



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

Y Pwyllgor Cyllid **The Finance Committee**

Dydd Mercher, 26 Tachwedd 2014
Wednesday, 26 November 2014

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Motion under Standing Order 17.42 to Resolve to Exclude the Public

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol **Committee members in attendance**

Peter Black

Democratiaid Rhyddfrydol Cymru
Welsh Liberal Democrats

Christine Chapman	Llafur Labour
Jocelyn Davies	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Mike Hedges	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Ann Jones	Llafur Labour
Julie Morgan	Llafur Labour
Nick Ramsay	Ceidwadwyr Cymreig Welsh Conservatives

**Eraill yn bresennol
Others in attendance**

Gemma Christian	Rheolwr Cynllunio, Llywodraeth Cymru Planning Manager, Welsh Government
Neil Hemington	Prif Gynllunydd, Llywodraeth Cymru Chief Planner, Welsh Government
Carl Sargeant	Aelod Cynulliad, Llafur (y Gweinidog Cyfoeth Naturiol) Assembly Member, Labour (the Minister for Natural Resources)
Dion Thomas	Uwch Reolwr y Bil Cynllunio, Llywodraeth Cymru Senior Planning Bill Manager, Welsh Government

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

Leanne Hatcher	Dirprwy Glerc Deputy Clerk
Joanest Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Helen Jones	Gwasanaeth Ymchwil Research Service
Meriel Singleton	Clerc Clerk

*Dechreuodd rhan gyhoeddus y cyfarfod am 09:00.
The public part of the meeting began at 09:00.*

**Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Jocelyn Davies:** Welcome, everyone, to a meeting of the Finance Committee. I have received no apologies, and I understand that Chris Chapman will be joining us shortly. May you just check that your electronic devices are on silent? That would be very helpful.

**Papurau i'w Nodi
Papers to Note**

[2] **Jocelyn Davies:** Before we move to our first substantive item, we have a paper to

note. Is everybody happy with that? Yes. Okay.

09:01

**Y Bil Cynllunio (Cymru): Goblygiadau Ariannol y Bil
Planning (Wales) Bill: Financial Implications of the Bill**

[3] **Jocelyn Davies:** Our first substantive item this morning is our scrutiny of the Planning (Wales) Bill and the financial implications of the Bill. Minister, for the record, would you like to introduce yourself and your officials?

[4] **The Minister for Natural Resources (Carl Sargeant):** Good morning, Chair, and good morning, committee. I am Carl Sargeant, Minister for Natural Resources. I will ask my team to give their names and full titles, if I may.

[5] **Mr Hemington:** I am Neil Hemington. I am the chief planner.

[6] **Mr Thomas:** My name is Dion Thomas, and I am one of the leads on the Bill.

[7] **Ms Christian:** I am Gemma Christian, and I am on the planning Bill team.

[8] **Jocelyn Davies:** Thank you. Did you have any opening remarks, or is it okay with you if we go straight into questions?

[9] **Carl Sargeant:** Carry on with your questions, Chair.

[10] **Jocelyn Davies:** Okay. Would you just like to put on the record the main aims of the legislation?

[11] **Carl Sargeant:** The Bill is designed to be—and these are two words that we have used in terms of planning—a framework Bill around ‘fairness’ and ‘enabling’. We have done a lot of work and consultation with the process to design a Bill that we believe will be fit for purpose for the future.

[12] **Jocelyn Davies:** Thanks very much. Could you explain, then, the process that you have followed in developing the regulatory impact assessment?

[13] **Carl Sargeant:** It is a standard system that we use in creating legislation. We look at the process and the framework of the Bill, and look and attribute the duties around that in terms of the RIA and the costings associated with that. It is just standard practice, Chair. There is nothing different in there.

[14] **Jocelyn Davies:** So, there is nothing different about this one at all. Okay. Could you perhaps tell us, then, who was consulted?

[15] **Carl Sargeant:** We have a raft of evidence to support the Bill process, and we worked alongside organisations such as the Welsh Local Government Association and the planning officers’ association across Wales in the process of coming to the conclusion in terms of our RIA assessments.

[16] **Jocelyn Davies:** Thanks, Minister. The explanatory memorandum says that it is not possible to produce one overall estimate of the financial implications of the legislation, so how confident are you that the costs and the benefits set out in the impact assessment are an accurate reflection of current and future costs, rather than historical costs?

[17] **Carl Sargeant:** Again, what I have noticed with this Bill particularly is that we have used a lot of data sources that are currently available with local planning authorities, looking at actual costs to date, and we have applied that through the processes. I think the problem that we have, and anyone would have, is around the secondary legislation element of this, because that is how the consultation process works. So, the actual costs will be determined on the return of the consultation responses. Not pre-empting public consultation is important, I believe.

[18] **Jocelyn Davies:** Okay. Now, the costs of the LPAs are based on a small, varied example of local authorities, and they all operate different service delivery models, with different associated costs. So, did you attempt to get a larger number of responses from LPAs in order to estimate the costs?

[19] **Carl Sargeant:** Of course.

[20] **Jocelyn Davies:** Was it eight out of the twenty—?

[21] **Carl Sargeant:** It was about a third, yes. I think eight is the number. What we have done, Chair, is contact the WLGA and all planning authorities—there are 25 in Wales—around this process. There are different data from different organisations, as you quite rightly say. They are a varied bunch. However, we believe that the cohort of evidence that we have has provided a robust base of evidence, and we have just projected that up, in terms of the numbers associated with that.

[22] **Jocelyn Davies:** So, you consulted them all. Did they all respond, or was it just that you used eight because eight responded? Could you explain that, Mr Hemington?

[23] **Mr Hemington:** We certainly consulted them all. We have worked with all of them through the Planning Officers Society as well. The sample that we have is not large, but it is a representative sample, as there is a range of rural authorities, national park authorities and large urban authorities. So, we felt that we had confidence in that sample. It is always nice to have a large sample and, believe me, we try to work with them, but we have worked with the data that we have.

[24] **Jocelyn Davies:** So, they did not respond. Not all of them responded. Did they not respond at all, or not in enough detail for you to use the figures, or what? Obviously, you asked all of them for the information, so why—

[25] **Mr Thomas:** I think that, in some instances, the information was not there, and where that information was not forthcoming, what we did was base it on assumptions. We had created the assumptions, and then we took them back to the WLGA or Planning Officers Society Wales to get them clarified or tested.

[26] **Jocelyn Davies:** This was not information that they would normally or routinely collect.

[27] **Carl Sargeant:** I am sorry, Chair. I think that part of the problem is—and that is why we are addressing it in the Bill—to do with consistency. There are 25 different planning authorities, and they operate very differently, measuring different things. What we have tried to do is establish data that are useful for establishing the RIA with as many inputs as possible. So, we have asked for the data, and where they have been available, they have been supplied, but we have confirmed that by going back to the WLGA and the chief planning officers to make sure that the data are robust.

[28] **Jocelyn Davies:** You feel that the bundle of eight that you have got is fairly representative of all the different types—some small, some large, some rural and some urban—so it is a fair spread, anyway, and you do not think that the others, which are left out, are going to be radically different from the costs associated here.

[29] **Carl Sargeant:** Absolutely, that is correct.

