld llawer mwy o gynlluniau ffermydd gwynt cymunedol. Mae hynny'n

Ms Morgan: We are very eager to see many more community windfarm schemes. That is very important to us. Now that the feed-in

bwysig iawn i ni. Gan fod y tariff bwydo i mewn ar waith yn awr, mae mwy o gymhelliant gan gymunedau i wneud rhywbeth ac i gael arian yn ôl ar gyfer y gymuned. Mae'r Cynulliad wedi gweld bod hynny'n gallu cael ei wneud. Credaf fod tua £34 miliwn o arian Ewropeaidd ar gael fel bod cymunedau lleol yn gallu datblygu eu syniadau ar gyfer y cynlluniau hyn. Yr ydym hefyd fel cwmni yn ymwneud â rhwydweithiau dosbarthu. Nid ydym yn gwneud gwaith o ran cyflenwi yn unig, ond o ran dosbarthu a chysylltu hefyd. Yr wyf yn meddwl am hyn drwy ei weld yn debyg i'r rheilffyrdd, lle mae trenau a thraciau, ac mae ein gwaith yn ymwneud â'r trenau yn ogystal â'r traciau. Yr ydym fel cwmni yn awyddus i helpu cymunedau i gysylltu â'r traciau hynny. Felly, mae gennym gynlluniau o'r fath.

tariff is in place, there is more of an incentive for communities to do something and to get that money back into the community. The Assembly has seen that that can be done. I think that around £34 million of European funding is available so that local communities can develop their ideas for these schemes. As a company, we are also involved with the distribution networks. Our work does not relate to supply only, but to distribution and connections as well. I think of this as being similar to the railways, where there are trains and tracks, and the work that we do involves the trains as well as the tracks. As a company we are eager to help communities to link into those tracks. Therefore, we do have plans of that kind.

[24] **Michael German:** Taking a more general view, there are often conflicts between what you want to achieve with one set of policies and the planning policy regime. Do you think that there is sufficient clarity on the planning policy side to be able to know and understand how we are delivering our other policies? In other words, if we wanted to deliver more renewable energy in Wales, is the planning regime understandable and consistent with the objectives of developing more renewable energy?

[25] **Ms Morgan:** There are things that could be improved. You have to distinguish between those projects that are above 50 MW and those that are under 50 MW. When it comes to projects that are above 50 MW, it becomes more complicated for the Assembly to influence how those decisions are made. That is why, in the case of associated developments, it would simplify the structure for developers if you were to ask whether there could be temporary subsidiarity upwards for such developments. It may be worth considering that in order to make sure that the process in Wales is not more complicated than that in England.

[26] An issue that needs to be looked at is economic development and planning. The key thing that should almost be written into the process is that a planning policy should take account of the context. It would be useful to have a system under which there would be permissive developments, so that there is more of an understanding of the direction of travel, which would be taken into account when it came to planning. That would relate to sustainability, of course, and objectives in respect of renewable energy, but also to economic development. There is a big discussion, in relation to the new economic renewal programme, on whether economic and regeneration issues should be a function of the planning process, that is, whether they should be part of the principle decision and should be an aspect that is considered during the planning process.

[27] **Michael German:** You are talking about a permissive planning regime. Do you have any examples from the rest of the UK that might be a better bet for us in looking at where the planning regime is more acceptable to the policy?

9.20 a.m.

[28] **Ms Morgan:** I cannot give you any direct examples, but it is interesting that the new Government is going through a discussion at the moment on the national policy statement,

how that might change and to what extent it will influence planning and a more detailed national planning framework. At the moment, the national policy statement, which gives the direction of travel, means that they can take it into account when making planning decisions, but it needs to be strengthened. That is being discussed in relation to the new decentralisation and localism Bill. To what extent should those sustainability criteria be written in and be a material consideration, not just an extra add-on? They should influence the policy. It is a little like your technical advice note 8, which is your proposal of where things should be prioritised and where you would like to see developments. That should have an influence on whatever follows the Infrastructure Planning Commission. That process has been quite successful. Well, we do not know whether it has been successful yet because we have not seen anything go through the system, but, in principle, that is the right direction.

[29] **Michael German:** We have representatives from the IPC coming to give evidence in a couple of weeks' time, so we can hang on to some of these questions for when we see them.

[30] **Joyce Watson:** Eluned has answered the last part of my question. I was going to ask about TAN 8. Clearly, it was intended to link with the planning system, but I wanted to ask whether permissive development would have fallen out of that. You seemed to say that it would, partly.

[31] **Michael German:** Do you want to carry on with your questions, Joyce?

[32] **Joyce Watson:** Yes, I want to move on to questions on consultation and involvement. You have said in your paper that

[33] 'A structured dialogue with relevant businesses in terms of granting advisory status on planning issues would be welcomed so that opportunities for maximising the production from renewable sources can be made.'

[34] How effectively are you involved in the planning process? What improvements would you like to see?

[35] **Ms Morgan:** It depends on which system you are looking at. I have also given you an example of some of the things that we are going through with the Abernedd power station that we are developing, which has a different structure and approach because it goes through the old section 36 process. One problem with that process is that it is not time limited. We are 23 months in but we are nowhere near the end of that process. Having a time-limited decision-making process would certainly help us. I am starting to understand that industry likes to see stability and security so that it can invest. No-one wants several hundred million pounds to be sitting around while we wonder whether a development will happen. It will be taken elsewhere. You need to know when a decision is to be made, even if you do not like the decision. That is important.

[36] It is complicated, because we need to consult with statutory bodies such as the Countryside Council for Wales and the Environment Agency. It works fairly well, but the issue is the resourcing of those areas. It is quite striking that, in Powys, the local authority has a huge number of applications going through the planning process. The Assembly Government has been quite good at giving extra support to the planning department in Powys, such as training the officers, which is very constructive. So, there are lots of things that the Assembly Government is already doing, but budgets are limited. The biggest problem at the moment is probably the resourcing of those local planning officers and, with the emergency budget yesterday, one fears where things might head in the future.

[37] **Joyce Watson:** In that piece from your submission that I just read out, you said that a structured dialogue with relevant businesses on granting advisory status on planning issues

would be welcomed. What exactly did you mean by ‘a structured dialogue’?

