

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref : LF/CS/1154/14

Jocelyn Davies AM
Chair
The Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

BM November 2014

Dear Jocelyn,

Planning (Wales) Bill – Finance Committee.

Thank you for inviting me to the Finance Committee on Wednesday 26 November 2014 to discuss the Planning (Wales) Bill. I am pleased to provide further information to assist the scrutiny of the Bill.

The Explanatory Memorandum and Regulatory Impact Assessment that accompanies the Planning (Wales) Bill was produced using the most up to date and available data at that time. My officials worked with a variety of stakeholders to collect the data including Welsh Local Government Association, Local Planning Authorities, Statutory Stakeholders and the development industry. The Regulatory Impact Assessment is supported by a methodology paper which was produced to provide further detail and set out the workings behind the figures within the main Explanatory Memorandum and Regulatory Impact Assessment.

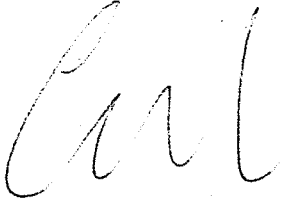
The methodology paper that supports the Explanatory Memorandum and Regulatory Impact Assessment can be found here:

<http://wales.gov.uk/topics/planning/legislation/planningbill-old/explanatory-memorandum/?lang=en>

It has come to my attention that the Explanatory Memorandum and Regulatory Impact Assessment contains minor inconsistencies. The attached document at Appendix One sets out the correction and points of clarification which may assist the Committee.

I trust that this information will assist Members in their scrutiny of the Planning (Wales) Bill. Should you or any Member have any further queries or require more information on any aspect, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carl', written in a cursive style.

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Minister for Natural Resources

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Jocelyn Davies AC
Y Cadeirydd
Y Pwyllgor Cyllid
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
CF99 1NA

13th Tachwedd 2014

Annwyl Jocelyn,

Bil Cynllunio (Cymru) – y Pwyllgor Cyllid.

Diolch ichi am fy ngwahodd i'r Pwyllgor Cyllid ddydd Mercher 26 Tachwedd 2014 i drafod Bil Cynllunio (Cymru). Mae'n bleser gennyf rhoi mwy o wybodaeth i gynorthwyo'r gwaith o graffu ar y Bil.

Mae'r Memorandwm Esboniadol a'r Asesiad Effaith Rheoleiddiol yn mynd law yn llaw â Bil Cynllunio (Cymru). Fe'u lluniwyd gan ddefnyddio'r data mwyaf diweddar a oedd ar gael bryd hynny. Bu fy swyddogion yn gweithio gydag amrywiaeth o randdeiliaid i gasglu'r data gan gynnwys Cymdeithas Llywodraeth Leol Cymru, Awdurdodau Cynllunio Lleol, Rhanddeiliaid Statudol a'r diwydiant datblygu. Mae papur methodoleg yn ategu'r Asesiad Effaith Rheoleiddiol. Lluniwyd y papur methodoleg i ddarparu mwy o fanylion ac i ddangos y gwaith paratoi ar gyfer y ffigurau sy'n ymddangos yn y Memorandwm Esboniadol a'r Asesiad Effaith Rheoleiddiol.

Mae'r papur methodoleg sy'n ategu'r Memorandwm Esboniadol a'r Asesiad Effaith Rheoleiddiol i'w weld yma:

<http://wales.gov.uk/topics/planning/legislation/planningbill-old/explanatory-memorandum/?skip=1&lang=cy>

Daeth i'm sylw bod y Memorandwm Esboniadol a'r Asesiad Effaith Rheoleiddiol yn cynnwys mân anghysondebau. Mae'r ddogfen sydd ynghlwm yn Atodiad 1 yn nodi'r cywiriadau ac yn cynnwys pwyntiau o esboniad a fydd o bosibl o gymorth i'r Pwyllgor.

Mawr hyderaf y bydd yr wybodaeth hon yn cynorthwyo Aelodau wrth iddynt graffu ar Fil Cynllunio (Cymru). Os oes gennych chi neu unrhyw Aelod unrhyw ymholiadau pellach neu os oes angen mwy o wybodaeth arnoch am unrhyw agwedd ar y gwaith, mae croeso ichi gysylltu â mi.

