

Effectiveness of Local Planning Authorities in Wales

June 2020



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June 2020



About the Committee

The Committee was established on 22 June 2016. Its remit can be found at: www.senedd.wales/SeneddPAC

Committee Chair:



Nick Ramsay MS
Welsh Conservatives

Current Committee membership:



Gareth Bennett MS
Independent



Vikki Howells MS
Welsh Labour



Delyth Jewell MS
Plaid Cymru



Rhianon Passmore MS
Welsh Labour



Jenny Rathbone MS
Welsh Labour

Mohammad Asghar MS (known as Oscar) was a Member of the Committee during this inquiry and sadly passed away on 16 June 2020.



Mohammad Asghar MS
Welsh Conservatives

The following Member was also a member of the Committee during this inquiry.



Adam Price MS
Plaid Cymru

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Chair's foreword

Planning plays a key role in improving the quality of life of people and the communities in which they live. The goal of all aspects of planning is to create successful places where people want to work, shop, live or visit, where businesses flourish and where the natural environment is respected and enhanced. By interceding between conflicting interests and objectives through a democratic process, planning can support economic success together with other sustainable development goals.

Recently, the Welsh Government has introduced important reforms to planning in Wales, to help it deliver these objectives. These include the Planning (Wales) Act 2015 and the ground breaking Well-being of Future Generations (Wales) Act 2015. These are considerable and, overall, welcome changes that will help Wales to tackle some of the big challenges it faces; namely globalisation, population growth, climate change, heightened concern about resource depletion, and a changing approach to biodiversity issues. None of these are new, but added together they imply that the issues the planning system addresses will be getting more difficult.

The Public Accounts Committee agreed to hold this inquiry to consider whether the changes introduced to planning are effective and efficient. In particular we wanted to examine whether the ambition of planning driving the Well-being of Future Generations agenda is being realised. The Committee took evidence from Local Planning Authorities and a range of key stakeholders who work within the planning system to inform our work. Our inquiry considered how Local Planning Authorities are currently performing and where performance and impact needs to be improved.

Our report makes a number of recommendations aimed at addressing some important issues and will help strengthen resilience in services; improving decision making; support better involvement by planners and developers with citizens and communities; and ensure planning plays its full part in safeguarding our future generations. These recommendations are important for all of us because planning is central to all our lives.

1. Background

1. In Wales, there are 25 'Local Planning Authorities', the 22 Unitary Authorities and the three National Park Authorities. Local Planning Authorities have three key roles:



2. The 'Local Planning Authority' plays the critical role in identifying what development is needed and where; what areas need to be protected or enhanced; and in assessing whether a proposed development is suitable. The main responsibilities of Local Planning Authorities are therefore:

- **Producing a local development plan:** This is a framework for the future development of an area defining strategic policies, the framework for neighbourhood plans, land allocations, infrastructure requirements, housing needs, requirements for safeguarding the environment and measures for adapting to climate change. Local development plans are the starting point for considering whether planning applications should be approved.
- **Determining planning applications:** Decisions about straight-forward applications will be made under powers delegated to planning officers. More significant or contentious applications will be decided by a

planning committee, made up of local elected or appointed members. In determining planning applications, the local planning authority must consult with the local community, statutory consultees and non-statutory consultees.

- **Enforcement:** Acting proportionately in response to suspected breaches of planning control.
- **Producing Supplementary Planning Guidance:** Supplementary Planning Guidance are produced to provide further detail on how an Authority's Local Development Plan will be applied in the context of specific places or issues.
- **Supporting 'Place Plans':** Place Plans are non-statutory documents. They may be prepared at the initiation of the local community and are a powerful tool to promote collaborative action to improve well-being and placemaking. Place Plans should support the delivery of Local Development Plan policies and can be adopted as Supplementary Planning Guidance.

3. Local Planning Authorities are also required to act in accordance with the National Development Framework (NDF), a 20-year development plan that covers the whole of Wales. The NDF covers big issues including the economy, housing and environment for Wales as a whole. It shows where nationally significant developments like energy, transport, water and waste projects should take place. The NDF shows where growth should happen, what infrastructure and services are needed and how Wales can help fight climate change. The Welsh Government held a consultation during August – November 2019 on the NDF to cover the period 2020 – 2040. As well as covering the big planning issues that affect Wales, the NDF will affect the shape and direction of future local planning policy in Wales, including Local Development Plans.