[38] **Ms Morgan:** There is a broader issue of the economic engagement that needs to be going on in Wales. Speaking as someone who has come into industry from the outside, there were certain things that I had assumed were going on, such as dialogue and engagement—with the Assembly Government, for example—which are not. With a huge company such as SWALEC, the engagement is fairly restricted. We talk about energy poverty quite a lot, but beyond that, there is no formal dialogue with the company on economic development at all, which is surprising. There is an opportunity for that to change now with the economic renewal programme. A more structured, formal dialogue with the Assembly Government could also influence issues such as planning. That is what I meant by having that structured dialogue, as it does not exist at present. There is no platform or mechanism for it to happen at all at the moment.

[39] **Brynle Williams:** Moving on to the national planning policy, what is the role of the Wales spatial plan in helping to achieve more renewable energy development in Wales?

[40] **Ms Morgan:** The spatial plan is important in that it helps us to get an idea of where things are heading and how things relate to each other, geographically. However, I do not think that it is the main instrument. The key instrument for where development can happen is the ambitious targets that you have set, and the TAN 8 process. As a windfarm developer, we would like to see a slight expansion of those areas, if possible, as we are getting to the limits of what we can do. There are opportunities around the edges of TAN 8 areas where we could see development, but there is not much clarity on developments along those fringe areas.

[41] The TAN 8 areas were right for where you want developments to happen, but there are other factors that may restrict development in those areas. For example, a farmer might not want you to develop on his land, or there may be deep peat that you do not want to disturb. That means that the Assembly Government’s plans, which note that you could potentially get X MW out of an area, do not work in practice, because other influences come into play. There is an opportunity around the edges of TAN 8 to increase the land area, but it is not clear; once you go into those fringe areas, the whole planning issue becomes more complex, and there is no clarity. As we know, you are more likely to get support if your development is within a TAN 8 area.

[42] **Brynle Williams:** From your previous answers to Joyce, would one be right to assume that the ambitions have been set too high and that they have not meshed tightly enough with planning regulations, or the speed of the planning? What I am getting at is this. Are we not achieving these targets simply because the infrastructure behind them is insufficient? Would we have achieved these targets much quicker had the infrastructure been better?

[43] **Ms Morgan:** It is probably down to a logjam in places such as Powys. That is not Powys County Council’s fault; it is just that it has an immense amount to wade through, because there is a lot of development in that area. So, a lot of it is about resourcing. As we have already mentioned, constructive engagement early on, when developing policy, might have been useful. So, for example, the Assembly Government’s ‘A Low Carbon Revolution’ document, which was produced earlier this year—and I like the idea of a revolution—was hugely ambitious. It notes that 48 TWh of energy could potentially be produced in Wales.

9.30 a.m.

[44] However, the discussion with developers took place two years before that document came out. This is an area that is moving really fast. There are huge changes and developments and huge strides being made in research and development, so two years is quite a long time in

that process. For example, one of the targets in 'A Low Carbon Revolution' is to achieve, I think, 4 TWh of energy from wave and tidal power by 2025, which is higher than the UK's target. There was very limited consultation with companies such as ours about whether those targets were realistic and achievable. I know that they were designed to demonstrate the potential, but you need to have a better dialogue about engagement and about the possibilities, looking at why developers would want to come to Wales, for example, as perhaps it might be better to do it in Scotland. We should have had a better discussion about some of those issues.

[45] **Michael German:** Why would it be better to go to Scotland? I know that you are representing Scottish and Southern Energy, but why would you want to choose Scotland over Wales?

[46] **Ms Morgan:** As a company, our focus is mostly on Scotland. There are also other factors. For example, I understand that the renewables obligation in Scotland is higher, so you get more brownie points—more money—if you develop your tidal projects in Scotland. So, that would restrict you—if you had to choose. Why would you come to Wales if you could get more money for doing it in Scotland?

[47] **Leanne Wood:** The duty under the Government of Wales Act 2006 for the Assembly to promote sustainable development does not exist in other parts of the UK. For example, decisions over power stations generating more than 50 MW are made outwith the Assembly, meaning that the sustainable development duty potentially does not cover those developments. You have said that there are other complications in Wales and that it is easier to get planning permission in England and Scotland. I think that I read in your paper, or perhaps you said it, that, as a company, you do not have a view on the 50 MW issue. Do I have that right?

[48] **Ms Morgan:** I do not think that we want to get engaged in that discussion. It is a constitutional discussion.

[49] **Leanne Wood:** Okay, but would it make things easier for a company such as yours, on the planning permission side of things, if all those decisions were made in one place, and if there were not this duty that applies to decisions for developments under 50 MW but not to those over 50 MW? Do you think that the planning system as it exists is able to fulfil that duty in Wales, or are we failing on that?

[50] **Ms Morgan:** There are two entirely different processes, so it depends on the project. If the development is under 50 MW, you are in the Welsh process anyway. It is a completely different process, and every application is an individual application, so it really does not matter which system you are under. You know which system you are under. The complicating factor in Wales is that, with developments over 50 MW, you are working on two levels at the same time. We are saying that, if you are to retain the situation where the approach to developments of over 50 MW exists and it has to go through the IPC or an equivalent process, it makes sense to try to get everything through in one package, so that you get associated developments through at the same time.

[51] **Leanne Wood:** Are you saying that everything should go up, rather than the 50 MW threshold coming down?

[52] **Ms Morgan:** No, not at all. We are saying that it should be kept in one package. So, if a development is under 50 MW, you have the responsibility anyway; if the development is over 50 MW, perhaps consideration should be given to associated developments being devolved upwards just to simplify matters for us.

[53] **Leanne Wood:** They are not devolved, are they? Things are not devolved upwards;

they are centralised.

[54] **Ms Morgan:** No, they are not, but it is what they call subsidiarity, is it not? However, you can have subsidiarity that moves upwards. It is decision making at the most appropriate level. You can have the argument about what the most appropriate level is. You have that argument, but for a developer, it is more complicated.

[55] **Leanne Wood:** What about the point relating to whether or not the commitment to sustainability in the Government of Wales Act 2006 is being met through the existing planning system in Wales?

[56] **Ms Morgan:** It is a consideration, but the targets that you have set for renewable energy, for example, which is part of the sustainability agenda, need to be drilled down into the local planning committees, and local communities have to understand that there is a broader picture than what is going on in their communities that needs to be fulfilled. There is a real issue about the lights going out in 2015-16. This is not a joke anymore; it is a reality. It is happening for a reason. It is happening because European directives are becoming very tight in relation to carbon emissions and closing down dirty coal-fired power stations. There is a reason why it is happening. We are going through a transition to a low-carbon economy, I hope, but there will be a gap—a possible shortfall—in the middle, while we are in that process. That is why we need to be making developments, such as the Abernedd gas power station, because that gap could be very serious for the country. We all use energy; we all switch our kettles on in the morning. It is a matter of making that link and having a public dialogue to get people to understand that it is a very serious situation, and that we all have a responsibility to make a contribution to energy efficiency as individuals, but also as communities, thinking about how we can contribute to the sustainability agenda.

