

# Agenda – Climate Change, Environment, and Infrastructure Committee

---

Meeting Venue:

Hybrid: Committee room 4 Tŷ Hywel  
and video Conference via Zoom

Meeting date: 21 June 2023

Meeting time: 09.30

For further information contact:

Marc Wyn Jones

Committee Clerk

0300 200 6565

[SeneddClimate@senedd.wales](mailto:SeneddClimate@senedd.wales)

---

**Private pre-meeting (09.15–09.30)**

**Public meeting (09.30–11.40)**

**1 Introductions, apologies, substitutions, and declarations of interest**

(09.30)

**2 Annual scrutiny of operation of interim environmental protection measures – evidence session with Office for Environmental Protection and Environmental Standards Scotland**

(09.30–10.30)

(Pages 1 – 22)

Natalie Prosser, Chief Executive Officer – Office for Environmental Protection

Dame Glenys Stacey, Chair – Office for Environmental Protection

Mark Roberts, Chief Executive Officer – Environmental Standards Scotland

Attached Documents:

Research Brief – Environmental Governance

**Break (10.30–10.40)**



### **3 Annual scrutiny of operation of interim environmental protection measures – evidence session with the Interim Environmental Protection Assessor for Wales**

(10.40–11.40)

(Pages 23 – 34)

Dr Nerys Llewelyn-Jones – Interim Environmental Protection Assessor for Wales

Attached Documents:

Paper – Interim Environmental Protection Assessor for Wales Annual Report 2022–2023

### **4 Papers to note**

(11.40)

#### **4.1 Bus services**

(Pages 35 – 40)

Attached Documents:

Letter from the Chair to the Deputy Minister for Climate Change in relation to bus services in Wales

#### **4.2 The Infrastructure (Wales) Bill – Regulatory Impact Assessment (RIA) Methodology Paper**

(Pages 41 – 122)

Attached Documents:

Correspondence from the Minister for Climate Change in relation to the Regulatory Impact Assessment (RIA) Methodology Paper for the Infrastructure (Wales) Bill

#### **4.3 Inter-Institutional Relations Agreement – 39th British–Irish Council Summit**

(Page 123)

Attached Documents:

Letter from the First Minister to the Chair of the Legislation, Justice and

Constitution Committee in relation to the Inter-Institutional Relations Agreement – 39th British-Irish Council Summit

**4.4 Biodiversity and the nature emergency – COP15 Implementation**

(Pages 124 – 133)

Attached Documents:

Briefing note from Natural Resources Wales in relation to biodiversity and the nature emergency – COP15 implementation

**4.5 Packaging Waste (Data Collection and Reporting) (Wales) Regulations 2023**

(Page 134)

Attached Documents:

Letter from the Minister for Climate Change to the Chair in relation to the Packaging Waste (Data Collection and Reporting) (Wales) Regulations 2023

**4.6 Warm Homes programme**

(Page 135)

Attached Documents:

Letter from the Minister of Climate Change to the Chair in relation to the Warm Homes programme

**5 Motion under Standing Order 17.42 (vi) and (ix) to resolve to exclude the public from the remainder of today's meeting**

(11.40)

**Private meeting (11.40–12.30)**

**6 Annual scrutiny of operation of interim environmental protection measures – consideration of evidence received under items 2 and**

**3**

**7 Infrastructure (Wales) Bill – Technical briefing from the Welsh Government**

(Pages 136 – 142)

Attached Documents:

Technical Briefing – Presentation

**8 The Infrastructure (Wales) Bill – Consideration of approach to Stage 1 scrutiny**

(Pages 143 – 147)

Attached Documents:

Paper – Approach to scrutiny of the Infrastructure (Wales) Bill

Document is Restricted

# IEPAW

## Interim Environmental Protection Assessor for Wales

---

Annual Report 2022-2023

# Contents

<b>Foreword</b>	<b>3</b>
<b>Introduction</b>	<b>4</b>
<b>Climate Change, Environment and Infrastructure Committee Report</b>	<b>5</b>
<b>Achievements during 2022-2023</b>	<b>6</b>
<b>Stakeholder engagement</b>	<b>7</b>
<b>Cross-border engagement</b>	<b>8</b>
<b>Process</b>	<b>8</b>
<b>Submissions received</b>	<b>9</b>
<b>Further details on concerns received</b>	<b>10</b>
<b>Reporting to the Welsh Ministers</b>	<b>11</b>
<b>Reports under development</b>	<b>11</b>
<b>Conclusion</b>	<b>12</b>

# Foreword



I am pleased to present my second annual report as the Interim Environmental Protection Assessor for Wales (IEPAW) covering the period 1 March 2022 to 28 February 2023.

During this time, my team and I have been working hard to assess the effectiveness of legislation related to environmental protection in Wales and to provide recommendations for improving and strengthening this legislation.

During the past year we received six submissions from the public highlighting concerns about environmental law in Wales. Although this was significantly fewer than those received during the preceding 12 months, they have been valuable in identifying areas where environmental protection can be improved.

Since the last annual report, my team and I have been working hard to drive forward reports in a number of key areas as well as taking steps to ensure the service we provide is more transparent for the public and our stakeholders.

We published our first report during this reporting year, which was submitted to the Minister for Climate Change in February 2023 and related to the potential impact of the proposed Retained EU Law (Revocation and Reform) Bill on environmental protection in Wales. As noted in our report, I consider that this proposed legislation poses serious risks to the legal framework for environmental protection in Wales, and I encourage the Welsh Government to do everything in its power to mitigate such risks.

Looking forward, it is important that we remain focused on our goal of ensuring that Welsh legislation provides robust protection for the environment in Wales, and that the implementation of such legislation results in good environmental outcomes in all parts of the country. I recognize that this is a complex challenge, and I am dedicated to working with stakeholders to find innovative and effective solutions to protect our environment.

In particular, I would like to extend my thanks to the members of the public and stakeholders that have reached out to me over the past year to highlight concerns or to submit evidence to support our work. Your ongoing support is greatly appreciated, and I look forward to working with you over the next 12 months.

# Introduction

Since March 2021, [Dr Nerys Llewelyn Jones](#) has undertaken the role of the Interim Environmental Protection Assessor for Wales (IEPAW). Her role is to consider concerns raised by the public about the functioning of environmental law in Wales. This is an interim process that will be in place until a permanent body is established in Wales to oversee compliance with environmental law.

Dr Llewelyn Jones was initially contracted for a period of up to two years, although this was extended for a further year until 29 February 2024.

The IEPAW is independent from the Welsh Government, although Welsh Government officials provide secretariat support to the IEPAW. Our focus is on the functioning of environmental law, not on breaches of that law. Our aims are to:

- provide oversight of the functioning of environmental law in Wales; and
- to consider systemic issues relating to the working or functioning of environmental law in Wales.

Our role does not cover:

- breaches in environmental law;
- areas of non-compliance of environmental law; and
- issues raised that are covered by another complaints mechanism or process.

Our aim is to identify where action can be taken to improve the functioning of environmental law in order to improve environmental outcomes. Details on how to raise a concern about the functioning of environmental law in Wales, as well as our terms of reference, are available at [www.gov.wales/interim-environmental-protection-assessor-wales](http://www.gov.wales/interim-environmental-protection-assessor-wales)

We have committed to publishing an annual report on the submissions we have received and any action taken in relation to them. This is the second annual report and covers the period 1 March 2022 to 28 February 2023.

# Climate Change, Environment and Infrastructure Committee Report

On 30 June 2022, the IEPAW attended an [oral evidence session](#) hosted by the Climate Change, Environment and Infrastructure (CCEI) Committee. This session provided the Committee with an opportunity to scrutinise the operation of the interim environmental governance arrangements and to learn more from Dr Llewelyn Jones about her first year as the IEPAW. Following this evidence session, the Committee published a [report on the operation of the interim environmental governance measures](#).

We are grateful to the Committee for the work they have undertaken in this area and for the recommendations they made for improving the interim environmental governance arrangements. The Committee's recommendations constitute an important package of improvements to ensure the IEPAW can deliver its functions effectively until a permanent environmental oversight body is in place.

Although the recommendations in the report were primarily aimed at the Welsh Government, there are two recommendations that were specifically directed towards the IEPAW. These related to raising public awareness of the IEPAW service and its transparency. We fully agree with the Committee's recommendations in these areas and have taken steps to implement them.

These include:

- the introduction of a series of quarterly stakeholder meetings;
- publishing details of the IEPAW's rolling programme of work on our webpages; and
- reaching out to public advice bodies to ensure that they are aware of the IEPAW service.

We have also refreshed our webpages to make them more navigable for users and to highlight the independent nature of the IEPAW. Additionally, as the role develops and we publish more reports, we are also currently looking into our communications strategy further to ensure that we can reach as wide an audience as possible.

Another key recommendation made in the Committee's report was that the Welsh Government should undertake an urgent review of the resourcing of the IEPAW. This review has now been undertaken, and clear resourcing issues were identified. In response to this review, the Minister for Climate Change has made the following commitments to ensure that the IEPAW has the resources it needs to carry out its functions:

- The appointment of a Deputy IEPAW,
- The recruitment of designated staff to provide secretariat support to the IEPAW, and
- Further money to be made available to the IEPAW to secure additional drafting support and expertise, including through the use of a call-off contract.

We are grateful for the Welsh Government for committing to providing this much-needed additional resource, and we will work closely with them to ensure that these commitments are delivered in full. In particular, the appointment of a deputy

IEPAW would go a long way towards ensuring the service has the capacity to carry out its functions as well as providing additional resilience and cover for the team.

## Achievements during 2022-2023

One issue identified during the last annual review period was that many submissions lacked sufficient detail to allow us to determine whether a report to the Welsh Ministers may be warranted. This often meant we have had to enter into further correspondence with the submitters, as well as other interested parties, to obtain the information needed to assess whether to take a submission forward and even to provide an initial decision as to scope. In addition, we also received a significant number of submissions that fell outside of the scope of our remit. Dealing with these issues have placed additional pressures on our limited resources.

To mitigate these issues, we introduced a [submission form](#) for use by submitters. The aim of this form is to ensure that we receive the information we require at the outset, reducing the time and resources spent following up on concerns. We hope that this has also assisted submitters in their consideration and assessment of whether the concern they have is within the remit of the IEPAW at the outset and

before a submission is made. Based on the submissions received during 2022-23, it appears that this process has been effective in ensuring that the right information is received first time, thus reducing the amount of time that we need to spend seeking further information from submitters. Additionally, there has been a marked decrease in the number of submissions being received that are outside the remit of the IEPAW.

As noted in last year's Annual Report, to ensure that users are able to direct their concerns to the most appropriate regulatory body, we have developed a [signposting guide](#) of different environmental regulators. This is available on our website and can be used when responding to submitters but also as a tool for those who have concerns to direct them to the most appropriate body as soon as possible. We have also published our [prioritisation principles](#) which set out how we determine which submissions may warrant a report for the Welsh Ministers.

# Stakeholder engagement

In 2022, we set up a series of quarterly stakeholder meetings. These meetings are an opportunity to update interested parties on the work of the IEPAW as well as for stakeholders to raise any new or emerging issues. These sessions have been well-attended and have proved to be a valuable source of information for us and have allowed us to provide a greater level of transparency around our work. We have also met with a number of stakeholders individually to discuss specific issues, including the RSPB, the Association of Environmental Clerks of Works (AECoW), and the Green Alliance.

At the 2022 Royal Welsh Show we hosted a panel discussion on hedgerow management and protection. This was organised in response to a number of submissions received on this topic during 2021-22. The event was well attended and led to a lively discussion on the topic. After the event, we launched a call for evidence to seek evidence on whether the Hedgerow Regulations 1997 meet their stated aim of protecting hedgerows effectively. The evidence received will be used to inform a report for the Welsh Ministers to be published in 2023.

In November 2022, we hosted a stakeholder roundtable event on protected sites at Machynlleth. This included a tour of the nearby Ynyshir Nature Reserve so participants could experience first-hand some of the issues on how such sites are managed. This in-person, on-site event was particularly effective in understanding the issues of concern and in informing the call for evidence that we launched on the

management and protection of protected sites in Wales. We intend to publish a report on this topic in Summer/Autumn 2023.

We meet regularly with representatives from Natural Resources Wales (NRW) to discuss new and emerging issues. These meetings have proved particularly helpful as a forum for raising issues directly with the regulator, including concerns that we have received in submissions that do not fall within our remit. These include:

- The Forestry Act 1967 requirement for NRW to maintain a Regional Advisory Committee (RAC) to provide advice on specified forestry functions. In response NRW has confirmed their Board approved the establishment of an RAC as a sub-group of the existing Wales Land Management Forum (WLMF) in May 2022. NRW are aiming for the first meeting of the RAC to take place by September 2023.
- The Environment Permitting Regulations 2016 duty on NRW to maintain a full public register which includes the information specified in Schedule 27 of the Regulations. In response, NRW has confirmed that the duty is fully met. NRW said that while software compatibility issues may have caused difficulty for some users to access information their website explains how to obtain the details successfully.

Alongside the stakeholders listed above, we also meet with relevant officials within Welsh Government policy teams to discuss submissions received as well as relevant new and emerging issues.

## Cross-border engagement

Given the cross-border nature of many environmental issues, it is important that we maintain constructive working relationships with our counterparts in the other nations of the United Kingdom. For this reason, we regularly meet with representatives from the Office for Environmental Protection (OEP) (representing both England and Northern Ireland) and Environmental Standards Scotland (ESS). Although each body has slightly different remits and powers, these meetings are an invaluable forum for cooperation and exchange of information, enabling the three bodies to discuss our shared priorities, flag emerging issues, and share information on best practice.

To strengthen this relationship further, the three bodies have agreed a tripartite [memorandum](#) of understanding setting out how the three bodies will seek to cooperate and share information.

The three bodies meet regularly to discuss specific environmental protection issues. These include regular meetings to discuss the bodies' ongoing work in relation to protected sites as well as to keep each other informed of developments in relation to water quality. The three bodies are seeking to collaborate as much as possible in relation to these issues.

## Process

We aim to provide an initial response to submission forms received within 20 working days of their receipt. During this year, we have responded within this timeframe for 100% of the submissions received.

When a submission is received, it is subject to a scoping exercise to determine whether it relates to the functioning of environmental law in Wales and so can be considered by us. If the submission is

within scope, then it will also undergo a prioritisation exercise to decide whether it should be the subject of a report for Welsh Ministers. It is not possible to produce a report in response to every submission received. Instead, we aim to target our resources to the issues that we consider to be of the highest priority in line with our published prioritisation principles.

# Submissions received

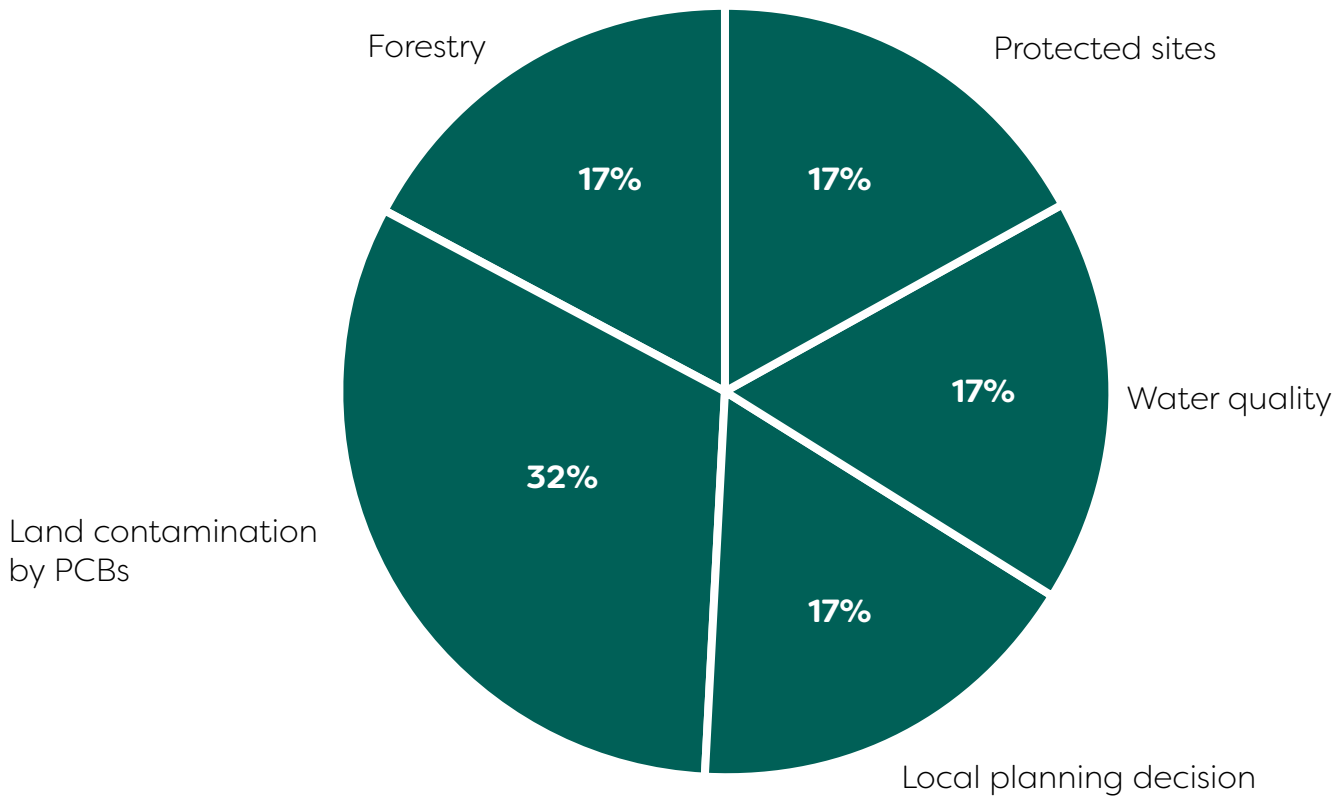
During 2022-23, we received six submissions raising concerns about the functioning of environmental law in Wales. This was significantly fewer than the number of submissions received in the previous year. The submissions received included:

- One submission related to the protection and management of protected sites
- One submission on water quality
- One submission relating to a local planning application

- Two submissions on contamination by polychlorinated biphenyls (PCBs), and
- One submission on forestry matters.

Of these submissions, one was considered to be outside the scope of the IEPAW process so was not taken any further. This submission related to a planning application and was deemed to be a complaint about an alleged compliance issue, so was not within the scope of the IEPAW process.

**Figure 1: Breakdown of submissions received**



# Further details on concerns received

## Protected sites

In this submission, the submitter stated that the management and protection of protected sites in Wales did not match up to legal and policy requirements. They argued that many such sites are damaged, they are not appropriately managed, and that biodiversity continues to decline in Wales. The submitter also considered that the suite of powers available to NRW to protect and secure appropriate management for terrestrial protected sites was not being applied to its full potential.

We have decided to take this issue forward and are in the process of drafting a report on this topic. Further information is provided below.

## Water quality

This submission raised concerns about high e coli readings in a Welsh river resulting from pollution events. In particular, the submitter raised concerns about the monitoring of water quality and had considered that the quality of such monitoring was low. The submitter also highlighted difficulties they had experienced in liaising with the appropriate regulators to help identify the cause of the high e coli readings.

We have received a number of similar submissions on water quality and are looking to start work on a report in this area during 2023.

## Land contamination

We have received two submissions raising concerns about contamination by polychlorinated biphenyls (PCBs) at a number of sites in Wales. In particular, there were concerns raised about the classification of contaminated land under the Environmental Protection Act 1990, as well as concerns that the statutory guidance for this legislation may be undermining its intention.

We are in the process of considering whether to take forward a report in response to these submissions. In the meantime, we have sought further information from NRW and the Welsh Government to help inform our decision.

## Forestry

This submission raised concerns about a perceived lack of protection for trees and woodland in existing legislation in Wales. The concerns raised in the submission included a perceived lack of effective enforcement by the regulator and local authorities; no account being taken in the legislation of the carbon stored in woodland and woodland soils; a lack of awareness of the regulations; and cumulative damage to habitats and carbon storage caused by individual or small numbers of trees being removed under exemptions in the legislation.

We are currently in the process of drafting a report into legislation relating to the protection of trees and woodland. This submission is being considered within the context of this report.

## Reporting to the Welsh Ministers

During the period 1 March 2022 – 28 February 2023 we submitted one report to the Welsh Ministers. This report related to the UK Government’s Retained EU Law (Revocation and Reform) Bill and was submitted on 16 February 2022.

