

Environment and Sustainability Committee
Inquiry into Energy Policy and Planning in Wales
EPP 207 – Welsh Local Government Association

Planning and Energy Inquiry

Environment and Sustainability
Committee

23rd September



WLGA • CLILC

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities, the three fire and rescue authorities, and four police authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. Undoubtedly Wales must make progress on tackling the issue of enabling communities to live sustainably; and clearly energy is a critical element of this process in terms of not only energy resilience/security, economic development and Climate Change but also social equity. There are also significant fuel poverty issues across Wales which are accentuated in rural Wales by the type and age of housing (solid walled) and the availability of heating systems (off gas network). Given the significant fluctuations in fuel costs and potential disruptions to external supplies of energy it is essential that robust Welsh solutions are progressed; solutions which address the carbon intensity of our energy whilst tackling the real difficulties caused by the high cost of that energy.

Sustainable Development Framework

4. To help set out this broad context for local decision makers the WLGA have worked closely with the Welsh Government in building the knowledge and capacity of elected members to understand these complex issues and the significant threats that communities across Wales face. We have done this primarily through the SD framework (<http://www.wlga.gov.uk/english/sustainable-development-framework/> <http://www.wlga.gov.uk/cymraeg/fframwaith-datblygu-cynladwy/>) and specifically through some of the futures work within that programme. This work has sought to extrapolate key trends in a range of social, environmental and economic issues to describe to members what the future potentially holds for their communities. This included key health determinants such as obesity, changes in the natural environment such as climate change, one planet living and so on (<http://www.wlga.gov.uk/english/futures-masterclass-resources/> <http://www.wlga.gov.uk/cymraeg/futures-masterclass-resources/>). This work attempted to allow members to understand the context for their day to day decision making and to see how incremental processes add up to certain potential

outcomes. We will continue to develop these aspects of the programme as they are vital to enable more effective decision making locally and will assist in the development of any response to future Welsh Government legislation regarding the SD duty.

5. The WLGA will continue to develop these resources as part of a wider programme of induction support for the influx of new Members following the local government elections next May. There will also be specific planning training resources which will highlight what the role of planning committee members are in relation to the range of difficult decisions they face in a range of areas.

SD and Planning

6. The committee (and its predecessors) have forensically examined the planning system on a number of occasions during previous Assemblies underlining the critical role that the service has in relation to sustainability. Indeed it is already a key outcome sought by the Welsh Government and the planning system, a principle enshrined in the 2004 Planning and Compulsory Purchase Act *s.39 - (2) The person or body must exercise the function with the objective of contributing to the achievement of sustainable development.*
7. Those previous examinations have also demonstrated the complexity of the policy context and a key role that LPA's play in balancing a range of divergent priorities and policy ambition. The delivery of renewable energy is clearly such an issue.
8. Recommendation 9 of the previous committees report into Planning in Wales published in January 2011 states that the Welsh Government should produce new guidance to LPA's on how to refine the boundaries of the Strategic Search Areas (SSA's) to ensure greater consistency. How the Welsh Government takes forward this recommendation will have an impact upon the delivery of policy across Wales and is therefore relevant to this inquiry especially in any debate about the potential revisions to TAN 8.

Community involvement

9. It is apparent that local engagement and dialogue around energy issues is clearly an issue. The recent initiative by Community Energy Cymru is timely in this regard and may help develop a broader comprehension of why the issue of renewables is so

critical. This may help inform some of the local debates. Again recommendation 18 of the previous committees report suggesting an evaluation of community engagement approaches as part of the LDP process would be relevant here especially with the development of the toolkit for energy assessments as part of that LDP process.

