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23rd January 2015

Councillor Ramesh Patel,
Cabinet Member for Transport, Planning & Sustainability,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor Patel,

Environmental Scrutiny Committee – 9th December 2014

On behalf of the Environmental Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Tuesday 9th December 2014. The meeting considered items titled 'Planning Service Redesign – Member Update' and 'Cardiff's Energy Prospectus'. Both of these fall within your portfolio of responsibility. The comments and observations made by Members following these items are set out in this letter.

Planning Service Redesign – Member Update

- A letter to the Cabinet Member for Strategic Planning & Transport in February 2014 expressed concern over the challenging income target set for the Planning Service during the budget setting process. At the time Members were sceptical as to whether the service could achieve the target, particularly as significant budget cuts were being imposed on the service at the same time. During the way forward Members noted the progress that the Planning Service has made in such a short period of time particularly as:
 - The Planning Service has been through a major service restructure;
 - They have performed well against the additional income target of £512,000 during 2014/15;
 - They have performed well against the main Planning Service indicators.

- The Committee would like to receive a detailed financial summary of the Planning Service for 2014/15. This should include:
 - A budget summary for the Planning Service as a whole with a breakdown of the budget allocated to each of the individual teams;
 - An income summary for the Planning Service as a whole with a breakdown of the income generated for each of the individual teams;
 - An overall summary of the progress made by the Planning Service against its savings target for 2014/15. This should be supported by a progress update against each of the individual budget saving lines that were agreed for the service during the 2014/15 budget setting process.

- The Welsh Government is currently reviewing the fees that Welsh local authorities can apply to planning work. The Committee were informed that the last review was undertaken in 2009 and that the potential change could have a noticeable impact on levels of income generated. Members would be grateful if you could arrange for an income projection to be produced based on the 2014/15 income levels and the anticipated change in fee levels; they would also like to know when fee changes would be applied.

- Some Members were concerned that a reduction in Planning Service resources and a recent increase in the volume of planning applications would have significant impact on quality assurance around how applications are processed and their timescales. The Committee would like confirmation that quality assurance standards are being maintained when officers are dealing with new applications and that corners are not being cut to deal with increased demand and reduced staffing levels.

- It was noted that there has been a delay in developing new Statutory Planning Guidance for Houses of Multiple Occupation and Flats. Members were concerned that a lack of resources was delaying the completion of this and other vitally important Statutory Planning Guidance. They were told that there was limited capacity to develop such Statutory

Planning Guidance, and that following completion of the Local Development Plan staff would be transferred across to the Strategic Planning Service to help develop such work. The Committee would like confirmation as to when this will happen and when the Statutory Planning Guidance for Houses of Multiple Occupation and Flats will be completed. Members do not accept the argument that in order to complete the development of Statutory Planning Guidance the Local Development Plan needs to be in place; they take a view that many pieces of Statutory Planning Guidance have been completed in Cardiff without having a Local Development Plan in place.

- Members would like to receive a legal explanation on the benefit of having statutory planning guidance for a particular planning matter compared against that of not having any statutory planning guidance in place.
- Members would be grateful if you could arrange for a copy of all new statutory planning guidance to be circulated to the Committee once it is approved.
- During the meeting there was a debate around the basic level of understanding that Members have on the planning system. The Chair of the Planning Committee felt that improving basic knowledge was vital, particularly as this could help educate Members on the legislative restrictions that planning officers and the Planning Committee are constrained to work under. The Committee agree that Member training on the planning system needs to be improved. I would ask that you undertake a review of the Member training on the planning service and provide feedback to the Committee once a conclusion is reached.
- There was a debate on the best way for Members to engage in discussion around allocation of development based funding, for example, s106 funding and the Community Infrastructure Levy. It was agreed that it was important for Members to liaise with the Planning Service and other relevant services in a timely manner and that agreeing some type of formal platform for debate was vital from a strategic perspective as well as

helping to maintain the integrity of Members in the process. With this in mind the Committee would appreciate if you could give some further consideration to the following:

