

## **Response to the Senedd Cymru Public Accounts Committee Report on Local Planning Authorities**

**Provided by: Minister of Housing and Local Government**

**Date: 17 September 2020**

The Welsh Government welcomes the findings of the report and offer the following response to the 8 recommendations contained within it.

**Recommendation 1** – The Committee recommends that the Welsh Government addresses the cuts made to Planning budgets by using the Welsh Ministers' powers under the Planning (Wales) Act 2015 to ensure Local Planning Authorities collaborate and merge to improve resilience and build capacity. This should include measures to ensure there is adequate knowledge sharing and information exchanges between the separate planning bodies in the UK to support learning and enhance expertise.

**Accept** – The Welsh Government acknowledges that local planning authority budgets have experienced very significant reductions due to public sector austerity. To move closer to cost recovery for development management services a 20% increase in planning application fees came into effect on 24<sup>th</sup> August. The Minister for Housing Local Government recently wrote to local authority leaders and chief executives on a number of planning matters. One of the matters related to the retention of planning application fees by the planning service. Research has also been commissioned to identify a new model for planning fees to better reflect the cost of providing the service. The research will report during autumn 2020.

<https://www.legislation.gov.uk/wsi/2020/745/contents/made>

[https://gov.wales/sites/default/files/publications/2020-07/planning-and-the-post-covid-19-recovery-letter-to-local-authorities\\_0.pdf](https://gov.wales/sites/default/files/publications/2020-07/planning-and-the-post-covid-19-recovery-letter-to-local-authorities_0.pdf)

The Local Government and Elections Bill currently before the Senedd includes an enabling power which would allow the creation, by regulations, of Corporate Joint Committees (CJCs). CJCs provide a consistent approach under which principal councils can work together to deliver specified functions. CJCs would be a body corporate comprising of elected members of its constituent principal councils and be capable of employing staff and holding assets and funding. Principal councils would be able to request the Welsh Ministers establish, through regulations, a CJC where they wish to work together because of shared interests and mutual benefit. The Welsh Ministers will also be able to require principal council functions to be delivered by a corporate joint committee. Such functions include Strategic land-use planning and transport.

Through requiring strategic planning to be delivered by CJCs the implementation of Strategic Development Plans on a consistent basis across Wales will be facilitated.

A governance framework will also be created which will allow for greater collaboration between local planning authorities to improve resilience and capacity. This is particularly applicable to areas of specialist planning expertise such as minerals and waste, development viability and historic environment where it is not feasible for each LPA to replicate services. The Welsh Government continues to participate in and support professional networks across the UK and Ireland including the Five Administrations Chief Planner network, POSW and the RTPI to support learning and enhance expertise.

**Recommendation 2** – The Committee recommends that the Welsh Government works with the Planning Officer’s Society for Wales to review the current National Performance Indicators to ensure the measures used to judge the performance and impact of Planning reflects the contribution of all agencies in the Planning system and develops new measures to better judge the impact of Planning on improving wellbeing in communities and people.

**Accept** - The Welsh Government has an established annual procedure to review and update National Performance Indicators in collaboration with POSW. It has been a long term goal of the Welsh Government to complement performance indicators with a suite of outcome indicators. A step in this direction has been made through the collection of sustainable development indicators for planning covering areas such as development in areas of flood risk and the use of brownfield land.

Planning Policy Wales includes a suite of National Placemaking Outcomes, linked to the Well-being of Future Generations Act goals, which identify the areas where planning contributes to community and individual wellbeing. The Welsh Government has supported work by the RTPI on Measuring Planning Outcomes. The research is being conducted on a UK and Ireland basis and is due to be published during autumn 2020. The research and will inform the next review of planning indicators.

**Recommendation 3** – The Committee recommends that the Welsh Government works with the Planning Officer’s Society for Wales to review current standards for engagement and develop new approaches that better reflect 21st century communication to ensure people are involved in the planning process.

**Accept** - The Welsh Government accepts that significant change is required to the way in which engagement takes place in the planning system to reflect community aspirations and new communication methods. The Well-being of Future Generations Act Involvement and Collaboration Ways of Working will form the basis of the new approaches. This is a significant piece of work which will require changes to policy legislation and guidance. Ensuring that all communities are involved in the plan making process is the priority as the plan establishes the principle of whether development is acceptable or not with subsequent planning applications dealing with matters such as detailed design.

The need for new approaches to involvement has been highlighted by the Covid 19 pandemic. The closure of public buildings and need for social distancing has prevented the use of traditional consultation methods such as the deposit of

documents and public meetings. Where possible involvement has moved on-line with printed material being made available on request to help to combat digital exclusion.

Initial project scoping and discussion with POSW has taken place with a view to identifying a programme of activity.

**Recommendation 4** – The Committee recommends that the Welsh Government works with the Planning Officer’s Society for Wales to strengthen how developers consult with local communities before applying for larger or ‘major’ developments.