[57] **Leanne Wood:** Is the duty in the Act strong enough to make that happen? You said that it is a consideration. For me, a duty would mean that it should be a top priority. Is it not a top priority? Does it mean that the planning system and that duty are somewhat lacking?

[58] **Ms Morgan:** You need to ask local government planning officers where they see that in relation to their decision making.

[59] **Leanne Wood:** Do you not have a view from your perspective?

[60] **Ms Morgan:** We are committed to low-carbon developments, so we would of course like to see it as a material consideration.

[61] **Brynle Williams:** What is the role of the Welsh Assembly Government's economic renewal programme in the proposed new planning policy statement on economic development to help to achieve more renewable energy developments in Wales?

[62] **Ms Morgan:** The first thing is that the economic renewal programme is being rewritten, and we have given a response on that programme. As I said earlier, one of the key recommendations for us is that there should be a structured dialogue with the energy companies, which does not happen at present. There is potentially about £30 billion to £40 billion-worth of investment coming into Wales over the next 15 years or so, in relation to energy generation—consider Wylfa and so on. If the Severn barrage were to go ahead, that would be an additional £19 billion. Therefore, you are talking about a heck of a lot of money. The point is that you need to ensure that we maximise that—God, I need to be careful—that you maximise that for Wales and to ensure that the benefits accrue to local communities and local economies. That is where the economic renewal programme could really be strengthened and that dialogue needs to be strengthened, with real communication with companies like ours.

[63] **Lynne Neagle:** In your evidence, you state:

[64] ‘There have been many changes to the planning policies over recent years which erodes confidence in the system.’

[65] Could you explain this further, please, in relation to renewable energy?

[66] **Ms Morgan:** The key thing is the constantly changing goal posts. That is the main problem. We want to plan, but it is difficult to plan if the goal posts are constantly changing. We have an interesting discussion, for example, in relation to the Abernedd power station.

9.40 a.m.

[67] A positive thing has happened, but it is interesting to see how that process developed. We submitted an application under the section 36 process. Do not forget that this has been going on for 23 months now. That application went in, we wanted to develop on the Baglan energy park, but it was before the big discussion about carbon capture and sequestration really got onto the agenda, so it was not something that people were really considering. Suddenly, that has come to the top of the agenda. Those involved in the planning process are now saying, ‘Hey; what are you going to do about your carbon? How will you deal with the carbon if you are going to develop this? This is a very serious issue in future’. Therefore, we had submitted the application and then the goalposts were changed. In the meantime, the Assembly Government also asked, ‘What are you going to do about your carbon?’. We have now said exactly what we would do with the carbon. It is very difficult to say what you can do with the carbon when you are dealing with a process that does not even exist. Carbon capture and sequestration does not exist yet; therefore, we are developing a kind of theoretical model of what we could do if the technology were to be developed. That is an example of the goalposts changing as the development is going ahead. It is quite a positive example, but it is an example of where things are changing as we go on.

[68] The other example, of course, is the IPC process. We started off the Nant-y-moch windfarm looking at going into the section 36 process, but then the IPC came in and now that we have a different Government the process will change again. That is not good for stability or investment.

[69] **Lynne Neagle:** What are your views on the draft national policy statement on renewable energy that was published by the Department of Energy and Climate Change at the end of last year, and particularly how that relates to Welsh planning policy?

[70] **Ms Morgan:** We are waiting to know what will happen with that and for it to be ratified by the new Government. The key issue for us is that, as far as possible, we want to see that national policy statement fitting in with all of the different tiers of Government. That is something where we need to see a degree of consistency so that it fits in with the spatial plan and your renewable energy plans, so that they all sit comfortably together, pointing in the same direction. The problem occurs when they start to contradict each other, and that is when it becomes really complicated for planners to make decisions.

[71] Another issue about planning is that you will get such a national policy statement, but you need to consider whether it contradicts a campaign to protect the rural environment or whatever. There will always be tensions within the system because there will be competing avenues. Therefore, economic development policies may contradict environment policies. You will always have that debate and that is where, as politicians, you need to give a very clear steer in terms of what you want those planners to be doing and where you want to see their priorities lying. We are saying that perhaps you should take greater account of the

economic and sustainable side of things.

[72] **Lynne Neagle:** Finally, what are your views on the Minister's recent announcement that she intends to revise the renewable energy policies in 'Planning Policy Wales'?

[73] **Ms Morgan:** There are quite a few changes. We have been looking at the microgeneration proposals, for example, and we think that a few tweaks could be made to those and that the Minister is probably looking to take those into account. The key issue is that you need to start talking to developers and to industry about what is possible and how far that can be developed. My message, really, is that you should not develop policy without a strategy to deliver that policy. That is the key thing. There is a danger that that is something that needs to be developed. In all areas of policy, it is not about renewable energy, but it is about everything.

[74] **Rhodri Glyn Thomas:** Yr ydych wedi cyfeirio, yn eich tystiolaeth ysgrifenedig, a sawl gwaith yn eich tystiolaeth lafar, at y diffyg eglurder yn nodyn cyngor technegol 8. O ran yr adolygiad hwn o'r polisi cenedlaethol ar ynni adnewyddadwy, a oes pethau penodol y dymunech i'r Gweinidog eu cyflwyno yn yr adolygiad hwnnw a fyddai yn eich cynorthwyo o ran gweithio o fewn ardaloedd nodyn cyngor technegol 8?

Rhodri Glyn Thomas: You have referred, in your written evidence, and several times in your oral evidence, to the lack of clarity in technical advice note 8. In terms of this review of the national renewable energy policy, are there specific issues that you would like to see the Minister introducing in that review that would assist you with working in TAN 8 areas?

[75] **Ms Morgan:** Yr ydym yn awyddus i ddatblygu mwy o ynni gwynt yng Nghymru, ond mae TAN 8 yn eithaf cyfyngol o ran yr ardaloedd sydd wedi'u penodi. O ganlyniad, am resymau y tu hwnt i'n rheolaeth, nid ydym yn gallu gwneud yr hyn y mae'r Cynulliad eisiau i ni ei wneud mewn nifer o'r ardaloedd hynny, ac felly nid yw'r targedau ynni adnewyddadwy yn gallu cael eu cyflawni.