4. The Future Generations Commissioner has also identified Planning as one of her priority areas – a reflection of the high public interest in planning issues and people and communities telling her that they often feel that developments are imposed on them against their will and without their involvement.

5. The Public Services Ombudsman for Wales has responsibilities to look at whether there is something wrong in the way in which a local planning authority went about deciding an application for a development and has produced a planning applications factsheet outlining what he can investigate and what he

cannot. The Ombudsman is consequently responsible for considering the issues raised by citizens regarding individual planning applications.

The Auditor General for Wales' report on planning

6. The Auditor General for Wales (the Auditor General) published his report on The effectiveness of local planning authorities in Wales¹ in June 2019. The report considers the progress of local planning authorities in delivering their new responsibilities established by the Planning (Wales) Act 2015² and how planning services are acting in accordance with the sustainable development principle contained within the Well-being of Future Generations (Wales) Act 2015.³ The key messages from the report include:

- Planning Authorities find it challenging to balance competing demands because of the complexities of the planning system;
- Insufficient capacity and reducing resources are eroding Planning Authorities' resilience;
- Timeliness and quality of decision making varies widely and performance is poor; and that
- Further work is required to deliver the well-being requirements of legislation and policy.

7. In his report, the Auditor General made five recommendations to help support local planning authorities focused on:

- improving how they involve stakeholders when making decisions and considering choices;
- addressing deficits in funding and working collaboratively to increase capacity;
- strengthening decision making;
- creating a clearer and more ambitious vision for their local area; and

¹ Auditor General for Wales Report, [The effectiveness of local planning authorities in Wales](#), June 2019

² [Planning \(Wales\) Act 2015](#)

³ [Well-being of Future Generations \(Wales\) Act 2015](#)

- reviewing charges for development control and improving local planning authorities performance.

Scope of the Committee's inquiry

8. The Committee agreed to focus its inquiry on the following areas:

- Resilience of planning services;
- Dealing with and deciding on planning applications;
- Community impact and involvement; and
- Planning and Well-being.

9. Following the evidence sessions, the key findings of the Committee's inquiry are set out below and concludes with recommendations to support improvement.

10. This report does not seek to replicate the extensive written and oral evidence we received and transcripts of all oral evidence sessions and written evidence received can be view in full at:

<https://business.senedd.wales/mgIssueHistoryHome.aspx?Id=25600>

2. Committee's Findings

Resilience of Planning Services

11. The Auditor General's report highlights the contribution planning can make to delivering the aspirations of the Well-being of Future Generations (Wales) Act 2015. However, Local Planning Authorities have seen a significant reduction in capacity and struggle to deliver their statutory responsibilities.

12. The Auditor General concluded that all planning services – policy, development and building control – have, since 2008-09, seen significant cuts in expenditure with budgets having fallen by 50% in real terms, considering inflation. Net expenditure has fallen from £45 million in 2008-09 to £22.8 million in 2017-18. The biggest cut has been to development control budgets where spend has reduced by 59%. The decision on prioritising funding on planning services was left to each Local Planning Authority to determine individually. This has resulted in the service becoming ever more residualised.

Our overall conclusion is that Planning is critical but at present it is not able to deliver the aspirations of the Planning, Environment and Well-being of Future Generations Acts because of reductions in resources.

13. Evidence we heard highlighted that the planning system is under stress and is not delivering as well as it could and should. Across the board, all stakeholders including Welsh Government and Local Planning Authorities noted that planning services do not have sufficient capacity, skills or expertise to deliver all their responsibilities effectively. This, along with the complexities of Planning and the new demands placed on services as a result of Well-Being of Future Generations (Wales) Act 2015 and the wider well-being expectations of the Commissioner, means they are struggling.

14. The Planning Officer's Society for Wales noted that the reduction in funding and resources for Local Planning Authorities has led to greater competition from the private sector employers and many new planning graduates opt to work for developers and planning consultancies rather than Local Planning Authorities. Coupled with the fact that the most senior planning officer within local authorities are usually third tier or below, the profession is not seen as a major player despite its importance in making many of the aspirations of the Well-being of Future Generations (Wales) Act 2015 real.