Our report into this issue identified a number of concerns relating to this Bill and its potential impact on environmental legislation. In particular, we had grave concerns around the sunset clause proposed in this Bill that could see thousands of pieces of retained EU law fall away without sufficient time to consider the impacts of such a dramatic change, let alone put in place suitable alternative legislation.

In our report, we call on the Welsh Government to use whatever levers are at its disposal to seek changes to the proposed Bill, as well as to take whatever steps are necessary to mitigate any negative impacts on the legal framework in Wales.

The Welsh Government responded on 12 May 2023. Unfortunately, this response took longer than the agreed upon six weeks. However, we were glad to see that the Welsh Government shared our concerns and engaged positively with the recommendations made in our report. We welcome the Government’s response to our report and note that the contents of the response were broadly consistent with our recommendations. Both the report, and the Government’s response, are available at [www.gov.wales/retained-eu-law-revocation-and-reform-bill-report](http://www.gov.wales/retained-eu-law-revocation-and-reform-bill-report).

## Reports under development

Work is continuing on our report on **forestry**. This report is taking longer than originally expected, but the aim is to publish it during 2023. The report will focus on tree preservation orders, the forestry act, and related issues. We are also taking in to account further submissions received on similar issues relating to forestry as part of the drafting of that report.

We are currently drafting a report on hedgerow protection and management. This will consider whether the Hedgerow Regulations 1997 meet their stated aim of protecting hedgerows effectively. This follows an IEPAW panel discussion on the issue during the Royal Welsh Show and a public call for evidence that ran until the end of September 2022. This report is nearing completion and will be issued shortly.

We are also working on a report into the legal framework in relation to **protected sites**. This report is being informed by evidence gathered through a stakeholder roundtable event in November 2022 and a public call for evidence. We aim to complete this report in 2023. This issue is also under consideration by the other UK environmental governance bodies, and we meet with them regularly to discuss the progress of our respective projects.

We are also looking to start work on a report into the use of **civil sanctions** in environmental law. The intended aim of this report will be to consider whether regulators in Wales have the tools they need to ensure compliance with environmental law, and whether expanding civil sanctions would improve environmental outcomes. We are also continuing to follow developments relating to **water quality** in Wales, particularly on sewage discharges into Welsh rivers.

## Conclusion

The IEPAW is an interim position, and we look forward to hearing shortly the Welsh Ministers' plans for the longer term in relation to environmental governance in Wales. We welcome comments and feedback in relation to the role and its work. If you have any comments about this report or the role, wish to be added to the mailing list, or wish to raise a concern about the functioning of environmental law in Wales, please contact [IEPAW@gov.wales](mailto:IEPAW@gov.wales).

Lee Waters MS,  
Deputy Minister for Climate Change

14 June 2023

Dear Deputy Minister,

On 23 May, you announced in Plenary that the Welsh Government will be making additional funding available to bus services in Wales up until the end of the current financial year. You will be aware of the Committee's ongoing concern about bus services funding and of our discussions with representatives from the bus sector and local government earlier in May.

We were pleased that the bus sector welcomed the funding announcement, with the Confederation of Passenger Transport and the Coach and Bus Association Cymru (CaBAC) both responding positively to the news. We note that there have been calls for further details and clarification of certain matters. The Committee has agreed that I should write to you in relation to several matters raised with us and in your statement in Plenary.

### **Funding arrangements to the end of the financial year**

The current Bus Emergency Scheme (BES) was initially set to end on 24 July 2023. You announced that £46m will be made available by the Welsh Government for the Bus Emergency Scheme until the end of the financial year. We welcome this announcement.

As you noted in your statement, other support for the bus sector includes funding for concessionary fares for older people, reduced fares for young people, and the Bus Services Support Grant. This Grant, amounting to £25m, is part of the regular support provided by the Welsh Government to the bus industry.

The funding will also be used to keep TrawsCymru services running and to increase by 10.1% the amount that the Welsh Government reimburses operators for concessionary users.

- Can you provide a detailed breakdown of the funding that will make up the £46 million you announced?
- How will the additional £46 million for the Bus Emergency Scheme and successor arrangements be distributed among different services?
- What criteria will be used to determine the allocation of these funds?

Despite the additional allocation, you have acknowledged that it is insufficient to protect every service as it stands. You have said that an extra £7 million to £9 million would be needed to do so.

You acknowledged in your statement that travel patterns have changed due to the pandemic, with fewer commuting journeys and more leisure journeys. Therefore, there is a need to design a network of services that reflects these changes, which requires working with local authorities and operators. Regional Planning Teams have been set up to evaluate which services can survive without extra financial aid and which ones should be prioritised for funding. You told the Senedd that decisions regarding the restructuring of services are expected soon due to tight deadlines relating to bus deregistration, employee consultations, and potential redundancies.

- We would be grateful for further information around the timelines for this work and the discussions that are taking place with trades union representatives about the potential impact on jobs.
- Could you please elaborate on the decision-making process for determining which bus services will continue in light of the acknowledged funding shortfall?

You announced that the £46 million of funding will include extra funding successor arrangements for the BES scheme. We would be grateful for further information about your intentions.

- Could you please provide further details on your intentions for successor arrangements to the Bus Emergency Scheme in the 2024/25 financial year to provide assurance that the current situation will not be repeated in the next financial year?
- What are the initial plans for funding bus services in the 2024/25 financial year?
- Local government representatives have suggested it might be beneficial to look at replacing some concessionary fares with a fixed price. Is this something you are exploring? Can you provide further information on any analysis that has been undertaken of this option?
- How is this wider impact of bus service provision reflected in the Welsh Government's budget-setting process? What work has the Welsh Government undertaken to consider the positive impact of investment in public transport on other policy areas, such as health,

and has the Welsh Government considered the merits of redirecting funding from other portfolios in that context?

## **Funding from the UK Government**

On 17 May 2023, the UK Government announced what it described as “new” UK Government investment of £300 million to support bus services until 2025. Of this, £160 million will be provided to local transport authorities in England to improve fares, services, and infrastructure and £140 million will go directly to operators to help protect essential services across England.

During your statement, you said that no “Barnett” consequential funding would be received in Wales as the UK Treasury had determined that this funding was from existing budgets. You questioned the UK Government Treasury's transparency and mentioned that the Welsh Government was considering raising this issue with the UK Government.

- Could you provide more information about discussions you have had about the lack of “Barnett” consequential funding for Wales following the UK Government's investment announcement?
- What are the Welsh Government's next steps regarding this issue?

## **Bus franchising proposals**

The Welsh Government is looking for a more sustainable solution, with a network that reflects changing travel patterns and helps a transition to franchising. You told the Senedd that, in preparation for this franchising model, Transport for Wales is currently working with local authorities to plan local bus networks. Jonathan Bray, a highly experienced figure in the bus industry, has been appointed to lead a group of experts in shaping the new franchising system.

In your statement, you emphasised the importance of sufficient public funding for franchising, saying that even the best designed public transport systems require adequate investment to function effectively. You highlighted that funding decisions reflect political choices about priorities and called for renewed consideration of the importance of public transport.

- In light of the urgency of the current situation, can you indicate when the Senedd Bill on bus franchising will be introduced?
- What is the planned process for transitioning to a bus franchising model, and how will you ensure minimal disruption to services during this transition?
- What is the planned timeline for the transition to a bus franchising model?
- What steps are being taken to prepare local authorities for this shift?

- Given your intention that the Welsh Government will be the franchising authority and carry the revenue risk for all franchised bus services across Wales, can you outline how the planned arrangement will ensure this risk is managed and that the current funding challenges and uncertainty are not repeated and amplified by franchising?

## **Rail funding**

On 28 March the Chief Executive of Transport for Wales wrote to this Committee to explain the technical reasons for an estimated £306.7m increase in delivery costs for the Core Valleys Lines modernisation. This represents a near 42% increase on the 2018 total cost estimate of £738m.

- How will this cost increase will be funded? Where in the Welsh Government budget will the funding to meet this shortfall be found and what will not be delivered as a result?
- How have the increased costs for the Core Valleys Lines modernisation influenced the distribution of funding in relation to bus services?
- You will be aware from previous reports that we have ongoing concerns about the TfW budgeting process, particularly its complexity and lack of transparency. With this in mind, why was the increase in delivery costs not identified in time to be considered during the process of scrutinising the Welsh Government's draft budget?
- What measures are being taken to ensure that bus services do not suffer due to the increasing costs arising from rail projects?

## **20mph speed limits**

From September 2023, the Welsh Government will introduce a default 20mph speed limit on restricted roads. Local authorities will have a degree of flexibility to determine exceptions to the default speed limit within Welsh Government guidance.

- What modelling has been undertaken to assess the impact of the default 20mph speed limit policy on the bus network?
- Do local authorities have the flexibility, in deciding on exceptions to the default 20 mph limit, to determine that a major arterial route should be an exception under the policy, if it believes a 20mph speed limit on the route would have a significant adverse impact on the bus network, particularly on its financial viability?

## **School transport**

Significant funding is indirectly invested in the bus sector through local authority provision of school transport. The review of school spending in Wales reported that home-to-school transport made up around a quarter of all local authority direct spending on education, amounting to around £137m.

- How will funding for local authority provision of school transport be affected in light of the changes to bus service funding?
- What options are being considered to integrate school transport with wider bus support to improve the sustainability and effectiveness of both?
- What measures are in place to ensure that school transport services remain adequately funded?

### **Promotion of bus use**

We recognise that energy and resources have been focused on the short-term crisis but note that restoring bus usage is critical for the future health of bus services in the longer-term. You told the Senedd the Welsh Government is working on a campaign to encourage more people to use buses.

You also referred to the failure of the planning system to encourage people to use buses, particularly in new housing developments, and said the Welsh Government was aiming to rectify this through 'Future Wales'.

- What strategies does the Welsh Government plan to implement to encourage more people to use bus services, particularly in the context of new housing developments?
- Have you considered the impact of the reduction in bus services on your ability to achieve the Welsh Government's modal shift targets?

Finally, the Committee benefitted from research undertaken by Professors Mitchel Langford and Gary Higgs at the University of South Wales during our inquiry into the future of bus and rail, specifically their development of a Welsh Access to Bus Indicator which allowed us to understand the impact of changes to the bus network resulting from the Covid 19 Pandemic. We understand these academics have further developed this methodology since, and are also undertaking wider work in this field.

We believe this may be relevant to the current process of refining the bus network as well as your preparation for the introduction of franchising and we would encourage your officials and colleagues at TfW to contact Professors Higgs and Langford. The Clerk to the Committee will provide your officials with their contact details.

Yours sincerely,

Heledd Fychan

Heledd Fychan MS,  
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Julie James AS/MS  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change

Agenda Item 4.2

Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA-JJ-0994-23

Llŷr Gruffydd MS  
Chair  
Climate Change, Environment and Infrastructure Committee  
Senedd Cymru  
Cardiff Bay  
CF99 1SN

12 June 2023

Dear Llŷr

Following the introduction of the Infrastructure (Wales) Bill into the Senedd on 12 June, please find attached a copy of the Regulatory Impact Assessment (RIA) Methodology Paper. This document is provided to support the Committee's scrutiny of the Bill. It supplements the RIA by providing the detailed workings behind the costs for the various options outlined for determining infrastructure development applications in the future, as contained in Chapters 7 and 8 of the assessment.

I look forward to providing evidence to the Committee in due course.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee and to the Chair of the Finance Committee.

Yours sincerely



**Julie James AS/MS**  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Julie.James@llyw.cymru](mailto:Gohebiaeth.Julie.James@llyw.cymru)  
[Correspondence.Julie.James@gov.Wales](mailto:Correspondence.Julie.James@gov.Wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru  
Welsh Government

# **INFRASTRUCTURE (WALES) BILL**

## **Regulatory Impact Assessment Methodology Paper**

**June 2023**

## Contents

List of Abbreviations	1
Section 1 - Introduction	2
Section 2 - Principles of Approach	3
Section 3 - Detailed Approaches and Assumptions	5
Detailed Approaches and Assumptions - Option 1 - Do nothing. Applications for infrastructure to be determined according to the current legislative arrangements	8
Detailed Approaches and Assumptions - Option 2 - Establish a new form of 'Welsh Infrastructure Consent' for development or works with the objective of constructing and/or changing use to create a 'Welsh Infrastructure Project'. This is the preferred option	25
Detailed Approaches and Assumptions - Option 3 - Establish an independent consenting body to determine 'Welsh Infrastructure Consents'	42
Detailed Approaches and Assumptions - Option 4 - Establish fast-track and consistent infrastructure consenting regimes to be determined by a unit within the Welsh Government	57
Annex A - Breakdown of PEDW and the Welsh Government's costs for determining infrastructure applications	61
Annex B - Applications submitted during the assessed period April 2013 to April 2022	71

## **List of Abbreviations**

DCO – Development Consent Order

DNS – Development(s) of National Significance

IC – Infrastructure Consent

LPA – Local Planning Authorities

NRW – Natural Resources Wales

PEDW – Planning and Environment Decisions Wales

SIP – Significant Infrastructure Project

TCPA – Town and Country Planning Act 1990

## **Section 1 - Introduction**

- 1.1 This Methodology Paper supplements the Regulatory Impact Assessment (“RIA”) for the Infrastructure (Wales) Bill. It provides detail on the workings behind the costs for the various options outlined for the determining of infrastructure development applications in future, as contained in Chapters 7 and 8 of the assessment.
- 1.2 The format of this Methodology Paper firstly sets out at Section 2 the key principles used for the calculating of costs contained in the assessment. Section 3 sets out the base data, assumptions and calculations used to inform the costs outlined under each of the options in the assessment.
- 1.3 The following sections provide further detail and explanation for the sections as outlined above and for the specific options set out in the RIA where further detail is required. Numbers have been rounded to the nearest £100 in the RIA but have not been rounded in this paper.

## Section 2 – Principles of Approach

2.1 Some key principles have informed the costs set out in the assessment, as follows:

- Costs are based on a five year appraisal period of the various options, from 2024-2025 to 2028-2029.
- Estimates of costs for the various assessment options are based on evidence collated by Arup Planning Consultations on infrastructure applications submitted to relevant consenting authorities over the period April 2013 to February 2019 (see 'Arup Report' at footnote)<sup>1</sup>. Further evidence on the numbers of infrastructure applications was acquired to supplement the Arup Report from March 2019 to April 2022, ensuring costs are as up-to-date as possible for publication. The entire period for the assessment of infrastructure applications from April 2013 to April 2022 has been termed as the 'assessed period' for the purposes of the RIA.
- Costs from the Arup Report are considered to represent the best available evidence and an accurate representation of costs that would incur today to stakeholders for different types of infrastructure application. It is recognised that variables could result in some costings being slightly higher or lower in subsequent years. However, as they are taken over a broad period, with a number of set costs included such as application fees, it is considered appropriate to apply them in their pure form without adjustments being made.
- Costs to stakeholders for involvement in the determination of infrastructure applications have been taken primarily from the Arup Report or from desk-based research carried out by Welsh Government officials on PEDW/Welsh Government and LPA costs for involvement in the process.
- Final costings have been rounded to the nearest £100 in the RIA. This ensures clarity and ease of reference when comparing costs. Financial sums have been rounded to the nearest full number (i.e. excluding decimals). As a consequence, there will be a small margin of error as original calculations were made including decimals, to provide accuracy.
- Application numbers have not been rounded in the calculations to ensure more accurate reflection of costs under each option over the longer term. For example, DNS applications per annum have been counted at 6.0 and 4.9, and not rounded to the nearest application.
- Inflation has been applied to the historic costs where applicable, by uprating based on GDP deflator figures dated November 2022. This ensures costs in the assessment are accurate at the time of its publication, as based on 2022/2023 prices. For information, the inflation deflator figures applied for the purposes of the assessment are contained in Table A below.

---

<sup>1</sup> Evidence on infrastructure applications can be found in the report: [Research into the Cost of Infrastructure development in Wales, Arup, March 2019](#).

<b>Table A – Uprating historic costs to 2022-23 prices using GDP deflator series - Using Nov 2022 data<sup>2</sup></b>			
Year	Original series	Index <i>2022-23 = 100</i>	Uprating factor
2011-12	82.35	78.53	1.273
2012-13	83.77	79.89	1.252
2013-14	85.51	81.55	1.226
2014-15	86.46	82.45	1.213
2015-16	87.14	83.11	1.203
2016-17	88.93	84.81	1.179
2017-18	90.42	86.23	1.160
2018-19	92.03	87.77	1.139
2019-20	94.42	90.05	1.111
2020-21	100.48	95.82	1.044
2021-22	100.00	95.37	1.049

This table shows the calculations used to apply historic costs from a particular financial year to 2022-23 prices. As a theoretical example, where a cost of £1,000 has been taken from 2016-17, that cost would be uprated to £1,179 in 2022-23 prices (£1,000\*1.179).

---

<sup>2</sup> Inflation deflator figures based on UK Government data located at the following web address: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1118718/GDP\\_Deflators\\_Autumn\\_Statement\\_November\\_2022\\_update.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118718/GDP_Deflators_Autumn_Statement_November_2022_update.xlsx)

## **Section 3 - Detailed Approaches and Assumptions**

- 3.1 Detail on the approaches and assumptions for specific topic-based issues and / or each of the policy options contained in the assessment is provided below. Detail on particular costings is provided where there is a clear need to provide supplementary information or evidence on how figures have been derived. Where the assessment is clear on how figures have been derived and evidenced, this information is not repeated in this methodology paper.

### **Detailed Approaches and Assumptions – Specific Topic Based Issues**

- 3.2 Certain approaches and assumptions have been made in respect of various topic based areas to inform the costs evidenced in the assessment. These are as follows:

#### ***Grading of infrastructure applications for assessment***

- 3.3 It is recognised that those infrastructure applications evidenced for the purposes of the assessment differ in scale, size and complexity, and are therefore examined differently. For example, smaller solar energy schemes captured would have been determined by the way of written representations, whilst more complex and larger generating schemes, such as a tidal lagoon, are likely to have been determined by inquiry. This would result in differing costs for determining those applications and these differences in costs must be factored into the assessment.
- 3.4 To provide an indicative range of costs for those infrastructure applications evidenced, applications have been divided into three levels based on their likely complexity. Projects such as small scale renewable energy facilities which have or are anticipated to be examined by written representations have been categorised as 'low complexity'. Larger facilities which have or are anticipated to be examined by topic-specific hearings have been categorised as 'medium complexity'. Large scale projects with a range of issues that have or are expected to be examined by inquiry have been categorised as 'high complexity'.

#### ***LPA costs for participating in the determination of infrastructure applications***

- 3.5 Costs to LPAs for participating in the determination of infrastructure applications have been based on costs provided by 10 LPAs over the period May to November 2022 for their involvement in recent DNS applications. These costs are provided below:

<b>Table B – LPA Costs for Involvement in DNS Applications</b>	
LPA	Estimated cost to LPA per application
LPA 1	£20,200 (A)
LPA 2	£3,475 (B)
LPA 3	£2,725 (C)
LPA 4	£2,250 (D)
LPA 5	£1,250 (E)
LPA 6	£0 (F)
LPA 7	£0 (G)
LPA 8	Estimated costs for involvement in 4 DNS applications at: <ul style="list-style-type: none"> <li>• £6,763 (H);</li> <li>• £1,250 (I);</li> <li>• £0 (J); and</li> <li>• £2,823 (K).</li> </ul>
LPA 9	£15,737.53 (L)
LPA 10	£0 (M)
<b>Average (used for purposes of RIA)</b>	<b>(A + B + C + D + E + F + G + H + I + J + K + L +M) / 13 = £4,344 per application.</b>

- 3.6 The above data was informed by a request to LPAs from the Welsh Government where LPAs were asked to provide costs for participation in recent DNS applications, based upon their costs for making representations, preparing and submitting a Local Impact Report and participating in any examination process (hearing or inquiry).
- 3.7 Returns were provided by LPAs in respect of 13 applications taken through the entire DNS determination process. Due to the nature of the data held in respect of their involvement, for the majority of cases LPAs provided a figure for their total involvement in the DNS application based upon staff costs (i.e. wages and time accrued). Authorities have been anonymised to ensure costs cannot be attributed to particular applications, to ensure no release of sensitive information.
- 3.8 Costs varied considerably for involvement between different types of DNS application and therefore an average figure of £4,344 per application has been applied for the purposes of assessment. Costs for LPA preparation of a Local Impact Report per application have been discounted from the above totals, counted separately as a £7,750 reimbursed cost by the Welsh Government. Some authorities confirmed they only received half the Welsh Government's amount for reimbursement of LIR at £3,875 due to late submissions of those documents. Where this is the case, the figure of half the reimbursement for LIR has instead been discounted, rather than the £7,750 full fee.
- 3.9 Some authority costs for participation in DNS applications are showing as zero. This is the case where reimbursed totals for LIR cover the costs for participation the LPA has provided.
- 3.10 It should be recognised that the above figures provided by LPAs may not include all costs for DNS participation as it is difficult to provide exact figures on outgoings such as office administration. Also, in some cases, developers may have reimbursed fees to authorities through Planning Performance Agreements, but for other DNS applications such agreements did not apply. Therefore, there is not a consistent basis to apply those other

detailed costs and it is therefore considered the above figures represent best estimates of LPA costs for DNS participation to apply for the purposes of assessment.

