

Environment and Sustainability Committee

Meeting Venue:
Committee Room 3 - Senedd

Meeting date:
13 October 2011

Meeting time:
09:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1. Introductions, apologies and substitutions

2. Draft Budget 2012-13: Scrutiny of the Deputy Minister for Agriculture, Fisheries, Food and European Programmes (09.00 - 10.00) (Pages 1 - 5)

E&S(4)-06-11 paper 1

Alun Davies AM, Deputy Minister for Agriculture, Fisheries, Food and European Programmes

Rory O'Sullivan, Director Rural Affairs

Brian Pickett, Head of Finance, Rural Affairs, Tourism and Marketing

3. Inquiry into energy policy and planning in Wales - Evidence from the Infrastructure Planning Commission (10.00 - 11.30) (Pages 6 - 9)

E&S(4)-06-11 paper 2

Sir Michael Pitt, Chair

Ian Gambles, Director of Operations

4. Papers to note (Pages 10 - 11)

Agenda Item 2

Environment and Sustainability Committee

E&S(4)-06-11 paper 1

Draft Budget Allocations for 2012-13 to 2014-15 – Paper from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Rural Affairs Budget

Introduction

1. This paper provides background financial information to the Committee regarding the Rural Affairs' spending plans as outlined within the draft budget which is scheduled for publication on 4 October 2011.
2. Annex A gives a breakdown of the Draft Budget, by Action, and by Budget Expenditure Line (BEL) within each Action. The Rural Affairs budget now forms part of the wider Business, Enterprise, Technology and Science (BETS) Major Expenditure Group (MEG). Previously it was a MEG in its own right and included the budget to match the responsibilities of the Office of the Chief Veterinary Officer (OCVO) and that of Forestry Commission Wales (FCW). OCVO and FCW now fall within the portfolio of the Minister for Environment and Sustainable Development.

Background and Summary

3. The draft budget proposals have been made against the continuing background of tight financial constraint. Table one summarises the draft budget. The reductions between 2011-12 and 2012-13 shown in the table are consistent with the indicative budgets presented as part of last years' budget agreement process. Consequently, the spending plans for 2012-2013 to 2014-2015 do not set out any further reductions to that presented last year.

Table one: Rural Affairs' Draft Budget

	Baseline 2011-12 £'000	Draft Budget 2012-13 £'000	Indicative Plans 2013-14 £'000	Indicative Plans 2014-15 £'000
Revenue	79,320	78,246	79,316	79,316
Capital	13,001	12,569	11,723	11,723
Total	92,321	90,815	91,039	91,039

4. The total draft budget for 2012-13 amounts to £90.8 million, compared to £92.3 million in 2010-11. Revenue funding has reduced from £79.3 million to £78.2 million (-1.35%). Capital funding has reduced from £13 million to

£12.6m (-3.32%). These reductions result from the impact of UK fiscal decisions.

5. This Draft Budget will enable all key activity within Rural Affairs to proceed, including the delivery of the Rural Development Plan, the effective administration of the Single Payment Scheme and the Young Entrants' Support Scheme.

Budget Overview

6. Maintaining spending for the Wales Rural Development Plan to the end of 2013 meets the commitment set out in the Programme for Government, together with supporting actions to improve the competitiveness of farming and forestry, deliver added-value on food products, enhance the use of natural resources and to improve the quality of life in rural areas. .

Rural Development Plan

7. A key priority is to deliver the Rural Development Plan (RDP) 2007-2013, which is part of the Common Agricultural Policy. The Plan is worth £790m over the 7 year period, of which WAG must contribute £595m. From 2012, the four existing agri-environment schemes contained within the Plan will be replaced by a new sustainable land management scheme, *Glastir*, to deliver on climate change, carbon/water/soil/habitat management and bio-diversity. It has 2 elements – the All-Wales element, and a Targeted element. The All-Wales element provides an entry level land management scheme which will allow far larger numbers of farmers and far greater areas of farmland to be brought under land management. The Targeted element focuses on 3 main elements: soils and soil carbon management, water management and the management of biodiversity.
8. The Rural Development Plan makes the majority of the budget reductions across both revenue and capital. The indicated reductions are manageable across the lifetime of the Plan without posing any difficulty in maximising the EU funding element.