Yn gywir

A handwritten signature in black ink, appearing to be 'C. Sargeant', with a small dot at the end.

Carl Sargeant AC
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

1 Introduction

- 1.1 As part of the process in preparing the Bill for scrutiny some minor discrepancies within the EMRIA for the Planning (Wales) Bill have been identified. This document identifies these and sets out the proposed amendments and detailed calculations required to address them. These changes will be made to the EMRIA and methodology document for the end of Stage 2.

2 Development Planning

- 2.1 Details of sources for statutory consultees were not set out in the EMRIA. The data that informed the RIA for the development plans section was provided by Dwr Cymru, Natural Resources Wales and internal data within the Welsh Government.
- 2.2 Within the National Development Framework, Strategic Development Plans and Local Development Plan withdrawal sections of the RIA there were a few mistyped figures which also impacted on the tables within Annex A. The relevant figures and calculations are set out below:

National Development Framework

The figure in table 7.3 is to be amended to £89,875. This is set out in Annex A (page 345) in the total additional cost table for the National Development Framework which identifies the Welsh Government's total additional costs to be calculated as $£17,975 \times 5 \text{ (years)} = £89,875$. The annual cost of £17,975 is calculated from dividing the 5 year cost additional of £89,875 (set out in table 7.3) by 5 and rounded up to get the annual cost.

Strategic Development Plans

The Welsh Government figure for staff costs as set out in paragraph 7.38 had been rounded to £50,000 however the exact number was used in Annex A of £53,373. Paragraph 7.38 is to be amended to £53,373.

The figure in Annex A for additional costs to the Welsh Government 2016/17 is a typo and should be £173,373. This is set out in paragraph 7.38. ($£53,373 + £120,000 = £173,373$)

Therefore the total figure for additional costs to Welsh Government for SDPs in table 7.6 should be amended to £386,865, This is calculated through: $£53,373 \times 4 \text{ (years)} + £173,373$.

Following the above amendments the figure in Table 7.10 needs to be amended so the additional 5 year cost for the Welsh Government is £476,740 (£386,865 + £89,875).

Local Development Plan Withdrawal

The one off costs in Annex A for Local Development Plan withdrawal (page 351), should read £65 as identified in Table 7.7 and set out in paragraph 7.118. The Welsh Government figure should be £1,720 which is a mid-point of the figures outlined in paragraph 7.117.

The figure of £2,200 should be in the existing costs section for Local Planning Authorities in Table 7.7 and set out in paragraph 7.118.

3 Pre-Application Procedure

- 3.1 The methodology paper contains a mistyped figure on page 39. The figure for 75% of 583 should read 437 and not 43.

4 Applications to Welsh Ministers

Developments of National Significance

- 4.1 The number of applications for Developments of National Significance, 3.4 per annum, is calculated using figures within the report Quantification of Infrastructure and Business/ Commercial planning applications submitted in Wales, ARUP October 2014. The detailed calculation is set out within the methodology document supporting the EMRIA and is set out below:

The proposal relates to applications for infrastructure development. The ARUP Report 2014 identified 94 relevant applications that were determined, called-in, or resulted in an appeal against non-determination over a period of 8 years. This gives an average of 12 applications per year. $94/8 = 11.8$. Rounded up to 12.

The ARUP Report 2014 further identified which of these applications might qualify as a DNS application, applying the criteria included in the Consultation. 27 applications were identified, which is 29% of the applications were above the relevant threshold. This gives an average of 3.4 DNS applications per year.

$27/94 * 100 = 28.7\%$. Round up to 29%

$11.75 * 29\% = 3.4$

- 4.2 The EMRIA only used data relating to applications determined, called-in, or appealed against non-determination. Data relating to applications withdrawn or not decided (currently ongoing) was not included. Of the 107 infrastructure applications contained at Table 4 of the Arup report, 94 were determined, called-in, or appealed against non-determination. The other 13 were either on-going at the time of the report, or withdrawn. Therefore,

they were not included in the EMRIA, data as the 13 applications do not reflect the costings of the complete process and therefore could not be relied upon for this calculation.

