

Sustainability Committee

Inquiry into Carbon Reduction in Wales: Carbon Reduction via Planning

Response from Evocati Limited

INTRODUCTION

It is noted that the National Assembly for Wales Sustainability Committee is currently undertaking an inquiry into Carbon Reduction in Wales and that the terms of reference for the inquiry are to scrutinise the Welsh Assembly Government on its progress in contributing to the UK's carbon reduction targets and its proposals for meeting the 3% per year carbon reduction target for Wales contained in the One Wales document.

It is further noted that the first five consultations in respect of the following topic areas are now closed:

- Residential carbon reduction
 - Carbon reduction by transport
 - Carbon reduction by industry and public bodies
 - Carbon reduction from electricity generation (including renewable energy)
 - Rural land use management and carbon reduction
- and that the focus is now on the final topic

- The role of the planning system in carbon reduction which is the subject of this response.

THE ROLE OF THE PLANNING SYSTEM

In many ways all of the activities of the first five topics take place on the surface of the planet and these have to be administered in a plan led system. In the preamble to the questions for this topic it stated:

“From the evidence collected in previous stages of the Committee’s inquiry into Carbon reduction in Wales, the land use planning system has emerged as a major barrier to progress in meeting the Welsh Assembly Government and UK Government carbon reduction targets. Issues raised included the time taken to complete the planning process, inconsistency in decision making and a lack of guidance to planning authorities from the Welsh Assembly Government. Many witnesses called for the planning process to act as a catalyst for carbon reduction in Wales.”

Compare this with the Reports of Barker and Eddington. Rod Eddington had been commissioned to advise on the long-term links between transport and the UK's economic productivity, growth and stability, to examine how delivery mechanisms for transport infrastructure might be improved within the context of the Government's commitment to sustainable development. Kate Barker's *Review of Land Use Planning* concluded that 'planning is a valued and necessary activity' and welcomed the progress that had been made with reforms to date. She argued that the responsiveness and efficiency of the system needed to be improved and recommended further wide-ranging reforms. This would mean building on the recent changes and the plan-led approach, to improve the way that planning supports economic prosperity while maintaining or enhancing delivery of other objectives. This led to the Planning for a Sustainable Future White Paper 2007 which became the basis for the current Planning Bill.

It is not surprising that the Assembly's Sustainability Committee's statement reveals the flaws and inconsistencies in Assembly's approach to Carbon reduction and through lack of realistic challenge the Assembly has found itself up an environmental cul-de-sac. The UK Government realistically seeks to improve economic prosperity but the Assembly appears to focus on Carbon reduction and the environment.

Before attempting to answer the questions it is important to review the uneasy platform upon which such policies have been founded in Wales and why in their present form are at serious odds with the economic and social well being of the people of Wales. The present Departmental structure of the Assembly does not assist in providing a balanced view – Sustainability is situated under the same Minister as Environment.

Sustainability requires the ability for the core sustainability elements located in various Departments of the Assembly to formulate and operate balanced policies in each to deliver balanced sustainable prosperity and welfare. Locating Sustainability in any one of the three (ESE Economic, Social, Environmental) Departments disables the Assembly from being able to create balanced policies. A mechanism has to be found within the Assembly for it to be able to demonstrate that it has the ability to make balanced judgements on sustainability.

A brief review of some of the issues may assist in establishing a basis for approaching the topic:

Perception

There are many perceptions regarding Carbon reduction and many theories not proven. Is global warming and climate change a cyclical phenomena of the planet or man made? For the purposes of this consultation it assumes the latter. Whatever the cause climate change feeds on fear of environmental peril as did the fear of the Cold War before it. The danger with fear is that it brings paralysis.

People also find environmental paternalism unpalatable particularly when problems of living (jobs and homes) are so pressing.

Perspective

Putting the question into perspective Joe Public is relatively apathetic towards how the climate change can be effected – even it was possible. This is where a paternalistic and undemocratic, minority view can push through, well meaning, but unrealistic policies. Wales finds itself in that position. The democratic consensus is that immediate needs (jobs, home, food) come first and that tackling the environment is a long term, on-going process. This aligns with human needs listed by Maslow¹. It seems to be the pragmatic view formed by the UK government so as to improve the way that planning supports economic prosperity while maintaining or enhancing delivery of other objectives (*Barker*). These other objectives, which include carbon reduction, are put in perspective which means that employment and homes come first, particularly now where every effort is needed to rescue the economy rather than fetter it. Wales' minority approach is to press on as an environmental King Canute.

Pareto

The Pareto rule (based on a rough ratio of 80:20) usefully demonstrates that greatest number of problems stem from a small number of causes.