**Accept** - The Welsh Government maintains that community involvement should be a cornerstone of the Welsh planning system. Better planning outcomes can only be achieved with comprehensive and respectful engagement between community and developer.

The Planning (Wales) Act 2015 introduced a minimum standard of Pre Application Community Consultation for major developments. Best practice guidance has also been produced which encourages developers to go beyond the statutory minimum.

<https://gov.wales/sites/default/files/publications/2018-09/pre-application-community-consultation.pdf>

Some concerns have been raised that community consultation comes too late in the design of a new development with the consequence that developers are often unwilling to make changes to their planning applications. Research undertaken by Savills has shown that many developers are submitting planning applications shortly after the PAC process has ended, suggesting either very efficient management of the process (which is to be applauded) or a lack of changes being made to proposals between PAC and planning application submission (for any number of reasons), which would mean the potential opportunities of the process are being lost.

<https://www.savills.co.uk/insight-and-opinion/savills-news/275877/pac-research-is-wales--new-planning-process-delivering->

A project to evaluate and recommend changes to the Pre Application Community Consultation process will commence later this year. It will involve representatives from POSW, the development sector and community groups.

**Recommendation 5** – The Committee recommends that the Welsh Government works with the Future Generations Commissioner and the Planning Officer’s Society for Wales to make Placemaking and Place Plans a statutory plan and introduce guidance on how Local Planning Authorities must work with local communities to ensure Place Planning is made central to delivery of the Wellbeing of Future Generations (Wales) Act 2015.

**Accept** – The Welsh Government has worked extensively with the Future Generations Commissioner, Planning Officer’s Society for Wales and stakeholders to

re-focus planning policy to support well-being and placemaking. To support implementation of the policy a stakeholder group, Placemaking Wales, has been established to develop the first Placemaking Charter and a Placemaking Guide. The charter and guide will be launched in September.

Making Place Plans part of the statutory development plan was considered during the passage of the Planning (Wales) Bill. A change in primary legislation would be necessary to implement the recommendation.

The current flexibility of when and how to prepare place plans is a positive attribute allowing different approaches to be adopted to reflect local circumstances. The role of Place Plans as community engagement tools will be considered as part of the programme of activity to develop new methods of community involvement referred to in response to Recommendation 3. This may include considering whether Place Plans could be used as the building blocks from which LDPs are developed in the future. Guidance on the preparation of Place Plans is provided by the Development Plans Manual and Planning Aid Wales.

<https://gov.wales/sites/default/files/publications/2020-03/development-plans-manual-edition-3-march-2020.pdf>

<http://www.placeplans.org.uk/en/>

**Recommendation 6** – The Committee recommends that the Welsh Government strengthens Section 106 agreements by:

- updating guidance to require development option appraisals to be based on a single source of information using the building cost information service construction data to improve estimates, cost advice, plan costs and benchmarks; and
- introducing a tranche payment system for Section 106 contributions with developers being required to pay a third of the agreed sum at the point planning permission is given; a third when on site development begins; and a third when the site is fully developed.

**Accept** – The inherited interrelated systems of S106 and community infrastructure levy are complex and require review following devolution of responsibility for the policy to Wales. A programme of work will be brought forward subject to the availability of resources in the light of other priorities including recovery from the Covid 19 pandemic and Brexit. This will include reviewing available sources of information and considering whether a staged approach to infrastructure payments is appropriate.

Prior to commencing a major review in this area, the Welsh Government has supported research to construct regional development viability models built on locally available information including land values, construction costs and sales prices. The model for South West Wales has been completed. LPAs in South East Wales are also proposing to adopt the model.

**Recommendation 7** – The Committee recommends that the Welsh Government commissions research on the use of Section 106 agreements to determine whether the identified contributions from developers when agreeing a planning application are realised. The Committee also recommends that the Welsh Government works with the Planning Officer’s Society for Wales to evaluate how Section 106 agreements work and identify where approaches need to be strengthened including resourcing legal expertise and management of Section 106 agreements.

**Accept** - Research has previously been undertaken on the use of Section 106 agreements in Wales.

<https://gov.wales/use-and-value-planning-obligations>

The research was undertaken in 2007. It is accepted that more up to date evidence is required. It is proposed to commission new research to inform the review referred to in response to Recommendation 6. The research project and wider review will include representatives from POSW and the development industry.

The negotiation, drafting and monitoring of Section 106 agreements are areas which local planning authorities may wish to provide on a collaborative basis through Corporate Joint Committees referred to in the Welsh Government response to Recommendation 1

**Recommendation 8** – While we welcome the Welsh Government’s approach to establish a Welsh Planning Code, given the divergence in the Planning systems between Wales and England, the Committee recommends that this goes beyond a Code and is enshrined in legislation to help drive consistency in decisions.

**Accept** – Work on a separate planning code for Wales is ongoing. The code will consolidate and simplify planning legislation in Wales and will help to drive consistency in decisions.