

## **Environment and Sustainability Committee**

### **E&S(4)-24-13 paper 4**

#### **Draft Budget 2014-15 : Planning – Paper from the Minister for Housing and Regeneration**

1. This paper sets out information on the Planning proposed budget for 2014/15 and touches on the draft Planning Reform Bill and spend on Building Regulations.
2. The Planning budget comprises about 2.8% of the total budget for the Housing and Regeneration MEG; the percentage is roughly consistent over the two years, 2013/14 and 2014/15. This budget is administered by Planning Division.
3. The land use planning system has a key role in shaping Wales's future by helping to deliver the growth, jobs, homes and infrastructure that we need, whilst protecting and enhancing our built and natural environment. Similarly, the building regulation system is about securing the health, safety and welfare of people in and around buildings. Both are key tools for delivery of the Welsh Government's commitment to sustainable development and the low carbon agenda.
4. The Welsh Government provides the legislative, policy and guidance framework needed to deliver both the planning and building regulation systems, which are then delivered on a day-to-day basis by local planning and building control authorities. While these authorities do not receive substantive funding from Planning Division, the Planning Inspectorate's Wales Directorate does. The latter has a major role in determining planning appeals and examining development plans on behalf of the Welsh Ministers, as well as submitting recommendations to Ministers on called-in planning applications and appeals recovered for decision by the latter. Other key players in delivery of the planning system are statutory consultees, whose expert advice informs both the plan-making and development management decisions undertaken by local planning authorities;

they are not funded from the Planning budget. Natural Resources Wales, for example, is funded from the Minister for Natural Resources and Food's budget.

## 2014/15 Budget for Planning

5. The published budget for Planning Division for financial year 2013 - 14 is £7.090m. From the beginning of the current financial year responsibility for Building Regulations was transferred to Planning Division, consequently the budget for the Planning Division for 2013 - 14 rose to £7.874m.
6. The initial proposed budget for the Planning Division for 2014 - 15 is £7.874m. However, a budget reduction of 13.5% is anticipated in 2014/15, amounting to just over £1 million.

	Published Budget 2013-14	Proposed Budget 2014-15	Proposed Savings 2014-15	Available Funding 2014-15
	£m	£m	£m	£m
Planning	£7.090			
Building Regulations	£0.784			
Planning Division		£7.874	£1.068	£6.806
Total	£7.874	£7.874	£1.068	£6.806

7. Consideration is ongoing about managing this reduction, including reviewing all expenditure, across the board. Reductions will be secured from those work streams for which demand has declined. The reduction will not impact on the work of the Programme for Government commitments, including the Planning Reform Bill.
8. The wider financial implications of the Planning Reform Bill will be addressed in the regulatory impact assessment which will be

published when the Bill is introduced to the National Assembly before the summer recess in 2014. However, the Consultation Paper due to issue in December will touch on the potential financial implications of the reforms.

## **Building Regulations**

9. The transfer of Building Regulations Powers to Wales in December 2011 has resulted in increased demands upon the Welsh Government's Building Regulations Team.
10. The Building Regulations Team is responsible for:
  - health, safety and welfare of people in and around buildings
  - reducing the carbon emissions from the built environment
  - undertaking a review of Building Regulations Part L due to a Programme for Government commitment to amend the Building Regulations in order to meet our zero carbon buildings aspirations
  - delivering the Domestic Fire Safety (Wales) Measure, which the Minister for Housing and Regeneration has agreed to implement as a priority based on the will of the Assembly.
  - ensuring that the Building Regulations in Wales are up-to-date and fit for purpose, and
  - ensuring compliance with EU Directives relating to Building Regulations.
11. As an indication of the costs associated with the devolution of the Building Regulations, the current Part L review and the development of the Domestic Fire Safety Measure have received a budget allocation of more than £3.2 million since 2010, including staff costs. Future reviews of the building regulations as they apply in Wales will include:
  - Part M – Access to and use of buildings; and
  - Amendments to approved guidance relating to building structures and radon.

12. The funding for building regulations in the coming year will be managed so as to ensure delivery of the Welsh Government's policy agenda. Incorporation of Building Regulations within Planning Division assists management of the budget.