[30] **Jocelyn Davies:** Okay, well, the Royal Town Planning Institute has challenged the evidence base, as you know, for the estimated £3 billion a year costs to the UK economy arising from delays caused by the planning system. So, do you think it is appropriate to use these UK-level costs? Well, you must think that it is appropriate, Minister, because you have used them.

[31] **Carl Sargeant:** ‘Yes’ is the answer, then, Chair. Let me, if I may—

[32] **Jocelyn Davies:** Could you justify to us why you have used them.

[33] **Carl Sargeant:** Yes, of course. I think that what we have done, again, is look at data to hand and what is available out there. There are two evidence bases: the £700 million figure was based on the Killian Pretty review on planning applications in November 2008, and then the ‘Housing Supply and Planning Controls’ of 2010, which was done by the UK Government Departments for Communities and Local Government. Whatever those numbers are, I think what we can all agree on is that, with a delay in the process, there is a cost associated with it. The RTPI may have a different view on the actual number, but the reality is that it is a significant number, and we have no reason to dispute the data that were available to us, both of which were in terms of the associated projects that took place to give us some evidence around that, but the RTPI may have.

[34] **Jocelyn Davies:** Mike, did you want to come in on this point?

[35] **Mike Hedges:** In my experience of planning, the major causes of delays, especially on major projects, are the need for environmental impact assessments, the need for traffic impact assessments, and insufficient detail being provided by the applicant. I take it that this Bill does not remove the need for the environmental or traffic impact assessments, and that the detail will still be necessary, so I am not convinced that those three, which in my experience are the three major causes of delay, will not still be in the system.

[36] **Carl Sargeant:** I am grateful for the Member’s intervention.

[37] **Jocelyn Davies:** You are quite right, as it was not a question. [*Laughter.*]

[38] **Carl Sargeant:** The principle of the Bill, as the Member is aware, is that it is a framework Bill. The policy still remains on the outside of that, in the technical advice notes and ‘Planning Policy Wales’, and that will still include the issues that the Member raised. What I believe the question and the questioning from the RTPI are about is the fact that a delay in the system has a consequence. The assessment that we have made is that that is £3 billion, but, as I said earlier, while RTPI may want to question that figure, I believe that what we would both agree on is that a delay in the system has a consequence or a cost.

[39] **Jocelyn Davies:** It is a significant one.

[40] **Carl Sargeant:** Indeed.

[41] **Jocelyn Davies:** Julie, did you want to come in on that?

[42] **Julie Morgan:** Yes. I accept that delay must have a cost, because that is obvious, but a lot of the delay that I see probably could be addressed by much greater communication between the developer and the local community, and a great deal of work done before anything formal actually happens. I do not know whether you would agree with that.

[43] **Carl Sargeant:** Absolutely, and that is part of the Bill process. We have a pre-consultation application process built into the framework of the Bill, which is, again, engaging communities prior to the application coming in, so engaging planning authorities prior to the application coming in. There is a cost saving in doing that as well, because developers and the customer, being the communities, can fully understand what an application may or may not look like, and therefore can make a determination prior to an application going in. It is quite costly when you start to incur costs after submitting the application, so we are legislating around that.

[44] **Mr Hemington:** I will just make a quick point, which links to the previous question, as well. One of the key principles behind this Bill is about frontloading the development management process. It is about sorting out the environmental impact assessment, the transport assessment and the community consultation before you enter the formal planning application process. So, that is the way in which we are using the Bill to move away from those delays. It is about getting the information upfront in the public domain and consulted on prior to submitting a formal planning application.

[45] **Peter Black:** Of this £3 billion cost, how much will this Bill avoid?

[46] **Mr Hemington:** The £3 billion figure is across the UK.

[47] **Peter Black:** I understand that. In terms of the cost in Wales, will this Bill avoid any of that cost at all?

[48] **Carl Sargeant:** We believe so, but we do not have any numbers. Just on the basis that if you share our view that there is a cost involved in delay, then by reducing the delay, you can equate from that that there will be a cost saving on the back of that.

[49] **Peter Black:** In terms of avoiding that delay, how much will be avoided? I think it is eight weeks, is it, for a standard planning application? Some of these big applications can take six months to a year. Are we talking about halving that, reducing it by a third, or what sort of reduction in timescale?

[50] **Carl Sargeant:** What we are seeking is a professional, sustainable service and that is part of the whole ethos of the Bill. We currently have 25 planning authorities that operate very differently. We have evidence to support that in the data. When I first came into post, Chair, I asked about performance-related activity around planning authorities, and we have an Excel spreadsheet, which we are more than happy to share with you—it is in the public domain—showing different performance levels. One is on delay and one is about activity on pre-consultation. There is a very different way of operating across the whole of Wales, and we are saying that consistency will lead to a much more efficient service.

[51] **Jocelyn Davies:** Okay. Ffred, did you want to come in on this point?

[52] **Alun Ffred Jones:** Ie, hoffwn ofyn cwestiwn. Rydych chi'n credu y bydd y drefn newydd yn arbed arian drwy ei wneud yn fwy effeithiol ac yn gyflymach. Bydd mwy o bwyslais, felly, ar yr Arolygiaeth Gynllunio i ddelio â chynlluniau mawr, ac rydych chi'n **Alun Ffred Jones:** Yes, I would like to ask a question. You think that the new system will save money by making it more effective and quicker. There will be more emphasis, therefore, on the Planning Inspectorate to deal with large developments, and you think

credu y bydd hynny hefyd yn arbed arian. Fodd bynnag, unwaith mae unrhyw gais cynllunio yn mynd i mewn i'r Arolygiaeth Gynllunio, nid oes dim gwybodaeth na rheidrwydd iddi ddelio â chais o fewn unrhyw amser, felly sut ydych chi'n hyderus y bydd arbedion arian yn y fan honno?

that that will also save money. However, once any planning application is submitted to the Planning Inspectorate, there is no information or any requirement for it to deal with the application within any timescale, so how are you confident that there will be monetary savings there?

[53] **Carl Sargeant:** Thank you for the question. I know that the Member is aware of the profile of the policy objectives of the Bill. There will be elements of the application that will be defined within the Bill's structure, which would come to PINS, the Planning Inspectorate, or would come directly to Ministers for determination. We know that there are many applications that are currently made, Chair, for which you and I could probably write that there will be a call-in request for them. Generally, what happens is that they are delayed at the local authority either for non-determination or because they are actually just too complex, and then they end up in PINS or with the Minister.

[54] **Jocelyn Davies:** That is something that you say would have been inevitable anyway; it was obvious from the outset that that would happen.

[55] **Carl Sargeant:** Absolutely. There are many applications that we could pinpoint in the very early stages that its destiny will be for somebody else to make that determination. We are saying that, within the Bill's structure, what we can do early on is identify for the applicant and for the community that the application will be dealt with by this organisation—whether by the local authority, the Welsh Government or PINS. Generally, we believe that that takes the average six to eight-month delay out of an application. Obviously, that delay equals financial consequences and, therefore, we are removing that and that is why we are saying that the determination will be made by this organisation, and then everybody will understand that upfront. I have met with PINS, and I am confident that my department can meet the objectives for the delivery of planning applications. It is not acceptable for us either to delay applications when we are saying that they have possibly been delayed by local authorities. That is why we are confident that we can deal with the applications that are submitted to us.