### ***PEDW and the Welsh Government's costs for determining infrastructure applications***

- 3.11 Based on experience of working on DNS applications, officials from Welsh Government's Planning Directorate and PEDW undertook a desktop exercise to determine the range of costs for determining different complexities of infrastructure applications. These costs are based on the tasks undertaken, staff time and staff salary for determining DNS applications and have informed the Welsh Government / PEDW costs evidenced in the assessment. A full breakdown of those costs are provided at **Annex A**.

### ***Statutory Consultees***

- 3.12 Costs to statutory consultees are taken from data provided by the Arup Report on infrastructure applications up to 2019. It is considered that data is robust to inform estimates of statutory consultee costs under the various options, with the nature of how statutory consultees respond to infrastructure applications not considered to have changed from 2019 up to publication of the assessment.
- 3.13 Numbers of statutory consultee responses have been based on responses to DNS applications assessed from the Arup study findings at 1.6 per application. This number is considered to be reflective of statutory consultees likely to respond to infrastructure applications in general, including those that may be submitted under different regimes.
- 3.14 For a very small number of infrastructure applications during the assessed period, Marine Licences would be required under the Marine and Coastal Access Act 2009, which NRW determine under current regimes. Costs for NRW determination of marine licences under current regimes have therefore been included in this paper. Those costs are not included under Options 2 and 3 as under those options NRW would not be responsible for determining marine licences which would be subsumed into the IC process. However they would retain a participatory role in marine licencing under all options.
- 3.15 The cost for interacting with various consenting processes in respect of marine licencing has been provided by NRW<sup>3</sup>. This has been aggregated across four different regimes for a cross-section of infrastructure applications. These costs have been considered, and the cost of interacting with, for example, the Planning Act 2008 or the Transport and Works Act 1992, is likely to be the same as interacting with the IC process. These costs are funded through grant in aid, and are likely to be the same across Options 1-4 and consequently, are not included in the RIA.

### ***Welsh Government's role in infrastructure applications***

- 3.16 For some infrastructure schemes, the Welsh Government acts as the developer and so is the applicant behind applications for consent. The costs associated with this role are included within the 'developer' sections of the assessment.
- 3.17 For some infrastructure schemes, the Welsh Government is consulted as a statutory consultee and so is responsible for providing a substantive consultation response. The costs associated with this role are included within 'stakeholder' sections of the assessment.

---

<sup>3</sup> Costs for NRW involvement in marine licencing were provided to the Welsh Government on the 10 February 2023.

## Detailed Approaches and Assumptions – Option 1 – Do nothing. Applications for infrastructure to be determined according to the current legislative arrangements

### *Option 1 – General Principles*

3.18 During the assessed period, applications have been made for infrastructure projects set out at Annex 3 of the RIA under the following regimes:

- Planning permission under section 57 of the TCPA 1990 (including those determined via ‘call-in’ or appeal);
- Development Consent Orders under section 31 of the Planning Act 2008<sup>4</sup>;
- DNS consent under section 62D of the TCPA;
- Consent to construct and operate generating stations under section 36 of the Electricity Act 1989;
- Harbour Revision and Empowerment Orders under the Harbours Act 1964;
- Orders under the Transport and Works Act 1992; and
- Orders under the Highways Act 1980.

3.19 Based on findings over the assessed period from April 2013 to April 2022, 54 infrastructure applications were found to have been submitted, working out at (54 / 9) six applications per year. These have been broken down by the regime they would be determined under and likely level of complexity. A detailed breakdown is provided in the table below:

Pack Page 51

---

<sup>4</sup> Applications have been evidenced under this regime because, due to changes in thresholds for determination, they would be determined by the Welsh Ministers under the DNS regime in future.

<b>Table C – Infrastructure applications submitted over assessed period April 2013 to April 2022, applied retrospectively to inform costs for Option 1 (Do Nothing)</b>	
Regime	Numbers
Planning permission under s.57(1) TCPA 1990 <sup>5</sup>	6
Developments of National Significance ('DNS') under s.62(D) TCPA 1990	22
Orders under s.10, s.14, s.16, s.28 Highways Act 1980	10
Development Consent Orders ('DCOs') under s.31 Planning Act 2008 <sup>6</sup>	8
Generating stations under s.36 Electricity Act 1989 <sup>7</sup>	2
Harbour Revision and Empowerment Orders (HRO) under s.14 of the Harbours Act 1964	5
Orders under s.1 and s.3 of the Transport and Works Act 1992	1
<b>Total</b>	<b>54</b>

3.20 It is noted that from 1 April 2019, the Welsh Ministers were devolved further consenting powers as a consequence of the commencement of provisions set out in the Wales Act 2017. This includes the further devolution of the consenting of generating stations up to 350MW (from 50MW) with no upper limit for onshore wind generating stations, and of Harbour Revision Orders. Prior to this transfer of competence, certain

<sup>5</sup> Under current arrangements, due to updates to legislation, those applications recorded under this regime would be determined as Developments of National Significance going forwards and costs have therefore been calculated on that basis. The Arup dataset includes 11 s.57 apps. Two were duplicates of one particular scheme and so merged as one. Three were of too small a MW size (under 10MW) and so were not included.

<sup>6</sup> See previous footnote. In addition, 1 of the 8 DCOs would be determined as an application under the Electricity Act under current arrangements, therefore this application is costed as such rather than as a Development of National Significance.

<sup>7</sup> 1 of the 2 Electricity Act applications would be determined as a DNS under current arrangements, therefore costed as such for the purposes of the RIA.

consents were issued under the Planning Act 2008 by the Secretary of State (namely generating stations between 50MW and 350MW). However, following this devolution, applicants for devolved projects are no longer able to access the process under the Planning Act 2008, and consenting for equivalent projects is given either under the sections 57 or 62D of the Town and Country Planning Act 1990 (onshore) or section 36 of the Electricity Act 1989. Furthermore, the assessed period has quantified applications prior to the coming into force of the DNS process on 1 March 2016, which largely comprise of generating stations with an installed generating capacity of between 10MW and 50MW. Such applications were made to Local Planning Authorities. Were such an application made in the current legislative framework, they would be subject to the DNS process.

- 3.21 For the purposes of the RIA and this methodology paper, and to accurately reflect a 'do nothing' option, applications are counted as if they were submitted under the current legislative regime. For example, the Swansea Bay Tidal Lagoon was a Development Consent Order issued under the Planning Act 2008, as it was applied for and consented prior to 1 April 2019. If an application was made for the same development today, it would be determined under section 36 of the Electricity Act 1989, and this is reflected in the RIA. The table at **Annex B** reflects which developments were submitted during the assessed period, which regime they fell under for their determination, and which regime they would be determined under following the current legislative regimes.

<b>Table D – Numbers and graded complexity of anticipated infrastructure applications per annum under Option 1</b>	
Projects (over nine year assessed period)	Projects per year
6 high complexity – Developments of National Significance	$(6 / 9) = 0.7$
10 high complexity – Highways Act 1980	$(10 / 9) = 1.1$
1 high complexity – Transport and Works Act 1992	$(1 / 9) = 0.1$
2 high complexity – Electricity Act 1989	$(2 / 9) = 0.2$
<b>19 Total High Complexity Projects</b>	<b><math>(19 / 9) = 2.1</math></b>
21 medium complexity – Developments of National Significance	$(21 / 9) = 2.3$
5 medium complexity – Harbour Revision and Empowerment Orders	$(5 / 9) = 0.6$
<b>26 Total Medium Complexity Projects</b>	<b><math>(26 / 9) = 2.9</math></b>
9 low complexity – Developments of National Significance	$(9 / 9) = 1$
<b>9 Total Low Complexity Projects</b>	<b><math>(9 / 9) = 1</math></b>
<b>Total 54 Assessed Projects</b>	<b><math>(54 / 9) = 6.0</math></b>

**Option 1 – Welsh Government costs**

3.22 A detailed breakdown of costs per year to the Welsh Government under this option for continuing with current infrastructure consenting regimes is provided in the table below:

<b>Table E – Breakdown of costs per annum to the Welsh Government for continuing with current consenting regimes under Option 1</b>	
Regime	Cost
Planning permission under section 57(1) of the TCPA	£0 (A.).
Developments of National Significance (DNS) permission under s.62D of the TCPA 1990	<p>36 DNS in total over the nine year assessed period. Of these it is estimated they are made up of the following:</p> <ul style="list-style-type: none"> <li>• 9 low complexity = <math>9 / 9 = 1</math> per annum (B.).</li> <li>• 21 medium complexity = <math>21 / 9 = 2.3</math> per annum (C.).</li> <li>• 6 high complexity = <math>6 / 9 = 0.7</math> per annum (D.).</li> </ul> <p>Average cost to PEDW / the Welsh Government for different complexities of DNS application:</p> <ul style="list-style-type: none"> <li>• Low complexity = £32,154 (E.).</li> <li>• Medium complexity = £76,084 (F.).</li> <li>• High complexity = £208,146 (G.).</li> </ul> <p>Total cost per annum = <math>(B. \times E.) + (C. \times F.) + (D. \times G.) = £348,448</math> (H.). This cost is considered to be reimbursed by developers.</p>
Consent to construct and operate generating stations under section 36 of the Electricity Act 1989	<p>2 generating stations under the Electricity Act over the nine year assessed period.</p> <p>Number of generating stations per annum = <math>2 / 9 = 0.2</math> (I.).</p> <p>Assumed that generating stations would be the equivalent to determining a high complexity DNS application at £208,146 (J.).</p>

	Total cost per annum = (I. x J.) = £46,255. (K.). This cost is considered to be reimbursed by developers.			
Harbour Revision and Empowerment Orders under the Harbours Act 1964	<p>5 Harbour Orders over the nine year assessed period.</p> <p>Number of Harbour Order applications per annum = <math>5 / 9 = 0.6</math> (L.).</p> <p>Assumed that Harbour Orders would be the equivalent to determining a medium complexity DNS application at £76,084 (M.).</p> <p>Total cost per annum = (L. x M.) = £42,269. (N.). This cost is not considered to be reimbursed by developers.</p>			
Orders under the Transport and Works Act 1992	<p>1 Transport and Works Order over the nine year assessed period.</p> <p>Number of anticipated Transport and Works Order applications per annum = <math>1 / 9 = 0.1</math> (O.).</p> <p>Assumed that Transport and Works Orders would be the equivalent to determining a high complexity DNS application at £208,146 (P.).</p> <p>Total cost per annum = (O. x P.) = £23,127. (Q.). This cost is not considered to be reimbursed by developers:</p>			
Orders under the Highways Act 1980	<p>10 Highways Orders over the nine year assessed period. Number of anticipated Highways Order applications per annum = <math>10 / 9 = 1.1</math> (R.).</p> <p>Estimated that costs of determining a highway order are made up of the following tasks:</p> <ul style="list-style-type: none"> <li>• Cost to PEDW for producing an Inspector's Report assumed to be the equivalent for a high complexity DNS application = £208,146 (S.).</li> <li>• Reviewing the report, briefing the Minister and publishing the decision (based on information provided by Transport Division of Welsh Government, responsible for determining orders under the Highways Act) = £24,036 (T.).</li> </ul> <table border="1" data-bbox="824 1267 1339 1375"> <tr> <td>Review of Inspectors Report</td> <td>£13,409</td> </tr> </table>		Review of Inspectors Report	£13,409
Review of Inspectors Report	£13,409			

	MA and associated documents	£7,156	
	Clearances	£2,283	
	Publication	£1,189	
	TOTAL	£24,036	
Total cost for determining a highway order = (S. + T.) = £232,182 (U.).			
Total cost per annum = (R. x U.) = £257,980. (V). This cost is considered to be reimbursed by developers.			
<b>Total cost to the Welsh Government per annum for continuing with current consenting regimes under Option 1</b>	(sum (A.), (H.), (K.), (N.), (Q.), (V.)) = <b>£718,078 per annum.</b>		
	<i>(H.) + (K.) + (V.) = £652,682 reimbursed.</i>		
	<i>(N.) + (Q.) = £65,396 not reimbursed.</i>		

23 Costs to the Welsh Government for continuing with current consenting regimes under this option are based on the following assumptions, which are reflected in the current regimes column at **Annex B**:

- There were six applications for planning permission under section 57(1) of the TCPA 1990 over the assessed period with a generating capacity of over 10MW. Under the current legislative framework, the six applications would be determined under section 62D of the TCPA as DNS. Therefore, they would not generate appeal costs to the Welsh Government and it is not considered necessary to calculate the cost of section 57 appeals under this option.
- The number of 36 DNS applications for ‘infrastructure development’ over the assessed period<sup>8</sup> is based on 22 applications submitted to or subject to examination by PEDW under that particular regime and that would remain determined as DNS under section 62D of the TCPA. In addition, it includes 14 applications that were submitted under other legislative regimes<sup>9</sup> that would now be determined as DNS applications.

<sup>8</sup> Applications taken from Arup 2019 ‘Research into the Cost of Infrastructure development in Wales’, plus additional applications submitted to PEDW over the period February 2019 to 1 April 2022.

<sup>9</sup> 7 Development Consent Orders (‘DCOs’) under s.31 Planning Act 2008; 6 for planning permission under s.57(1) TCPA 1990; and 1 for a generating station under s.36 of the Electricity Act 1989.

- Records which The Department for Business, Energy and Industrial Strategy (BEIS) hold do not distinguish the nominal voltage of an overhead electric line and whether the project is devolved. These records could therefore not be reliably analysed, thus the number of section 37 applications under the Electricity Act 1989 which would otherwise be DNS under current legislative regimes is considered for the purpose of this study as zero.
- It is only considered costs for DNS, Highways Orders and generating stations would be reimbursed by the Welsh Ministers under this option. Fees for Harbour and Transport and Works Orders are considered to be too low in order for the Welsh Ministers to be able to recover costs for those types of applications from developers.

**Option 1 – Local Planning Authority costs**

3.24 A detailed breakdown of costs per year to local planning authorities under this option for continuing with current infrastructure consenting regimes is provided in the table below:

<b>Table F – Breakdown of costs per annum to local planning authorities for continuing with current consenting regimes under Option 1</b>	
Regime	Cost
Planning permission under section 57(1) of the TCPA	£0 (A.).
Developments of National Significance (DNS) permission under s.62D of the TCPA 1990	<p>36 DNS in total over the nine year assessed period. Number in total per year = <math>36 / 9 = 4</math> (B.).</p> <p>Assumed that cost to LPAs would comprise of the following:</p> <ul style="list-style-type: none"> <li>Preparation of Local Impact Report = £7,750 (C.); and</li> <li>Other costs estimated for LPA participation in the DNS process (as evidenced elsewhere in this paper) = £4,344 per application (D.).</li> </ul> <p>Total cost per annum = <math>(B. \times C.) + (B. \times D.) = £48,376</math> (E.).</p>

	<p>Only costs for Local Impact Report reimbursed, therefore non-reimbursed costs = (B. x D.) = £17,376 (F.).</p>
<p>Consent to construct and operate generating stations under section 36 of the Electricity Act 1989</p>	<p>2 generating stations under the Electricity Act over the nine year assessed period.</p> <p>Number of generating stations per annum = <math>2 / 9 = 0.2</math> (G.).</p> <p>Assumed that costs to LPAs for their participation in the process for determining generating stations would be similar to their participation in DNS at £4,344 per application (H.).</p> <p>Total cost per annum = (G. x H.) = £965 (I.).</p>
<p>Harbour Revision and Empowerment Orders under the Harbours Act 1964</p>	<p>5 Harbour Orders over the nine year assessed period.</p> <p>Number of Harbour Order applications per annum = <math>5 / 9 = 0.6</math> (J.).</p> <p>Assumed that costs to LPAs for their participation in the process for determining Harbour Orders would be similar to their participation in DNS at £4,344 per application (K.).</p> <p>Total cost per annum = (J. x K.) = £2,413 (L.).</p>

Orders under the Transport and Works Act 1992	<p>1 Transport and Works Order over the nine year assessed period.</p> <p>Number of anticipated Transport and Works Order applications per annum = <math>1 / 9 = 0.1</math> (M.).</p> <p>Assumed that costs to LPAs for their participation in the process for determining Transport and Works Orders would be similar to their participation in DNS at £4,344 per application (N.).</p> <p>Total cost per annum = <math>(M. \times N.) = £483</math> (O.).</p>
Orders under the Highways Act 1980	<p>10 Highways Orders over the nine year assessed period.</p> <p>Number of anticipated Highways Order applications per annum = <math>10 / 9 = 1.1</math> (P.).</p> <p>Assumed that costs to LPAs for their participation in the process for determining Highways Orders would be similar to their participation in DNS at £4,344 per application (Q.).</p> <p>Total cost per annum = <math>(P. \times Q.) = £4,827</math> (R.).</p>
<b>Total cost to local planning authorities per annum for continuing with current consenting regimes under Option 1</b>	<p><math>(\text{sum (A.), (E.), (I.), (L.), (O.), (R.)}) = \mathbf{£57,064 \text{ per annum (S.)}}</math>.</p> <p><i>Of that cost (B. x C.) = £31,000 reimbursed (T.).</i></p> <p><b><i>Remaining (S. – T.) = £26,064 not reimbursed.</i></b></p>

3.25 Costs to local planning authorities for continuing with current consenting regimes under this option are based on the following assumptions:

- For some infrastructure schemes, LPAs act as the developer and so is the applicant behind applications for consent. The costs associated with this role are included within the 'developer' sections of the assessment.
- For some infrastructure schemes, LPAs are consulted as a statutory consultee and so are responsible for providing a substantive consultation response. The costs associated with this role are included within 'stakeholder' sections of the assessment.
- Similar assumptions in respect of the relevant consenting regime under the current legislative framework as detailed in Paragraph 3.22 above have been made.
- With regards to Harbour Orders, Transport and Works Orders and Highways Orders, detailed information on costs to LPAs for their participation in the determination of those types of applications was not available. It is therefore considered appropriate to assumed

costs for their participation would broadly align with costs obtained for their participation in other types of infrastructure application determined under the DNS route, at a cost to LPAs of £4,344 per application. This assumption has been applied in the calculations.

**Option 1 – Development Industry costs**

3.26 A detailed breakdown of costs per annum to the development industry under this option for continuing with current infrastructure consenting regimes is provided in the table below:

<b>Table G – Breakdown of costs per annum to the development industry for continuing with current consenting regimes under Option 1</b>	
<b>Regime</b>	<b>Cost</b>
Planning permission under section 57(1) of the TCPA	£0 (A.).
Developments of National Significance (DNS) permission under s.62D of the TCPA 1990	36 DNS in total over the nine year assessed period. Number in total per year = $36 / 9 = 4$ (B.). Developer costs of £897,230 (C.). Total cost per annum = $(B. \times C.) = £3,588,920$ (D.).
Consent to construct and operate generating stations under section 36 of the Electricity Act 1989	2 generating stations under the Electricity Act over the nine year assessed period. Number of generating stations per annum = $2 / 9 = 0.2$ (E.). Arup Report estimated average costs to developers for applications for generating stations per application = £1,586,503 (F.). Total cost per annum = $(E. \times F.) = £352,556$ (G.).