- 4.3 The process for determining Developments of National Significance will ensure that these applications will receive timelier decisions; this would be within 36 weeks. This is indicated in paragraphs 7.340 and 7.361.
- 4.4 The EMRIA takes into account the process for determining an application for Developments of National Significance including connected applications. The costs of connected applications have not been estimated as those connected applications which would be appropriate to supplement an application for Developments of National Significance have not yet been confirmed and are subject to a separate public consultation. This consultation will inform whether certain consents are to be included as secondary legislation. Whilst the impact and amount of connected applications per annum has not been assessed, they are expected to go through the Developments of National Significance process and within the same timescale of 36 weeks.
- 4.5 There are some typing errors within the Developments of National Significance section which are outlined below:

Paragraphs 7.332 and 7.333 of the EMRIA the term 'DNS Independent Body' should read 'the Welsh Ministers'.

Paragraph 7.347, after 'associated' should read 'fees are assumed to be the same.'

Paragraph 7.328 should read £81,420 as outlined in section 11.19 of the methodology paper. ($£439,729 - £358,309 = £81,420$) The additional costs for Welsh Government is therefore the total cost £81,420 minus the existing cost £8,210 (set out in paragraph 7.299) = £73,210. Table 7.14 will also be updated to reflect this.

5 Development Management

- 5.1 There have been miscalculations in the decisions notices, non-validation sections and the total costs table (Table 7.24) for the Development Management section. These changes will also need to be reflected in the total cost tables in Annex A. The relevant figures and calculations are set out below:

Decision Notices

The total cost to the LPA for the preferred option is £48,650 (£1,200 + £1,200 + £46,250) these figures are set out in paragraphs 7.598, 7.603 and 7.602. This cost is to be taken away from the current costs in option 1 (which is a range £84,400 to £525,000, as set out in paragraph 7.590) to calculate the savings:

£84,400 - £48,650 = £35,705

£525,000 - £48,650 = £476,305.

Table 7.19 and Annex A table (page 347) should reflect the mid point of this range = -£220,300.

Non-Validation

The existing cost figure for the development industry in Table 7.18 and the annual costs table for non-validation on page 346 should be the same as that in Table 7.17 which sets out how this is calculated. The correct figure is £802,750.

Table 7.24 Total cost for Development Management Section

Total savings for the LPAs should be identified as £323,943 per annum. This is calculated from annual costs tables -£89,600 + -£220,300 + -£14,043. (Non-validation, decision notices, notification of development on pages 346-347).

Total savings for the development industry £1,202,950 per annum. This is calculated from £37,500 + £15,000 + -£505,450 + -£750,000. (Statutory consultees, notification of development, non-validation, decision notices on pages 346-347)

6 Enforcement, Appeals etc.

- 6.1 Due to rounding of figures within the document there have been minor discrepancies between the main document and Annex A. The correct figures for Table 7.35 have been calculated through adding figures in the appropriate tables in Annex A on pages 347-349. As a result of this amendment changes are required to table 7.35 and are set out below:

Table 7.35, Total costs for enforcement and appeals section. Additional cost from legislation:

- Welsh Government -£123,452
- Local Planning Authorities £63,060
- Development Industry £18,375.

6.2 Paragraph 7.911 should reflect the figure outlined in the methodology paper which is £1,082 and not £895.

7 Total Costs of Bill

7.1 Annex A sets out the cumulative costs for the Bill by sector. There have been mistyped figures and miscalculations between chapter 7 of the RIA document and Annex A. The net figure for Local Planning Authorities 2016/17 has been mistyped, this should be -£306,183 (page 350). This change means that the total net saving is to be updated to £875,268 (page 350). Paragraph 7.1230 should also reflect this change, as a rounded number to £875,000.

7.2 The table on page 350 Annex A, has been mistyped and the following figures are correct for the Welsh Government additional costs row:

2015/16 = £71,348; 2016/17 = £340,853; 2017/18 = £222,853; 2018/19 = £222,853; 2019/20 = £222,853. Total = £1,080,760. This is calculated from the tables on pages 345 – 349.