09:15

[56] **Jocelyn Davies:** Ffred, did you want to come back in?

[57] **Alun Ffred Jones:** Mae gennyf jest un cwestiwn bach. Faint o geisiadau, felly, a ydych yn credu y bydd yn mynd yn uniongyrchol o dan y drefn newydd i PINS?

Alun Ffred Jones: I have just one more question. How many applications, therefore, do you think will go directly under the new system to PINS?

[58] **Carl Sargeant:** I will ask my team to respond to that, but I think that we currently have about 25,000 applications across Wales per year in terms of just standard planning applications. I deal with around a dozen—a dozen. That puts that into perspective. I do not really see that we will be seeking to deal with much higher numbers than that, as Minister. However, we have a process currently under way for consultation, and we are looking at how we will define the strategic development that would be moved from local authority planning decisions to PINS or to Welsh Ministers.

[59] **Jocelyn Davies:** Mr Hemington, did you want to comment? The Minister said that you would add something to that.

[60] **Mr Hemington:** Yes, certainly. The work that we did with Arup, looking at the

potential for these types of applications, identified something in the region of four or five applications a year. So, it is not a massive number, and, as the Minister has said, these ones will probably come across his desk already through the existing process. So, it is about trying to ensure that that process is as quick and as efficient as possible.

[61] **Jocelyn Davies:** Peter, shall we come to your questions?

[62] **Peter Black:** Yes. Moving on to developments of national significance, the cost of these planning applications is derived from the Arup report of 2014. As it has reported missing responses from three local planning authorities, including Cardiff and Wrexham, how confident are you of the estimated cost of DNS applications in the regulatory impact assessment?

[63] **Carl Sargeant:** Again, we are confident of the numbers that we have supplied, Chair. There is no reason why we believe—. Three out of 25 is minimal in terms of the responses.

[64] **Jocelyn Davies:** I think that the Member was making the point that Cardiff and Wrexham—. Sorry—.

[65] **Peter Black:** Yes, I was just going to say that Cardiff is the largest local authority in Wales. Have you done any analysis of where these applications tend to come from? Is it mostly from outside of Cardiff and Wrexham, or do they tend to have more than most?

[66] **Carl Sargeant:** No, I think that there are some commercial aspects of Wrexham and Cardiff that possibly could come under the determination of national significance in terms of development processes, but we do not believe that the figures that we provided are that distorted by the absence of them from that process.

[67] **Jocelyn Davies:** So, these are of national significance. Would these be something like the Circuit of Wales? Is it that type of thing that we are talking about? Would it be obvious to the average person that something is of national significance?

[68] **Carl Sargeant:** I think these are major developments, such as large industrial estates or power plants, et cetera, of significant size, but, again, I do not want to make presumptions as to what they should be until we have finalised that through a consultation process.

[69] **Peter Black:** So, possibly the incinerator in Cardiff bay, for example.

[70] **Carl Sargeant:** I would not have thought so.

[71] **Peter Black:** No. Okay.

[72] **Mr Hemington:** Just to clarify what we did with the study in the Arup report, the Arup report, essentially, looked at the process followed in England for developments of national significance, where, in England, those will have been consented through the Secretary of State. However, because of devolution in Wales, they are consented through local planning authorities. We also looked, in particular, at energy applications in the category of 25 MW to 50 MW. So, we have a high degree of confidence around the infrastructure elements of that because of the spread of authorities that we have, and because of where we know that some of these schemes have come up. We extended that to look also at the proposals in England at the time to extend that to certain business and commercial categories of development. We have slightly less confidence in that because, as you have mentioned, Cardiff and Wrexham did not respond to the consultation. However, if you like, the primary focus is around the energy and infrastructure and we have confidence in those data.

[73] **Mr Thomas:** Just to add to that, we did outline in 'Positive Planning' the types of DNS applications that are currently being considered.

[74] **Peter Black:** Okay. That is fine. Moving to my next question, then, when you wrote to this committee, Minister, saying that the costs of the developments of national significance connected applications had not yet been estimated, will there be a regulatory impact assessment to accompany the secondary legislation that will estimate the amount that the Welsh Government will take in fees from DNS connected applications in the first five years of the Bill?

[75] **Carl Sargeant:** Yes, there will.

[76] **Peter Black:** Excellent. The 2015-16 budget allocation for planning shows a 5.7% fall. How confident are you that the Welsh Government has the resources to handle direct applications?

[77] **Carl Sargeant:** The issue with direct applications is slightly different from the normal procedure that would take place under call-in. There is a fee attached to that. Therefore, we believe the fee attachment and the processes, as outlined, with regard to my department becoming more adept at dealing with applications and PINS, mean that we are confident that we can deal with the financial issues around the budget as we should be able to by better planning.

[78] **Peter Black:** So, will you be levying the fees at actual cost?

[79] **Carl Sargeant:** The fee consultation is currently out.

[80] **Peter Black:** Okay, and will you need to recruit additional staff with the skills to handle these applications?

[81] **Carl Sargeant:** We think that we can deal with the applications. I spoke again with PINS. What we are trying to do, again across the whole of Wales, is have a resilient service. This is about sharing expertise. Currently, we have 25 chief planners, or there or thereabouts, and a selection of staff with various different skills. Actually, what we are saying is that we should have a system in Wales where we can share expertise rather than going to consultants all the time. So, where some areas deal with applications such as windfarms very well because they have a lot of experience around that, why not share that experience with another authority that perhaps does not have that process in place? We are confident that we can deal with the applications and the knowledge based around that.

[82] **Peter Black:** I would like to make the observation that, on some of these DNS applications, you most probably will need to use consultants because of the specialist nature of them.

[83] **Carl Sargeant:** Of course.

[84] **Peter Black:** Are you saying, therefore, that you will be seconding staff from local planning authorities to help you meet demand?

[85] **Carl Sargeant:** That is not unreasonable.

[86] **Peter Black:** Right, okay. Thank you.

[87] **Jocelyn Davies:** What is 'PINS', Minister? Some people who are watching us today might not be au fait with these terms. What is 'PINS'?

[88] **Carl Sargeant:** Sorry, the Planning Inspectorate for England and Wales.

[89] **Jocelyn Davies:** Ah, right. Okay, lovely. Thank you. Ann, shall we come to your questions?

[90] **Ann Jones:** Thanks, Chair. The regulatory impact assessment states that it is not possible to accurately estimate how developers will react—and I think I can agree with that—to LPAs that are designated as poor performing, and therefore you came up with a figure of 50% of planning applications for major development that you think will be made to Welsh Ministers. How did you arrive at that figure?

[91] **Carl Sargeant:** This is a bit of unknown, this, if we are being honest with you, Chair. The process of this has been—. We do not know how many planning authorities may or may not fail. We are hoping that none will fail, but when, and if, they do, this is the process we have followed, saying that if an authority is deemed as wanting there is the option of the applicant going direct to a Minister. It is an option. So it is not the case that they have to; it is a choice. We are suggesting that it is a 50:50 choice here. It is no more scientific than that. The fact is that we have worked on the principle that this could be the level. It could be a lot less; it could be more. However, we have got a general approach to—. The risk is minimal, because we do not believe that will happen on a regular basis. In fact, I am hoping that it will not happen at all.

