



Pwyllgor Cyllid
Finance Committee
Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff CF99 1NA

Alun Ffred Jones
Chair, Environment and Sustainability
Committee

22 January 2015

Dear Alun Ffred,

The National Assembly for Wales's Finance Committee scrutinised the financial implications of the Planning (Wales) Bill at its meeting on 26 November 2014. The Committee's session focused on the methodology used to calculate the costs and benefits of the Regulatory Impact Assessment (RIA) and the financial considerations for the Welsh Government, Local Planning Authorities (LPAs), the Development Industry and other stakeholders.

Prior to the meeting, the Minister for Natural Resources wrote to the Committee outlining some inconsistencies in the Explanatory Memorandum (EM) and the RIA. The Committee notes that the Minister intends to make these changes at the end of stage two. A copy of the Ministers letter can be found on the Finance Committee webpage¹.

The Committee questioned the Minister about how confident he was that the estimate included in the EM was an accurate reflection of the current and future costs rather than historical costs for the planning system. Although the figures were produced using a relatively small sample of Local Planning Authorities, the Minister assured the Committee that it was representative of the different types of authorities across Wales, and that the estimates were as accurate as possible given the available information.

¹ [Finance Committee, Paper 1 - Letter from the Minister for Natural Resources](#)

The RIA makes reference to an estimated cost to the UK economy of between £700 million and £3 billion per year arising from inefficient processes and delays. The Minister outlined to the Committee it was clear that dealing with delays in the planning system would result in savings. The Committee noted that the Royal Town Planning Institute questioned the estimated cost to the economy, but we welcome the intent of the legislation to remove delays from the system and the potential for the savings this may realise.

Given the information contained within the Bill, the Committee is unable to draw any firm conclusions or recommendations on the costs and savings of this legislation. We do believe that the financial information in the Bill is the best guesstimate for the costs given the information available to the Minister at the moment. Furthermore, we believe that whilst the projections for savings are not necessarily that robust, there is the potential for significant savings to be made through this legislation.

The Committee noted that many of the costs will not be finalised until the necessary Secondary Legislation has been made. To this end, we will be recommending to the successor Finance Committee that it revisits the financial implications of this Bill in approximately five years to consider whether the costs and savings were realistic.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Jocelyn Davies'.

Jocelyn Davies AM
Committee Chair