10. That energy assessment Toolkit offers a methodology which enables local authorities to develop an evidence base to assess the potential renewable and low carbon energy generation within their locality. The information can underpin renewable energy and low carbon energy policies in the local development plan. In the future this will aid in:
 - discussions with developers about opportunities for district heating and waste heat;
 - identifying the potential of new energy generation schemes in supplying new or existing developments; and in
 - The case of wind power, assist officers in the merits of particular applications.
 - Enable a public debate on the merits and issues with such development locally.
11. It is this type of engagement with communities that the petition before the committee on TAN 8 highlights and it is critical that any such developments should benefit local communities as well as meeting wider strategic energy policy. It is also clear that some of the issues been raised by petitioners are beyond the scope of the planning system or fall under other regulatory bodies such as the IPC and its successor. This naturally results in a high degree of frustration that people find it difficult to have their concerns heard or feel they are been fobbed off to another body. This is clearly bad for local democratic processes, bad for the public perception and confidence in the planning regime and prevents an informed debate on how to tackle the significant energy issues we have to address.

Integrated decision making

12. Therefore aspects of policy such as UK National Policy Statements should be more expressly resonant with Welsh policy and political processes whilst UK decision making through bodies such as the IPC and the National Grid should have a clearer accountability to Wales.
13. The response from the LPA's to the IPC on major projects in terms of local impact reports is often the only point at which the public feel they can make their views

known on potentially contentious infrastructure. Consequently it often results in a very charged debate on each particular application with a great deal of conflict for local members who clearly are there to represent the views of their communities but are also charged with delivering the proposals set out in TAN 8 and Welsh energy policy but must only consider planning issues. Therefore a broader debate initiated by the work of this committee is welcome and timely to allow a more considered contemplation of the key issues. Difficult decisions will still remain to be taken but the public must have confidence that their voice has been heard and their concerns taken into the process.

14. The Welsh Government programme of financial support for LPA's to access technical expertise in dealing with energy applications is welcome and effective. It allows a transparent independent assessment of the detail of the submissions and allows a more informed negotiation around that detail. The WLGA would like to see this support continued but with a view to understand how this expertise could be integrated into the public sector through collaborative arrangements rather than utilising third party consultants on an ad-hoc basis. This approach fits with the broader debate initiated by the Simpson review.

Devolving decisions to the most appropriate level

15. More critically recommendation 25 of the previous committee's report suggests that all energy consents over 50 megawatts should be devolved to Welsh Ministers and those decisions in Wales should have to relate to Welsh planning policy rather than the National Policy Statements. The WLGA supports this position as it will allow a far more coherent, integrated and proportionate response. It would also allow a better integrated resolution of the significant transport issues currently presented by on shore wind power.
16. The WLGA also support the premise upon which the Low Carbon Revolution – *Energy Policy statement (2010)* is built as set out in the Cabinet forward. Clearly Climate Change remains a critical threat to our communities and the future well being of those communities is dependent upon increasing energy resilience delivered through low carbon sources. Fuel poverty remains an issue across Wales and the energy hierarchy set out in the policy statement is fundamental. Again this is echoed in the petition on TAN 8 and indeed energy saving measures are essential. To this end UK and Welsh initiatives such as CERT/ECO, the Green Deal and ARBED have the support of Welsh LA's especially where programmes can be targeted to reduce fuel poverty; ARBED in

particular should be praised for its holistic innovative approach. However the complexity of the funding and policy landscape on energy efficiency across the UK often presents real challenges for LA's seeking to lever in investment to communities.

17. One position put forward is that it is difficult to argue for significant renewables when a large number of domestic and non domestic properties are still energy inefficient. There is a broader debate about how effective investment in each area is and how they should be prioritised. However it remains that we need both energy efficiency measures **and** low carbon energy generation; it is the balance and the range of technologies that require debate.

Social Equity

18. The potential tension with fuel poverty issues are highlighted by approaches such as the Feed in tariff and the Green Deal; both require upfront investment that favours individuals with capital to invest which clearly those in poverty cannot access. The WLGA are working with partners to examine if the approaches began in Birmingham and Newcastle to address some of these issues can be pursued in a Welsh context.
19. Therefore large scale renewable projects should consider how local fuel poverty issues could be tackled as part of any community benefit aspects of the project. This reinforced by the fact that Climate change itself will impact upon communities in different ways and the resilience of those communities will be affected by their socio/economic status.
20. It is also highly desirable that the economic benefits of delivering low carbon energy should accrue in Wales and again initiatives such as ARBED which have sought to do this by developing local supply chains have been fully supported by LA's; as will ARBED phase 2 which is currently being developed.
21. The development of the feed in tariff and renewable heat incentive alongside changes to the Development Management (with greater permitted development for micro renewables) regime for planning have led to a significant up shift in small scale renewables. This welcome development should be encouraged and should promote further debate and awareness across communities as this infrastructure becomes an everyday part of our lives.