[92] **Ann Jones:** Okay.

[93] **Jocelyn Davies:** So, Minister, there are two choices, so it is 50:50. Do you not consider that one of those might be a better choice so more people will choose it—

[94] **Carl Sargeant:** No—

[95] **Jocelyn Davies:** —rather than that there are two options, so—.

[96] **Carl Sargeant:** There is a case to argue on both sides, actually. Some developers might suggest that referring it straight through to the Minister might compromise their relationship with the local planning authority in future. My view is that a local planning authority that moves into special measures—. It would not be my intention for it to be there at all times. I would want it to improve; either it improves or it stops doing the planning function, full stop. Therefore, I think it is about relationship management. Going on the data we currently have on the performance of local authorities, there are clearly some that could be better; there are some that I hope will be more consistent in terms of the way they operate across Wales, and that is part of the framework; but there are none currently in that special support requirement. So, these are preventative data we are using, we believe.

[97] **Jocelyn Davies:** If a planning authority is designated as poor performing, is there a chance that there would be, I do not know, a significant increase in judicial reviews, for example?

[98] **Carl Sargeant:** That is a possibility in terms of the judgments—or referrals to the Planning Inspectorate or for call-in. We do monitor that. As I said, we looked at all planning authorities and their performance rates, and there are some that are better than others, but none currently what we would call 'high risk' and in need of this intervention.

[99] **Mr Hemington:** Just to add to that, this is very much the backstop in the performance process. Outside the Bill, we have proposals to establish a planning advisory and improvement service. So, the first step, when we look at the performance framework that we

set up, is to identify those authorities that are in danger of failing and then support them through that process. So, our full intention behind this is to ensure that we do not get to the stage where we ever need to use this. We want to be in a position where we can help authorities to improve, but the strong message that came from the work that we did with the independent advisory group is that there did need to be something at the back of the process to ensure that that performance takes place. When you look at evidence elsewhere where this approach has been taken, what has tended to happen is that you see an initial list of failing authorities published, but, by the time that list is confirmed, there has been considerable improvement and they are then not designated as such. So, it is a backstop tool to help to drive improved performance.

[100] **Mike Hedges:** How do you judge the performance of the Planning Inspectorate? I have had a number of cases where it has overruled local decisions that have been to the detriment of the community. One case was absolutely bizarre: it allowed three houses to be built where one house had been, and the three houses have never been sold.

[101] **Carl Sargeant:** We have a report on an annual basis on the performance of PINS. I would dispute the fact that it acts inappropriately, compared to any local planning authority. I believe that it takes a proper, professional approach to decision making—

[102] **Jocelyn Davies:** I think that the question, Minister, is how you are measuring that performance, rather than just—. I think that the example given by the Member was it overruled the local authority and these houses remain unsold. So, the free market has told you that it was a poor decision, even if it was considered to be a good planning decision.

[103] **Carl Sargeant:** Indeed, and my response would be that it is determined on planning guidance as opposed to political will, or otherwise. I accept that that will not always be the will of the community. As Minister for planning, I have had both sides of this, as I am sure have elected Members, too, where we can generally please half in relation to an application. What I would say is that, in terms of the performance indicators that we have for the Planning Inspectorate, those are available. We receive them on an annual basis and they are, again, pretty much based on the same principle as local planning authorities—how quickly it has dealt with an application and how that was proposed. I am more than happy to share that with the committee if that is helpful.

[104] **Jocelyn Davies:** Would that be useful, Mike?

[105] **Mike Hedges:** It would be useful. Planning involves lots of things that are very much subjective, such as over-intensification of a development. Both the local authority and the free market thought that putting three houses where one house used to be was over-intensification, but this was not the view of the Planning Inspectorate, and the three houses, as I said, have remained unsold since. So, it just comes down to a situation where I am not sure how you can say that it was right or wrong in that sense. One person's over-intensification is another person's good use of land.

[106] **Mr Hemington:** Just very quickly on that point, when PINS is looking at a planning decision, the starting point that it takes is the local authority's own local development plan. It then looks at national planning policy and other material considerations. So, it takes those into account. Elsewhere in the Bill—and this is sometimes what happens—we have proposals under the appeal system, where the appeal, when it goes forward, will be assessed on the same basis as the application submitted to the planning authority. At the moment, when an appeal comes in, it can change through the appeal process, which does lead to communities being disenfranchised a little bit. You might find that it was a scheme for two houses but then went into the appeal process and changed to three as part of the appeal process—and the inspectorate found that to be acceptable. So, there are a number of measures in the Bill

elsewhere that will seek to address some of those concerns. However, as I said, the starting point for all PINS decisions, as all planning decisions, is the local authority's own local development plan.

[107] **Jocelyn Davies:** And you are satisfied that the performance of the inspectorate is—

[108] **Carl Sargeant:** I received this year's data only in the last week or so, and they are better than I thought they would be.

[109] **Jocelyn Davies:** Thank you. Ann, shall we come back to your questions?

[110] **Ann Jones:** Yes. On the national development framework, did you attempt to estimate the costs to the National Assembly for Wales of scrutinising the national development framework?

09:30

[111] **Carl Sargeant:** We did not, Chair, and the reason we did not was because it was a bit of a like-for-like process. Currently, the Assembly scrutinises the spatial plan, but this will replace the spatial plan, so it is a bit of a like-for-like exercise.

[112] **Jocelyn Davies:** You mentioned the technical advice notes earlier. In this legislation, will they have more significance?

[113] **Carl Sargeant:** They will have the same significance.

[114] **Jocelyn Davies:** The same significance. Ffred, shall we come to your questions?

[115] **Alun Ffred Jones:** Mae'r Bil yn awgrymu sefydlu cynlluniau datblygu strategol mewn rhai ardaloedd, ac mae gennyhych amcangyfrifon sydd yn dangos y bydd arbedion o gael cynllun datblygu strategol a chynlluniau lleol 'llai manwl'—dyna'r disgrifiad. Sut ydych chi wedi amcangyfrif yr arbedion hyn?

Alun Ffred Jones: The Bill suggests establishing strategic development plans in some areas, and you have an estimate that shows that there will be savings of having an SDP and 'light touch' LDPs—that is the description. How have you estimated these savings?

[116] **Carl Sargeant:** Thank you for your question. The process of the SDP will be, again, a local determination of local authorities coming together to establish an SDP. Once that is established—

[117] **Jocelyn Davies:** That is on a strategic level, is it?

[118] **Carl Sargeant:** Yes, a strategic development plan. That will be based on the authorities that already have local development plans in place. Then they will move forward, when the refresh comes for a local development plan of any local authority, to do the light-touch approach. That is what we mean when we talk about the light touch approach. Because of the strategic development plan when they are operating together, they will have done a housing needs assessment on top of that, which is the heavy bit in terms of planning. By doing a light-touch local development plan underneath that, there will be cost savings. We estimate that to be around a third of the activity of an LDP, of the housing element of that. That is where we think that the savings will come from. That is where we have estimated that the savings will come from.

[119] **Alun Ffred Jones:** A yw'r ffigurau **Alun Ffred Jones:** Are these figures based

hyn yn seiliedig ar dystiolaeth gadarn yn on any robust evidence from anywhere?
rhywle?