Harbour Revision and Empowerment Orders under the Harbours Act 1964	<p>5 Harbour Orders over the nine year assessed period.</p> <p>Number of Harbour Order applications per annum = <math>5 / 9 = 0.6</math> (H.).</p> <p>Arup Report estimated average costs to developers for Harbour Orders per application = £429,689 (I.).</p> <p>Total cost per annum = <math>(H. \times I.) = £238,716</math> (J.).</p>
Orders under the Transport and Works Act 1992	<p>1 Transport and Works Order over the nine year assessed period.</p> <p>Number of anticipated Transport and Works Order applications per annum = <math>1 / 9 = 0.1</math> (K.).</p> <p>Arup Report estimated average costs to developers for Transport and Works Orders per application = £3,156,913 (L.).</p> <p>Total cost per annum = <math>(K. \times L.) = £350,768</math> (M.).</p>
Orders under the Highways Act 1980	<p>10 Highways Orders over the nine year assessed period.</p> <p>Number of anticipated Highways Order applications per annum = <math>10 / 9 = 1.1</math> (N.).</p> <p>Estimated costs for a developer submitting a Highways Order application (based on Welsh Government determination costs) = £232,182 (O.).</p> <p>Total cost per annum = <math>(N. \times O.) = £257,980</math> (P.).</p>
<b>Total cost to the development industry per annum for continuing with current consenting regimes under Option 1</b>	<b>(sum (A.), (D.), (G.), (J.), (M.), (P.)) = £4,788,940 per annum.</b>

3.27 Costs to the development industry for continuing with current consenting regimes under this option are based on the following assumptions:

- Similar assumptions in respect of the relevant consenting regime under the current legislative framework as detailed in Paragraph 3.22 above have been made.
- For developer DNS costs, the figure of £897,230 is taken from the Arup Report, based on average general and specific procedural costs per application associated with securing consent. The Arup Report confirms this figure includes planning application fees.
- It is optional for a developer to submit applications for secondary consent alongside an application for DNS, and the number of secondary consents relevant to an application for DNS will vary. There are no existing trends and it is not possible to accurately predict any additional costs associated with secondary consents. These costs are therefore unknown.
- Developers are not able to appeal PEDW decisions on DNS applications. Therefore, there are no appeal costs to developers associated with this type of application.
- For the other types of consent that are listed, applications must be accompanied by the appropriate fee. These fees are variable and considered to represent a small fraction of the preparation costs to developers per application. For the purposes of consistency in applying data from the Arup Report under Option 1 for the different types of infrastructure application, it is considered fee amounts for other consents would be absorbed as part of the overall costs listed in the Arup Report (excluding Highways Orders, see below).
- With regards to the use of data from the Arup Report on preparation costs for Transport and Works Act 1992 Orders, whilst only English Orders were found as part of the Arup study findings, it is considered those application costs represent a suitable baseline to measure future application costs to developers for Transport and Works Orders submitted in Wales. This is because they will be applications of a similar nature and therefore developers for schemes in Wales are expected to incur similar costs for their submission.
- With regards to Highways Orders, the Arup Report provides Highways Order costs for three significant highways schemes over the period 2013-2019, with preparation costs averaging £15,882,750 per scheme. Following the Welsh Ministers 14 February 2023 announcement regarding The Roads Review and National Transport Delivery Plan<sup>10</sup>, it is considered highways schemes of the nature identified by the Arup Report are unlikely to be representative of the scale and type likely to come forward in Wales in future. It is therefore considered developer costs for preparation of Highway Orders provided by the Arup Report are not representative of the likely costs for schemes that would come forward under the various options and cannot be applied for the purposes of this assessment. As previously evidenced, the Welsh Government's Planning Directorate has acquired estimated costs for the Welsh Government determining Highways Orders (at £232,182 on average per application). Those costs are fully recoverable from developers and can therefore be applied for the purposes of developer costs for Highways Orders under the current consenting arrangements at Options 1. To ensure consistency in applying costs across all options, only determination costs have been applied to developer costs for highways schemes for Options 2, 3 and 4 (see further sections below). By applying determination costs only, it is recognised developer costs for future highways schemes may be higher than evidenced across all options, but it ensures reliable data is applied consistently and therefore provides a suitable comparison of costs for the purposes of this assessment.

<sup>10</sup> Oral Statement: The Roads Review and National Transport Delivery Plan, 14 February 2023: <https://www.gov.wales/oral-statement-roads-review-and-national-transport-delivery-plan>

**Option 1 – Statutory Consultees costs**

3.28 A detailed breakdown of costs per annum to statutory consultees under this option for continuing with current infrastructure consenting regimes is provided in the table below:

<b>Table H – Breakdown of costs per annum to statutory consultees for continuing with current consenting regimes under Option 1</b>	
Regime	Cost
Planning permission under section 57(1) of the TCPA	£0 (A.).
Developments of National Significance (DNS) permission under s.62D of the TCPA 1990	<p>Arup Report identified 5 DNS applications with a total of 8 statutory consultee responses. Therefore average of <math>(8/5) = 1.6</math> statutory consultee responses per application (B.).</p> <p>Arup Report estimated costs to statutory consultees ranging from £2,125 to £6,100 per DNS application = median cost of £4,113 per application (C.).</p> <p>Average cost per application = <math>(B. \times C.) = £6,580</math> (D.).</p> <p>Assuming on average of <math>(36/9) = 4</math> DNS applications per annum (E.).</p> <p>Total cost per annum = <math>(D. \times E.) = £26,320</math> (F.).</p>
Consent to construct and operate generating stations under section 36 of the Electricity Act 1989	<p>Considered reasonable to assume that for generating stations there would be a comparable number of statutory consultees providing responses in line with the figures for DNS applications = 1.6 statutory consultee responses per application (G.).</p> <p>Arup Report estimated costs to statutory consultees ranging from £297 to £700 per generating station application = median cost of £499 per application (H.).</p>

	<p>Average cost per application = (G. x H.) = £798 (I.).</p> <p>2 generating stations applications over the nine year assessed period. Number of anticipated generating stations applications per annum = <math>2 / 9 = 0.2</math> (J.).</p> <p>Total cost per annum = (I. x J.) = £177 (K.).</p>
Harbour Revision and Empowerment Orders under the Harbours Act 1964	<p>Considered reasonable to assume that for Harbour Orders there would be a comparable number of statutory consultees providing responses in line with the figures for DNS applications = 1.6 statutory consultee responses per application (L.).</p> <p>Arup Report estimated costs to statutory consultees ranging from £700 to £25,438 per Harbour Order = median cost of £13,069 per application (M.).</p> <p>Average cost per application = (L. x M.) = £20,910 (N.).</p> <p>5 Harbour Orders over the nine year assessed period. Number of anticipated Harbour Orders per annum = <math>5 / 9 = 0.6</math> (O.).</p> <p>Total cost per annum = (N. x O.) = £11,617 (P.).</p>
Orders under the Transport and Works Act 1992	<p>Considered reasonable to assume that for Transport and Works Orders there would be a comparable number of statutory consultees providing responses in line with the figures for DNS applications = 1.6 statutory consultee responses per application (Q.).</p> <p>Arup Report estimated costs to statutory consultees ranging from £400 to £3,295 per Transport and Works Order = median cost of £1,848 per application (R.).</p> <p>Average cost per application = (Q. x R.) = £2,956 (S.).</p>

	<p>1 Transport and Works Orders over the nine year assessed period. Number of anticipated Transport and Works Orders per annum = <math>1 / 9 = 0.1</math> (T.).</p> <p>Total cost per annum = (S. x T.) = £328 (U.)</p>
Orders under the Highways Act 1980	<p>Considered reasonable to assume that for Highways Orders there would be a comparable number of statutory consultees providing responses in line with the figures for DNS applications = 1.6 statutory consultee responses per application (V.).</p> <p>Arup Report estimated costs to statutory consultees = £900 per application (based on only available figures provided for Cadw responding) (W.).</p> <p>Average cost per application = (V. x W.) = £1,440 (X.).</p> <p>10 Highways Orders over the nine year assessed period. Number of anticipated Highways Order applications per annum = <math>10 / 9 = 1.1</math> (Y.).</p> <p>Total cost per annum = (X. x Y.) = £1,600 (Z.).</p>
Marine Licence under the Marine and Coastal Access Act 2009	<p>The function for determining marine licences is currently delegated to Natural Resources Wales (NRW).</p> <p>Costs to NRW for determining marine licences, are on average, across a cross-section of infrastructure cases £100,890 per application. £90,620 of that cost is recovered by way of fees. This results in an average cost to NRW per application = £10,270 (AA.)</p> <p>Of the list of developments submitted during the nine year assessed period, four are noted to have required a marine licence. Those are Swansea Bay Tidal Lagoon, Morlais,</p>

	Erebus and Holyhead Marina. Therefore, total number of anticipated marine licence applications per annum = $4 / 9 = 0.44$ (AB.).
	Total cost per annum = (AA. x AB.) = £4,564 (AC.).
<b>Total cost to statutory consultees per annum for continuing with current consenting regimes under Option 1</b>	<b>(sum (A.), (F.), (K.), (P.), (U.), (Z.), (AC.)) = £44,607 per annum.</b>

3.29 Costs to statutory consultees for continuing with current consenting regimes under this option are based on the following assumptions:

- Similar assumptions in respect of the relevant consenting regime under the current legislative framework as detailed in Paragraph 3.22 above have been made.
- For Harbour Revision or Empowerment Orders, Transport and Works Act 1992 Orders and Highways Orders, there was no data available to view on average numbers of statutory consultees responding to such applications from the Arup Report. It is considered reasonable to assume this number would be comparable to the numbers of statutory consultees responding to DNS applications at 1.6 per application as they are similar types of application to DNS in being for infrastructure related schemes.
- For marine licences, it is to be recognised the statutory consultee costs provided relate to NRW's delegated responsibility for their determination. Costs are based upon information provided by NRW on the 10 February 2023 on marine licencing determination costs for infrastructure cases, taking those applications that would apply for the assessed period up to 1 April 2022.

**Detailed Approaches and Assumptions – Option 2 – Establish a new form of ‘Welsh Infrastructure Consent’ for development or works with the objective of constructing and/or changing use to create a ‘Welsh Infrastructure Project’. This is the preferred option**

***Option 2 – General Principles***

- 3.30 Under this option, as outlined in the assessment, there would be the one consenting regime for determining infrastructure schemes. Compared to Option 1, where projects are determined under a number of different regimes, this option would provide a streamlined process.
- 3.31 Based on findings over the nine year assessed period from April 2013 to April 2022, 44 infrastructure applications would form part of a new IC regime under this option. The number of 44 infrastructure applications for a new regime is lower than the 54 applications identified for Option 1 due to the assumptions that:
- the five applications for orders under the Highway Act 1980 for the M4 motorway corridor around Newport would be merged into one IC submission;
  - the three Swansea Bay Tidal apps (1 DCO and 2 Harbour Revision Order applications) would be merged into one IC submission; and
  - the DNS applications for the Sudbrook - gas-fired peaking plant; Valero - Cogeneration Facility; Coed Darcy - energy generation operating reserve compound; and Felindre Road - stand-by energy generating station; would fall within the ‘optional’ Infrastructure Consent bracket. Given the scale and impacts of these proposals, these would likely be made to the Local Planning Authority under section 57 of the TCPA rather than via an Infrastructure Consent. Other applications falling within the optional bracket have been considered of a sufficient scale for developers to likely exercise the option of seeking an Infrastructure Consent.
- 3.32 44 applications works out at (44 / 9) 4.9 applications per annum submitted that would fall under the new IC regime. Therefore, applied retrospectively, costs for this option are based on a calculation of 4.9 infrastructure applications per annum being submitted under the new IC regime going forwards, broken down by likely level of complexity. A detailed breakdown is provided in the table below:

<b>Table I – Numbers and graded complexity of anticipated infrastructure applications per annum for Option 2 under a new IC regime</b>	
Projects (over nine year assessed period)	Projects per year
15 high complexity	$(15 / 9) = 1.7$
24 medium complexity	$(24 / 9) = 2.7$
5 low complexity	$(5 / 9) = 0.6$
<b>Total 44 projects under a new IC regime</b>	<b><math>(44 / 9) = 4.9</math></b>

3.33 It is also noted the four applications over the assessed period mentioned above (Sudbrook etc.) to be determined under section 57 of the TCPA as they are too small to be considered as ICs, would result in those applications being determined as additional applications by LPAs. Applied retrospectively, this would result in  $(4 / 9)$  0.4 infrastructure applications being determined by LPAs rather than the Welsh Ministers under a new IC regime.

#### ***Option 2 – Welsh Government costs for managing of a new IC regime***

3.34 Overall costs to the Welsh Government for the managing of a new IC regime are estimated to be (A. + B. + C.) **£385,308** for set-up costs, with ongoing costs of **£567,664** per annum for the processing and determination of applications. There are various tasks associated with the set-up of a new IC regime, as follows:

- Set-up of new case management and IT systems = £330,000 (A.).
- Training and dissemination = £43,005 (B.).
- Guidance = £12,303 (C.).

3.35 A detailed explanation of the costs associated with each of the above is provided in the sections that follow.

*Option 2 – Welsh Government costs – Set-up of new case management and IT systems*

3.36 The cost for the set-up of new case management and IT systems under Option 2 is assumed to be comparable to the recent transfer of the former Planning Inspectorate Wales (including incorporation of its staff and case management system) into the Welsh Government as PEDW. This assumption is made because new systems under Option 2 would again fall under the responsibility of PEDW, who would be responsible for the processing of applications. Therefore, by making this assumption, it is considered costs would be comparable to expenditure on the incorporation of PEDW work into the Welsh Government over an approximate 2-year period up to 2022/2023 at **£330,000**.

*Option 2 – Welsh Government costs – Training and dissemination for a new IC regime*

3.37 Training and dissemination events for a new IC regime are estimated to cost the Welsh Government (A. + B. as below) **£43,005**. A detailed breakdown of those costs by Welsh Government staff grade and task is provided below:

<b>Table J – Welsh Government Training and Dissemination for New IC Regime – Costs to Planning officials for disseminating training</b>			
Task	Grade 7 Cost	SEO Cost	HEO Cost
12 Dissemination Events	£1,918	£1,468	£1,167
Training with PEDW Inspectors and wider staff	£1,183	£905	£0
Presentation materials preparation	£197	£151	£0
<b>Total costs</b>	<b>£6,988 (A.)</b>		

<b>Table K – Welsh Government Training and Dissemination for New IC Regime – Costs for PEDW officials to attend training</b>						
Task	Deputy Director Inspector Cost (x1 attending)	Grade 6 Inspector Costs (x3 attending)	Grade 7 Inspector Costs (x19 attending)	SEO Costs (x2 attending)	HEO Costs (x3 attending)	TS Costs (x2 attending)
Full day training events	£1,639	£4,815	£24,669	£1,810	£2,159	£925
<b>Total dissemination / familiarisation costs</b>		<b>£36,017 (B.)</b>				

3.38 The above costings are based upon the following make up of tasks and assumptions:

- Ten dissemination events for LPAs, each lasting approximately 3 hours;
- Two dissemination events for the development industry, each lasting approximately 3 hours;
- Three full days training for PEDW Inspectors and wider staff;
- No costs for venue as training will be carried out by Planning Directorate officials of the Welsh Government in existing Government meeting rooms or it will be undertaken virtually;
- Half a day for preparing materials;
- Delivery by 1 Grade 7 and 1 SEO planning official of the Welsh Government, with additional support provided at the dissemination events by 1 HEO planning official;
- Attendance at the three days training by all PEDW staff that would be involved in a new IC regime (information provided by PEDW on the 9 March 2023); and
- Staff costs are based on Welsh Government annual gross salary costs for 2022/2023 broken down by daily and hourly rate, at 220 working days per year (260 weekdays per year minus 40 days for leave and allowance for holidays) and 7.4 hours per day.

3.39 The rationale for the training and dissemination events under this option is to follow a similar format to what took place when the DNS regime was introduced. This format was considered to have worked successfully at the time, and received positive feedback. Following a similar format for a new regime which will again be for the determination of infrastructure applications as with DNS, is considered to be logical and appropriate in this instance.

*Option 2 – Welsh Government costs – Guidance for a new IC regime*

3.40 Standalone guidance for a new IC regime is estimated would cost the Welsh Government **£12,303**. A detailed breakdown of those costs by Welsh Government staff grade and task is provided below:

<b>Table L – Welsh Government Guidance for New IC Regime</b>		
Task	SEO Cost	HEO Cost
Initial preparation of guidance (45 days)	£0	£10,795
Final clearance of guidance (5 days)	£1,508	£0
<b>Total costs</b>	<b>£12,303</b>	

Pack Page 72

3.41 The above costings are based upon the following make up of tasks and assumptions:

- There will be 15 new guidance documents for a new IC process, this figure has been based on the range of topic areas covered by the legislation for a new regime;
- Delivery by 1 SEO and 1 HEO planning officials of the Welsh Government. HEO responsible for preparation, with each guidance document taking 3 working days to prepare, and SEO clearing contents, with 3 guidance documents being cleared over a working day; and
- Staff costs are based on Welsh Government annual gross salary costs for 2022/2023 broken down by daily rate, at 220 working days per year.

3.42 This cost for standalone guidance would also apply to an independent body for determining IC applications under Option 3 below.

Option 2 – Welsh Government costs – Processing and determination of applications under a new IC regime

3.43 Processing of applications for a new IC regime will take place by PEDW on behalf of the Welsh Ministers, with the Welsh Ministers responsible for their final determination. This would result in estimated costs to the Welsh Government of **£567,664 per annum, which would be reimbursed in its entirety**. A detailed breakdown of those costs is provided in the table below:

Table M – Welsh Government costs – Processing and determination of applications under a new IC regime	
Regime	Cost
New IC Regime	<p>Based on findings over the nine year assessed period that 44 applications that would be determined under a new IC process going forward. Of these it is estimated the 44 applications would be made up of the following:</p> <ul style="list-style-type: none"> <li>• 5 low complexity = 5 / 9 = 0.6 per annum (A.).</li> <li>• 24 medium complexity = 24 / 9 = 2.7 per annum (B.).</li> <li>• 15 high complexity = 15 / 9 = 1.7 per annum (C.).</li> </ul> <p>Average cost to PEDW / the Welsh Government for different complexities of DNS application, used in this case to evidence costs for ICs:</p> <ul style="list-style-type: none"> <li>• Low complexity = £32,154 (D.).</li> <li>• Medium complexity = £76,084 (E.).</li> <li>• High complexity = £208,146 (F.).</li> </ul>
<b>Total costs</b>	<b>Total cost per annum = (A. x D.) + (B. x E.) + (C. x F.) = £567,664 (G.). This cost is considered to be reimbursed by developers.</b>

3.44 The above costings are based on the assumption that costs to the Welsh Government for processing and determining applications under a new IC regime would broadly align with costs for the current determination of DNS applications. This is due to it being considered that similar tasks would be involved in both regimes, as they are or would be similarly responsible for the determination of large scale infrastructure projects in Wales.

***Option 2 – LPA costs – Participation in a new IC regime***

3.45 Overall costs to LPAs for participating in a new IC regime are estimated to be **£30,266** for set-up costs, with ongoing costs of **£60,148 per annum, of which £21,237 would not be reimbursed.**

*Option 2 – LPA costs – Set-up costs to attend training and familiarisation events for a new IC regime*

3.46 Set-up costs to LPAs for attending Welsh Government training and familiarisation events for a new IC regime are estimated would cost **£30,266**. A detailed breakdown of these costs by anticipated LPA officers that would attend such events is provided below:

<b>Table N – LPA Costs – Attendance at training and familiarisation events for a new IC regime</b>						
Task	Chief Planner (x1 attending at hourly rate of £51.56)	Development Management Lead (x1 attending at hourly rate of £39.24)	Principal Planning Officer / Team Leader (x2 attending at hourly rate of £30.29)	Senior Planning Officer (x2 attending at hourly rate of £28.69)	Planning Officer (x4 attending at hourly rate of £25)	Chair of Planning Committee (x1 attending at hourly rate of £26.69)
3 hours training per official	£155	£118	£182	£172	£300	£80
Total for 25 LPAs	£3,867	£2,943	£4,544	£4,304	£7,500	£2,002
Apply inflation figure of 1.203 to convert 2015/2016 costs to current prices	£4,652	£3,540	£5,466	£5,177	£9,023	£2,408
<b>Total dissemination / familiarisation costs</b>						<b>£30,266</b>

3.47 The above costings are based upon the following assumptions:

- LPA officers would attend events for a total of 3 hours each;
- Breakdown of officers likely to attend events based on representation across various LPA planning grades, plus allowance for one councillor from each authority with an interest in planning issues. It is recognised composition of staff at individual LPAs will vary, but the make-up of staff identified is considered to represent the maximum number of officers that may attend from any one given LPA; and

- LPA hourly rates are based on information provided in the Planning (Wales) Bill Regulatory Impact Assessment Methodology Paper (dated April 2015)<sup>11</sup>. As those are historic costs, the inflation figure of 1.203 has been applied to convert 2015/2016 costs to current prices.