Ms Morgan: We are eager to develop more wind energy projects in Wales, but TAN 8 is quite limiting with regard to the areas that have been designated. As a result, for reasons beyond our control, we are not able to do what the Assembly wants us to do in many of those areas, and therefore the renewable energy targets cannot be achieved.

[76] Mae'n bwysig ein bod yn edrych ar yr hyn sy'n bosibl yn yr ardaloedd sydd ar ymylon yr ardaloedd TAN 8, a hoffwn weld mwy o eglurder ynghylch y sefyllfa yn yr ardaloedd ymylol ac am bwy sy'n gwneud y penderfyniadau. Hoffwn weld fwy o eglurder ar hynny. Hefyd, hoffwn weld y cynghorau hynny sydd y tu allan i'r ardaloedd TAN 8 yn cyfrannu mwy at ynni cynaliadwy nag y maent yn ei wneud ar hyn o bryd—byddai hynny'n helpu, yn enwedig o ran ffermydd gwynt cymunedol ac ati. Rhaid cael mwy o eglurder ar hynny.

It is important that we look at what is possible at the periphery of those TAN 8 areas, and I would like see further clarity with regard to the situation in the peripheral areas and on who makes the decisions. I would like to see more clarity on that. I would also like to see those councils that are outside the TAN 8 areas making a greater contribution to renewable energy than they make at present—that would help, especially with regard to community windfarms and so on. Greater clarity is needed on that.

[77] **Rhodri Glyn Thomas:** A yw cynlluniau datblygu lleol, lle maent yn bodoli, wedi bod o gymorth i chi? Beth am yr ardaloedd hynny lle nad ydynt yn bodoli neu

Rhodri Glyn Thomas: Have local development plans been of assistance to you in the areas where they are operational? What about the areas where they are not

Ile nad ydynt wedi eu cwblhau? A ydynt o gymorth neu'n rhwystr?

operational or have not been completed? Are they of assistance or are they an obstacle?

[78] **Ms Morgan:** Mae'n gynnar iawn yn y broses o ddatblygu cynlluniau datblygu lleol. Hoffaf y ffaith bod cymunedau yn gallu helpu i'w datblygu a'u bod yn cael cyfrannu'n sylweddol i'r datblygiad hwnnw. Mae gwahaniaethau mawr rhwng y cynlluniau yr ydym wedi'u gweld hyd yma. Mae rhai ardaloedd, megis Castell-nedd Port Talbot, wedi dweud y byddent yn hapus i weld datblygiad fferm wynt cymunedol yn yr ardal. Mae hynny'n ein cynorthwyo i wybod y byddai hynny'n bosibl yn yr ardal honno. Fodd bynnag, nid oes llawer o gynghorau wedi bod mor glir â hynny. Byddai o help mawr i ni i weld hynny yn y cynlluniau datblygu lleol.

Ms Morgan: It is very early in the local development plan process. I like the fact that communities can help to develop them and that they may contribute significantly to that process. There have been major differences between those that we have seen to date. Some areas, for example Neath Port Talbot, have said that they would be happy to see the development of a community wind farm in the area. That helps us to know that that would be possible in that area. However, not many councils have been as clear on that. It would be of great help to us to see that in the local development plans.

[79] **Michael German:** I want to return to the point about the TAN 8 peripheral areas. Is it a problem if a local authority redefines these areas and makes the changes locally? Is that part of the issue or would you say that you are quite happy for them to be redefined locally, but that there is a need for more central direction?

[80] **Ms Morgan:** There is probably a need for a little bit more central direction on those peripheral areas. It needs to be taken into account that the Assembly Government has its views on where it would like to see development and what the targets are, and, if those targets are unachievable within the TAN 8 areas, we need more direction on the peripheral areas. The Assembly Government could perhaps help local authorities with that.

[81] **Michael German:** Is it your experience that these areas are being altered locally in order to reduce the opportunities for renewable energy?

[82] **Ms Morgan:** I would not go as far as saying that, but the encouragement is not necessarily what we would like it to be.

[83] **Lorraine Barrett:** You have answered one of my questions on the IPC and the new proposals. You said that it should be abolished, so I think that you have made it clear that you are not too happy with that. You have also said that your company does not take an interest in constitutional issues, but do you have any views on the current devolution settlement with regard to planning, including the executive and legislative powers available to support the planning process?

9.50 a.m.

[84] **Ms Morgan:** First, on the IPC, I just want to make it clear that the key for us is to know where we stand, so the fact that it is changing again is not helpful. Do we have an objection in principle to the Minister deciding? No, but if someone is to decide, we would like it to be the Secretary of State in the Department of Energy and Climate Change rather than someone in local government. That is quite key for us: we would like Chris Huhne to decide and not Pickles.

[85] **Michael German:** [*Inaudible.*]

[86] **Ms Morgan:** No, but if it is an energy decision, we want the department of energy to decide on it. The Bill happens to be sitting now in the Department of Communities and Local Government. So, that is the first point.

[87] Then, on devolution, we are comfortable with devolution in Scotland. That is not an issue for us. It has to be something that you have a view on. As a company, we do not have an issue with where those decisions are made; we just want clarity.

[88] **Lorraine Barrett:** I do not think that I can push Eluned any further. I think that the lady is not for turning.

[89] **Michael German:** That is all right; you do not have to. I was looking at you to see whether you wanted to ask another question.

[90] **Lorraine Barrett:** You said that you would rather see the decision made within the energy department than as part of the local government planning process, but surely the planning side of things has a huge impact on communities. However, from your company's perspective, you feel that the energy decision overrides the pure planning issue.

[91] **Ms Morgan:** As I said, there is a really serious issue about how we are going to get £200 billion of investment into the economy in the next 10 years. That has to be an overriding consideration, and the question is how that will be delivered. As a company, we would like the Secretary of State for Energy and Climate Change to be the final arbiter of that decision because we believe that it is absolutely critical for the future of this country.

[92] **Leanne Wood:** You have said that resourcing is a key issue for local authority planning departments. What are your views on the resources and expertise that are available in planning authorities to deal with increasingly complex and technical issues? Do you foresee those problems becoming worse with the cuts that are on the way?

[93] **Ms Morgan:** I think that the Assembly Government has done very well in that every time a new planning edict is issued, a training process is gone through and is offered to local planners. That is excellent. It would be nice if that could be extended to developers, actually. That would be useful to us so that we did not have to jump through all those hoops ourselves.