[120] **Carl Sargeant:** Current LDP processes and the finance attributed to those.

[121] **Alun Ffred Jones:** Rydych yn sôn Alun Ffred Jones: You mentioned that there
efallai y bydd costau cychwynnol i sefydlu may be initial costs to establishing the SDPs
cynlluniau datblygu strategol o £120,000 i of £120,000 for each one. How do you
bob un. Sut ydych chi'n rhagweld y bydd yr foresee that this money will be used?
arian hwn yn cael ei ddefnyddio?

[122] **Carl Sargeant:** It is for the setting up of the organisation—the staffing, IT, telephone
costs and the general issue of starting the organisation—and from that the local authorities
will be able to manage the organisation as an SDP, as local planning authorities do in their
current form in dealing with financing local development plans.

[123] **Jocelyn Davies:** Nick, did you want to come in on this point before we go back to
Ffred?

[124] **Nick Ramsay:** Yes, please, Chair. I am intrigued—forgive my ignorance on this one,
Minister—by ‘light touch’. What does that mean exactly? How light a touch are you
proposing?

[125] **Carl Sargeant:** I explained it badly, clearly. On the issue of several elements of local
development plans that are created, one of the heavy elements of the LDP process is around
housing numbers. When we move up to a strategic development plan, we are talking about
several local authorities working together to understand their needs and offsetting needs
across the region. That will not need to be done on a very localised basis—it will be done on a
regional basis instead. Therefore, the LDP process will be a lighter touch event, so you will
not need to do as much in-depth work.

[126] **Jocelyn Davies:** So, there will not be a repetition of work that has already been done,
or a redoing of work that has already been done, on estimating how many houses are needed
for population projections, and so on.

[127] **Carl Sargeant:** Absolutely, and it will be based on a regional level, which actually
makes more sense, because local planning authorities and local communities currently
suggest that they are bound by boundaries in terms of their determination as to where people
work. Actually, the city region principle and the SDP region principle will be about sharing
travel-to-work areas et cetera, and consideration on a much more regional basis as to where
housing is required. Therefore, it will possibly displace some of the duty locally to another
local authority, if that is applicable, reasonable and agreed.

[128] **Jocelyn Davies:** Peter, was it on this point, before we go back to Ffred?

[129] **Peter Black:** Yes. What are the boundaries of these regions going to be?

[130] **Carl Sargeant:** That is a matter for the SDPs to consider for themselves.

[131] **Peter Black:** Will it be different to the regions that have already been stipulated that
local authorities have to work to at the moment?

[132] **Carl Sargeant:** It could be, and I have always said that the issue around planning
should not be based upon political boundaries. We know that, operationally, people in—
South-east Wales is a great example, where a lot of the Valleys communities’ work travel

programme is into Cardiff or to the city region. Therefore, it should not be bound by political boundaries. Planning is about planning for the future.

[133] **Jocelyn Davies:** So, this is the activity that people undertake and they are not all that bothered where the boundary is.

[134] **Carl Sargeant:** Absolutely.

[135] **Jocelyn Davies:** So, you might find that a lot of people live here, but work there, and this is their travel-to-work area.

[136] **Carl Sargeant:** That is a really important point, Chair. The issue for me has been—and that is part of the Bill process—that we are saying that having a resilient planning service and understanding how that operates across Wales is directly linked to the economy of the planning system. We are saying that there should be flexibility in there and the red herring presented by the Williams commission about what the boundaries around local authorities should be in the future has no bearing at all in terms of the planning function. Planning should be built upon, as I said, the economic and travel-to-work areas of an individual. Therefore, it could be different to what Williams or Andrews may suggest.

[137] **Jocelyn Davies:** Yes, because it is what people actually do. However, that could change if, say, a railway line goes in.

[138] **Carl Sargeant:** Indeed.

[139] **Jocelyn Davies:** That can change then immediately; that people then decide that they could live there and work there just because there is a transport connection that changes that. Ffred, shall we go back to your questions?

[140] **Alun Ffred Jones:** Jest o ran y costau, pwy fydd yn penderfynu y bydd yna gynllun datblygu strategol yn digwydd mewn unrhyw ardal? Penderfyniad pwy ydy hynny: penderfyniad y Llywodraeth neu benderfyniad y cynghorau lleol? **Alun Ffred Jones:** Just in terms of the costs, who will decide that an SDP will happen in a certain area? Whose decision will that be? Will it be the Government's decision or the decision of local authorities?

[141] **Carl Sargeant:** Ultimately, the condition of it being set up will be a ministerial decision. The decision to form will be based upon local planning authorities wishing to come together on a regional basis, but it will have to be confirmed by the Minister.

[142] **Jocelyn Davies:** Minister, there is obviously the likelihood that some of this travel-to-work area is going to be outside of Wales.

[143] **Carl Sargeant:** Indeed.

[144] **Jocelyn Davies:** Some people live in Newport and they work in Bristol.

[145] **Carl Sargeant:** Indeed. Unfortunately, I do not have legislative competence in Bristol.

[146] **Jocelyn Davies:** Yes, but this cannot take that into consideration.

[147] **Carl Sargeant:** What it can do is understand travel patterns. I think that part of the SDP is part of travel routes, infrastructure et cetera, so it is building on, effectively, what—. A lot of consideration has already been given around city regions, and we are saying that SDPs

will not be right for everywhere, but within the Bill structure, there will be the ability to be flexible enough to futureproof whatever regions come along and however things operate. As you indicated about travel and new railway lines, they can be considered and have the flexibility in the SDP process.

[148] **Jocelyn Davies:** Okay. Mike is next, and then we will come back to you, Ffred, or have you finished?

[149] **Alun Ffred Jones:** Yes.

[150] **Mike Hedges:** I was just looking at Swansea, which I know relatively well. If you set it up to cover the travel-to-work area, you would take in eastern Carmarthenshire, but not western Carmarthenshire, and you would take in the bottom part of Powys around Ystradgynlais and Abercrave, but you would not take in any other part of Powys. So, you are cutting substantially across what are effectively going to continue to be local authorities of some description covering the whole of Carmarthenshire and the whole of Powys. Do you see the SDP cutting across council boundaries in the way that naturally matches travel to work?

[151] **Carl Sargeant:** Yes, we do. That is the principle. Within the Bill, to create an SDP, there must be one whole local authority and then that can take in part of another. That is the stipulation of how the development would be for the very reason that the Member articulates.

[152] **Jocelyn Davies:** Okay. Julie, shall we come to your questions?

[153] **Julie Morgan:** I just find it slightly confusing with all the other changes that are happening with the city region and the Williams commission. I think that it is rather difficult to find a way through.

[154] **Alun Ffred Jones:** Williams is a red herring. [*Laughter.*]

[155] **Carl Sargeant:** In planning, Chair. [*Laughter.*]

[156] **Jocelyn Davies:** We are supposed to be looking at the financial aspects. You can see that this committee is very interested in the—

[157] **Julie Morgan:** There will be financial implications to Williams in any case, even though you say that it does not, you know—. It will affect the ability of the local authorities to make LDPs or strategic plans. So, what thoughts have you got about that?