*Option 2 – LPA costs – Ongoing participation in infrastructure applications with a new IC regime*

3.48 Ongoing involvement in infrastructure applications with a new IC regime are estimated would cost LPAs **£60,148 per annum, of which £21,237 would not be reimbursed**. A detailed breakdown of those costs is provided in the table below:

<b>Table O – LPA Costs Per Annum – Participation in New IC Regime</b>	
Task	Cost
Preparation of Local Impact Report (LIR) IC Regime	£7,750 fee x (44 / 9) 4.9 applications per year = £37,889 (A.). <i>Reimbursed by the Welsh Government</i>
LPA general participation IC Regime	Based on information LPAs have provided for participation in DNS at £4,344 x (44 / 9) 4.9 applications per year = £21,237 (B.). <i>Not reimbursed</i>
LPA determination of infrastructure applications not falling under IC Regime	£2,300 x (4/9) 0.4 applications per year = £1,022 (C.). <i>Reimbursed by fees</i>
<b>Total LPA Costs Per Annum – New IC Regime (Option 2)</b>	(A.) + (B.) + (C.) = <b>£60,148</b> (A.) + (C.) = <b>£38,911 reimbursed.</b> (B.) = <b>£21,237 not reimbursed.</b>

<sup>11</sup> The Planning (Wales) Bill Regulatory Impact Assessment Methodology Paper can be found here: <https://www.gov.wales/planning-wales-bill-regulatory-impact-assessment-methodology-paper>

3.49 The above costings are based upon the following assumptions:

- Costs for preparing LIR are based on current costs per relevant LPA for DNS applications;
- LPA general participation in the regime is based on figures obtained from LPAs for participation in DNS (as covered elsewhere in this paper);
- The cost for LPA determination of infrastructure applications which would not fall under the IC regime is based on LPA fees requirements for similar applications, as taken from the Town and Country Planning (Fees for Applications, Deemed Applications and Site Visits) (Wales) Regulations 2015 (SI 2015/1522), Schedule 1, Part 2: Scale of Fees. Based on those applications found over the assessed period applied retrospectively, it is expected similar applications for LPA determination in future would fall under category 5 of the Fees Schedule: The erection, alteration or replacement of plant or machinery where fees of £460 per 0.1 hectares of the site area apply. The applications evidenced during the assessed period for this purpose are considered to be of low complexity and approximately on average 0.5 hectares in size, resulting in cost per application of (£460 x 5) £2,300; and
- The numbers of applications per year are based on those found over the assessed period, applied retrospectively (as evidenced above).

***Option 2 – Developer costs – Participation in a new IC regime***

Pack Page 77

3.50 Overall costs to developers for participating in a new IC regime are estimated to be **£3,030** for set-up costs, with ongoing costs at **£4,208,404** per annum.

***Option 2 – Developer costs – Set-up costs to attend training and familiarisation events for a new IC regime***

3.51 Set-up costs to the development industry for attending Welsh Government training and familiarisation events for a new IC regime are estimated would cost **£3,030**. A detailed breakdown of these costs is provided below:

<b>Table P – Developer Costs – Attendance at training and familiarisation events for a new IC regime</b>			
<b>Task</b>	<b>Training time (hours)</b>	<b>Hourly rate</b>	<b>Numbers attending</b>
3 hours training per official	3		
Costs per hour based on disciplinary for "Architectural and engineering activities and related technical consultancy", taken from 2022 ASHE data		£25.25	
Assumed attendance by 20 different bodies at those events (with 2 people from each body attending)			40
<b>Total dissemination / familiarisation costs</b>			<b>£3,030.00</b>

8.52 The above costings are based on the following assumptions:

- Officials from the development industry would attend events for a total of 3 hours each;
- Numbers of officials likely to attend based on engagement undertaken by the Welsh Government's Planning Directorate with approximately 20 groups/bodies interested in the proposals up to March 2023. It is considered up to 2 individuals from each would attend such events; and
- Developer hourly rates are based upon 2022 Annual Survey of Hours and Earnings (ASHE) data, applying an appropriate discipline for the type of organisations that would attend plus 30% on-costs.

*Option 2 – Developer costs – Ongoing participation in infrastructure applications with a new IC regime*

3.53 Ongoing involvement in infrastructure applications with a new IC regime are estimated would cost the development industry **£4,208,404 per annum**. A detailed breakdown of these costs is provided below:

<b>Table Q – Developer Costs Per Annum – Participation in New IC Regime</b>	
<b>Task</b>	<b>Cost</b>
<p>Developer costs for applications to be determined by the Welsh Ministers under a new IC regime (excluding highways schemes):</p> <ul style="list-style-type: none"> <li>• Application preparation at £670,000;</li> <li>• Any statutory pre-application consultation at £23,333;</li> <li>• Any non-statutory pre-application consultation (i.e. holding events, publicising events etc. outside of statutory requirements) at £22,500;</li> <li>• Participating in an examination at £116,667;</li> <li>• Making a material amendment to a project during the examination of an application, where one has been made, at £29,667;</li> <li>• Making a non-material or minor amendment to a project during the examination of an application, where one has been made, at £6,250;</li> <li>• Creating and maintaining a website which displays an entire application, for a period of 6 months, at £17,500; and</li> <li>• Publishing a notice in a local newspaper or relevant journal advertising a prospective application for development, for a period of 1 week, at £11,313.</li> </ul> <p>These costs to developers apply for all applications to come forward under a new regime at 44 in total, as evidenced previously, minus 6 applications that would come forward as highways schemes (see row below). Therefore they apply to 38 applications in total over the nine year assessed period.</p>	<p>Total at £897,230 x (38 / 9) 4.2 applications per year = £3,788,304.</p>

<p>Developer costs for highways schemes to be determined by the Welsh Ministers under a new IC regime (6 in total over the nine year assessed period).</p> <ul style="list-style-type: none"> <li>Total application costs, excluding preparation costs, at £227,230 (see row above for detailed breakdown).</li> </ul> <p>Plus the following DNS fees:</p> <ul style="list-style-type: none"> <li>Notification fee at £580;</li> <li>Initial fee at £15,350;</li> <li>Local Impact Report fee at £7,750; and</li> <li>Determination fee at £14,700.</li> </ul>	<p>Total at £265,610 x (6/9) 0.7 applications per year = £177,073.</p>
<p>Developer costs for infrastructure applications to be determined by LPAs and not under a new IC regime (see further table below)</p>	<p>Total at £546,808 x (4/9) 0.4 applications per year = £243,026.</p>
<p><b>Total Developer Costs Per Annum – New IC Regime (Option 2)</b></p>	<p><b>£4,208,404</b></p>

3.54 The developer costs per infrastructure application for determinations by LPAs under a new IC regime are based on the following calculations:

<b>Table R – Breakdown of developer costs per infrastructure application for LPA determinations, rather than under a new IC regime</b>	
<b>Task</b>	<b>Cost</b>
Application preparation	£670,000
<p>Minus the following DNS fees from total:</p> <ul style="list-style-type: none"> <li>Notification fee at £580;</li> <li>Initial fee at £15,350;</li> <li>Local Impact Report fee at £7,750; and</li> <li>Determination fee at £14,700.</li> </ul>	– £38,380

<p><math>(£580 + £15,350 + £7,750 + £14,700) = £38,380</math> to be subtracted.</p>	
<p>Minus DNS Examination Fee</p> <p>Examination fees have been calculated on the basis of PEDW Inspectors determining different complexities of DNS application, estimated for:</p> <ul style="list-style-type: none"> <li>• Low complexity DNS at £32,154;</li> <li>• Medium complexity DNS at £76,084; and</li> <li>• High complexity DNS applications at £208,146.</li> </ul> <p>For the assessed period of applications, there were 4 DNS applications per annum, of which 0.7 were of high complexity, 2.3 were of medium complexity and 1 was of low complexity (see figures under Option 1 for do nothing option).</p> <p>Therefore, estimated examination costs per annum for the:</p> <ul style="list-style-type: none"> <li>• 1 low complexity DNS would be <math>(1 \times £32,154) = £32,154</math>;</li> <li>• 2.3 medium complexity DNS would be <math>(2.3 \times £76,084) = £177,530</math>;</li> <li>and</li> <li>• 0.7 high complexity DNS would be <math>(0.7 \times £208,146) = £138,764</math>.</li> </ul> <p>Total estimated examination costs for the combined 4 DNS per annum would be <math>(£32,154 + £177,530 + £138,764) = £348,448</math>.</p> <p>Therefore, average costs of examination of 1 DNS would be <math>(£394,703 / 4) = £87,112</math> to be subtracted.</p>	<p style="text-align: right;">– £87,112</p>
<p>Add on fee payable by developers to LPAs for LPA determination of infrastructure applications at £2,300 per application, as evidenced in the LPA costs section above.</p>	<p style="text-align: right;">+ £2,300</p>
<p><b>Developer costs per infrastructure application for LPA determinations</b></p>	<p style="text-align: right;"><b>£546,808</b></p>

3.55 The above costings are based upon the following assumptions:

- Developer costs are predominantly based on information provided by the Arup Report, using DNS data as comparable costs for those infrastructure applications to be submitted under a new IC regime;
- The numbers of applications per year are based on those found over the assessed period, applied retrospectively (as evidenced above);
- For developer costs for highways schemes under a new IC regime, application preparation cost of £670,000 is excluded and determination costs are applied only, to be consistent with Option 1. For a full explanation of the approach, see Paragraph 3.27 of this paper. Fees for DNS are added as the Arup Report confirms the cost of £670,000 not applied for highways schemes includes DNS planning application fees;
- For developer costs where certain applications are to be submitted to LPAs under any new process, DNS costs from Arup Report have been applied, with DNS planning application fees subtracted and estimated LPA fee added. Fees for DNS are subtracted as the Arup Report confirms cost of £670,000 provided for application preparation includes DNS planning application fees, whilst these applications would be determined by LPAs rather than the Welsh Ministers under a new IC regime. The report does not specify what these fees are and therefore they have been subtracted based on DNS baseline developer costs as taken from: [Developments of National Significance Procedural Guidance 2019](#).

**Option 2 – Statutory Consultees costs per annum – Participation in a new IC regime**

3.56 Overall costs to statutory consultees for participating in a new IC regime are estimated to be **£35,093** per annum. A detailed breakdown of these costs is provided below:

Table S – Breakdown of costs per annum to statutory consultees for participating in a new IC regime under Option 2	
Regime	Cost
New IC process	<p>(Based on costs for DNS) Arup Report identified 5 DNS applications with a total of 8 statutory consultee responses. Therefore average of <math>(8/5) = 1.6</math> statutory consultee responses per application (A.).</p> <p>Arup Report estimated costs to statutory consultees ranging from £2,125 to £6,100 per DNS application = median cost of £4,113 per application (B.).</p> <p>Average cost per application = <math>(A. \times B.) = £6,580</math> (C.).</p> <p>Based on findings over the nine year assessed period that 44 applications would be determined under a new IC process going forward <math>(44/9) = 4.9</math> IC applications per annum (D.).</p> <p>Total cost per annum = <math>(C. \times D.) = £32,169</math> (E.).</p>
Additional costs in responding to infrastructure applications that as a result of a new IC process would be determined by LPAs	<p>Based on costs for DNS) Arup Report identified 5 DNS applications with a total of 8 statutory consultee responses. Therefore average of <math>(8/5) = 1.6</math> statutory consultee responses per application (F.).</p> <p>Arup Report estimated costs to statutory consultees ranging from £2,125 to £6,100 per DNS application = median cost of £4,113 per application (G.).</p>

	<p>Average cost per application = (F. x G.) = £6,580 (H.).</p> <p>Based on 4 DNS applications found over the nine year assessed period that would be determined by LPAs going forward (4/9) = 0.44 infrastructure schemes to be determined by LPAs per annum, of those previously determined by the Welsh Ministers as DNS (I.).</p> <p>Total cost per annum = (H. x I.) = £2,924 (J.).</p>
<b>Total cost to statutory consultees per annum for participating in a new IC regime under Option 2</b>	<b>(sum (E.) + (J.)) = £35,093 per annum.</b>

3.57 The above costings are based on the following assumptions:

- Statutory consultee costs for participating in a new IC process are expected to align with those for participating in the current DNS process. This is due to the nature of statutory consultee responses for infrastructure schemes not expected to substantially change under any new process compared to the current DNS regime. In this regard, costs have again been taken from the Arup Report for DNS and applied accordingly to estimate statutory consultee costs under Option 2.
- There are expected additional costs to statutory consultees for responding to infrastructure applications that under current processes would be determined as DNS, but under a new IC process would be too small to be considered as ICs and therefore determined by LPAs. These costs are again anticipated to align with those for statutory consultees participating in the current DNS process, as although considered small in scale they would facilitate responses of a nature commensurate with infrastructure schemes determined under the current DNS regime. Estimates of those expected additional costs are provided in the table above.

## Detailed Approaches and Assumptions – Option 3 – Establish an independent consenting body to determine ‘Welsh Infrastructure Consents’

### *Option 3 – General Principles*

3.58 Under this option, as detailed in the assessment, there would be an independent body responsible for the processing and determination of IC applications. It is therefore assumed initial costs for set-up of the organisation would be funded by the Welsh Government and ongoing costs would be funded by the independent body, but recouped by applicant fees.

### *Option 3 – IC Independent Body costs – General Assumptions*

3.59 In order to provide some context to the costs outlined for running an IC Independent Body under this option, some previous case study examples provide useful comparable costs. For PINS Wales (now PEDW) which are responsible for DNS and other planning tasks, including appeals, a full breakdown of its running costs from 2015 to 2019 is provided in Annex 5 of the RIA. The budget for PINS Wales was £2,252,000 for financial year 2018/19. This covered:

- Direct running costs of the dedicated Inspector resource for Wales;
- Direct running costs for PINS office staff based in Cathays Park;
- Accommodation costs for Cathays Park; and
- A percentage of the PINS overall overhead costs to fund infrastructure service provision including IT, Human Resources and insurance.

3.60 The closest equivalent to such an Independent Body was the Infrastructure Planning Commission (“IPC”) which operated in England from 2008 to 2011. The costs and resources associated with the set-up and running of the IPC can be used, and appropriately amended to the IC process, as a basis for establishing the structure, resources, and costs of the SIP Independent Body. The Planning Bill Impact Assessment (UK Government, November 2007) estimated a one-off cost of setting up Infrastructure Planning Commission to be £5 million, with accommodation and staffing costs of £9.3 million per annum. Taking into account inflation, this would result in higher set-up and ongoing costs today. However, it is recognised an IC Independent Body for Wales would be smaller in scale and therefore have lower set-up and annual costs in comparison.

3.61 The costings for the IC Independent Body are based on the following general assumptions:

- A number of estimated costs for the independent body are based upon the conferring by Welsh Ministers of awarding and regulatory functions on a statutory ‘arms-length’ Welsh Government Sponsored Body, Qualifications Wales. These costs are contained in Option 3

of the Regulatory Impact Assessment<sup>12</sup> associated with the Qualifications Wales Bill. It is considered the Qualifications Wales example provides a strong comparable to the proposed structure of an independent body for the determining of IC applications.

- It is recognised costs for Qualifications Wales are dated 2015 and therefore more recent comparables for the setting up of organisational functions have been considered alongside these figures where appropriate, including for the set-up of PEDW within the Welsh Government. Where Qualifications Wales costs dated 2015 have been explicitly referenced, they have been updated to account for inflation for the purposes of the assessment
- The full staff complement of the Option 3 Qualifications Wales organisation is estimated at 73, based on its RIA. In addition to these staff are the organisation's Governance Board who total 11, bringing the total staff complement for this Option to 84. This compares to an estimated (22 full time staff plus 11 board members) 33 members staff for our option of an independent determination body in the assessment. Where costs from the Qualifications Wales Bill Regulatory Impact Assessment have been directly utilised that relate to numbers of staff for the IC Independent Body option, the following ratio has been applied:

Table T – Applied Qualifications Wales staffing figures in calculating costs for an IC Independent Body	
Formula	
Formula applied for IC Independent Body costs, where costs relate to numbers of staff.	$(B.) / (A.) \times 100 = \mathbf{39\% \text{ of Qualifications Wales costs applied to align with estimated staffing levels for the IC Independent Body.}}$
<ul style="list-style-type: none"> <li>• Staff total Qualifications Wales (including board members) = 84 (A.).</li> <li>• Staff total IC Independent Body (including board members) = 33 (B.).</li> </ul>	

- The number of applications has been based on the same number of infrastructure applications for a new IC regime under Option 2 at approximately 4.9 per year. This is because the process under this option will capture the same number and type of applications as Option 2, but with an arm's length body responsible for their determination rather than the Welsh Ministers. On this basis costs for the composition of the independent body have been identified, which apply to its staffing arrangements in particular.

<sup>12</sup> [Qualifications Wales Bill EMRIA, June 2015.](#)

**Option 3 – IC Independent Body costs – Staffing**

3.62 The costings for staffing levels of the IC Independent Body are based on a number of considerations, as outlined below.

*Option 3 – IC Independent Body costs – Day-to-day staff structure and costs*

3.63 Costs for day-to-day staffing levels of the IC Independent Body are estimated at **£1,391,675** per annum. A detailed breakdown of the numbers of day-to-day staff for the IC Independent Body, their grades at an equivalent to Welsh Government level, and their costs are as follows:

<b>Table U – Day-to-day staff structure and costs for IC Independent Body</b>				
Role	Number of positions	Welsh Government Grade	Annual staff cost per role <sup>13</sup>	Total staff costs per annum (£)
Chief Executive	1 FTE	5	£120,174	120,174
Operational Lead / Deputy Chief Executive	1 FTE	7	£86,731	86,731
Inspector	2 FTE	N/A – Based on PEDW Grade 6 equivalent costs	£117,705 <sup>14</sup>	235,410
Inspector	2 FTE	N/A – Based on PEDW Grade 7 equivalent costs	£95,215 <sup>15</sup>	190,430
Planning Team Leader	1 FTE	SEO	£66,364	66,364
Planning Officer	4 FTE	HEO	£52,774	211,096
HR Manager	1 FTE	HEO	£52,774	52,774
Business Support Lead (including pay-roll responsibilities)	1 FTE	HEO	£52,774	52,774
ICT Manager	1 FTE	HEO	£52,774	52,774

<sup>13</sup> Staff costs based on average pay costs for Welsh Government staff in financial year 2022/23. Provided by Welsh Government Finance & Corporate Services in January 2023.

<sup>14</sup> For inspector costs, these are based on actual PEDW Inspector staff costs provided by PEDW in January 2023. It is considered appropriate to use these figures as they are more reflective of costs required to staff inspectors, compared to standard equivalent Welsh Government grades.

<sup>15</sup> As previous footnote.

Assistant Planning Officer	4 FTE	EO	£40,504	162,016
Customer Support / Communications	1 FTE	EO	£40,504	40,504
IT Support	1 FTE	HEO	£52,774	52,774
Business Support (receptionist)	2 FTE	TS	£33,927	67,854
<b>Total</b>	<b>22</b>			<b>£1,391,675</b>

3.64 The above breakdown of staffing levels and their costs for a new IC Independent Body is based on the assumption they will be similar to the organisational structure of PEDW because they determine a comparable number of infrastructure applications per year. It is considered necessary for the independent organisation to adopt a similar structure to PEDW to ensure its efficiency and deliverability in processing IC applications. Some new staff responsibilities will be introduced due to the autonomous nature of a new agency and those anticipated responsibilities have also been factored into the above structure and its costings.

*Option 3 – IC Independent Body costs – Governance Board structure and costs*

Pack Page 88

3.65 The level of involvement of the Governance Board for Qualifications Wales is considered comparable to involvement a Governance Board would have in an IC Independent Body; hence, applying a similar structure to the Qualifications Wales Board with a chairman and 10 board members and associated costs for the IC Independent Body is considered appropriate in this instance. Costs for the Governance Board of the IC Independent Body are therefore based upon estimated figures for remuneration of the Qualifications Wales Board, at £35,000 and £7,500 for a chairman and 10 board members respectively<sup>16</sup>. Final costs for the Governance Board of the IC Independent Body have been calculated on that basis and are estimated to be **£132,330** per annum. A detailed breakdown of these costs are as follows:

<sup>16</sup> As taken from Paragraph 15 of the [Qualifications Wales Bill EMRIA, June 2015](#).