[94] The other point is that there has been recognition by the Assembly Government that resourcing is an issue, and it has helped out to resource some of the local authorities. Powys in particular has had help, along with many others. However, I was reading through the evidence given to this committee last week by local planners, and it is clear that there is a restriction on the amount of funding that they get because of the downturn in the economy. If that is the case now, it will be a serious issue for us all with the cuts that are coming in. That needs to be seriously considered. When you decide where those cuts will fall, I ask you to consider the economic impact of the knock-on effect of not having an adequate planning process at local government level, and what impact that could have on local economies, given the contribution of renewable energy to the economy, which is now substantial. A report was published recently, and I am sure that your next speaker will talk about it, which said that the contribution of renewable energy to the economy runs into hundreds of millions of pounds and substantial numbers of jobs.

[95] **Leanne Wood:** Can you expand a bit more on what you think that impact could be? Presumably, it will be about slowing things down even more than is currently the case, which will have a knock-on impact. Are there any other impacts?

[96] **Ms Morgan:** That is the main one. We are keen to forge ahead, and we want to strike while the iron is hot. Now is the time for us to take advantage of the situation. The feed-in

tariff is a substantial opportunity, not for big windfarms, but for communities. It is a real opportunity for them, and if we can get things moving, there is an opportunity to get money back into those communities and to regenerate them.

[97] **Leanne Wood:** You have mentioned timeliness as being important, and you said in your evidence that councils should be given clearer guidance on the timescales for consultation responses and determinations. You have given us some idea of what you think could be a reason for some applications taking longer than the recommended time limit, namely resources at council level. Are there any other reasons why applications take longer?

[98] **Ms Morgan:** It is probably resourcing more than anything else.

[99] **Michael German:** It is magic wand time now. Imagine that you are sitting at this table and there are no committee members present. It is just you, and you are making recommendations to the Minister about the changes that you want to see in the planning system and the planning processes. In a sentence or two, what would you say to her?

[100] **Ms Morgan:** First of all, I would tell her to ensure that there is a structured dialogue with us upfront before any policy is developed, so that we can at least have an understanding of the policy direction and we can help to look at outcomes, not headline policies. We are interested in outcomes. The second point would be on simplification. She should make a decision and stick to that decision rather than keep moving the goalposts. The third point would be on resourcing. Those are the three things—and maybe there is one more, which is timing.

[101] **Michael German:** I made a note earlier of your recommendation that the Government should charge potential developers for training on the planning process, which you did not quite mention there. Perhaps it should be a self-funding exercise. Thank you very much for your evidence this morning. There will be a Record of what you said and you will have time to check it. As you know, you may check it for accuracy, but you should not add things that you wished you had said or delete anything that you did say. The same is true for us all, I am afraid. Thank you for your time and effort this morning, and I hope that we will be able to write a report that reflects some of the things that you have asked for.

9.58 a.m.

Ymchwiliad i Bolisiau Cynllunio: Sesiwn Dystiolaeth Inquiry into Planning: Evidence Session

[102] **Michael German:** We will move on to RenewableUK. I remind Members that, after this session, we will move into private session, as there is a number of items to discuss. You will need the committee timetable in front of you for one of those items. That will be distributed at the end, if you do not already have one with you. If it would be possible for you to work out your diaries for the future, it would be helpful. I ask you to bear that in mind, as Virginia needs to know.

[103] I welcome Tanya Davies to the table from RenewableUK. We have received your evidence, and Members have a copy of it in front of them. You can assume that people have read it and understood it. However, are there any matters arising from it that you want to draw to our attention, or do you want to expand on anything in an opening statement?

[104] **Ms Davies:** Yes, please. I want to outline quickly who I am and where I come from. There is also a mistake in the paper, which I wanted to point out.

[105] **Michael German:** My pen is ready.

10.00 a.m.

[106] **Ms Davies:** Good morning, everyone. My name is Tanya Davies. After graduating from Cardiff University, I spent six years as a planning officer in local government, and I am a chartered town planner. In 2003, I joined the renewables industry, and, for the past three years, I have led RWE Npower Renewables' onshore activities in Wales. RWE Npower Renewables is a major developer and operator of windfarms, and we have approximately 600 MW of windfarm applications under development across the strategic search areas in Wales. We also have two Forestry Commission Wales sites. I sit on the RenewableUK Cymru steering committee and policy groups, and I have been asked to represent RenewableUK here today.

[107] I just want to point out a mistake in the grid of timescales in the paper. I apologise for that. On page 5, the paper states that the applications are not due to be submitted until the end of 2012, and then we are hoping that they will be determined by the spring of 2012. That is a little ambitious, even for a windfarm developer. I have not been able to establish the correct dates, so I would like to confirm those in writing, please, shortly after today.

[108] **Michael German:** So, Members are asked to delete the timescales in that paragraph. That is the last sentence of the first paragraph in that section on the grid.

[109] **Ms Davies:** Yes, thank you.

[110] **Michael German:** The principal question that this committee is trying to address is whether national and local planning policies are a help or a hindrance to delivering key Government objectives. In this case, the key objective is renewable energy. Could you answer that fundamental question from a developer's perspective? Are our planning policies a help or a hindrance to delivering the amount of renewable energy that the Government aspires to achieve?

[111] **Ms Davies:** Prior to technical advice note 8 being issued in 2005, the industry was quite reluctant to endorse the preferred-area approach. We would have preferred something along the lines of 'Planning Policy Statement 22: Renewable Energy' in England, which outlines the criteria that a good windfarm proposal should be able to demonstrate and comply with. However, since 2005, when TAN 8 was issued, a significant amount of time and energy has been expended in progressing towards delivering projects within the strategic search areas. Where we are now, TAN 8 has to be supported and maintained, and a great deal of energy and investment has gone into TAN 8 from both sides, as well as from consultees and stakeholders. One issue that has proved difficult and has confused things a little, particularly with regard to TAN 8, is the annex D refinement. Many local authorities were quite slow at doing the refinement work, but the authorities that were quick off the mark and invested the time, effort and resources in that have since had to withdraw, because their methodologies were questioned at appeal. That is really unfortunate, because the authorities that embraced it, moved forward with it, and have been proactive subsequently felt that it was all a bit of a waste of time and effort.