[158] **Carl Sargeant:** Okay, let me clarify what I said earlier, Chair. I think that it is important. On what I said about Williams being a red herring, I mean that Williams is a red herring in terms of planning.

[159] On the issue regarding planning services, we have done an assessment about where we are and we have seen very clearly staff being taken away from local planning authorities because of the financial constraints that they are under. Usually, it is a bit of a cinderella service—if there is no income coming from development, the planning service starts to falter. We are seeing that happen. I have said to planning teams across Wales—and I have met around 200 or 300 planners across Wales; we have been all around talking to individuals—that we need to create a resilient service and the only way in which we can do that is through collective responsibility and by working together to get a better outcome, and that is the principle of this. That is why I say that, regardless of Williams, if we do not move to a different system in planning—. Twenty-five planning authorities for Wales are far too many for the size of this country. We need to streamline the process, get consistency, enabling fairness of application and say that we can save money if we do things differently together.

That is why the political boundaries for me are less important in terms of planning. What I do know is that if we do not get the planning system right, we will have a faltering economy because they are absolutely linked together. That is why I think that there are cost savings to be had by doing planning differently, despite what the local government boundaries may or may not be, and that includes national parks too.

[160] **Jocelyn Davies:** Okay. On the number of members, Julie, do you want to come back on this, because I know that Peter and Chris want to come in on this?

[161] **Julie Morgan:** Not on this, I was going to go back to the LDP.

[162] **Jocelyn Davies:** Okay. Peter, was it on this point?

[163] **Peter Black:** Yes, in terms of this cost, you just mentioned national parks. Is it not a bit of an aberration that national parks will retain planning functions when you are streamlining the whole planning process anyway, and effectively having, in some areas, a duplicated process where two authorities have planning powers?

[164] **Carl Sargeant:** That is a view shared by some, but would not be shared by others. My view is that, whoever does the planning function, we have to remove the duplication. Therefore, whether that be national parks or local authorities, one of them has to do that, but it will not be both.

[165] **Jocelyn Davies:** Okay; Chris is next.

[166] **Christine Chapman:** Just following on from Julie's point, obviously we all want to see a better system and that is fair enough, whether it is local government reorganisation or planning et cetera, but there is always a hidden cost with change, is there not? With staff, this has always happened. There is still uncertainty and there is a problem there. I just wondered whether you had factored in any of the cost of uncertainty, staff morale, sickness levels and change. It is a complex picture. Would you be speaking to other Ministers on this, such as the Minister for Public Services, because there is a huge hidden cost sometimes to this, which can actually affect the smooth running of these systems in Wales?

[167] **Carl Sargeant:** You are absolutely right and that is why I am saying that the structure element of this is less important to me, but the resilience of service is important. As I said, I have been out to meet, I think, nearly all of the planning authorities across Wales. I have certainly held regional events with all areas. I have met lots of planners and lots of professionals and we have talked through this process of saying—. We have got great examples of this. In north Wales, we have got a shared service around minerals planning policy, so we have got advisers in one authority who give advice to the five authorities on minerals planning policy. They are not merged; they still have separate departments. We are saying, 'Share your expertise', and this is a formal way of doing this, but actually we have 25 of those functions operating at the moment. That is too many and we need streamline those.

[168] I think that you are right to identify that there are costs involved in this, but we are already running some pilots. My team is working with Flintshire and Wrexham; Anglesey and Gwynedd have had some conversations; and the planning departments of Pembrokeshire Coast National Park and Pembrokeshire are both talking about how they can co-ordinate their operations better. In all of those authorities—

09:45

[169] **Jocelyn Davies:** Minister, you are doing these pilots—will you be assessing the costs and the financial aspects of that as well? Will that be available to you?

[170] **Carl Sargeant:** Well, part of the issue is around understanding how they do business. At the moment, those six authorities, albeit that they are adjacent to each other, or, indeed, that the national park authority and local authority are working in the same area, all operate very different systems. We are saying, ‘What is it that needs to happen for the customer experience, wherever you are in Wales, to be that, if you submit an application, you will get treated the same?’ We have some planning authorities where every member of the planning committee is on the decision-making panel. Some have a much more focused approach to professional judgments on planning systems. There is no consistency, Chair—that is what we are saying. The change is moving people into a different space where you can get consistency and resilience of that service. I understand that change is difficult and we have to take people with us—absolutely—and that is why we have been out talking to the chief planning officers, planning authorities and planning professionals, saying, ‘Help us move to a different space of a professional planning service that we can be proud of in Wales.’

[171] **Jocelyn Davies:** So, the pilots that you are talking about—will they take on board Christine’s point about people going on sick, being made redundant, and so on? Will you be able to gather, or attempt to gather, that information? Also, Minister, the comment that I would make to you is that the public is the customer of the planning service, not just people who are putting in applications.

[172] **Carl Sargeant:** I have made that very clear in all my public statements. I believe that the focus should be about customers, and that is not just about people who make applications, it is about the people on the receiving end in communities.

[173] **Christine Chapman:** Further to that, Minister—obviously, chief planning officers would have various meetings with you, but that needs to filter down through the team and then out to customers. I think that is really important, because sometimes these things get lost in translation, and at the sharp end then, people may not be getting a good service. You know, people will understand that it is a good way forward, but sometimes there is a lot of damage done because of communication issues. I just wondered whether you had factored in any costs in terms of good communication, so that you are really taking people with you rather than just thinking that you may be.

[174] **Carl Sargeant:** I have two points, very quickly, Chair. I have been out and have spoken to those people at the front end. I have had meetings with whole departments, I have met with elected members across Wales. We have done an awful lot of personal engagement—myself and my team—we have also got the Planning Advisory Service going around Wales currently, talking with planning teams to say, ‘We want to listen to your ideas. What are the changes that need to take place to make your job easier to get better outcomes for Wales?’ So, we are absolutely listening and we are absolutely engaged in the process. The real difficulty, if we do not address this, and this is what really worries me with regard to the whole issue that you are concerned about, about people in the system and about employees coming under pressure, the reality is, if we do not change the system, given the amount of finance going into that because of delays in the system, non-application and challenges to the financial settlement, people will lose their jobs for the very wrong reason. Actually, what we are trying to do is to secure their positions by having a resilient service for the future. So, I do not think that we should shy away from change, because it makes a better service and actually protects jobs too.

[175] **Christine Chapman:** May I just make a point? I would not argue that we should shy away from change; I think that it is important, but, actually, it is very important to attempt to take people with you so that they can be as effective as possible. I think sometimes we have seen examples where there has been change for good reasons, but you have lost a lot of good people along the way. So, I think that that is a really important thing to consider.

[176] **Mr Hemington:** Very quickly, to go back to the evidence that we assembled for the Bill, a large part of the evidence identified culture change and bringing people with you as being actually more important than the legislation. It is about how we achieve that process, and it links back to how we have an enabling and positive planning system, so that people understand how they can make a difference and participate in that process. In terms of resilience and staff, we are very clear that, with the bulk of the staff engaged in the development management function, there are not efficiency savings to be had, even in bringing authorities together, because there is still the same amount of work to be done—you can only deal with so many applications as a development management officer. Where the benefits come is in actually making sure that you have those specialist skills and services behind you to support you. We have seen lots of authorities lose those specialist services—be it heritage/conservation officers, be it landscape officers—they are the ones who are most vulnerable in this process. So, by bringing authorities together it means, hopefully, we will be able to retain those specialist skills, which are essential for the planning process.