<b>Table V – Governance Board – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>Chairman cost for Qualifications Wales Governance Board, estimate from June 2015 = £35,000 (A.).</li> <li>Applied inflation figure of 1.203 (B.) to convert 2015/2016 cost to current price.</li> </ul>	<b>(A.) x (B.) = £42,105 estimated cost for IC Independent Body Governance Board Chairman per annum.</b>
<ul style="list-style-type: none"> <li>Board member costs for Qualifications Wales Governance Board, estimated from June 2015 = £7,500, on an individual basis (C.).</li> <li>Number of board members in total = 10 (D.).</li> <li>Applied inflation figure of 1.203 (E.) to convert 2015/2016 cost to current price.</li> </ul>	<b>(C.) x (D.) x (E.) = £90,225 estimated cost for IC Independent Body Governance Board Members per annum. Costs for board members on an individual basis at £9,023 per annum.</b>
<b>Total staff costs 11 IC Independent Body Governance Board Members</b>	<b>£132,330 per annum.</b>

*Option 3 – IC Independent Body costs – Staff recruitment, relocation and training*

66 Costs for recruitment, relocation and training of staff (for new systems etc.) are based on figures for the set-up of the staffing structure for Qualifications Wales, applied for the purposes of the IC Independent Body and estimated at **£137,936**. A detailed breakdown of these costs are as follows:

<b>Table W – Recruitment, Relocation and Training of Staff – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>2015/2016 set-up for recruitment, relocation and training of Qualifications Wales staff = £294,000 (A.)<sup>17</sup>.</li> <li>Applied inflation figure of 1.203 (B.) to convert 2015/2016 cost to current price.</li> <li>Apply staffing formula of 39%, multiply by 0.39 (C.), to align with staffing levels for a new IC body.</li> </ul>	<b>(A.) x (B.) x (C.) = £137,936 estimated cost for recruitment, relocation and training of staff for the IC Independent Body.</b>

<sup>17</sup> As taken from Paragraph 82 of the [Qualifications Wales Bill EMRIA, June 2015](#).

*Option 3 – IC Independent Body costs – Staff contingency costs*

3.67 Additional staff contingency costs at 10% of total staff costs are estimated at **£152,401** per annum and are included in order to take into account factors such as travel and subsistence and auditing. The 10% figure is considered realistic and has been informed by estimates of contingency costs for the planning provisions contained in the Planning (Wales) Bill RIA dated April 2015. A detailed breakdown of these costs are as follows:

<b>Table X – Staff Contingency Costs – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>• Total costs for day-to-day staffing of the IC Independent Body = £1,391,675 (A.) per annum (as evidenced above).</li> <li>• Total costs for Governance Board Members of the IC Independent Body = £132,330 (B.) per annum (as evidenced above).</li> <li>• Applying 10% of total staff costs, multiply by 0.1 (C.), in order to obtain staff contingency costs.</li> </ul>	<p><b><math>((A.) + (B.)) \times (C.) = \text{£152,401 per annum estimated staff contingency cost for IC Independent Body.}</math></b></p>

*Option 3 – IC Independent Body costs – Legal and Other Professional Services*

3.68 The IC Independent Body would require a budget for legal and other professional services, including translation. It is considered these costs would be comparable to those for similar services that would apply to Qualifications Wales. Costs for those services have therefore been calculated on that basis, at an estimated total of **£368,118** per annum. A detailed breakdown of these costs are as follows:

<b>Table Y – Legal and Other Professional Services – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>• Legal and other professional services costs for Qualifications Wales, estimate from June 2015 = £306,000 (A.).</li> <li>• Applied inflation figure of 1.203 (B.) to convert 2015/2016 cost to current price.</li> </ul>	<p><b><math>(A.) \times (B.) = \text{£368,118 estimated cost for IC Independent Body legal and other professional services per annum.}</math></b></p>

3.69 It is not considered costs for legal and other professional services for an IC Independent Body in comparison to Qualifications Wales would be affected by differences in staffing levels between the two organisations. Therefore, the above calculation does not align Qualifications Wales staffing levels with those for the IC Independent Body.

**Option 3 – IC Independent Body costs – Training and dissemination for a new IC regime**

3.70 Under this option it is considered there would be further costs for training and dissemination, with regards to implementing a new IC regime at a total cost of (A. + B.) **£25,965**. Arrangements would be similar to under Option 2, where Welsh Government officials would deliver the training at a cost of **£6,988** (A.). However, there would be a cost for training IC Independent Body staff with responsibility for the regime, rather than all PEDW staff (whose functions would not fall under the remit of a new regime for this option). Costs for training the IC Independent Body on a new IC regime are estimated to be a one-off cost of **£18,977** (B.). A detailed breakdown of these costs are as follows:

<b>Table Z – Welsh Government Training and Dissemination for New IC Regime – Costs for IC Independent Body officials to attend training</b>								
Task	Grade 5 cost (x1 attending)	Grade 6 Inspector costs (x2 attending)	Grade 7 Inspector costs (x2 attending)	Grade 7 cost (x1 attending)	SEO cost (x1 attending)	HEO costs (x8 attending)	EO costs (x5 attending)	TS costs (x2 attending)
3 full day training events	£1,639	£3,210	£2,597	£1,183	£905	£5,757	£2,762	£925
<b>Total dissemination / familiarisation costs</b>						<b>£18,977</b>		

3.71 Costs for training the IC Independent Body are based on the staffing structure and costs outlined previously for the organisation, with each staff member having 3 full days training on the new IC regime.

**Option 3 – IC Independent Body costs – Guidance**

3.72 See costs for standalone guidance under Option 2. This cost would apply to the Welsh Government who would retain responsibility for overarching policy implementation under this option.

**Option 3 – IC Independent Body costs – IT Infrastructure**

3.73 IT set-up and ongoing costs for a new organisation are considered to be comparable to the similar costs for Qualifications Wales, which included a hybrid of cloud-based and server-based infrastructure. For an IC Independent Body, there is also a need to factor in additional costs for a public facing IT service for the submission of IC applications; where costs have been based on the “Planning Applications Wales” service which enables electronic submission of planning applications to local planning authorities in Wales<sup>18</sup>. These costs have been calculated on that basis, with estimated total set-up cost of **£684,733**. A detailed breakdown of these costs are as follows:

<b>Table AA – IT Set-Up – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>IT set-up costs for Qualifications Wales, estimate from June 2015 = £1,244,000 (A.). This cost is based on £664,000 ICT infrastructure capital set-up costs and £580,000 ICT on consultancy support, WAN and other software<sup>19</sup>.</li> <li>Applied inflation figure of 1.203 (B.) to convert 2015/2016 costs to current prices.</li> <li>Apply staffing formula of 39%, multiply by 0.39 (C.), to align with staffing levels for a new IC body. It is considered these costs will cover relevant equipment for members of staff and board members of the organisation.</li> <li>IT set-up cost for public facing service allowing electronic submission of IC applications to the independent body. Figure based on set-up cost for “Planning Applications Wales”, which was £87,143 in 2017/2018 (D.).</li> <li>Applied inflation figure of 1.160 (E.), to convert 2017/2018 cost to current price.</li> </ul>	$((A.) \times (B.) \times (C.)) + ((D.) \times (E.)) = \mathbf{£684,733 \text{ estimated cost for IC Independent Body IT set-up.}}$

Pack Page 92

3.74 The estimated set-up cost for IT infrastructure is comparable to recent costs for transferring the IT systems of Planning Inspectorate (PINS) Wales into the Welsh Government as PEDW (estimated at approximately £500,000 in total by planning officials of the Welsh Government

<sup>18</sup> The Welsh Government’s Planning Directorate procures the Planning Applications Wales service and therefore holds information on its running costs.

<sup>19</sup> As taken from Pages 123 to 125 of the [Qualifications Wales Bill EMRIA, June 2015](#).

working on the project). Therefore, by the similar nature of planning service both PEDW and a new IC Independent Body would provide, the estimated cost is considered to be justified.

3.75 Estimated ongoing costs for IT infrastructure are estimated at **£312,799** per annum. A detailed breakdown of these costs are as follows:

<b>Table AB – IT Ongoing – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>IT ongoing costs for Qualifications Wales, estimate from June 2015 = £504,000. This cost is based on consultancy £95,000, WAN £87,000, other Software £70,000, Microsoft Support £47,000, hardware £27,000, hosting and license £178,000<sup>20</sup>.</li> <li>Applied inflation figure of 1.203 (B.) to convert 2015/2016 costs to current prices.</li> <li>Apply staffing formula of 39%, multiply by 0.39 (C.), to align with staffing levels for a new IC body. It is considered these costs will cover relevant equipment for members of staff and board members of the organisation.</li> <li>IT ongoing cost for public facing service allowing electronic submission of IC applications to the independent body. Figure based on current costs for delivery of “Planning Applications Wales”, which is £76,337 per annum (D.).</li> </ul>	<p><b><math>((A.) \times (B.) \times (C.)) + (D.) = \text{£}312,799</math> estimated IT cost per annum for IC Independent Body.</b></p>

Pack Page 93

3.76 This estimated ongoing IT operating cost is comparable to the running cost of similar infrastructure for PINS Wales before it became part of the Welsh Government, where the running costs amounted to approximately £282,015<sup>21</sup> per annum in 2019. This figure is considered to provide a reasonable comparable to IT costs for the new organisation per annum as they are expected to be similar in nature, with both contributing to bespoke ICT operating systems for similar staffing levels.

<sup>20</sup> As taken from Pages 123 to 125 of the [Qualifications Wales Bill EMRIA, June 2015](#).

<sup>21</sup> A new Planning Inspectorate for Wales Business Case, October 2019, Welsh Government.

**Option 3 – IC Independent Body costs – Accommodation**

3.77 Accommodation costs for the IC Independent Body are estimated to be **£193,113** for their set-up (comprising of fixtures and fittings), with an annual cost of **£81,523** (£42,500 rental + £39,023 facilities) and **no depreciation cost** after 5 years (excluding IT for which ongoing maintenance costs are already estimated). A detailed breakdown of the costs associated with the above is provided in the sections that follow.

*Option 3 – IC Independent Body costs – Details of accommodation and annual rental costs*

3.78 The type of accommodation and annual rental costs for accommodation that would be occupied by an IC Independent Body are estimated to be as follows:

<b>Table AC – Details of accommodation and annual rental costs – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>Number of staff expected to occupy office space for an IC Independent Body = 22. (A.). This figure excludes the 11 board members for the organisation, as they would not be working at the organisation on a day-to-day basis and would operate on a basis of meeting intermittently. It is further anticipated they would be likely to carry out the majority of their duties remotely.</li> <li>The Welsh Government’s Remote Working Policy aims for 70% of staff to be working in the office, with the remaining 30% to be working at or nearer to home on a regular basis. It is considered reasonable to assume a similar percentage of staff would work in the office for an IC Independent Body. Therefore, total staff working in the office at any one time for the IC Independent Body = (A.) x 0.7 (applying 70% as a ratio) = 16 (B.) (rounded up to the nearest whole number in this case as applying figure to individual persons)</li> <li>Assumption of 110 sq. foot (C.) of office space (equating to 10 sq. metres office space) required per person. This assumption is based on similar arrangements of working space for WG estates, noting 11 sq. metres per person for Oak House, Newport (as taken from estimate of costs for Commission for Tertiary Education and Research, dated April 2021).</li> <li>For an office space that would be occupied by 16 staff, it is considered reasonable to assume a total floorspace of approximately (B. x C., rounded to the nearest 1,000) = 2,000 sq. foot (D.) would be required for an IC Independent Body.</li> </ul>	<p>(D. x E.) = <b>£42,500 estimated accommodation annual rental costs for IC Independent Body.</b></p>

- Annual rental costs for such premises are estimated by the Welsh Government's Property Infrastructure Division to fall between £20-£22.50 per sq. foot<sup>22</sup>. This cost is based on an assumption of the need to utilise existing office space within the Cardiff city centre area for the set-up of a new IC Independent Body. Therefore, a median annual rental cost of £21.25 per sq. foot (E.) has been applied for the purposes of this assessment.

*Option 3 – IC Independent Body costs – Accommodation fixtures and fittings*

3.79 With regards to set-up of accommodation for an IC Independent Body, there would be initial costs for fixtures and fittings that are estimated to be as follows:

<b>Table AD – Accommodation Fixtures and Fittings – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>• Estimates of accommodation costs for Commission for Tertiary Education and Research, dated April 2021, have been applied for the purposes of calculating fixtures and fittings. These cost estimates are as follows:</li> <li>• Furniture costs at £3,225 per workstation; applying the ratio of 5 workstations to every 10 members of staff, it is assumed 8 workstation would be required in this case for 16 members of staff. Total cost for furniture/workstations is therefore estimated at (£3,225 x 8) = £25,800 (A.).</li> <li>• Removal of existing staff at £12 per person; if like for like replacement of staff for a new IC Independent Body, we would assume this would equate to removal of 16 members of staff at a total of (£12 x 16) = £192 (B.).</li> <li>• Capital fit-out works, assumed this would be for second hand purpose built office space at a cost of £850 per sq. metre; with the accommodation space estimated to be 2,000 sq. foot, this equates to</li> </ul>	<p><b>((A.) + (B.) + (C.)) x (D.) = £193,113 estimated set-up costs of accommodation fixtures and fittings for IC Independent Body.</b></p>

Pack Page 95

<sup>22</sup> Based on estimate of costs provided by the Welsh Government's Property Infrastructure Division on the 22 September 2022.

186 sq. metres. Therefore, total capital fit-out works costs for accommodation are estimated at (£850 x 186) = £158,100 (C.).

- As above costs are taken from information provided in April 2021, the inflation figure of 1.049 (D.) is to be applied to convert 2021/2022 costs to current prices.

3.80 Further to the above, no ongoing costs have been applied for fixtures and fittings as it is considered such a cost would be negligible over the five year appraisal period for the purposes of this assessment. For instance, it is not considered furniture would need to be replaced over the five year period.

*Option 3 – IC Independent Body costs – Accommodation facilities*

3.81 There would be ongoing facilities costs that would apply to accommodation for an IC Independent Body, estimated to be as follows:

<b>Table AE – Accommodation Facilities – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>Estimates of accommodation costs for Commission for Tertiary Education and Research, dated April 2021, have been applied for the purposes of calculating costs for facilities. These cost estimates are as follows:</li> <li>Rates at a cost of £37.50 per sq. metre. Applied to accommodation of £2,000 sq. foot, equating to 186 sq. metres, total costs for rates per annum are estimated at (£37.50 x 186) = £6,975 (A.).</li> <li>Other costs are estimated at £162.50 per sq. metre. It is considered these other costs would comprise of general costs for facilities. Applied to accommodation of £2,000 sq. foot, equating to 186 sq. metres, total costs for facilities per annum are estimated at (£162.50 x 186) = £30,225 (B.).</li> <li>As above costs are taken from information provided in April 2021, the inflation figure of 1.049 (C.) is to be applied to convert 2021/2022 costs to current prices.</li> </ul>	<p><b>((A.) + (B.)) x (C.) = £39,023 estimated costs per annum for accommodation facilities for IC Independent Body.</b></p>

3.82 The above costs for facilities are considered to flatline over the five year appraisal period and incorporate costs for rates, provision of utilities, repairs and maintenance and office administration. It is assumed costs for office administration will be insignificant as most of the work of the IC Independent Body in processing applications will be undertaken electronically through the IT equipment already costed.

*Option 3 – IC Independent Body costs – Accommodation depreciation*

3.83 On the basis of applying the five year appraisal period for the purposes of this assessment, it is considered there would be no additional depreciation costs after five years for the running of accommodation of an IC Independent Body. Costs for IT maintenance are already provided in this assessment as part of the calculation of ongoing IT costs. It is recognised that furniture would need to be replaced over time, however it is considered this would take place after 10 years rather than five<sup>23</sup>.

**Option 3 – IC Independent Body costs – Insurance**

3.84 Annual costs for insurance per staff member of the IC Independent Body have been based upon comparable costs for Qualifications Wales and are estimated to be **£41,605** per annum. A detailed breakdown of these costs are as follows:

Pack Page 97

<b>Table AF – Insurance – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>Insurance cost per staff member for Qualifications Wales, June 2015 = £1,048 (A.).</li> <li>Applied inflation figure of 1.203 (B.) to convert 2015/2016 costs to current prices.</li> <li>Staffing arrangements for IC Independent Body, including board members = 33 (C.).</li> </ul>	<p><b>(A.) x (B.) x (C.) = £41,605 estimated annual insurance cost for IC Independent Body.</b></p>

<sup>23</sup> Estimates of accommodation costs for Commission for Tertiary Education and Research, dated April 2021, forecast that refurbishment costs for accommodation, including furniture, would be required over a 10-yearly period.

**Option 3 – LPA costs – Participation in a new IC regime that is the responsibility of an IC Independent Body**

3.85 Costs to LPAs for participation in a new IC regime under Option 3 would be the same as for Option 2. For a detailed breakdown of these costs, see: “Option 2 – LPA costs – Participation in a new IC regime”.

**Option 3 – Developer costs – Participation in a new IC regime that is the responsibility of an IC Independent Body**

3.86 Costs to developers for participation in a new IC regime to be run by an IC Independent Body under Option 3 are estimated to be the same set-up costs as Option 2 at **£3,030**, but with different ongoing costs of **£5,390,317** per annum. A detailed breakdown of ongoing costs to developers under this option are as follows:

<b>Table AG – Developer Costs Per Annum – IC Independent Body</b>	
Formula	
<ul style="list-style-type: none"> <li>Developer costs for applications to be determined by an IC Independent Body under a new IC regime:</li> <li>£897,230 (A.) (total cost to developers per application that has been applied for Option 2, excluding highways schemes);</li> <li>As fees would be made up of costs for running the IC Independent Body, see bullet point below, existing DNS fees are subtracted. These are £227,230 (B.), £580 (C.), £15,350 (D.), £7,750 (E.) and £14,700 (F.) (fees evidenced by the Arup Report plus DNS notification fee, initial fee, Local Impact Report fee and determination fee respectively).</li> <li>Figure multiplied by total number of applications. 6 highways schemes that would be determined as ICs discounted from this part of the calculation<sup>24</sup>. Therefore applies to ((44 – 6)/9) 4.2 (G.) applications in total.</li> </ul>	<p><b>(H.) + (I.) + (J.) = £5,390,317 estimated annual cost to developers for new IC regime run by an IC Independent Body.</b></p>

<sup>24</sup> Only determination costs have been applied to developer costs for highways schemes across all options; see Paragraph 3.27 of this paper. Determination costs to developers for highways schemes would be covered under costs incurred on developers for the running of the IC Independent body; see bullet point below in main text.

- Therefore, total cost to developers, excluding application fees is ((A.) – (B.) – (C.) – (D.) – (E.) – (F.)) x (G.) = £2,666,840 (H.).
- Additional entire ongoing cost to developers per annum for running the service of IC Independent Body, which would essentially be the fee element as it would operate on a full cost recovery basis = £2,480,451 (I.)<sup>25</sup>. This figure is based on previous costs for an IC Independent Body outlined above, including staff, insurance, and accommodation etc.
- Additional cost for infrastructure applications to be determined by LPAs and not under a new IC regime. This is the same as evidenced under Option 2 at £243,026 (J.).

***Option 3 – Statutory Consultees costs per annum – Participation in a new IC regime that is the responsibility of an IC Independent Body***

9.87 See costs identified for statutory consultees under Option 2 for a new IC regime, which are expected to apply under this option.

9.87  
Pack Page 99

<sup>25</sup> To note, applying this figure as a fee on an individual application basis, this would result in a fee to developers of (divided by (44/9) 4.9 applications estimated per year) £507,365 per application.

## Detailed Approaches and Assumptions – Option 4 – Establish fast-track and consistent infrastructure consenting regimes to be determined by a unit within the Welsh Government

### Option 4 – General Principles

- 3.88 Under this option, as detailed in the assessment, there would be amendments to secondary legislation for the various infrastructure consenting regimes to ensure greater consistency. There would be a new unit within the Welsh Government responsible for issuing decisions on behalf of the Welsh Ministers.
- 3.89 For this option, as the infrastructure consenting regimes would remain the same as for Option 1, the majority of costs have been applied on that basis.
- 3.90 However, in ensuring more consistent and simplified processes through amendments to legislation, it is considered there would be possible efficiency savings through concurrent examination of applications, and providing an appropriate fee structure to ensure full cost recovery across all case types.
- 3.91 Due to similar regimes being in place as under Option 1, albeit with modifications to ensure improved processes, it is expected costs to local planning authorities and statutory consultees under this option would remain the same as for Option 1.