[112] **Michael German:** I will ask you a question that I asked Eluned Morgan earlier. If there is something wrong with the peripheral areas policy because of how it is refined by local authorities, what would you do instead? Would you take the local authorities out altogether? Would you have a bit more central direction, or give them strict guidelines? How would you make it better for you? You have made the obvious complaint, which is now a common complaint, as we have heard it twice this morning. It is now for you to provide us with your favoured solution.

[113] **Ms Davies:** I would stick with the strategic search areas, but withdraw the annex D refinement. TAN 8 is quite clear that there is a strong presumption in favour of developments in these areas, subject to proving that the environmental effects of the developments are acceptable. You could still have a project within an SSA but, when you go through the environmental impact assessment, you see that it will not be an appropriate site. So, there is still quite a robust level of scrutiny through the EIA process, and I think that we should stick with the strategic search areas as they are, although possibly review and extend them. I understand that Arup has done some work that suggests that there is enough capacity within the SSAs, and no additional land needs to be looked at. That flags up significant concerns, because, if areas within the strategic search areas are not already being developed, there must be a good reason for that. Perhaps the landowner is not interested, or there may be constraints on the site. There is a reason why the developers are not progressing these sites.

[114] **Michael German:** Let us be clear: what you are saying is that the annex D refinement should be removed from local authorities.

[115] **Ms Davies:** Yes. If there are issues with a project that mean that it should not go ahead, that will come out in the EIA process and the normal planning process. A significant amount of effort, experience and knowledge is fed into the planning process, and that is sufficient to flag up any issues with a site.

[116] **Michael German:** Could you point us—not now, but afterwards—to the work that you say Ove Arup has carried out? That would be helpful to have, as we do not necessarily know where that has come from.

[117] **Ms Davies:** Okay.

[118] **Michael German:** Is there anything else that you would like to see added to the current planning process to help you? You do not have to answer that; it is not compulsory. It is just that I interrupted you, and I want to ensure that you have your say.

[119] **Ms Davies:** It is difficult. Five years ago, I probably would have said something very different. I would have said, 'Criteria-based approach—you tell us the type of qualities that an appropriate windfarm site will demonstrate and we will go and find one'. However, we are where we are. If TAN 8 were abolished altogether, we would be five years behind again, and it would take a long time to find sites and carry out all the environmental surveys, so we need to make the most of the work that has been done. However, by putting strategic search areas together and creating a focus for development, we are experiencing significant, cumulative issues. As you will see from my paper, there are significant issues in Powys in particular with progressing the sites and delivering them because of concerns about cumulative transport and the need for the grid to be upgraded significantly. TAN 8 needs to be maintained and supported, but there are significant issues that we need to work through. We have gone too far with it, however, to try to start from scratch or do something different.

[120] **Michael German:** We will certainly address those issues to Powys when its representatives come to give evidence to us.

[121] **Lynne Neagle:** Do you think that the national and local planning policies are sufficiently clear and consistent to resolve potential conflicts between different priorities?

[122] **Ms Davies:** There will always be potential conflicts between different types of development, and the planning system is very well set up to consider that balance and make planning judgments. Windfarm development is an essential part of the renewable energy mix, and WAG has given a strong steer and provided a strong impetus in trying to push it forward. However, at the local level, I think that some local authorities are struggling to deliver this on

the ground, because there is local opposition and a lot of local concern. Those local authorities need to be supported in that role, and the public needs to be educated about the need for renewable energy.

[123] Turning to the issue of feeding through into local policies, the planning process takes a long time to feed national policies into UDPs and LDPs, which is why it is such a shame that the SPG work had to be abandoned. There are examples of successful or effective SPGs—I am thinking of the Carmarthenshire example—but other refinement studies have struggled and been discredited at appeal. There is sometimes a bit of a vacuum, really.

[124] **Lynne Neagle:** Moving on to consultation and involvement, how effectively are you involved in the planning process, and are there any improvements that you would like to see?

10.10 a.m.

[125] **Ms Davies:** Where involvement in the process is concerned, as a developer, it can be very frustrating, because local authorities, particularly Powys, seem to be struggling with the sheer volume of applications. I have been a planning officer, and I am quite realistic—I am probably the more measured face of the industry. In theory, applications for environmental impact assessments should be dealt with within 16 weeks. That rarely happens. We have examples of EIA applications that have been in for over three years, which is unreasonable and unacceptable. The example given in the paper, Pentre Tump, is a very small three turbine scheme, and it has taken eight years to come out of the planning system. It is very frustrating. The renewables industry has so much to offer in terms of green collar jobs and supply chain benefits, but we need the pieces of paper to deliver windfarms to justify the need for construction contracts and jobs. That is the hurdle that we need to address. I do not think that there is anything fundamentally wrong with the planning system—there just needs to be more resources so that planning officers can pull in additional expertise if necessary. Windfarm development is my day job, and there are parts of it with which I struggle because they are very technical. So, it is reasonable that local authorities should need to pull in additional resource on specific issues as necessary.

[126] However, we desperately need to speed up determination times. I know that it is part of the planning process and I know that it is democracy, but it is particularly frustrating when an officer has spent a considerable amount of time going through the various different issues and recommends an application for approval, but it is then refused at committee. Ultimately, if it is a site that you are very confident about and have spent a lot of money on developing and you feel that the reasons for objection are questionable, you might take it to an inquiry. It is frustrating, because money is being spent unnecessarily on both sides and it leads to considerable delay.

[127] **Angela Burns:** In your paper, you say in the section ‘Decision Making’ that the planning system

[128] ‘is currently a significant barrier to the delivery of Wales’ onshore renewable energy targets.’

[129] but you also talk about a number of other factors

[130] ‘including grid and transport networks and local authority and stakeholder resources’

[131] that all need to be in place. Have you found the Wales spatial plan to be of benefit in helping you to make progress?

[132] **Ms Davies:** Not really.

[133] **Angela Burns:** Is this because SSAs sit outside of the spatial plan areas—although I think there are a couple that interlink, one in the north and the other towards Carmarthenshire—or is it because they are never factored in?

[134] **Ms Davies:** In terms of what needs to be done, there is a mismatch, almost, between what the industry and the various stakeholders understand about the upgrade works and the physical issues that need to be addressed, and the delivery. Does that make sense?

[135] **Angela Burns:** No, sorry.

[136] **Ms Davies:** The Wales spatial plan does not help.

[137] **Angela Burns:** It does not impact on people's thinking.

[138] **Ms Davies:** No, I do not think so—not in terms of delivering TAN 8 anyway.

[139] **Angela Burns:** Okay. Thank you. What are your views on the national policy statement on renewable energy, which was published by the Minister at the end of last year? Once you have told us what your views are on that, how do you think that that will relate in the future to planning policy?