Single Payment Scheme

9. Another key priority is to administer the Single Payment Scheme effectively. The payments are 100 per cent funded by EU, totalling some £260 million in 2011-12. If we do not meet the stringent requirements set by the European Commission for the effective management of the EU funds, there is the risk of disallowance i.e. the Welsh Government is effectively penalised. Compared to other administrations in the UK, Wales has a good track record on re-assuring the Commission on how we deploy EU resources.
10. Disallowance does remain a live risk and, as such I am protecting the budget for investment in IT systems, which is contained within the SP Administration Revenue BEL.

Young Entrants' Support Scheme

11. I am also protecting the budget line for the Young Entrants' Support Scheme, to attract new blood into the industry. The budget for this is £1.7m per annum. There has been a lot of interest in the Scheme, and the budget for the current year is fully committed. This is an important initiative which will help to address the issue of the aging farming population – where the average age of farmers is now some 60 years old.

Budget reductions

12. A summary of the main budget reductions between 2011-12 and 2012-13 is set out in table two

Table two: summary of budget reductions

Action	Budget 2011-12 (£ million)	Reduction (£million)	Draft Budget 2012-13 (£million)
Making payments in accordance with EU rules	7.360	(0.005)	7.355
Rural Development Plan (revenue)	62.512	(0.694)	61.818
Developing and marketing Welsh food and drink	5.275	(0.275)	5.000
Managing and enforcing Welsh Fisheries and aquaculture (revenue)	1.400	(0.100)	1.300
Other (Cost sharing, Rural Proofing and evidence Base development)	2.773	-	2.773
Total Revenue	79.320	(1.074)	78.246
Rural Development Plan (capital)	11,601	(0.232)	11.369
Managing and enforcing Welsh Fisheries and aquaculture (capital)	1.400	(0.200)	1.200
Total Capital	13.001	(0.432)	12.569
Total	92.321	(1.506)	90.815

13. Budget reductions have been necessary to certain lines:

Promoting Welsh Food

14. The budget for Promoting Welsh Food reduces from £5.3 million in 2011-12 to £5.0 million in 2012-13, as indicated in the budget agreed last year. There is a major initiative on local food procurement, food tourism and support for the marketing of Welsh food. The Food and Farming Sector Panel, announced by the Minister for Business, Enterprise, Technology and Science on 22 September, will have a key role in identify delivery actions to support the Food Strategy: 'Food for Wales, Food from Wales 2010-2020'.

Efficiencies

15. We have successfully bid for additional capital funding of £7.95 million across the three financial years 2011-12 to 2013-14 from the Centrally Retained Capital fund. This funding, which is in addition to the amounts shown above is to support an end-to-end electronic system for payments made under the EU Common Agriculture Policy, covering direct payments to farmers and payments made under the Wales Rural Development Plan. This will require significant up front investment to put in place the required IT systems and it will be necessary to re-align the current pattern of service delivery. It is intended that the new e-system would go live in 2014 in order to make payments for that year.

Alun Davies

Deputy Minister for Agriculture, Food, Fisheries and European Programmes

REVENUE

		2012/13
ACTION	BEL Name	Total
Cost Sharing and Responsibility Making Payments in accordance with EU and WA rules	Cost Sharing & Responsibility	20
	Sheep Compensation	300
	Single Payment Schemes EU	262,681
	Single Payment Schemes EU	(262,681)
	SP Administration	7,055
		7,355
Delivering the programmes within the Rural Development Plan	Axis 1 schemes	8,599
	Axis 2 Schemes	40,487
	Axis 3	4,387
	Axis 4 schemes	2,362
	RDP Technical Assistance	5,983
	61,818	
Evidence based development for Rural Affairs Developing, managing and enforcing Welsh Fisheries and Aquaculture	Research & Evaluation	806
	Fisheries Schemes	1,300
	Fisheries - non-cash	242
Delivering and maintaining Welsh food and Drink Sector Meeting the needs of rural communities and rural proofing	Promoting Welsh Food	5,000
	New Farm Entrants	1,705
		78,246
CAPITAL		
		2012/13
ACTION	BEL Name	Total
Delivering the programmes within the Rural Development Plan	Axis 1 schemes	3,847
	Axis 2 schemes	4,187
	Axis 3 schemes	2,135
	Axis 4 schemes	1,200
		11,369
Developing, managing and enforcing Welsh Fisheries and Aquaculture	Sustainable Environment	1,200
		12,569

Environment and Sustainability Committee

E&S(4)-06-11 paper 2

Inquiry into Energy Policy and Planning in Wales – Evidence from the Infrastructure Planning Commission

We are grateful to the committee for inviting us to submit evidence to its inquiry. Below we set out an introduction and factual background, the main points of our evidence, and recommendations we would like the committee to consider.