### Option 4 – Developer costs per annum – Fast-track and consistent infrastructure consenting regimes

- 3.92 Costs to developers for participation in improved infrastructure consenting regimes under Option 4 are estimated to be **£4,757,856** per annum. A detailed breakdown of these costs are as follows:

Table AH – Breakdown of costs per annum to the development industry for fast-track and consistent infrastructure consenting regimes under Option 4.	
Regime	Cost
Planning permission under section 57(1) of the TCPA	£0 (A.).
Developments of National Significance (DNS) permission under s.62D of the TCPA 1990	36 DNS in total over the nine year assessed period. Number in total per year = $36 / 9 = 4$ (B.). Developer costs of £897,230 (C.).

	Total cost per annum = (B. x C.) = £3,588,920 (D.).
Consent to construct and operate generating stations under section 36 of the Electricity Act 1989	<p>2 generating stations under the Electricity Act over the nine year assessed period.</p> <p>Number of generating stations per annum = <math>2 / 9 = 0.2</math> (E.).</p> <p>Generating stations under the Electricity Act made up of preparation costs from Arup Report, plus baseline DNS application costs, plus additional DNS application costs from Arup Report = + £1,373,889 + £38,380 + £227,230 = £1,639,499 (F.).</p> <p>Total cost per annum = (E. x F.) = £364,333 (G.).</p>
Harbour Revision and Empowerment Orders under the Harbours Act 1964	<p>5 Harbour Orders over the nine year assessed period.</p> <p>Number of Harbour Order applications per annum = <math>5 / 9 = 0.6</math> (H.).</p> <p>Harbour Orders made up of preparation costs from Arup Report, plus baseline DNS application costs, plus additional DNS application costs from Arup Report = £176,333 + £38,380 + £227,230 = £441,943 (I.).</p> <p>Total cost per annum = (H. x I.) = £245,524 (J.).</p>
Orders under the Transport and Works Act 1992	<p>1 Transport and Works Order over the nine year assessed period.</p> <p>Number of anticipated Transport and Works Order applications per annum = <math>1 / 9 = 0.1</math> (K.).</p> <p>Transport and Works Orders made up of preparation costs from Arup Report, plus baseline DNS application costs, plus additional DNS application costs from Arup Report = £2,110,000 + £38,380 + £227,230 = £2,375,610 (L.).</p>

	Total cost per annum = (K. x L.) = £263,957 (M.)
Orders under the Highways Act 1980	<p>10 Highways Orders over the nine year assessed period.</p> <p>Number of anticipated Highways Order applications per annum = <math>10 / 9 = 1.1</math> (N.).</p> <p>Highways Orders made up of baseline DNS application costs, plus additional DNS application costs from Arup Report = <math>£38,380 + £227,230 = £265,610</math> (O.).</p> <p>Total cost per annum = (N. x O.) = £295,122 (P.).</p>
<b>Total cost to the development industry per annum for fast-track and consistent infrastructure consenting regimes under Option 4.</b>	<b>(sum (A.), (D.), (G.), (J.), (M.), (P.)) = £4,757,856 per annum.</b>

93 Costs to the development industry for participation in improved infrastructure consenting regimes under this option are similar to developer costs under Option 1, aside from the following caveats:

- For consenting regimes other than DNS, it is considered amendments are likely to be made to align them closer with the requirements and fee structures of the DNS consenting regime in order to achieve greater consistency and efficiencies. Therefore costs per application would generally follow the DNS model. This has resulted in costs per application for those other regimes being calculated on the basis of only taking the average preparation costs for each type of consenting regime from the Arup Report , and adding it to the baseline DNS application costs and additional DNS application costs.
- Baseline DNS application costs are taken from [Developments of National Significance Procedural Guidance 2019](#) and are made up of £580 notification fee, £15,350 initial fee, £7,750 Local Impact Report fee and £14,700 determination fee.
- Additional DNS application costs are taken from the Arup Report and total £227,230. These costs are made up of other application costs to the developer such as examination fee and undertaking pre-application consultation.
- The only exception to the above is for Highways Orders, where although DNS costs have been applied, average preparation costs have been excluded from the calculation. This is because only determination costs have been applied to developer costs for highways schemes across all options; see Paragraph 3.27 of this paper.

**Option 4 – Welsh Government costs – Guidance for fast-track and consistent infrastructure consenting regimes**

3.94 Standalone guidance on the new requirements for improvements to existing regimes is estimated would cost the Welsh Government **£4,202**. A detailed breakdown of those costs by Welsh Government staff grade and task is provided below:

<b>Table AI – Welsh Government Guidance for Fast-Track and Consistent Infrastructure Consenting Regimes</b>		
<b>Task</b>	<b>SEO Cost</b>	<b>HEO Cost</b>
Initial preparation of guidance (15 days)	£0	£3,598
Final clearance of guidance (2 days)	£603	£0
<b>Total costs</b>	<b>£4,202</b>	

3.95 The above costings are based upon the following make up of tasks and assumptions:

- There would be 5 new guidance documents for improvements to existing infrastructure consenting regimes. This figure has been based on the range of topic areas covered by the legislation for those existing regimes, namely DNS and planning, harbours, highways, transport and electricity;
- Delivery by 1 SEO and 1 HEO planning officials of the Welsh Government. HEO responsible for preparation, with each guidance document taking 3 working days to prepare, and SEO clearing contents, with up to 3 guidance documents being cleared over a working day; and
- Staff costs are based on Welsh Government annual gross salary costs for 2022/2023 broken down by daily rate, at 220 working days per year.

**Annex A - Breakdown of PEDW and the Welsh Government's costs for determining infrastructure applications**

Stage	Task	Average Time Required (hours).			WG grade	
		Low complexity case	Medium complexity case	High complexity case		
Pre-application	Inception Meetings and non-charged Pre-Application Advice (including general queries)		3.70	3.70	3.70	TS
			2.00	2.00	2.00	HEO
			4.70	6.70	12.40	SEO
			333.53 (A.)	415.06 (a.)	647.41 (1.)	
	EIA screening and scoping					
			14.80	14.80	37.00	SEO
			603.31 (B.)	603.31 (b.)	1,508.27 (2.)	
	Notify applicant of decision to accept/refuse their notification to submit a DNS, including decision on whether application is indeed DNS or not					
			6.70	6.70	6.70	TS

					1.00	SEO
			139.63 (C.)	139.63 (c.)	180.39 (3.)	
	Formal pre-application advice, which extends to 'without prejudice' advice on the merits of proposed schemes as well as the procedural aspects of the DNS process					
			1.00	1.00	1.00	TS
			7.40	7.40	14.80	SEO
			322.49 (D.)	322.49 (d.)	624.15 (4.)	
Application	Registration and validation of application (including adequacy of EIA)		10.00	10.00	10.00	TS
			2.00	2.00	4.00	SEO
			22.20	37.00		G7 Ins
					44.40	G6 Ins
			1,588.31 (E.)	2,453.91 (e.)	3,581.59 (5.)	
	Notification of the validation decision, including the reasons why it has not been validated should that be the case (including translation)		3.00	3.00	5.00	TS
			2.00	2.00	4.00	SEO
			3.70	3.70		G7 Ins
					3.70	G6 Ins
			360.45 (F.)	360.45 (f.)	534.77 (6.)	
	Notification letters to statutory consultees and interested parties and organisations (including neighbour notification letters and notification of Community Councils)					
			7.40	7.40	14.80	TS
			1.00	1.00	2.00	HEO
			186.63 (G.)	186.63 (g.)	373.26 (7.)	

	Publishing application material on PEDW planning casework portal (to include GDPR reading)					
			22.20	22.20	25.90	TS
			462.64 (H.)	462.64 (h.)	539.75 (8.)	
	Checking LIR and dealing with representations		2.00	2.00	2.00	TS
			18.50	29.60	40.00	TS
			1.00	1.00	2.00	SEO
			467.98 (I.)	699.30 (i.)	956.79 (9.)	
	Press notice fee					
	Press notice - staff cost					
			3.00	3.00	5.00	TS
			62.52 (J.)	62.52 (j.)	104.20 (10.)	
	Displaying site notice (for onshore proposals) - for LPAs					
	Pre-examination meeting (optional)					
			3.70	3.70	3.70	TS

	Determination of 'notification of intention to vary' form submitted at the discretion of the developer (optional)		3.00	3.00		G7 Ins	
					6.00	G6 Ins	
			252.56 (K.)	252.56 (k.)	510.91 (11.)		
	Determination of applicants intention to vary (Case officer completes GDPR check / publishing, Inspector will assess if acceptable)		14.80	14.80	22.20	TS	
			3.00	3.00	7.40	G7 Ins	
					6.00	G6 Ins	
			483.89 (L.)	483.89 (l.)	1,329.24 (12.)		
	Suspension to an application		14.80	14.80	22.20	TS	
			7.40	7.40	14.80	G7 Ins	
			741.22 (M.)	741.22 (m.)	1,328.23 (13.)		
Examination	Appointment of Inspector to examine the application		7.40	7.40	7.40	EO	
			1.00	1.00		G7 Ins	
					1.00	G6 Ins	
			1.00	1.00	1.00	Deputy Director	
			316.41 (N.)	316.41 (n.)	330.23 (14.)		
	Organising site visit/s and venues						
			14.80	14.80	14.80	TS	
			308.43 (O.)	308.43 (o.)	308.43 (15.)		
	Determination of examination procedure and timetable						
		1.00	1.00	2.00	SEO		

				3.70	3.70		G7 Ins
						3.70	G6 Ins
				257.16 (P.)	257.16 (p.)	349.04 (16.)	
Option 1. Written representations							
Advertising - fee				£1,238.00 (Q.)	£1,530	£2,100	
Advertising - staff cost (covered earlier in process)							
Venue Hire - fee and staff cost, doesn't apply to written reps.							
Option 2. Open floor hearing							
Inspector input into examination sessions				22.2	44.4		G7 Ins
						74	G6 Ins
				£1,298.39	£2,596.78	£5,350.23	
Advertising - fee				£2,100	£2,341	£2,865	
Advert Translation Cost				£50	£50	£50	
Advert Translation Staff Cost				1	1	1	TS
Advertising - staff cost				4	4	6	TS
Advertising total cost				£154.20	£154.20	£195.88	

Venue Hire - fee				£0.00	£700.00	£1,050.00	
Simultaneous Translation Services				£3,800.00	£7,650.00	£12,000.00	
Event Administrator time				22.20	44.40	74.00	TS
Venue Hire and Services - staff cost				11.1	11.1	11.1	HEO
Venue Hire total cost				4,622.46	9,635.10	14,951.96	
Option 3. Topic-specific hearing							
Inspector input into examination sessions				22.2	44.4		G7 Ins
						74	G6 Ins
				£1,298.39	£2,596.78 (q.)	£5,350.23	
Advertising - fee				£2,100	£2,341 (r.)	£2,865	
Advert Translation Cost				£50	£50	£50	
Advert Translation Staff Cost				1	1	1	TS
Advertising - staff cost				4	4	6	TS
Advertising total cost				154.20	154.20 (s.)	195.88	
Venue Hire - fee				£0.00	£1,750.00	£2,100.00	
Simultaneous Translation Services				£3,800.00	£7,650.00	£12,000.00	
Event Administrator time				22.20	44.40	74.00	TS
Venue Hire - staff cost				7.4	7.4	7.4	HEO
Venue Hire total cost				4,502.52	10,565.16 (t.)	15,882.02	

Option 4. Inquiry							
Inspector input into examination sessions				22.2	44.4		G7 Ins
						74	G6 Ins
				£1,298.39	£2,596.78	£5,350.23 (17.)	
Advertising - fee				£2,100	£2,341.00	£2,865.00 (18.)	
Advert Translation Cost				£50.00	£50.00	£50.00	
Advert Translation Staff Cost				1	1	1	TS
Advertising - staff cost				4	4	6	TS
Advertising total cost				154.20	154.20	195.88 (19.)	
Venue Hire - fee				£0.00	£1,750.00	£2,100.00	
Simultaneous Translation Services				£3,800.00	£7,650.00	£12,000.00	
Event Administrator time				22.2	44.4	74	TS
Venue Hire - staff cost				7.4	7.4	7.4	HEO
Venue Hire total cost				4,502.52	10,565.16	15,882.02 (20.)	
Consideration by the appointed Inspector of all representations/matters raised and production of a report for Welsh Ministers recommending whether planning permission should be granted or refused.				296	644		G7 Ins
						1820	G6 Ins

	<i>These costs for examination, based on grades and staff time for examination of a DNS application, have been aligned to fees for examination set out in the Schedule of the Developments of National Significance (Fees) (Wales) Regulations 2016. -£870 per day for the determination of 'low complexity' applications by written representations. -£920 per day for the determination of medium or high complexity applications by hearing or inquiry</i>		14790.00 (R.)	32200.00 (u.)	125120.00 (21.)	
	Consultant or assessor costs		0.00	0.00	0.00	
	T&S costs (Inspector & Event Administrator)		540.00 (S.)	1080.00 (v.)	1800.00 (22.)	(£)
	Completion of report writing and presentation to Welsh Ministers (Inspector read & administration).		7.40	14.80	37.00	TS
	<i>These costs for examination, based on grades and staff time for examination of a DNS application, have been aligned to fees for examination set out in the Schedule of the Developments of National Significance (Fees) (Wales) Regulations 2016. -£870 per day for the determination of 'low complexity' applications by written representations. -£920 per day for the determination of medium or high complexity applications by hearing or inquiry</i>		14.80	22.20	74.00	G6 Ins
			1,740.00 (T.)	1,840.00 (w.)	6,440.00 (23.)	
Post-examination	Liaison, corrections and additional information between PINS and Decisions Branch					



	<b>Total costs for determining different complexities of infrastructure applications</b>	<b>Low complexity (sum from A. to AC.) = £32,154.01</b>	<b>Medium complexity (sum from a. to af.) = £76,084.34</b>	<b>High complexity (sum from 1. to 32.) = £208,145.69</b>	
--	--	---	--	---	--

<b>2022-23 Welsh Government salary costs (£)*</b>				
<b>Grade</b>	<b>Annual Average Gross Cost</b>	<b>Monthly Average Gross Cost</b>	<b>Hourly Average Gross Cost</b>	<b>Daily Average Gross cost</b>
TS**	33,927	2,827	20.84	154.21
EO	40,504	3,375	24.88	184.11
HEO	52,774	4,398	32.42	239.88
SEO	66,364	5,530	40.76	301.65
G7	86,731	7,228	53.27	394.23
G6	105,117	8,760	64.57	477.80
G7 Inspector***	95,215	7,935	58.49	432.80
G6 Inspector	117,705	9,809	72.30	535.02
Deputy Director	120,174	10,015	73.82	546.25

\* Assumption of 220 working days per year (260 weekdays per year minus 30 days AL minus 10 days privilege days) and 7.4 hours per day.

\*\* 2022-2023 staff costs supplied from Finance Services in Jan 2023.

\*\*\* G7 and G6 Inspector costs based on figures provided from PEDW as of 18 Jan 2023.

**Annex B - Applications submitted during the assessed period April 2013 to April 2022**

<b>Project Name</b>	<b>Consenting regime projects fall under</b>	<b>Current regime projects would be determined under</b>
Maesygarth Solar Farm	Planning permission under s.57(1) of the Town and Country Planning Act 1990;	DNS
Cwmcaesingrug Farm Solar Farm	Planning permission under s.57(1) of the Town and Country Planning Act 1990;	DNS
Hendre Fawr Solar Farm	Planning permission under s.57(1) of the Town and Country Planning Act 1990;	DNS
Shotwick Solar Farm	Planning permission under s.57(1) of the Town and Country Planning Act 1990;	DNS
Bryn Blaen Windfarm	Planning permission under s.57(1) of the Town and Country Planning Act 1990;	DNS
Hendy Windfarm	Planning permission under s.57(1) of the Town and Country Planning Act 1990;	DNS
A4226 Five Mile Lane	Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980	Highways Act 1980
Egnedol Biomass sustainable energy facility	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS

Llanwern Solar	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Sudbrook - Peaking Gas	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Wauntysswg - Solar	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Valero - Cogeneration Facility	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Llangennech Solar Farm (previously Penderi / Felinfoel solar).	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Tycroes Solar.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Mor Hafren Energy Recovery Facility.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Upper Ogmere - Wind Turbines	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS

Blackberry Lane Solar Park.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Buttington Quarry – ERF	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Brynwell Farm Renewable Energy Hub	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Elwy Solar Energy	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Brynryd Solar Farm.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Rhoscrowther Wind Farm.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Penpergwm Solar Farm.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Parc Solar Traffwll Ltd.	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS

Coed Darcy - energy generation operating reserve compound	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Felindre Road - stand-by energy generating station	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Neath to Abergavenny Trunk Road (A465) (Abergavenny to Hirwaun Dualling and Slip Roads) and East of Abercynon to East of Dowlais Trunk Road (A4060) and Cardiff to Glan Conwy Trunk Road (A470) (Connecting Roads) (Dowlais Top to Hirwaun) (Side Roads) Order 201-	Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980	Highways Act 1980
Neath to Abergavenny Trunk Road (A465) (Abergavenny to Hirwaun Dualling and Slip Roads) and East of Abercynon to East of Dowlais Trunk Road (A4060) and Cardiff to Glan Conwy Trunk Road (A470) (Connecting Roads) (Gilwern to Brynmawr) Side Roads)	Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980	Highways Act 1980

<p>M4 Corridor around Newport</p> <p>The M4 Motorway (Junction 23 (East of Magor) to West of Junction 29 (Castleton) and Connecting Roads) and the M48 Motorway (Junction 23 (East of Magor) Connecting Road) (Amendment) Scheme 201-</p>	<p>Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980</p>	<p>Highways Act 1980</p>
<p>M4 Corridor around Newport</p> <p>The M4 Motorway (Junction 23 (East of Magor) to West of Junction 29 (Castleton) and Connecting Roads) and the M48 Motorway (Junction 23 (East of Magor) Connecting Road) and the London to Fishguard Trunk Road (East of Magor to Castleton) (Side Roads) Order 201-</p>	<p>Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980</p>	<p>Highways Act 1980</p>

<p>M4 Corridor around Newport</p> <p>M4 Motorway (Junction 23 (East of Magor) to West of Junction 29 (Castleton) and Connecting Roads) and the M48 motorway (Junction 23 (East of Magor) connecting road) and the London to Fishguard Trunk Road (East of Magor to Castleton) Compulsory Purchase Order 201-</p>	<p>Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980</p>	<p>Highways Act 1980</p>
<p>M4 Corridor around Newport</p> <p>London to Fishguard Trunk Road (East of Magor to Castleton)</p>	<p>Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980</p>	<p>Highways Act 1980</p>
<p>M4 Corridor around Newport</p> <p>The M4 motorway (West of Magor to East of Castleton) and the A48 (M) Motorway (West of Castleton to St Mellons) (Variation of Various Schemes) Scheme 201-</p>	<p>Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980</p>	<p>Highways Act 1980</p>

The Fishguard to Bangor Trunk Road (A487) (Caernarfon and Bontnewydd Bypass and De-Trunking)	Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980	Highways Act 1980
The A4810 steelworks Access Road (Queen's Way) Order 2021.	Orders under s.10, s.14, s.16 or s.28 of the Highways Act 1980	Highways Act 1980
Wrexham Energy Centre	Development Consent Orders under s.31 of the Planning Act 2008;	DNS
Internal Power Generation Enhancement for Port Talbot Steelworks	Development Consent Orders under s.31 of the Planning Act 2008;	DNS
Hirwaun Power Station	Development Consent Orders under s.31 of the Planning Act 2008;	DNS
Abergelli Power Powerstation	Development Consent Orders under s.31 of the Planning Act 2008;	DNS
Swansea Bay Tidal Lagoon	Development Consent Orders under s.31 of the Planning Act 2008;	Electricity Act 1989
Mynydd y Gwynt Windfarm	Development Consent Orders under s.31 of the Planning Act 2008;	DNS
Brechfa Forest Connection	Development Consent Orders under s.31 of the Planning Act 2008;	DNS
North Wales Wind Farm Connections	Development Consent Orders under s.31 of the Planning Act 2008;	DNS

Wentlooge Solar	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Morlais Demonstration Zone	Orders under s.1 and s.3 of the Transport and Works Act 1992;	TWA Order under s.1 or s.3 of the Transport and Works Act 1992.
Erebus - Floating Offshore Wind Demonstration Project.	Consents to construct and operate generating stations under s.36 of the Electricity Act 1989	Electricity Act 1989
Rush Wall Solar Park Ltd	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
EDF Energy Renewables Ltd. Garn Fach, South of Newtown Powys. - DNS/3244499	Developments of National Significance permission under s.62D of the Town and Country Planning Act	DNS
Biomass fuelled generation station at Penrhos Works, Holyhead, Anglesey	Consents to construct and operate generating stations under s.36 of the Electricity Act 1989	DNS
Port of Swansea - Tidal Lagoon Harbour Revision Order	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.