15. Despite seeing budgets squeezed and staffing numbers fall, the limited extent of collaboration and joint working to date has not enabled Local Planning Authorities to realise significant savings to invest in strengthening and enhancing current services. Evidence presented to the Committee acknowledged the impact of less money, but Local Planning Authorities did not want to see large-scale changes being made. For example, they supported retaining 25 Local Planning Authorities with broadly the same powers, duties and delivery structures despite having less resources to deliver their wide ranging responsibilities.

16. The Committee heard that Local Planning Authorities broadly continue to deliver as they have always done – trying to do everything they are responsible for but with less resources. As a result, performance in some areas of work, such as enforcement and placemaking, is particularly poor.

17. Evidence heard by the Committee suggests that Local Planning Authorities were more supportive of retaining the status quo rather than considering the potential of merging Local Planning Authorities, creating joint Planning Committees or joint Local Development Plans. All Local Planning Authorities' representatives who gave evidence to the Committee did not want to see Welsh Ministers use their powers to change current structures. For example, Local Planning Authorities remained opposed to collaboration and beyond the joint working already established did not see value in pursuing collaboration.

18. Some witnesses presented concerns that greater collaboration and creating Strategic Development Plans (in addition to Local Development Plans) focusses too much on regional issues and would stretch resources further, resulting in Local Planning Authorities losing sight of the very local community-level context. However, community-level planning and Placemaking through Place Plans was not favoured by some witnesses because they are too focussed on the micro level issues. This is despite Place Plans being acknowledged as an opportunity to more effectively involve communities in planning their future working with the Local Planning Authority.

19. The Committee noted the positive response by the Welsh Government⁴ to the findings of the Auditor General for Wales and the steps they have taken to help improve resilience. The Welsh Government is proposing a 20% uplift in Planning Fees to address the deficit issues highlighted in the Auditor General's report. A 20% uplift on development control fees would increase income by £3.5 million (using the 2017-18 base figures in the report). The Welsh Government has

⁴ Welsh Government [response](#) to the Auditor General's Report, 13 December 2019

also commissioned consultants to explore options for moving towards full cost recovery in Local Planning Authority services.

Despite these positive measures, evidence presented to the Committee suggests that elements of the planning system are not working as they could and should (for example, effective involvement work with communities and enforcement work) and there is no agreement on how to address this and strengthen resilience and capacity.

20. Evidence from Welsh Government made clear that Welsh Ministers do not anticipate using their powers to merge Authorities or require joint Development Plans but do intend to create other joint strategic committees under the current Local Government and Elections (Wales) Bill⁵.

21. The overall conclusion of the Committee is that there is acceptance that Planning does not have sufficient resources to do all the things it is required to do but collaboration and moving to regional working, which can free up and make better use of resources, is not supported by those who deliver Planning. However, if Planning is to play the role envisaged in delivering sustainable development and improving well-being, then change is needed. Maintaining the status quo is not an option as Planning is too important not to succeed.

Dealing with and deciding on planning applications

22. The number of planning applications made to Local Planning Authorities has remained stable at around 24,000 per annum nationally, but fewer planning applications are being processed on time, the proportion of appeals overturned remains high and enforcement work is generally slow. Improving the efficiency and speed of decision making within the planning system, including strengthening the work of Planning Committees, is critical to ensuring Planning makes a positive impact on citizens and communities across Wales.

23. The Committee heard that the current performance measures collated by Welsh Government have a number of weaknesses. Firstly, they are too focussed on measuring inputs, outputs and recording end-to-end time. Consequently, they have a limited focus on quality, and do not enable an understanding or demonstration of impact on well-being. Secondly, the indicators are used to judge how well Local Planning Authorities are discharging their planning

⁵ [Local Government and Elections \(Wales\) Bill](#) (at the time of publication of this Report, the Bill was at Stage 2)

responsibilities but do not reflect delays caused by third party bodies. In particular, developers, statutory consultees such as utilities companies and Natural Resources Wales. Consequently, they are not a good measure of the efficiency of decision-making and management of applications by Local Planning Authorities.

24. Witnesses did not consider performance on appeals – where roughly a third of appeals are lost – to be poor. With enforcement activity, Local Planning Authority witnesses felt that given the service is not mandatory and each Local Planning Authority decides how it will ‘police’ this area, it was not helpful to compare performance. Irrespective, there is a wide range of performance and people across Wales receive very different standards and equity of service. For example, the average time across all Local Planning Authorities to resolve enforcement cases in 2018-19 ranged from 7.3 days in Cardiff to 531.5 days in Ceredigion.⁶

25. The most recent national overview report [December 2019] also highlights where Local Planning Authorities are failing to deliver their requirements under the new legislation. For example, page 10 shows that 13 of the 22 Local Planning Authorities are not meeting their consultation responsibilities under the Planning (Wales) Act 2015; and page 13 notes that 11 of the 22 councils do not have adequate ICT provision to be able to report on their full performance.