[140] **Ms Davies:** The national policy statement is useful because it endorses the role of onshore renewable energy and the fact that it is a critical part of meeting our energy targets. In terms of Wales, it is a little confused, but that is probably more of a broader Infrastructure Planning Commission issue. Planning is devolved in Wales, and it does not seem to be as clear cut as it is in England in terms of dealing with the wider associated development issues. Sorry, I am talking about the IPC rather than the NPS.

[141] The industry broadly supports the NPS; there are some useful things in it; it endorses the role of ETSU-R-97, which is the noise guidance, and gives a very strong steer that that is still relevant and should be maintained. I think that it is broadly supportive. There is an issue in there that talks about how cumulative transport should be looked at. There is just uncertainty about when the NPS will be designated. How we deal with things in the meantime is the major concern.

[142] **Angela Burns:** I suppose you have summed it up about how it relates to Welsh planning policy.

[143] **Ms Davies:** It is difficult, because going back to the mid-Wales grid, the 400 kV line will be a section 36/7 IPC application, whereas the sub-station itself will probably be an application to Powys. You are talking about different types of consultation and, potentially, the ability to appeal if it is a local determination rather than IPC, and that adds a lot of confusion. They are integral parts of the project, so it seems strange that they can be considered separately because they are interlinked and inter-dependent on each other. As I understand it, a memorandum of understanding is being developed between the Welsh Assembly Government and the IPC, which will highlight and clarify these issues, but, at the moment, there is considerable uncertainty and that is quite worrying.

[144] **Joyce Watson:** I am going to ask questions around local planning policy and your experience; you have cited some in Powys. What is your experience of the local development planning process to date, and has it caused you any problems, or assisted you with your plans for new energy infrastructures in Wales?

[145] **Ms Davies:** Most of the local authorities have renewable energy policies. A lot of

them are pre-date TAN 8, so you have the older policies and TAN 8, which is obviously newer and is a material consideration. On balance, local authorities give significant weight to TAN 8 in preparing their recommendations. It is the same for any planning application or technology, in that the policies must be read as a whole and a judgment made about whether the proposal is in accordance with the policy as a whole. It cannot be just about cherry picking separate tiny bits because there may be something, for example, that makes some reference to landscape, which must always feed into part of the planning balance rather than used as an isolated reason for refusal. It could be a reason for refusal if it was felt to outweigh the other benefits and how the proposal sits with the rest of the policy, but, on the whole, local authorities have been giving significant weight to the national policy and that is quite often overridden.

[146] **Joyce Watson:** The question was: has it caused you any problems, or has it helped the process of the local development plans? Has it caused you any problems or assisted with your plans for new energy infrastructure in Wales? You have given me the technical answer around planning. I understand that there are technical issues that arise, because I used to be a spokesperson on planning committees, but my question was: has it helped or hindered the local development plan? Do you have an answer?

10.20 a.m.

[147] **Ms Davies:** I do not think that the WAG targets and the issues associated with TAN 8 have been hindered by the local development plan process, other than where the local authorities have done the annex D refinement and have tried to prepare supplementary planning guidance. There are many other issues that need to be considered as part of a windfarm application, which local policies are there to address, as well as being a framework to consider against.

[148] **Joyce Watson:** In your opinion, what are the implications for making decisions that are consistent with the Welsh Assembly Government's priorities under the current situation, where many development plans are out of date and, in many cases, there is no completed local development plan?

[149] **Ms Davies:** Sorry, could you repeat the first part of the question?

[150] **Joyce Watson:** Many areas do not have a local development plan; it is still in the making. Where that situation arises, what are the implications for you when it comes to making decisions that are consistent with the Welsh Assembly Government's plans and priorities?

[151] **Ms Davies:** The need to focus on, and the weight of, TAN 8 is considerable. There are issues in TAN 8, but in that case it is a key consideration. As you said, many of the policies predate TAN 8, so it is our Bible.

[152] **Joyce Watson:** So, you are saying that that would come into play, and that the focus would be on that.

[153] **Ms Davies:** Yes.

[154] **Michael German:** Before we go on to discuss the IPC, Rhodri Glyn has the next question.

[155] **Rhodri Glyn Thomas:** The Minister announced recently that she will revise renewable energy policies in Wales in 'Planning Policy Wales'. You have spoken a little about certain issues in TAN 8 and about the planning process, but on the revision of

renewable energy policies, what would you like to see as part of that revision to make it easier for you, as developers, and for the Government of Wales to reach its targets?

[156] **Ms Davies:** We need to maintain the status of, or the weight that is given to, existing strategic search areas, but we also need to see whether other areas can be defined as strategic search areas. TAN 8 suggests that, in areas that are not strategic search areas, brownfield sites and projects below 50 MW can be assessed on their merits. However, experience to date has shown that even small projects beyond the SSAs have struggled. There needs to be greater clarity and an endorsement of the fact that, beyond strategic search areas, small community-based projects and sites that can demonstrate that they are in appropriate locations will be considered and assessed on their merits. The strategic search areas need to be maintained, but new ones need to be looked for as well.

[157] **Leanne Wood:** You touched on the IPC earlier in answer to a question from Angela Burns, and you talked about the potential for a worrying disconnect—I think that that is what you said—between different parts of the application. What are your general views on the new process of applying to the IPC in relation to large-scale projects?

[158] **Ms Davies:** We have two Forestry Commission projects, which are some of the first few projects that are going through in Wales. We have only got to the early stages, in that we are looking to start the IPC consultation in the autumn. We have experienced only a limited part of the process to date. The IPC was set up to look at nationally significant projects, and the idea was that it would be well resourced, and would deal with them properly, and reduce the time taken to determine applications. However, the projects are taking just as long—it is just that the time is being spent on different things. We have to do a significant amount of pre-submission consultation with local residents and interested parties. We would normally do that anyway, as a developer, but we then also have to collate the responses of local people and show how we have taken them on board and dealt with them. We have to do the same with the consultation responses. So, whereas for a town and country planning application you just make your submission, the planning authority consults, and it gets everyone's views together and negotiates if anything needs amending or additional information is required, under this system, we have to do all that before we submit. When we submit, we get a decision within nine months, but we will have done a hell of a lot of work before we submit.

[159] **Leanne Wood:** So it is not saving you any time, then, you just have to do the work at another point in time.