Neath Harbour Order	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.
Milford Haven (Martello Quays) Harbour Revision Order	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.
Fishguard Linkspan Harbour Revision Order	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.
Holyhead Harbour Revision Order.	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.	Harbour Revision and Empowerment Orders under s.14 of the Harbours Act 1964.

Huw Irranca-Davies MS  
Chair  
Legislation, Justice and Constitution Committee  
Senedd Cymru

Llywodraeth Cymru  
Welsh Government

[SeneddLJC@senedd.wales](mailto:SeneddLJC@senedd.wales)

12 June 2023

Dear Huw

**Inter-Institutional Relations Agreement: 39<sup>th</sup> British-Irish Council Summit**

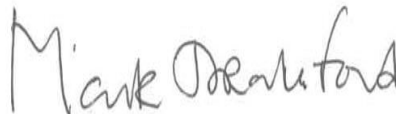
I am writing in accordance with the inter-institutional relations agreement to notify you of the 39th Summit meeting of the British-Irish Council, which will take place this week and is being hosted by the Government of Jersey.

I will be attending the summit in person. As well as the usual opportunity for a general update on issues, the theme of the Summit relates to housing and energy policy and is titled 'Building for the Future: Green and Affordable'

A communiqué will be agreed by the Council at the Summit detailing the discussions held, and I will write to share these with you. I will also update the Senedd with a written statement in due course.

I have also copied this letter to the Climate Change, Environment, and Infrastructure Committee, the Local Government and Housing Committee, and the Equality and Social Justice Committee.

Yours sincerely



**MARK DRAKEFORD**

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)  
[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

# Agenda Item 4.4

Report of Natural Resources Wales

---

Senedd Cymru | Welsh Parliament

**Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change,  
Environment, and Infrastructure Committee**

**Biodiversity and the nature emergency | Bioamrywiaeth a'r argyfwng natur**

Ymateb gan Cyfoeth Naturiol Cymru | Evidence from Natural Resources Wales

---

# Briefing note:

## COP15 Implementation

### Context

1. The Senedd's Climate Change, Environment and Infrastructure Committee is examining how the outcome of COP15 is shaping the Welsh Government's response to the nature emergency and related matters. It is considering how Wales can best implement the [COP15 international agreement on biodiversity](#) at a domestic level.
2. Natural Resources Wales (NRW) is the principal adviser to Welsh Government on issues relating to the Welsh natural environment and its resources. Our responsibilities include regulation, designation, land management, and statutory evidence gathering and monitoring in relation to biodiversity and nature conservation management. This evidence submission provides our response to the Committee inquiry into Global Biodiversity Framework implementation within Wales.

### Background

3. The recently agreed Kunming-Montreal Global Biodiversity Framework (GBF) agreed at the 15th Conference of Parties (COP15) sets out its purpose, as
  - a. *'aiming to catalyse, enable and galvanize urgent and transformative action by Governments, and subnational and local authorities, with the involvement of all of society, to halt and reverse biodiversity loss, to achieve the outcomes it sets out in its Vision, Mission, Goals and Targets...'*
4. The Minister for Climate Change, Julie James MS, attended the COP15 GBF summit and was involved in subnational discussions and other conversations as part of the COP15 negotiations prior to the final Framework being agreed. Wales is also a partner in the Edinburgh Process and supports adopting a Plan of Action for sub-national and local governments in driving and delivering nature positive action.
5. The Minister has called a nature emergency and recently held a Biodiversity Deep Dive which focused on how Wales can implement GBF Target 3 ('30 by 30') to protect and effectively manage of 30% of terrestrial, freshwater, and marine environments for nature by 2030. A co-produced Action Plan is being developed to implement the recommendations and an [update on progress](#) has recently been published. The current Programme for Government commits to establishing statutory nature targets to protect and restore biodiversity and the Deep Dive recognised the need for these as part of focusing on achieving environmental outcomes and delivering Wales's GBF contribution.

6. Commitments to refreshing Wales' Natural Resources Policy (NRP) and the National Biodiversity Strategy (currently the Nature Recovery Action Plan) to reflect the GBF targets and Deep Dive recommendations and to drive action for Wales' contribution to the GBF agreement have also been made by the Minister.

## **Approaches to Implementing the Kunming-Montreal GBF in Wales**

### **UK response to the GBF in relation to Wales**

7. The Four Countries Biodiversity Group (4CBG) is the lead governance body for the UK Biodiversity Framework and comprises country administrations (including Welsh Government) and associated nature conservation agencies (including NRW). Each of the four countries of the UK are responsible for developing their own policy approaches towards meeting international biodiversity commitments together with their domestic priorities and these sit outside of the framework. In each case, protecting and recovering nature is considered as part of a wider set of interrelated policies covering, for example, climate change, health and wellbeing, green recovery, blue and green finance, sustainable resource management, land use and fisheries.
8. A UK Response to the GBF document will provide a summary of the UK's implementation of the GBF based on the individual strategies and delivery plans of the four governments of the UK, this [UK Biodiversity Framework](#) and other relevant strategies including the UK Marine Strategy. The work is co-ordinated by the Joint Nature Conservation Committee (JNCC) on behalf of the administrations. It includes developing a common interpretation of GBF targets in relation to each country, identifying more immediate UK level delivery opportunities, clarifying how to monitor achievements and how to conduct streamlined collective UK-level reporting. All these aspects will need to incorporate existing Wales specific legislation and policy approaches. As these domestic strategies and plans develop over the lifetime of the UKBF, the UK Clearing House Mechanism will act as a repository for up-to-date country strategies.
9. The governments are held accountable for delivery of their domestic plans and strategies, as well as the implementation of environmental law, by environmental governance structures which includes the Interim Environmental Protection Assessor for Wales.

### **Wales' Nature Recovery Action Plan (NRAP)**

10. The Minister has made a commitment to revise the NRAP in light of the new GBF. It is essential the refreshed NRAP clearly outlines Wales' approach to delivering the new GBF targets and drives action. This includes clarifying governance arrangements and progress reporting requirements to ensure transparent and effective action plan delivery. NRW is currently working with Welsh Government and

the Wales Biodiversity Partnership (WBP) on an effectiveness survey to inform the NRAP refresh.

11. As well as addressing conservation, restoration, and the sustainable use of biodiversity, the new NRAP must incorporate approaches to mainstreaming biodiversity considerations across all sectors. Taking an adaptive management approach is essential to encompass regular review, evaluation and adjustment of strategies and actions based on new information, scientific findings and continuous learning from successes and challenges for improving delivery.

### **Wales' Legislative Framework**

12. Wales has strong foundational legislation to enable nature's recovery in the context of the wider sustainable development agenda through the Environment (Wales) Act 2016 and Well-being of Future Generations (Wales) Act 2015. In particular the Section 6 duty from the Environment (Wales) Act is a key mechanism for driving public sector nature improvement delivery through all public authorities operating within Wales. In light of the new GBF, it offers the opportunity to provide the framework to seek stronger delivery and accountability for all public authorities through their roles, and to generate greater collective actions across the public sector.

### **Statutory Nature Targets**

13. Legally binding targets are key in driving action and are critical for providing a clearly understood line of sight through to the GBF targets. The Deep Dive recommendations included the need to develop primary legislation for overarching nature recovery targets as early as possible in this Senedd term, and also a suite of more detailed statutory nature recovery targets focussed on achieving environmental outcomes and delivering Wales's GBF contribution.
14. Work on target development will need to happen at pace to help drive delivery by 2030. Establishing an expert group to develop an appropriate framework of interim and long-term nature recovery targets is essential to incorporate knowledge from across Wales and learning and experiences from other UK country approaches, including England's [species abundance target](#) that forms part of a suite of 'apex' type targets.
15. A crucial task is clarifying how GBF targets, and specifically 30 by 30, can be more precisely defined for Wales, to also align with the other UK countries, and use the best possible scientific evidence to support progress tracking and outcome monitoring. A robust evidence base to underpin legally binding nature targets is essential and established mechanisms like SoNaRR (see later) offer the opportunity to support this.

- 16.** Nature target development needs to involve those with a direct technical interest in nature recovery and also, equally as critically, consider input from a broader range of other stakeholders including institutional and private sector interests, especially for a potential capacity-building target to generate the collective capacity and resources that are needed to deliver the GBF aspirations. There are still limitations within the new GBF, for example, a specific target date for halting human-induced species extinction, which would help with assessing longer-term success and enhance support for delivering species recovery outcomes. For Wales, national indicators have been developed to support the delivery of the Resilient Wales and Globally Responsible Wales Goals embedded within the Well-being legislation including [Biodiversity Indicator 44](#) could be reviewed to accommodate this and inform target delivery.
- 17.** In defining 30 by 30 success, targets for this will need to correspond with ambitions across the four UK nations to ensure UK level reporting compatibility.

### **Integration With Other Policies**

- 18.** Biodiversity considerations need fully integrating into all other relevant policies and sectors, such as agriculture, forestry, fisheries, urban planning, and climate change mitigation and adaptation to ensure coherence and synergies between biodiversity conservation and other sustainable development goals.
- 19.** The proposed Planning Policy Wales (PPW) changes, primarily relating to biodiversity net benefit, ecosystems resilience and strengthening SSSI protection will be a significant step forward to put nature at the heart of decision making for both development plan preparation and development proposals.
- 20.** Welsh Government are developing proposals for the Sustainable Farming Scheme as part of the Agricultural (Wales) Bill for the post-Brexit Land Management support. We are working with Welsh Government to support the scheme design to maximise biodiversity recovery and support high nature value farming.
- 21.** The UK Marine Strategy (UK's response to EU Marine Strategy Framework Directive) provides a framework for achieving Good Environmental Status for UK seas, which includes developing indicators, monitoring programmes, and a programme of delivery measures. The Marine Strategy contains a specific descriptor on biodiversity.
- 22.** As part of translating nature recovery ambitions into practice and building associated partnerships with communities, Public Services Boards play a key role with their Well-being Plans along with the 7 [Area Statements](#) covering the whole of Wales. Area Statements were produced to support place-based delivery for the Natural Resources Policy by working collaboratively to deliver the priorities identified by each Statement. The pandemic and more recent cost of living crisis have considerably

changed the contexts of earlier partner conversations so during 2023/24 NRW will be reviewing all Area Statements to discuss achievements, what needs to change, and actions needed to inform next steps. We will also be looking to refresh Areas Statements to reflect our new Corporate Plan Well-being Objectives more fully alongside taking on board new priorities identified by the next NRP.

### **Direct Conservation and Restoration Action**

- 23.** Developing and implementing targeted conservation and restoration is key to protecting and enhancing habitats, species, and ecosystems and enabling Wales to implement the new GBF. Establishing appropriately protected areas, habitat restoration projects, and promoting sustainable land and marine management practices all have a fundamental role to play. Collective actions developed under the Deep Dive will focus on better protection for, and effectively managing 30% of our land, freshwater, and sea for nature by 2030. Completing Wales' Marine Protected Area network will ensure marine protection shortfalls are addressed and contribute to an ecologically coherent UK level network.
  
- 24.** NRW is already leading or actively involved in several major direct action nature delivery programmes including:
  - a. One of several flagship nature programmes, Natur am Byth is a partnership of nine environmental charities for some of our most threatened species who have come together to inspire community action. This £8m 4-year programme is funded by the National Lottery Heritage Fund, WG, NRW, Arts Council for Wales and a range of trusts, foundations, and corporate donors. A suite of projects across Wales are tackling the root causes of species decline, training landowners and communities in sustainable management, and trialling a new approach to species recovery reporting. Upskilling practitioners and inspiring people to care for wildlife is fundamental to Natur am Byth and includes an innovative arts engagement programme, a trainee and volunteer network, and a community support scheme for grassroots action. Restoring and improving habitats to increase populations of some of our most threatened species, includes work for curlew, salmon and sea trout, native oyster, marsh fritillary butterfly, shrill carder bee and red squirrel.
  - b. Welsh Government's funded Nature Networks programme is enabling us to design and deliver projects to improve protected sites condition and connectivity and creating resilient ecological networks that will allow our most endangered habitats and species to thrive. This work includes a suite of projects focussed on the Welsh Marine Protected Areas Network and we are also developing a Nature Networks map to outline key focus areas to support delivery decision-making.
  - c. The National Peatland Action Programme is scaling up efforts to keep carbon locked up in peat deposits and we have ambitious targets for restoring nature's most effective carbon sinks.

- d. Our five NRW led EU LIFE projects – DeeLIFE, Sands of Life, 4Rivers4Life, Life Quake and New Life for Welsh Raised Bogs – totals over £27m of direct conservation work and raising awareness of these crucial habitats.

### **Monitoring and Reporting**

25. The GBF goals and targets require robust monitoring and reporting systems to track progress and assess the status & trends in Welsh biodiversity at a range of scales. Such evidence will be essential to inform intervention planning and evaluation of management effectiveness. The monitoring and evidence task group, established through the Deep Dive, will focus on establishing a framework for Wales which will enable evaluation of 30 by 30 and wider nature recovery targets, taking account of short, medium, and long-term ambitions. This framework will provide a rounded evaluation of outcomes in relation to a set of habitats, species, and ecosystem metrics at a range of appropriate scales.
26. [State of Natural Resources Report \(SoNaRR2020\)](#) produced by NRW, and the [State of Nature Report Wales, 2019](#) consistently underline how natural resources and biodiversity in Wales are in steep decline. They provide underpinning evidence for Wales' Natural Resources Policy which sets national priorities and forms the basis for Area Statements and their implementation actions. SoNaRR2020 assesses the extent to which the sustainable management of natural resources (SMNR) is being achieved and also the status of biodiversity in Wales. It highlights main trends and factors affecting, or likely to affect, the state of natural resources. The evidence shows just how urgent and necessary greater biodiversity action is required. The approach for both reports is broadly similar with assessing extent, condition and trends of natural resources and ecosystems. Each assess the drivers of change and the opportunities to make changes needed for a sustainable future and reversing biodiversity loss. Work has now started on developing the next full SoNaRR report which is due in 2025.

### **NRW Corporate Plan '*Nature and People Thriving Together*'**

27. NRW's new Corporate Plan to 2030 – which will be publicly launched on 6 June - focuses on nature as one of our 3 core well-being objectives:

- i. **nature is recovering**
- ii. communities are resilient to climate change
- iii. pollution is minimised

28. We see nature recovery being achieved by:

- protecting it
- restoring it
- respecting and valuing it in decision-making
- reconnecting people and communities with nature
- and being an exemplar nature positive organisation

29. Our Corporate Plan outlines a large range of actions we will undertake in relation to nature recovery. To achieve these, and particularly for achieving biodiversity restoration more broadly across Wales, a strong delivery foundation is crucial that incorporates capacity building, behaviour change, awareness raising, skills development and responsible public and private finance to deliver for nature at a much-increased scale and pace.

#### **Furthering #TeamWales co-production**

30. Implementing the GBF targets in Wales requires a comprehensive and coordinated approach across Wales, the UK's four countries and beyond. The GBF offers a really important advocacy opportunity to explore biodiversity recovery in Wales with a much broader range of sectors and decision-makers. It is essential stakeholders across Wales are fully engaged - government departments, its agencies, public authorities with a remit in Wales, environmental organisations, communities, and businesses and all their key institutional decision-making systems are equally important. This means strengthening current and fostering new partnerships and collaborations to develop shared responsibility and ensure comprehensive participation in delivering biodiversity recovery.

31. *Natur a Ni – Nature and Us*, facilitated by NRW, is a national conversation about the future of Wales' natural environment to create a shared 2050 vision and consider the changes needed to 2030 and 2050. It encourages people to think about the environment for future generations, help understand how people feel about nature and how society's relationship with nature needs to change. The shared vision will be released in Summer 2023 and create a foundation on which to build new relationships to drive forward action, and to contribute to work through our networks to build collective approaches to implementation. NRW will be providing a formal response to the vision in Autumn 2023.

#### **Funding and Resources - Mainstreaming Action**

32. Biodiversity loss and its recovery is affected by a wide range of natural systems pressures and drivers including air and water quality, land use change and climate change. Adequate funding and resources are fundamental to supporting implementation of the GBF and also Wales' biodiversity conservation measures. Delivery through the public and voluntary sector is not the only major route to halting and reversing biodiversity loss. The private sector – businesses big and small and all the associated institutions and decision-making systems that support and influence them also have a major - and essential - role to play. It is essential to explore how best to seek financial support and also critically, build new capacity through other national and even international sources, including for example public-private initiatives or innovative financing mechanisms to secure sustained increased investment in biodiversity.

**33.** Working collectively with WG and others to engage private sector institutions is key. The Welsh Government's *Delivering a Sustainable Delivery Model for Nature Recovery* project being delivered by Finance Earth, Eunomia and the RSPB aims to develop a sustainable and broad-based approach to nature finance and delivery that is capable of being effectively scaled. A key aspect is assessing the potential for Wales' ecosystems and improvement delivery within the context of private sector investment markets. The Wales Coasts and Seas Partnership (CaSP Cymru) blue investment group have been discussing setting up a fund to leverage private sector funding to support marine and coastal delivery.

#### **International Cooperation**

**34.** Collaborating with international partners, organisations, or initiatives is also essential for sharing best practices, exchanging knowledge, and potentially leveraging resources. Participating in associated forums and networks dedicated to biodiversity conservation helps with staying updated on other country and even global advances within what is a rapidly developing area that will help contribute to collective efforts and also benefits for Wales.

#### **Natural Resources Wales**

**30 May 2023**

# Agenda Item 4.5

Y Gweinidog Newid Hinsawdd  
Minister for Climate Change



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA/JJ/1094/23

Llyr Gruffydd MS  
Chair  
Climate Change, Environment and Infrastructure Committee

[SeneddClimate@senedd.wales](mailto:SeneddClimate@senedd.wales)

12 June 2023

Dear Llyr,

I am writing to inform you that The Packaging Waste (Data Collection and Reporting) (Wales) Regulations 2023 will shortly be laid before the Senedd.

The regulations will support the implementation of the Extended Producer Responsibility (EPR) for Packaging scheme. The EPR for packaging scheme will require producers to take responsibility for the environmental impact of the packaging they place on the market by obligating them to pay for the collection and disposal costs of this packaging when it becomes waste. This will provide a key incentive for producers to both reduce the amount of packaging and to improve the recyclability of packaging.

These regulations will require producers of packaging to collect and, in some cases, report data on the amount and type of packaging they place on the market. This data is required in order to calculate the fees producers will need to pay under the EPR for packaging scheme.

The data collected under these regulations during 2023 will be used to calculate producer fees and payments to local authorities in the financial year 2024/25. These requirements are intended to be in place for a short interim period, after which they will be revoked and replaced by the regulations which will implement the EPR scheme for packaging, including data reporting provisions.

Yours sincerely

**Julie James AS/MS**  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Julie.James@llyw.cymru](mailto:Gohebiaeth.Julie.James@llyw.cymru)  
[Correspondence.Julie.James@gov.Wales](mailto:Correspondence.Julie.James@gov.Wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Julie James AS/MS  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change

Ein cyf/Our ref: JJ/PO/180/2023

Heledd Fychan MS  
Interim Chair  
Climate Change, Energy and Infrastructure Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

14 June 2023

Dear Heledd,

I would like to draw your attention to a suite of documents I have published today relevant to the next iteration of the Warm Homes Programme. These documents can be found at <https://www.gov.wales/next-iteration-warm-homes-programme-review-and-recommendations-report>

The documents include a Policy Statement, Lessons Learnt and a Consultation Response document which inform the detailed design of the new Warm Homes programme.

I will publish a tender specification for the procurement of the new demand led scheme shortly.

Yours sincerely,



**Julie James AS/MS**  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Julie.James@llyw.cymru](mailto:Gohebiaeth.Julie.James@llyw.cymru)  
[Correspondence.Julie.James@gov.Wales](mailto:Correspondence.Julie.James@gov.Wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

# Agenda Item 7

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Document is Restricted