- A suggested structure from yourself and Chair of the Planning Committee as to how Members can best engage with this funding process.
 - If you could provide a document which sets out the criteria against which section 106 funding can be applied for and how it is allocated.
 - Members would like to know how many cases are presented to Planning Enforcement each year and from these how many result in preventative action taking place. They would also like to know if it is possible for the enforcement process to be speeded up and the level of resources allocated to planning enforcement activities.
 - Members would like to know how many cases are presented to Building Control each year and from these how many of these applications are accepted or rejected.
- The Scrutiny Chairs are aware of the current consultation exercise on the proposed Community Infrastructure Levy rates for Cardiff. They are considering how best to scrutinise this issue and will shortly inform you as to how they wish to proceed with the matter. It is anticipated that any work undertaken will be in the first calendar quarter of 2015.

Cardiff's Energy Prospectus

- Members found the presentation on Cardiff's Energy Prospectus very useful. They thought that the development of an energy prospectus was a good way to clearly map out Cardiff's local energy generation opportunities and the impact that these projects have upon the city, for example, the amount of energy produced and employment created.

- It was clear from the presentation that Cardiff, Wales and the United Kingdom face significant future energy sustainability / security challenges and that the energy prospectus could be used as a benchmarking tool to establish exactly how prepared we are to meet these. This prompted discussion and a number of important questions including:
 - Is Cardiff doing enough to generate 15% of its energy through renewable sources by 2020? There are only five years left and the city currently achieves less than the 4.1% UK average.
 - Should the Council nominate energy sustainability / security as an economic priority? For example, does it represent a good income generation opportunity at a time when budgets appear to be in continual decline, and is having a reliable supply of energy one of the fundamental building blocks for any growing economy?
 - What stake should the Council take in terms of renewable energy production? For example, is it in our interests to invest in such projects for the benefit of the Council / Cardiff citizens or should we allow the free market to fill the vacuum of this opportunity?
 - Does the Council need to document its position on the relationship between risk and reward for evaluating renewable energy projects?
 - As an organisation that spends £12m plus VAT per annum on energy is the Council in a position where it has to be proactive in achieving a reliable energy supply?

I would be grateful if could provide a response to each of these questions.

- During the meeting Members were told that the Council had decided to progress the development of the Lamby Way Solar Farm through a third party land lease arrangement instead of directly investing in the scheme. The Committee would like to receive a detailed copy of the business case for this proposal with a description of all weightings and assumptions used to evaluate the two models. They would also like a summary of the overall capital investment assessment process used including detail on

any weightings allocated for the major Council priorities and how these would impact on renewable energy projects.

- Members believe that the Council should look into and review the case for creating an arms length energy production company. They feel that such a company could have the potential to help generate an ongoing income stream for the Council and support the energy security agenda for Cardiff and Wales. As Chair of the Committee I would be happy to provide any support that I can on the matter.
- During the meeting Members were briefly told about a ground breaking project called the 'HELES Hydrogen Project'. I would be grateful if you could provide the Committee with more detail on this project.
- Members would like a further progress update on the development of Cardiff's heat energy network.
- The Committee felt that the creation of the Carbon Reduction Strategy was a positive step forward and thought that the initial draft proposals were a good starting point for the creation of a Council policy.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,

A handwritten signature in black ink that reads "P. D. Mitchell". The signature is written in a cursive, slightly slanted style.

Councillor Paul Mitchell
Chairperson Environmental Scrutiny Committee

Cc to:

Councillor Michael Michael, Chair of the Planning Committee

Andrew Gregory, Director for Strategic Planning, Highways, Traffic & Transport

Phil Williams, Head of Planning

Simon Gilbert, Principal Planning Officer

Jane Forshaw, Director for the Environment

Gareth Harcombe, Commercial Manager – Energy & Sustainability

Joanne Watkins, Cabinet Office Manager

Members of the Environmental Scrutiny Committee