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Gweinidog yr Amgylchedd a Datblygu Cynaliadwy  
Minister for Environment and Sustainable Development



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref JG/06633/11

David Melding AM  
Chair - Constitutional & Legislative Affairs Committee  
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11 November 2011

*Dear David,*

**CLA46 – The Local Inquiries, Qualifying Inquiries and Qualifying Procedures (Standard Daily Amount) (Wales) Regulations 2011**

Thank you for your letter of 18 October 2011 enclosing a copy of the Constitutional and Legislative Affairs Committee report on the merits of the instrument and requesting a response to it.

The merits scrutiny raises two issues:

- i) 'The Explanatory Memorandum says that a Regulatory Impact Assessment (RIA) is "Not required as the revision of the Regulation is to make increases in statutory fees." However, when these fees were uprated last (in 2007) an RIA was provided.'; and
- ii) 'There is no information in the Explanatory Memorandum to explain how the increases in fees have been calculated, the total amount of extra income that it is estimated will be raised as a result and the impact this will have on local authority and Welsh Government budgets and funding as a result.'

I am able to provide the following information in respect of the issues raised. In response to the query concerning the RIA, the 2007 Regulations not only updated existing statutory fees but also introduced a new statutory fee in relation to Local Development Plan examinations. An RIA was prepared at that time to provide for this new type of fee introduced by the Regulations.

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*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)*

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Regarding the request for an explanation of the fees increases, most of the work undertaken by the Planning Inspectorate on behalf of the Welsh Ministers, including determining planning appeals and other case work, is currently funded by the Welsh Government. Certain work undertaken by the Planning Inspectorate on behalf of local planning authorities, however, is provided on a rechargeable basis. The cost of this work is recovered by charging a daily rate, which is set by the Welsh Ministers. The chargeable work includes Unitary Development Plan (UDP) inquiries, Local Development Plan (LDP) examinations and Compulsory Purchase Orders (CPO) and other inquiries. These daily rates were last revised on 1 April 2007 through the Local Inquiries Qualifying Procedures (Standard Daily Amount) (Wales) Regulations 2007.

The rates set out in the 2007 Regulations are £679 for UDP inquiries, £640 for LDP examinations and £729 for CPO and other inquiries. The different rates reflect the different requirements of the work. The rates are usually revised every two years. The fees were recalculated in 2009 by the Inspectorate based on actual costs including total salary costs and business overhead costs. The figures were used to calculate the cost to the Inspectorate of all rechargeable work in England and Wales. The cost of UDP work has not been recalculated as preparation of these plans has been superseded by local development plans.

The Welsh Government consulted on proposals for an increase in the existing daily rates for CPO inquiries and LDP examinations in May 2009. On the basis of the consultation responses the then Minister for Environment Sustainability and Housing agreed that the standard daily amount for Local Development Plans should be increased by £39 to £679 and other rechargeable work, including Compulsory Purchase Orders from £722 to £742.

The figure of £742 for rechargeable work other than LDP examinations represented a below inflation rise of 2.7%, which provided full cost recovery at 2009 rates. The rate of £679 for LDPs is the same as the current Unitary Development Plan (UDP), which is familiar to local authorities. The increase was roughly in line with inflation at the time and represents a 4.5% increase. The increase does not represent full cost recovery. However, it can be balanced against the Welsh Government's policy imperative for local planning authorities to have in place up-to-date LDPs, which will facilitate the more efficient and effective determination of planning applications. In addition the Committee may wish to note that the Welsh Government provides financial support to those local planning authorities who adhere to their LDP delivery timetable.

Although no formal published data is available, officials estimate that for an average authority which adheres to its LDP preparation timetable, taking a total of 5 years from commencement to adoption, the total cost of the process will be around £2m, of which the Inspectorate costs will be around £100,000 – representing around 5% of the total cost. A 4.5% increase in the Inspectorates' costs would represent an increase of less than £5,000 or around 0.2% of the total cost. These costs will vary between authorities, depending upon the complexity of the plan and the time taken to complete it.

*Best wishes,*



**John Griffiths AC / AM**

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