Introduction and factual background

The Infrastructure Planning Commission (IPC) was established on 1st October 2009 under the Planning Act 2008 to consider applications for development consent for nationally significant infrastructure projects. Energy projects in Wales only require development consent from the IPC if they are generating stations, above ground electric lines, underground gas storage facilities in natural porous strata, or pipelines other than gas transporter pipelines, and if they meet the relevant thresholds specified in the Act (s15-21).

In England, the IPC has powers to consent development which is associated with but not integral to the proposed development (such as highway improvements, stopping up of footpaths, grid connections, or maintenance facilities). In Wales, with one minor exception¹, it has no such powers.

The UK Government has decided to abolish the IPC, integrating its functions into the Planning Inspectorate (PINS) by setting up a new, separate national infrastructure directorate within PINS. The infrastructure planning regime will remain largely unchanged, but the power to decide applications for development consent will be transferred to the Secretary of State. These changes will take effect from April 2012 if the Localism Bill is enacted.

A key feature of the continuing infrastructure planning regime is the role of National Policy Statements (NPS). When an NPS has been formally designated by the Secretary of State, the IPC (or, after its abolition, the Secretary of State) must determine the application “in accordance with” the NPS, except in certain circumstances specified in the Planning Act including if it is determined that the adverse impact

¹ The carrying out or construction of surface works, boreholes and pipes associated with facilities for the storage of gas underground in natural porous strata (Planning Act 2008 s115).

of the development would outweigh its benefits.² Six energy NPSs were designated by the Secretary of State for Energy and Climate Change on 19th July 2011 following a vote in the House of Commons on 18th July.

The IPC is currently examining one application in Wales, for an energy-from-waste generating station at Brig y Cwm near Merthyr Tydfil, and is aware of nine other proposed developments at the pre-application stage – onshore windfarms at Clocaenog, Brechfa Forest, Nant y Moch, Mynydd y Gwynt, Dyfnant Forest, and Mynydd Mynyllod, National Grid and Scottish Power electric lines in mid Wales, and a nuclear power station at Wylfa. Other expected applications are in waters off Wales or may be visible from or otherwise affect Wales – a full and up-to-date list of projects is available at our website www.infrastructure.independent.gov.uk.

Main points

The IPC is an impartial, cross-border body. It is not our role to formulate or comment on energy policy, to promote the delivery of policy outcomes, or to further any particular position in connection with the devolution of powers. Our interest – and the only area in which we can appropriately respond to the committee – is in the effective operation of the infrastructure planning regime. In this light, the main points we wish to make in response to the committee are as follows:

Effective operation of the current system – interaction between different consenting bodies

The committee correctly identifies that a number of different public bodies have a role in consenting in relation to energy infrastructure in Wales. The timing of decisions on consents, licences and authorisations other than the development consent order may have an important impact on the examination of applications to the IPC. We advise developers to progress other such applications as far as possible at pre-application stage in the development consent process, and to submit information in support of their application to the IPC stating how close they are to obtaining any consents required under other legislation. In relation to certain consents, Government policy, as set out in National Policy Statements, is an important consideration. For example, the overarching energy NPS EN-1 directs that the IPC should not refuse consent on the basis of pollution impacts unless it has good reason to believe that any relevant necessary operational pollution control permits or licences or other consents will not subsequently be granted. Specific considerations bearing on the timing of applications and the interaction of different consents are

² Planning Act 2008 s104.

likely to arise in individual cases, and dialogue between the IPC and other consenting bodies is often appropriate.³

It is the IPC's view that, while different consenting bodies must carry out their statutory processes independently and reach their own decisions, it benefits all parties to the infrastructure planning process if the pre-application, examination, and decision stages for each related consent are planned by the applicant, in discussion with the relevant authorities. The aim is the development of a coherent timetable allowing all parties the benefit of relevant information and avoiding delay or wasted cost in concluding all aspects of the process.

Scope for improvement to the current system - associated development

Early experience of the operation of the new infrastructure planning regime in England and Wales and the statutory provisions relating to associated development give rise to complex questions. The opportunity for applicants in England to include elements of their proposed infrastructure development within their draft development consent order as associated development is being widely taken up by developers in preparing their application documents. This contributes to fulfilling the intention of single consenting, resulting in a faster and more integrated process with benefits to all parties.