26. The Committee heard that Planning Committees vary in capability and the quality of their decision-making, but overall witnesses did not consider this to be a major concern with the exception of the performance of a small number of Local Planning Authorities. This conflicts with the findings of the Auditor General’s report which identified some major weaknesses. Both evidence from Local Planning Authorities and the Welsh Government highlighted a concern that some Planning Committees elect not to enforce Section 106 agreements, are not acting in accordance with the adopted Local Development Plan and can focus too much on parochial issues.

27. The Committee heard that governance and accountability is becoming much more complicated with Welsh Ministers now engaged in deciding on major planning applications rather than individual Local Planning Authorities. Whilst it is anticipated that this change will help address some of the resourcing challenges facing local planning authorities, several witnesses raised concerns that this centralisation will dilute local decision making and weaken the accountability of

⁶ Welsh Government, [All Wales Planning Annual Performance Report 2018-19](#), Figure 44, Page 52, December 2019

Local Planning Authorities. In addition, the move to regionalisation with joint committees and Strategic Development Plans was also seen as stretching capacity further and many raised concerns that these changes will make the already complicated Planning system more complex and will not result in any discernible improvement.

The Committee believes that the status quo is not viable given the reduction in planning officer capacity. Whilst the rebalancing of responsibilities with an enhanced approval role for Welsh Government and the introduction of more regional planning will add some complexity to the planning system, it will also improve resilience and help support all levels of the planning system to deliver their wide-ranging responsibilities.

Involving people in Planning to improve communities

28. The Auditor General's report notes that Planning is more than a simple tick-box exercise, often demanding both judgement and imagination. An effective Local Planning Authority will need to have a clear vision of how they will work in the medium-to-long-term to improve their communities and will seek to inspire and motivate people to want to get involved in helping shape and improve their area.

The Committee concluded that there is much more work for Local Planning Authorities to do on ensuring there are robust and effective arrangements in place to involve people in planning.

29. Local Planning Authorities have a responsibility to ensure people understand the importance of Planning and encourage communities to get actively involved by emphasising the positive impact planning can make on their lives. All witnesses acknowledged that there is a long history of Local Planning Authorities engaging citizens, but this is seen as mostly ineffective because the methods used to inform and involve people are mostly unsuccessful. For example, the Auditor General reported that 60% of senior planning officers felt that the public do not understand how the planning system works.⁷

30. Witnesses noted that this can be difficult because the guidance on engagement and consultation is out of date (it emanates from the Skeffington report - People and Planning: the Report of the Committee on Public

⁷ [Wales Audit Office Planning Services data tool](#), June 2019

Participation in Planning - published in 1969⁸) and is too focussed on set piece traditional engagement approaches. The data tool⁹ published alongside the Auditor General's report shows that less than a third of the public find it easy to access information about using planning services.

31. One big challenge is getting developers to deliver their early consultation responsibilities and treat this as a serious and meaningful exercise. As part of the Planning (Wales) Act 2015, the Welsh Government made it compulsory for developers to consult with local communities before applying for larger or 'major developments.' The Committee heard from witnesses that whilst this is a laudable policy, it is not working and is not improving the quality and relevance of new developments for local people and the wider community.

32. For instance, the stage at which a consultation takes place is prior to applying for approval and much of the work that communities and individuals can influence will have happened with little input from anyone. Evidence given to the Committee noted that the process can also mislead the public to believe they can influence new developments when evidence to the Committee suggests little change results from community engagement work. Often the Local Planning Authorities are unsighted of what the developer does in terms of consulting and have no information on feedback and how it has been addressed (or not). As a process, it is not working, and we heard that Local Planning Authorities are not able to influence or change developers.

33. A number of witnesses, in particular the Future Generations Commissioner, felt that Place Plans are a good way of engaging with and involving communities. Evidence from the Future Generations Commissioner noted that an effective Place Plan can be the bridge between communities and Local Planning Authorities and help to deliver planning choices that meet the needs and aspirations of the community. This was echoed by the Welsh Government who see placemaking as critical to making Planning central to delivering the Well-being of Future Generations (Wales) Act 2015.