Energy Mix

22. The energy policy statement makes it clear that on shore renewables are not the only potential technology that can deliver low carbon energy. However different technologies remain at different stages of their implementation and cost so the market will continue to bring forward solutions at differing rates. Given how this potentially impacts upon energy bills this is no theoretical debate.
23. It is clear that the scale of the issues we face in respect of Climate Change and set out in the statement and more fully in the Welsh Government Climate Change Strategy mean that we do not necessarily have the luxury of either or but frankly all suitable technologies must be deployed. It is obvious that on shore wind is one of the more mature technologies available and as such will remain a solution in the short to medium term. There is a constant debate as to the efficiency of turbines, their cost and environmental impact which must be addressed in a way in which the wider public have confidence in. previously the SD Commission often provided this insight and advice into the public debate and this role is still necessary.
24. However these turbines are not permanent structures and it is possible that as they reach the end of their productive life that they may be replaced in the energy mix by more 'aesthetically' acceptable technologies. However all technologies will have an impact and different communities will continue to be impacted to a greater or lesser extent; energy from waste is a good example of this.
25. The proposals set out in the energy policy statement are informed by an understanding of the potential for differing technologies, their scope for implementation including costs and the associated infrastructure required to bring the energy to consumers. There are complex inter relations between subsidy levels, regulatory frameworks and the cost of energy to the consumer that must be balanced.
26. Fundamental to this is the extent to which energy consents and processes are devolved and who has ultimate responsibility for those policies and decisions and in what context they are taken. This is at the heart of this committee's current inquiry.

Specific Inquiry Questions

27. The committee's letter of 2nd August 2011 setting out the terms of the inquiry raise a number of specific issues and questions. The wide ranging nature of these questions

means that aspects are beyond the scope and competence of what the WLGA can comment upon. Other areas raise issues where it is difficult to evidence a position beyond representing the broad view of local government across Wales.

28. Therefore is difficult to determine the precise implications for Wales if responsibility for consenting major onshore and offshore energy projects remains a matter reserved by the UK government. However there are clearly some broad views which can be considered. The relative weight of the Welsh planning and policy framework in relation to the UK National Policy Statements is critical. If more weight is given to the UK position as is currently the case then this potentially undermines the position in Wales and may prove counter productive. Strategically planning for energy infrastructure implicitly becomes complex and potentially muddled especially from the wider public perception. The supporting infrastructure also becomes more difficult as the culminative effect of development is effectively difficult to determine.
29. This lack of coherence may mean that less than optimum sites are developed or that developments are disproportionate in scale to enable the developer to go through one regime rather than another. This cannot be healthy and appropriate. In this context the WLGA continues to support the devolvement of energy consents to Welsh Ministers on the understanding that LPA's would be instrumental in any future decision making. To not do so would potentially maintain the types of problems presented by the current regime.
30. The targets set out in the energy policy statement are complex as they must be delivered by a range of stakeholders, subsidies and technologies. Fundamentally it is whether private investment is forthcoming that determines if proposals come forward so they must be treated carefully. The planning system cannot initiate projects but can heavily influence their progress and deliverability. They are clearly a signal to the market about what government expects to be delivered and this must inform those investment decisions giving additional assurance to investors that government is supportive in Wales of this type and scale of development.
31. A useful analogy could be drawn here with the development of waste infrastructure across Wales. In partnership with LA's the Welsh Government has set out a coherent and planned process of delivering the infrastructure necessary to meet Welsh policy aims within the context of EU wide legislation and targets. However that process runs in parallel with potential private sector investment over and above the programme and potentially consented by the IPC and its successor. This has implications for the

viability of the strategically planned process within Wales and the public perception on the lack of integration and joined up planning. It is clear that a similar problem may present in relation to energy consents, in particular the culminative impacts of different decisions.