[177] **Jocelyn Davies:** Before I bring Mike in, on this idea that the planning system is there for the public as well, you must have dismissed the entire concept of giving third party rights of appeal. Do you think that would be too costly and cause more delays? You must have considered it.

[178] **Carl Sargeant:** The issue—. May I refer to Neil on that particular policy objective?

[179] **Mr Hemington:** On third party rights of appeal, we looked at that in quite some detail. The independent advisory group looked at it. I certainly sat around a table like this while they had discussions among lawyers, other interested parties and environmental groups on the concept of third party rights of appeal. The conclusion of the IAG, and it is a conclusion we agree with, is that, actually, third party rights of appeal are only necessary where you have a failing planning system. What we are seeking to do through the Bill is to ensure that we do not have a failing planning system, which means that third party rights of appeal processes are unnecessary.

[180] **Jocelyn Davies:** So, it was not through costs, it was a policy decision.

[181] **Mr Hemington:** It was a policy decision.

[182] **Jocelyn Davies:** Right, okay. Mike—oh, sorry, Julie, we were coming back to you and then we will go on to Mike.

[183] **Julie Morgan:** I just want to ask a question about the LDPs. Cardiff has had a long and torturous process; it was sent back with the previous administration and we are still going through the process now. I wonder how many other local authorities do not have an adopted LDP in Wales. If they are all going to have the light local development plan, what process will that involve for the local authority?

[184] **Carl Sargeant:** That is an important question. I would encourage Cardiff and all the other authorities that have not yet adopted their LDPs to do so with some vigour. I think that it is about 58% of local authorities that now have local development plans in place; that includes national parks authorities. We are saying that they are a fundamental part of the design of your community. The issue, as I said, with SDPs and a light-touch approach is that a light-touch approach for an LDP will only ever be enacted if there is a strategic development plan. Unless that is in place, Cardiff, or any other authority, will have to carry on with the LDP process and any updates associated with that after. All the local authorities involved in a strategic development plan, every one of them, must have completed their LDP in order for them to have a light-touch LDP apply to them and the others. So, it is not—. Going into a

strategic development plan with any local authority, they all must complete their LDP before any of them can complete the light-touch process. It is not an excuse not to do their LDP.

[185] **Julie Morgan:** So, if the strategic level is in place, will local authorities have to put in for LDPs and then light-touch LDPs?

[186] **Carl Sargeant:** No. There will be an LDP process, which they will have completed. To have a strategic development plan, every associated authority in that region will have a completed LDP, or will have had to complete a LDP, prior to a light-touch refresh of their LDP, wherever they are in that process. Let me give you a live example: if RCT, Cardiff and the Vale were a strategic region—it will be much bigger than that, I expect, but, as an example, I will use those three—and Cardiff and RCT had completed their LDPs and were part of the strategic development plan, they would not be allowed to move to the light-touch LDP until the Vale had completed its LDP to get to that process. We believe that we should have all the LDPs in place by 2018.

[187] **Jocelyn Davies:** You said 58%. So, how many is that? What is that? Is that 16?

[188] **Carl Sargeant:** It is 15 or 16. I can give you a list, if that is helpful.

[189] **Jocelyn Davies:** I find it strange that you give a percentage when there are just 25 of them, and—.

[190] **Mr Hemington:** We are probably going to see Carmarthen adopting its LDP imminently. Newport is not far behind. So, we are seeing a sort of rolling programme. I believe that Gwynedd and Anglesey are due to deposit their LDPs sometime in the new year. So, the momentum is building. We are in a much more advantageous position compared to our neighbours. We have more development plans in place and we see them as being essential for sustainable development and making decisions rooted in sustainable development, rather than making decisions on an individual basis. So, they are an essential building block.

[191] **Julie Morgan:** Obviously, this has financial implications for the local authorities.

[192] **Jocelyn Davies:** Yes, huge. It is a long process to go through, is it not? Also, there are financial implications for the Welsh Government, are there not, because you have to—? Nick, did you want to come in on this point?

[193] **Nick Ramsay:** Yes, I am just trying to get it clear in my mind. So, you cannot have an SDP without an LDP.

[194] **Carl Sargeant:** Organisations can move into the strategic development plan without an LDP as long as they are moving towards that, because the strategic development plan will be based on the numbers and assessments from the LDPs.

[195] **Jocelyn Davies:** They cannot do the light-touch aspect until they have that in place.

[196] **Carl Sargeant:** Absolutely.

[197] **Nick Ramsay:** They have to do all of the heavy stuff to get to the light touch.

[198] **Carl Sargeant:** Absolutely, yes, because that gives you the evidence base, does it not, to get there?

[199] **Jocelyn Davies:** That is your foundation for it. Okay. Julie, are you happy?

[200] **Julie Morgan:** Yes, but may I just say that Cardiff is moving towards it?

[201] **Carl Sargeant:** I know it is, and it is very welcome.

[202] **Jocelyn Davies:** We want to put it on the record that Cardiff is working hard to do that. We hope that it is not the one that will be lagging behind, then, and that there will be—. However, there will be financial implications to these things dragging on. It must be very expensive. Mike, shall we move on to your questions?

[203] **Mike Hedges:** On pre-application services and fees, will the fees be fixed or will they be variable depending on the cost, so that local authorities can fully recover their costs?

[204] **Carl Sargeant:** There is a consultation document out as we speak.

[205] **Jocelyn Davies:** When does that close?

[206] **Mr Hemington:** 16 January.

[207] **Carl Sargeant:** 16 January, Chair. [*Laughter.*]

[208] **Mike Hedges:** If you do come to the conclusion of fixed costs, what happens to any profit that local authorities make? Some authorities will make a profit from a pre-application service and some will make a loss on it. That is inevitable.

[209] **Carl Sargeant:** The Member again makes a very valid point, but it would be pre-empting what the consultation may or may not say, so I will not make a view on that.

[210] **Jocelyn Davies:** The consultation closes in January, so when do you expect to make a decision? When do you think that you will be in a position to do so?

[211] **Carl Sargeant:** Several weeks after that, I expect, because I know that local authorities—

[212] **Jocelyn Davies:** It is a matter of weeks, though, rather than it being a long process.

[213] **Carl Sargeant:** Absolutely. Local authorities are quite keen that we get this process done and dusted.

[214] **Mr Hemington:** Just to supplement that point, where a fee is charged, it should be on the basis of cost recovery, it should not be making a profit on it. What we are setting here is a minimum standard when it comes to the pre-application service. If local authorities want to go beyond that and if developers want to buy into that, local authorities can use their powers under the local government Acts to charge for the premium service. However, even the premium service should be on the basis of cost recovery; it should not be a tool to generate income.

[215] **Mike Hedges:** I may have missed it somewhere in the hundreds of pages here, so, if I have, I apologise, but will this apply as well to individuals who are applying for a house extension, et cetera? An awful lot of work is done by local authorities now free at the point of delivery to individuals, so that they can help them to get an application in that is fit to be dealt with when it comes in. Will they also have to pay a charge and, if so, is there not a danger of them not paying the charge and it making the planning process longer?