⁸ The Skeffington Report, 'People and Planning', was a report of the Committee on Public Participation in planning, chaired by Arthur Skeffington MP. The Committee was appointed in 1968, to assess how the public might become more involved in the creation of local development plans. The committee was set up following the primary legislation in 1968, and published its report in 1969.

⁹ Planning Services [Data Tool](#), June 2019

34. However, despite acknowledging the potential positive impact of place planning, concerns were expressed by several witnesses:

- Several Local Planning Authorities noted that Place Plans can be resource intensive and need to align with the Local Development Plan if they are to make a positive impact for citizens. Given the cuts in Authority budgets witnesses noted that this is an unrealistic ambition;
- Secondly, Place Plans are discretionary and only become a material consideration in Local Development Plan decisions when adopted. To make Place Plans central to decision making requires Welsh Government to make them a statutory consideration akin to Neighbourhood Plans in England. However, Welsh Government stated that they did not support making place plans statutory as in England; and
- Thirdly, witnesses, including Welsh Government, were clear that it is for the community to organise and deliver Place Plans and Placemaking within their area. Witnesses acknowledged however, that communities would find it is difficult to develop Place Plans without support and assistance. The Committee felt that the Welsh Government's suggestion Local Planning Authorities reallocating resources from other (statutory) work on to supporting community involvement work is unrealistic.

35. The Committee believes that Place Plans and placemaking is key to getting community buy-in to ensure Planning happens with involved and engaged communities and not to them. However, because Place Plans have no statutory status, their development is under resourced and there is no appetite from Welsh Government to change this, the Committee believe they are unlikely to be developed. If Place Planning is a good option to involve people in and encourage community led planning, then the Committee believes that it needs to be given greater status, resourced and made central to the Local Development Plan.

Section 106 Agreements

36. There are two forms of planning agreement between Local Planning Authorities and developers that identify and set out how new developments will contribute financially towards the required upgrade and improvement in local infrastructure. These are as follows:

- A section 106 (S.106) agreement is an agreement between a developer and a local planning authority about measures that the developer must

take to reduce their impact on the community. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and contributions from the developer. It forms a section of the Town And Country Planning Act 1990; and

- The Community Infrastructure Levy (the 'levy') is a charge which can be levied by local authorities on new development in their area to help deliver the infrastructure needed to support development in their area. The levy only applies in areas where a local authority has consulted on, and approved, a charging schedule which sets out its levy rates and has published the schedule on its website. Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy. Some developments may be eligible for relief or exemption from the levy.

37. Witnesses told the Committee that only 10% of developments attract a Section 106 agreement but for a variety of reasons – Authority resources and capacity, other services/statutory consultees not participating in the process and land valuation – they are not delivering on many occasions. In addition, the use of S.106 agreements varies widely between Local Planning Authorities with larger urban areas having more in place than smaller rural areas. Positive approaches have been developed in a number of Local Planning Authorities including the Vale of Glamorgan. As a system however, the Committee is concerned that S.106 agreements are not supporting sustainable development.

38. Throughout the evidence sessions, witnesses raised concerns with S.106 agreements and developer contributions. National data on affordable housing¹⁰ shows that the sums paid in S.106 agreements are relatively small. The Welsh Government's annual planning report notes that between 2017-18 and 2018-19 there has been a considerable drop in financial contributions agreed from new development through S.106 agreements. There has been a decrease of approximately 45% (£18,166,149.03), but there has been an increase in the collection of Community Infrastructure Levy contributions of approximately 75% (£1,281,478.10). Overall, there has been a decrease in financial contributions of approximately 40% (£16,884,670.91). This is largely due to the fall in the area of land granted planning permission over the previous two reporting years. The end

¹⁰ Welsh Government - StatsWales, [Financial contributions towards affordable housing via planning obligations by local authority and amount](#), 14 November 2019

result is however that less money is being secured to be spent on affordable housing.