Proportionality and Polluter Pays

Applying the Pareto principle to carbon reduction it is easy to see that it holds true. Two countries in the world (the US and China) greatly outweigh everyone else in contributing to carbon emissions and yet they continue to substantially focus on economic sustainability as a means of maintaining social sustainability and therefore ensuring social order. If they did not, civil unrest in these countries is a greater problem than global warming.

Wales' contribution is therefore disproportionate. Alignment with at least the UK targets and policies have to be more than reasonable.

An example of priorities is the USA in this present recession. The USA realise the importance of the motor industry and move to support it. In Wales the M4 relief road around Newport has been a requirement for economic and

¹ Abraham Maslow 1943 *A Theory of Human Motivation*

1. Existence	Include biological & Economy	Economic sustainability	DRIVER
2. Safety	Include environment & health	Environmental sustainability	DRIVER
3 Affiliation	Social and other human interaction	Social sustainability	DRIVER
4 Esteem	Leadership and governance	INFLUENCE	
5 Knowledge	Education	INFLUENCE	
6 Aesthetics	Arts	INFLUENCE	
7 Spiritual	Religion	INFLUENCE	

therefore social sustainability for many years. Environmental (minority) argument supported by the Assembly is tantamount to enforcing constraints on the economy not only of South East but South West Wales. In North Wales the A55 is the economic lifeline.

Wales has an inappropriate and disproportionate bias towards environmental issues. The carbon reduction proposals have an infinitesimally small impact, if any, on the global problem with an economic and social cost to Wales that is disproportionately high.

Technology

In many ways if climate change is a man made technical problem then the question is as to when the technical solution catches up? Until an alternative to oil is revealed we have to live with it or suffer the economic and social consequences.

Price

Zero Carbon. BREEAM excellent

These are the unrealistic targets in Wales. In effect they are costs to business and a taxation on enterprise and living in Wales.

In reality businesses will:

- Defer making enterprise or project decisions because of increased environmental costs
- Deter from investing in Wales because of disproportionate environmental costs and agenda
- Divert investment to England or other footloose locations in the world where costs are minimised. This is the basis for globalised economy

Additionally population migration to seek work eastwards will leave Wales as an idyllic, but uneconomic, green patch west of England. I write in exaggerated terms to make the point. One of Wales' best exports is its students because of career opportunities elsewhere. Retention is a problem except in government and environmental watchdog 'industries'.

These carbon reduction proposals are in reality a tax on living in Wales. However taxation itself has to be effective. To properly consider taxation it is useful to refer to Adam Smith's canons of taxation² so as to give the right sort of weight to political decision

² Adam Smith (1904) Canons of taxation

Taxation should be:

1. Equitable – equal treatment of similarly situated taxpayers.
 2. Convenient – a tax that can be readily and easily assessed, collected, and administered.
 - 3) Certain – the consistency and stability in the prediction of taxpayers' bills and the amount of revenue collected over time.
 - 4) Economical – compliance and administration of a tax should be minimal in terms of cost.
- There are three additional criteria:
5. Adequacy - a tax should have the ability to produce a sufficient and desired amount of revenue to the

Procedures

This is best addressed in response to the questions below.

QUESTIONS

Q1 ♦ What particular actions do you think the Welsh Assembly Government should be taking to ensure that the land use planning system in Wales encourages greater progress towards the achievement of carbon reduction targets?

A1

- The problem stated by the Sustainability Committee at beginning of the paper highlights the fact that carbon reduction issues have become a detached issue from the Assembly's decision making process and has become an isolated and sacrosanct.
- Essentially carbon reduction is part of Environmental Sustainability just as employment is part of Economic Sustainability and safety and security a part of Social Sustainability. Good government constantly requires to make judgements in balancing sustainability issues. However sustainability, as far the Assembly is concerned, is aligned with purely Environmental sustainability and its very position creates the problem.

Notwithstanding this, there is an opportunity within the Assembly to require that its own projects undergo sustainability impact tests. These have to be proportionate to the scale of the project but there has to be a way of making rational judgements.

Consider ESE:

E	Economic)					
S	Social)	Sustainability	→	Weight	→	Judgement
E	Environmental)						& Decision

Economic sustainability is already tested and is viewed as the financial viability of projects. Its performance indicators are well documented.
Social sustainability issues are already used to justify projects and its performance indicators well known
Environmental sustainability (including carbon reduction targets) have their own criteria to factor in.

A greater working relationship in respect of all Assembly Departments responsible for delivering sustainable (ESE) development at all levels

taxing authority.

6. Achievement of social and economic effects - the use of taxes to reallocate resources to achieve various specific social and economic objectives.

7. Neutrality - a tax should not encourage inefficient allocation of resources by being so extreme that taxpayers make counterproductive economic decisions.

needs to be addressed. It is not operationally acceptable that every judgement call on sustainability has to be passed up the line to the First Minister.