[216] **Mr Hemington:** I will answer that point. In the consultation at the moment, the proposition is that a charge will not be made for householder applications, but there is a

question on that, which we are seeking people to come back on.

[217] **Mr Thomas:** To add to that, some local authorities at the moment do charge for householders and some do not, so there is an inconsistency in approach.

[218] **Carl Sargeant:** Also, some offer pre-application consultation and some do not. That is my very point.

[219] **Jocelyn Davies:** Okay. Nick, shall we come to your questions?

[220] **Nick Ramsay:** Thank you, Chair. Redrow is a bit annoyed, is it not, Minister, particularly with the pre-application community consultation aspect and the costs? It thinks that they have been grossly underestimated. How do you respond to that?

[221] **Carl Sargeant:** I would not put it as ‘annoyed’—‘consistent’, I would say. I have regular conversations with Redrow as an organisation. What it may have done in its interpretation of what this means—. It should be commended for the work that it does in communities in terms of engaging some of their communities in terms of the added consultants, drainage specialists, public meetings et cetera. We are saying that the minimum standard of what we are expecting for developments on pre-consultation is signposting of a site and letters to the community, and nothing more than that. If developers wish to go further, they can. This is what Redrow does. That is why its costs are excessive, but we are not saying that that is the requirement within the legislation.

10:00

[222] **Nick Ramsay:** It is saying that the cost per consultation would range from £6,000 for a 43-unit scheme to £10,000 for a 360-unit scheme. Do you accept those costs?

[223] **Carl Sargeant:** I do, but that is what it wishes to do. I am not saying that it has to do that. That is what it does as an organisation. I think that it is professional of it to do that, but, where some organisations do not consult at all with communities, we are saying that, as a minimum, you must signpost and at least issue a letter to the community.

[224] **Nick Ramsay:** Okay. Do you think that the costs of the pre-application consultation will adversely affect small to medium-sized businesses in general?

[225] **Carl Sargeant:** Will there be a cost? Yes. Do I think that it is disproportionate? No. I think that, actually, again—and a point well made by the Chair—this is not always about developers. Actually, it is about customer communities as well. There is a balance here. I think that what we have done is strike the balance between costs involved in consultation versus community engagement and how that plays out. We think that, on balance, that is appropriate.

[226] **Nick Ramsay:** Would you consider amending the definition of major development that would be subject to statutory pre-application consultations, or are you happy with it as it is?

[227] **Mr Hemington:** We are consulting on that at the moment. So, we are mindful to look at that.

[228] **Mr Thomas:** Just to add, in Positive Planning, we did identify major developments that were subject to a consultation question. The response that we had back for that was quite favourable. We have used that in the consultation paper going forward. So, we are asking another question: whether this provision equally should apply.

[229] **Nick Ramsay:** When will that be decided by?

[230] **Carl Sargeant:** Again, early in the new year.

[231] **Jocelyn Davies:** It is the same consultation. So, this is all about the pre-application consultation.

[232] **Carl Sargeant:** We placed the six consultation documents out when we launched the Bill, Chair, just to inform about secondary legislation and other aspects of the Bill.

[233] **Jocelyn Davies:** Okay. Peter, I know that you wanted to come in on this.

[234] **Peter Black:** I am just trying to get my head around how a statutory pre-consultation will save local authorities money, because, as part of their determining of the application, they will still need to carry out a consultation. So, is there a saving for local authorities, or are you going to do the same thing that the developers have done?

[235] **Carl Sargeant:** In reality, what tends to happen with applications is that they bounce around local authority planning departments and applicants, again, in 25 different ways in terms of their engagement processes. Sometimes it is hostile and sometimes it is amenable. We are saying early on, 'Look, this is what the application will look like. This is what we are considering', and some planning authorities may say, 'Look, no matter what you are going to do there, that is never going to happen', because it is outside the development zone or whatever. That is what does not happen at the moment in some authorities. That is why there is a time saving, we believe, and an engagement saving, and an understanding about the information that Mike Hedges mentioned earlier in relation to saying, 'If you are going to put this application in, these are all of the details that we are going to need to make a proper assessment when the application comes forward'.

[236] **Peter Black:** That is the pre-application engagement with the local authority, which often does not happen because local authorities had to make cost savings and cannot afford to put the staff into that. I am fine with saying that that will save, but a pre-application consultation for a local community does not prevent the local authority doing the same thing, which it has to do. Also, it then has to consult with various statutory agencies as part of that process, which is where the delay takes place. So, how is this actually producing a saving?

[237] **Mr Hemington:** It is producing a saving because the information will be available before the application is submitted. The whole idea behind frontloading the process is to get the best design and the best proposal submitted to the authority, so that you do not have that iteration going on once the application is submitted. You still need to consult statutory consultees in the community because there will be changes if that consultation takes place properly between what the community is initially consulted on, what it is then happy with, and then what is submitted. So, you need to still have that formal process of consultation. That should allow a considerable reduction in the time taken to process the application. The statutory consultees who were consulted outside the formal submission of the application process will have had an opportunity to look at the proposal, so they should be comfortable with it as well. So, we are hoping that all of this will speed up the formal determination process.

[238] **Peter Black:** So, the developer, for example, will consult with Natural Resources Wales about drainage, flooding et cetera. They will then submit the outcome of that consultation as part of the application, the local authority will then just check with Natural Resources Wales that that is still the case, and that is it, done and dusted. That is the idea.

- [239] **Mr Hemington:** Yes. That is the idea.
- [240] **Jocelyn Davies:** And the communities will see an improvement in the way that they are consulted.
- [241] **Mr Hemington:** We believe so.
- [242] **Jocelyn Davies:** You believe so. Okay. We have one or two more questions on pre-application services but, as your consulting on it, we will leave those. Thank you, Minister. The last word goes to Nick.
- [243] **Nick Ramsay:** You mentioned that the time span will be shorter, which will obviously get rid of a lot of the delay. What sort of time were you thinking that this will shorten the process by, on average?
- [244] **Mr Hemington:** We would like to see more applications determined within the eight-week process than are currently determined within that time.
- [245] **Nick Ramsay:** So, you are getting back into the region that you would see as reasonable.
- [246] **Mr Hemington:** Yes.
- [247] **Alun Ffred Jones:** What is the percentage of applications settled within eight weeks?
- [248] **Mr Hemington:** I cannot remember off the top of my head.
- [249] **Carl Sargeant:** Could we provide that, Chair?
- [250] **Jocelyn Davies:** Yes.
- [251] **Nick Ramsay:** Is it zero?
- [252] **Mr Hemington:** No.
- [253] **Jocelyn Davies:** No, but very few. Some, as you say, can go on for a very long time.
- [254] **Carl Sargeant:** The complexity of an application can be resolved early on by talking to communities. We have seen that happen where some local authorities have this in place and applications are much easier to deal with on a community basis.
- [255] **Jocelyn Davies:** It is more transparent as well, probably. Right, thank you, Minister.

10:06

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod**

Motion under Standing Order 17.42 to Resolve to Exclude the Public

- [256] **Jocelyn Davies:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi) and (ix).

[257] I see that everyone is happy with that.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10:06.
The public part of the meeting ended at 10:06.*