32. The Welsh Government Climate Change strategy details some of the delivery processes for meeting the 3% reduction target in relation to areas of devolved responsibility. Undoubtedly part of that strategy development revolves around an understanding of how UK wide policies such as the Carbon Reduction Commitment would impact upon Wales and therefore how Welsh initiatives could be cognascent of this. The Climate Change Commission are in the process of developing a report to the Assembly on progress upon the targets which in tandem with a report from the UK Committee on Climate Change will support the Welsh Governments annual report on progress. Whilst there may be potential for the delivery of the 3% target to be affected by UK policy and decisions on energy consents and renewables it is difficult to determine to what extent and whether this impact may be positive or negative. It would seem appropriate for the Climate Change Commission to be asked for a view on this and for the Committee on Climate Change to address this issue as part of their report to the Welsh Government.

Implications of decisions

33. There are clearly implications if decisions are taken not fully recognising the Welsh policy context, primarily around;
- Spatial distribution of projects and their co-ordination (especially with other key infrastructure projects),
 - Nature and scale of technology especially where certain technologies may be over represented in certain locations,
 - Integration of projects realising broader synergies and the requirement for supporting infrastructure
 - The piecemeal and disjointed delivery of projects with disproportionate and continued disruption to communities
 - Public perception/acceptability of the process and engagement in the decision making process,
 - Realisation of community benefit and delivery of key social and economic ambitions relating to green jobs and local sustainability.

TAN 8

34. The committee poses the question as to whether TAN 8 should now be reviewed and indeed given the context above this is a reasonable issue to raise. However given that many of the concerns relate to factors currently outside the remit of the Welsh Government and TAN8 it is difficult to see how such a review could be framed to address these issues. Whilst it may present a new context for energy decisions especially in light of transport and supporting infrastructure concerns this would not tackle the fundamental issue of the position of such policy in relation to the UK National Policy Statements and the fact that large infrastructure decisions are taken on a UK basis. Therefore whilst we are not averse to a review the WLGA remains to be convinced of the purpose of such a review in this context especially as aspects of the TAN were reviewed in the last administration.
35. In terms of the consenting agencies it is clear that the differing regimes do present issues and delays. This is especially true where new and emerging technologies are deployed in sensitive environments protected by EU wide frameworks such as the habitats regs. The development of a Single Environment Body will aid this process as will the current development of an eco systems approach which allows a more holistic approach to the issues potentially allowing habitat and biodiversity gain to be more strategically delivered.
36. Whilst we do not have a position on the energy mix presented in the Energy statement it is clear that a mix of technologies will be required to deliver our transition to a low carbon economy. The actual mix delivered will remain a complex interaction of potential for growth, development of technologies and financial decisions of other stakeholders. However to ensure a viable mix it is clear that the Welsh Government should continue to support the broad range of technologies and enable their delivery to market in a way which optimises the potential benefit for Wales.

Greenhouse gas targets

37. In terms of how this will meet the Welsh Governments targets for greenhouse gas emissions this is not entirely clear as these reductions form part of the energy generation sector which does not directly form part of the Climate Change Strategy although the benefits clearly accrue further down the supply chain in the residential sector, within transport (with the development of electric vehicles), and within the

public sector with greater access to low carbon energy. However these benefits will be reflected across the UK in the assumptions about the energy mix provided to industrial and domestic energy users.

38. Transport will remain a critical issue in the development of certain technologies. The WLGA have commissioned work looking at ports infrastructure to determine the potential growth and use for renewable technologies

Conclusion

39. The WLGA supports the move toward the development of a low carbon economy in Wales in a way which optimises the benefit for communities across Wales. The threats we face in terms of Climate Change, sustainability, energy resilience and the range of social, economic and environmental constraints and issues we face are significant and urgent. We have also supported the Welsh Government in their calls for the devolution of energy consents above 50 Mw to Wales to allow a more strategic and integrated approach to the delivery of this infrastructure.
40. It is clear that Wales must play its part on a UK basis in helping meet these challenges and take advantage of the potential for renewables presented by our topography, climate and marine environment. However this must be done in a way which delivers real engagement and benefit for the people of Wales.

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