[160] **Ms Davies:** That is right—we spend the same amount of time, but at another point in the process. There is a lot of misunderstanding about the IPC. It is coming to do some outreach events for our forestry projects, so that the local people who would normally be liaising with the local authority will understand the process, and to explain how the IPC engages, but it does seem quite remote. I suppose the IPC has to prove itself, does it not? It is still very early days.

[161] **Leanne Wood:** It might not have the chance to prove itself, because the new Government at Westminster has said that it will abolish it. Do you have a view on that?

[162] **Ms Davies:** We have to work with the process that is in place at the moment. It is difficult to comment on alternatives until we have seen the detail, I suppose. Perhaps I am overly cautious. It may be that, this time next year, we will have applications coming to the end of the process and being determined. At the moment, it is too early to say, but it feels as if a lot of the work has been moved around, and it is also incredibly expensive. That is not a planning consideration, but having to draft all the legal documents ourselves is quite an intensive burden.

[163] **Leanne Wood:** Could I ask you about this worrying disconnect whereby some decisions are made in Wales, and some decisions are the responsibility of the IPC, but they are all part of a single plan?

[164] **Ms Davies:** The fact that there are two processes working together can be difficult. It is not about whether decisions are taken in Wales or not; it is more about the fact that there are two different approaches, with different timescales and requirements. It is confusing and surely, if something is considered to be nationally significant, it should all be packaged together and dealt with as a whole. The substation is such an integral part of the line, that it would be pointless to have consent for the substation without consent for the line, and vice versa. It all needs to be thought about properly and comprehensively, really.

[165] **Leanne Wood:** If powers for decisions on energy generators over 50MW were to be devolved to Wales, would that make the situation easier? Would Wales be able to deal with it all as one package?

[166] **Ms Davies:** I think that the sub-stations are currently considered by Powys County Council under town and country planning. I suppose that the Assembly Government could call the application in as being nationally significant. I do not know. It would depend on the turnaround time for decisions, really. We have section 36 stuff that is in with the Department of Energy and Climate Change; that still takes a very long time. It is important to have everything in one place so that you have a strategic overview of these nationally significant projects, and can deal with them comprehensively. However, they would need to be dealt with in a timely manner. Time is an issue.

[167] **Leanne Wood:** You say you want these powers all in one place. Do you have a view on whether that place should be Cardiff or London?

[168] **Ms Davies:** No, I do not have a view on that.

10.30 a.m.

[169] **Lorraine Barrett:** Most of my questions have been asked and answered. Do you have a view on the current devolution settlement—which has just been touched on—with regards to planning, including the executive and legislative powers that are available to support the planning process?

[170] **Ms Davies:** I am not aware of those, sorry.

[171] **Lorraine Barrett:** You have probably covered my next question in other answers. We can pick out information from your other answers for the report.

[172] **Leanne Wood:** I have one further question on sustainable development, similar to the question that I asked earlier. We have a duty on sustainable development under the Government of Wales Act 2006 and this should make it clear that decisions made in Wales prioritise sustainable development. This raises questions about some decisions being made elsewhere that are not covered by that. Is the sustainable development duty being fulfilled by the planning system in Wales at the moment?

[173] **Ms Davies:** On the delivery of renewable energy, which is only part of the range of measures that we need to focus on, develop and move towards to deliver sustainable development, focusing on that and tracking progress to date, I would say that it is not. We are missing a significant opportunity here.

[174] **Leanne Wood:** Where is that being missed? Is it because local planning departments

are not prioritising this sustainability duty? It is that plus something else, or something else entirely?

[175] **Ms Davies:** In some ways, the message needs to be pushed out to the general public. We all need to change and live our lives differently and there are some tough decisions to be made. Renewable energy is one of them. We have a fantastic opportunity here to deliver clean energy and to embrace a new industry and get some jobs out of this. I am concerned that we will miss the boat. I can only comment from a renewable energy perspective as I have been out of the mainstream development world for seven years, but from what I see, there is a lot of good stuff in here. However, it needs a push to get it delivered in terms of additional resources for local authorities, trying to bring people on board to deliver this grid and to push National Grid to deal with the mid Wales transport issues with a big public awareness campaign. There are lots of things that we need to do to deliver this. We are looking for an additional 800 MW by the end of 2010 but, at the moment, I think we have less than 200 MW, which is a shame. When this came out there was a lot of enthusiasm and the Welsh Assembly Government had taken a positive lead and put itself on the line. It is a shame that we have not been able to make more progress and deliver more.

[176] **Michael German:** I think that Tanya has answered some of the things that you were going to ask, Brynle, but you may want to bundle it up into a final question.

[177] **Brynle Williams:** What key changes to the planning system process would you like to see this committee recommend to the Minister? As the Chair pointed out last time with Eluned, this is your magic wand time to tell us what you think should be done and what recommendation should go forward.

[178] **Ms Davies:** The Welsh Assembly Government gave money to local authorities dealing with windfarm applications last year; that was an important step and needs to be maintained. Part of it is about resources. In light of the impending public sector cuts, planning needs to be ring-fenced and we need to ensure that already busy planning departments are not stretched to breaking point, because at the moment there does not seem to be any slack. As for the planning system as a whole, I think that more impetus and encouragement for statutory consultees to respond quickly would be helpful—but that is down to resources. It would also be helpful if the Welsh Assembly Government were able to monitor the progress made towards achieving the targets and the SSAs, and continued to engage with members and officers. Just keep plugging away, really. It is important that we deliver these targets and, as it is, we will be delivering them late. Better late than never, I suppose.

[179] **Michael German:** Thank you very much, Tanya, for your evidence, and thank you for being a witness for us this morning. You will be given a copy of the Record and you may correct any inaccuracies, but you cannot add or subtract from what you said this morning. I thank you for your evidence and for coming here this morning.

[180] Just for the record, I will say that the next meeting of the Sustainability Committee will be on 30 June, when we will be continuing our inquiry into planning.

[181] **Rhodri Glyn Thomas:** Just before we close, Chair, I believe that this is your last meeting before you take up your new role in the House of Lords.

[182] **Michael German:** No, do not worry. I will be here next week. I will make sure that I say goodbye then.

10.36 a.m.

Cynnig Trefniadol
Procedural Motion

[183] **Michael German:** I move that

in accordance with Standing Order No. 10.37, the committee excludes the public from the remainder of the meeting.

[184] Are Members in agreement? I see that you are.

Daeth rhan gyhoeddus y cyfarfod i ben am 10.37 a.m.
The public part of the meeting ended at 10.37 a.m.