The position in Wales is more complex. The current position inevitably means that some elements of a developer's proposal – such as, for example, some highway improvements linked to proposed wind farm developments – must be the subject of an application to a separate public authority, subject to a different statutory regime and under no obligation to operate within the statutory time limits by which the IPC is governed. As stated above, the IPC takes no view as to the appropriateness of the distribution of powers among different authorities, but it is in our view a matter of fact that these greater complexities of consenting infrastructure development in Wales make it more challenging for applicants to plan their consenting strategies and for members of the public and others to engage with a coherent pre-application and examination process.

Relationship between National Policy Statements and Welsh national and local planning policies

As noted above, the Planning Act 2008 gives special significance to National Policy Statements. Statements of Welsh Government policy, where relevant, will be considered by IPC Commissioners in their examination of applications. Given the significant number of

³ See IPC Advice Note 11 - Working with public bodies in the infrastructure planning process (part 1), May 2011

applications expected for onshore wind farm development in Wales, the Welsh Government policy TAN 8 will be of particular relevance. Nevertheless, Welsh Government policies do not enjoy the special status of designated National Policy Statements.

NPS EN-3 states that where a proposal is located in Wales, planning policy and advice issued by the Welsh Government relevant to renewables will provide important information to applicants, and that the IPC should have regard to these policies and expect applicants to have taken them into account when working up their proposals. Whether an application conforms to Welsh Government policies, guidance or targets will not, in itself, be an overriding reason for approving or rejecting the application.

The principles of the relationship between policies set by the UK Government and policies set by the Welsh Government are not a matter for the IPC to determine. The extent to which Commissioners will need to address specific differences between such policies in the course of the examination of applications will depend on the extent to which differences in fact exist and the extent to which they are relied on in evidence by parties to the examination and considered important and relevant by the Examining Authority.

Recommendations

We respectfully request the committee to consider making recommendations in the following areas:

- Co-operation between consenting bodies in Wales and the IPC to facilitate a coherent timetable in each case for the examination and determination of applications for all the consents, licences and authorisations needed for nationally significant infrastructure projects.
- Consideration of opportunities for further clarifying and simplifying the infrastructure planning regime in Wales with particular regard to the matter of associated development

I trust these comments are of assistance to the committee in its investigations.

Sir Michael Pitt
Chair, Infrastructure Planning Commission
Chief Executive, Planning Inspectorate

Environment and Sustainability Committee

Meeting Venue: **Committee Room 3 - Senedd**

Meeting date: **Thursday, 29 September 2011**

Meeting time: **09:00 - 11:50**

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This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_400000_29_09_2011&t=0&l=en



Concise Minutes:

Assembly Members:

Dafydd Elis-Thomas (Chair)
Mick Antoniw
Rebecca Evans
Russell George
Vaughan Gething
Llyr Huws Gruffydd
Julie James
William Powell
David Rees
Antoinette Sandbach

Witnesses:

Dr Richard Cowell, Cardiff University
Dr Calvin Jones, Cardiff Business School
Dr Roisin Willmott, Royal Town Planning Institute Cymru

Committee Staff:

Virginia Hawkins (Clerk)
Catherine Hunt (Deputy Clerk)

1. Introduction, apologies and substitutions

1.1 There were no apologies

2. Inquiry into Energy Policy and Planning in Wales - Evidence from Cardiff University (09:00 - 09:50)

2.1 Dr Cowell responded to questions from Members of the Committee.

2.2 Dr Cowell agreed to provide further information on the Scottish Marine Consenting Regime.

2.3 The Committee agreed that it would consider inviting Dr Cowell to attend a future meeting at the end of the inquiry to share his additional research.

3. Inquiry into Energy Policy and Planning in Wales - Evidence from Cardiff Business School (09:50 - 10:40)

3.1 Dr Jones responded to questions from Members of the Committee.

3.2 Dr Jones agreed to provide the Committee with contacts within the waste from energy field.

4. Inquiry into Energy Policy and Planning in Wales - Evidence from the Royal Town Planning Institute Cymru (10:40 - 11:30)

4.2 Dr Willmott responded to questions from Members of the Committee.

5. Common Fisheries Policy Task and Finish Group - Agreement of terms of reference (11:30 - 11:35)

5.1 The Committee agreed the terms of reference for the Common Fisheries Policy Task and Finish Group.

6. Common Agriculture Policy Task and Finish Group - Agreement of terms of reference (11:35 - 11:40)

6.1 The Committee agreed the terms of reference for the Common Agriculture Policy Task and Finish Group.

TRANSCRIPT

To view the meeting transcript, click [here](#).