39. Witnesses noted that the S.106 viability assessment is complex and is an area where Local Planning Authorities do not always have the skills or resources to invest in undertaken comprehensive assessments. This means that costings are often not well considered and as development proposals progress, they need to be revisited. The Committee found that the information used to estimate the cost of developments varies. Some use actual build costs and others the Building Cost Information Service (BCIS) data.¹¹

40. The Committee heard that enforcing a S.106 agreement and requiring a developer to pay the agreed contributions or refusing planning is a political decision for Planning Committees to take. However, Committees often relax the S.106, in part because they need to deliver against national targets such as the 20,000 new affordable homes. Consequently, there is a reluctance to refuse.

41. Evidence from the Welsh Government noted that there are adopted Local Development Plans in 23 of the 25 Local Planning Authorities (there is a joint Plan for Gwynedd and Isle of Anglesey). This has strengthened the plan led system which is critical to establishing the base policy for ensuring S.106 works. However, despite this, performance on delivering S.106 remains challenging. Options to address weaknesses raised by the Committee with Welsh Government Officials, included joint posts and shared resources to strengthen expertise were not viewed as necessary by witnesses but no other option was presented on how to address this.

42. The Future Generations Commissioner highlighted the potential for some further work to better understand how S.106 agreements are working in reality. Given the available data is quite limited - the current data only measures actual money received not the amount identified in S.106 agreements - it is not possible to scale up what was identified as being needed when approving a planning application and what is actually provided when the development has been completed. We concluded that further research, by an appropriate organisation, on S.106 agreements is needed to better understand this relationship.

43. The Committee's conclusion is that developers are key to making Planning and S.106 agreements are essential in delivering the wider infrastructure needed

¹¹ The Royal Institution of Chartered Surveyors (RICS), [Building Cost Information Service: construction](#)

with new housing. However, for a number of reasons the system is not working as well as it could and there needs to be external direction from Welsh Government to address this.

Planning and Well-being

44. The Well-being of Future Generations (Wales) Act 2015 has the potential to be a ‘game changer’ refocusing the main purpose of Planning. However, evidence to the Committee on how Planning is taking forward the Well-being of Future Generations agenda highlighted that there remains much to still do.

45. Whilst the updated Planning Policy Wales and new National Development Framework place the Well-being of Future Generations (Wales) Act 2015 and centre at a national level, Local Planning Authorities are still developing the local strategic response. Witnesses acknowledged that the response by Local Planning Authorities has been slow and much more work is required to make this central to Planning.

46. In particular, shifting the balance of decision-making, scheme design and approval from, *“is it bad enough to refuse”*, to *“is it good enough to approve”*, is critical. To do this, will require some systematic assessment of impact to better understand how planning decisions and subsequent developments are making a positive contribution to people’s lives, well-being and personal worth.

47. The data tool published to accompany the Auditor General’s report which captures citizens views on Planning indicates that the public are not seeing this shift:

- Over two thirds of respondents do not think planning authorities are making the right decisions that improve the area they live in;
- Less than 1 in 10 people think the quality and condition of the local environment has improved over the last three years; and
- All respondents indicated that opportunities to get into work have not changed or got worse.

48. In all the above examples, senior planning officers’ views were always more positive than citizens, indicating a difference in views between Local Planning Authorities and the citizens they serve.

49. All witnesses made clear that Planning is one of the fundamental services that can deliver and make the ambitions of the Well-being of Future Generations

(Wales) Act 2015 real. In terms of Welsh Government support and policy in the form of Circulars and guidance updates, these are helping focus on the Well-being of Future Generations and are making the links between the planning and sustainable development. On the downside, many witnesses noted that there is still too much change in the system and the flow of policy updates is making Local Planning Authority work more complex. In particular, there is a need to consolidate all legislation into a single Welsh planning law to help drive consistency in decisions.

50. The Committee received compelling evidence that there is a need to simplify planning law and its implementation, and creating a specific Planning Inspectorate for Wales will go some way to achieving this. The evidence from witnesses highlighted that the Planning Inspectorate currently has a tendency to relate English planning law to Wales, which means that decisions they take do not reflect the different planning system in Wales.

51. Witnesses noted that this is contributing to the problems LPAs face in implementing the Planning (Wales) Act 2015 and specifically the elements that link into the Well-being of Future Generations (Wales) Act 2015 where the evidence suggested the main failings occur.

52. We note that in May 2019, the Minister for Housing and Local Government, announced work had begun on the creation of a new separate, dedicated planning inspectorate for Wales. The Minister's statement also stated that the Welsh Government is:

“also moving forward to consolidate and unify planning law in Wales to form a separate Welsh planning Code”¹²

Our view, based on the evidence about what is happening in practice, is that continuing with a joint inspectorate means that Welsh law will not be fully implemented so we welcome and endorse the Welsh Government's approach to creating a separate planning inspectorate.

53. Evidence to the Committee highlighted that Local Planning Authorities can be undervalued by key partners and within Unitary Authorities by other departments of the same authority. Evidence from the Royal Town Planning Institute in Wales noted that until Planning has an accepted place at the top 'decision-making' table and is valued strategically for its contribution to Well-

¹² Welsh Government, [Written Statement](#): 9 May 2019

being of Future Generations, then things will not change, and Planning will not deliver what the Welsh Government wants. The Committee believes that raising the status of and recognising the central importance of Planning to the Well-being of Future Generations needs to be addressed.

Recommendations

54. The Committee has identified several areas where it believes current performance can be improved:

Recommendation 1. The Committee recommends that the Welsh Government addresses the cuts made to Planning budgets by using the Welsh Ministers' powers under the Planning (Wales) Act 2015 to ensure Local Planning Authorities collaborate and merge to improve resilience and build capacity. This should include measures to ensure there is adequate knowledge sharing and information exchanges between the separate planning bodies in the UK to support learning and enhance expertise.

Recommendation 2. The Committee recommends that the Welsh Government works with the Planning Officer's Society for Wales to review the current National Performance Indicators to ensure the measures used to judge the performance and impact of Planning reflects the contribution of all agencies in the Planning system and develops new measures to better judge the impact of Planning on improving wellbeing in communities and people.

Recommendation 3. The Committee recommends that the Welsh Government works with the Planning Officer's Society for Wales to review current standards for engagement and develop new approaches that better reflect 21st century communication to ensure people are involved in the planning process.

Recommendation 4. The Committee recommends that the Welsh Government works with the Planning Officer's Society for Wales to strengthen how developers consult with local communities before applying for larger or 'major' developments.

Recommendation 5. The Committee recommends that the Welsh Government works with the Future Generations Commissioner and the Planning Officer's Society for Wales to make Placemaking and Place Plans a statutory plan and introduce guidance on how Local Planning Authorities must work with local communities to ensure Place Planning is made central to delivery of the Well-being of Future Generations (Wales) Act 2015.

Recommendation 6. The Committee recommends that the Welsh Government strengthens Section 106 agreements by:

- updating guidance to require development option appraisals to be based on a single source of information using the building cost information service construction data to improve estimates, cost advice, plan costs and benchmarks; and
- introducing a tranche payment system for Section 106 contributions with developers being required to pay a third of the agreed sum at the point planning permission is given; a third when on site development begins; and a third when the site is fully developed.

Recommendation 7. The Committee recommends that the Welsh Government commissions research on the use of Section 106 agreements to determine whether the identified contributions from developers when agreeing a planning application are realised. The Committee also recommends that the Welsh Government works with the Planning Officer's Society for Wales to evaluate how Section 106 agreements work and identify where approaches need to be strengthened including resourcing legal expertise and management of Section 106 agreements.

Recommendation 8. While we welcome the Welsh Government's approach to establish a Welsh Planning Code, given the divergence in the Planning systems between Wales and England, the Committee recommends that this goes beyond a Code and is enshrined in legislation to help drive consistency in decisions.

Gareth Bennett MS did not agree to this recommendation.

Annex A: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's website.

Date	Name and Organisation
27 January 2020	The Committee held a private, scene-setting event with Stakeholders representing Community Housing Cymru, House Builders Federation, Planning Officers Society Wales and Royal Town Planning Institute
10 February 2020	<p>Andrew Farrow Flintshire County Council</p> <p>Mark Hand Monmouthshire County Council</p> <p>Craig Mitchell Welsh Local Government Association</p> <p>Nicola Pearce Neath Port Talbot Council</p> <p>Llinos Quelch Carmarthenshire County Council</p> <p>Dr Roisin Willmott Royal Town Planning Institute</p>
24 February 2020	<p>Nick Bennet Public Services Ombudsman for Wales</p> <p>Sophie Howe Future Generations Commissioner</p> <p>Marie Brousseau-Navarro Office of the Future Generations Commissioner</p>
9 March 2020	<p>John Howells Welsh Government</p> <p>Neil Hemington Welsh Government</p> <p>Andrew Slade Welsh Government</p>