All that is required then for an impact test is a form of analysis that is easily understood and capable of being assessed. Traditional Cost/Benefit approaches are not appropriate because they just analyse Public/ Private Costs and Benefits. What is required is a simplified 'Triple Bottom Line' analysis that considers, weighs and balances all three sustainability elements (ESE) This aligns with the true meaning of sustainability not the one of environmental bias adopted by the Assembly.

- It must be noted that in being highly prescriptive in its policies the Assembly itself provides opponents to its projects with fruitful ammunition to legally challenge them.
- The Assembly should reassess its priorities more closely to the reality of the position of the UK government and in turn be more aware of pressing economic and social issues. Many of these points also apply to the consultation on the draft of a renewed sustainable development scheme under the government of wales act 2006 where a response is required by the 4th February 2009
- The Planning Bill
Carbon reduction was not high in the discussions in the Bill. Most concern was in respect of the extensive powers to be granted to the Infrastructure Commissioners. It was noted that the Welsh concern was that Welsh policies would be overridden by Westminster. As stated to this Inquiry the Planning Bill would transfer responsibility for onshore energy projects of over 50 megawatts (and offshore over 100 megawatts) in Wales from the Secretary of State to the proposed Infrastructure Planning Commission. Any carbon reduction proposals in Wales are likely to be overridden under this proposal.
Actually the issues of English concern in respect of the speed and powers of the decision making process also apply to Wales
 1. The Bill focuses on planning policy and decisions. Whereas it states that the IPC will have CPO powers the detail is in the 'too hard to define' category relegating it to guidance notes to be produced later..
 2. A CPO can generate its own Inquiry and ensure that there is a requirement to air its reflection of national policies to fit with Human Rights Act requirements. Wales needs to firm-up on this and ensure that the Assembly enforces subsisting CPO processes on behalf of its citizens. In this way will require the Commission to not only demonstrate whether or not it fits with National Policy Statements but that these are justified in there being a compelling case in the public interest.
 3. A mechanism similar to 'triple bottom line' for resolving any conflict between Economic, Environmental and Social

sustainability issues will be essential. The compelling case in the public interest includes the weighing of the scale, proximity and amount of impact of a project. As an example an energy production scheme or airport extension may have considerable local collateral impact as well as global environment considerations and its justification will lie in wider considerations such as national requirements

4. The compelling case in the public (national) interest means that the sustainability principles (including carbon reduction as part of environmental sustainability) must be considered in the embryonic stages of the scheme when site selection is taking place and promoters are having to demonstrate at this assessment stage why one site is preferable over another. All of the community, social, transparency, accountability, environmental, economic, diversity, inclusivity, suitability and financial viability factors will need to be investigated and documented at that stage so that the sustainability audit trail from authorisation to delivery is clearly demonstrated

- Tan 4 and MIPPS (PPS6 England)

It was noted that the Committee has heard evidence that out-of-town commercial, retail and sporting land use should be discouraged, where there is a lack of existing public transport. This statement demonstrates a significant ignorance of the demand (revenue) related nature of retail and leisure use where consumer demand can leap-frog areas and towns. Consumer preference cannot be engineered. The consumer preference for convenience to ride and park at Cribbs Causeway rather than attempt to park (at a cost) or park and ride at Cardiff demonstrates the point.

Clarifying the point further the problem with Tan 4 / MIPPS (like PPS6) is the erroneous assumption that out of town grocery retail creates the problem for town centres. The issue is that convenience grocery retail impacts on any centre in close proximity to it as would the gravitational affect of a black-hole in the cosmos.

If the impact of a grocery store could be compared to a fire, its location at the edge of town would have the effect of third degree burns on the town centre and first degree burns to those existing shops which are expected to be sustainable alongside it if located in the town centre itself.

The prime problem associated with the sequential test is that it forces superstores into town centres creating the 'Clone effect'. This provides planning authorities with an expedient replacement of failed parts of town centres with a superstore and its accompanying development, all with the blessing of Tan 4 / MIPPS. This is even more of an issue in planning and CPO inquiries where the planning /acquiring authority has a pecuniary interest in the development. Additionally these stores

bring with them non-food lines that extend the impact on other retail categories in the town centre.

The UK government recently carried out a consultation in respect of PPS6³ (the equivalent of Tan 4 / MIPPS). It had noted it was a feature of development in town centres that they attract increased traffic to a level that destroys the distinctiveness of the centre. This PPS6 proposal is a forerunner of a 'competition test' which was a recommendation of the Competition Commission. The Commission published its final report in April 2008 following an investigation into the supply of groceries in the UK market, a key recommendation of which was that Government should introduce a test into the planning system requiring local authorities to assess planning applications for new grocery floorspace over 1,000 square for their impacts on competition, in consultation with the Office of Fair Trading.

The development of retail in these locations have the greatest impact where they are part of District Centre replacement and provide a major competitive effect on adjoining neighbourhoods, District Centres and corner shops and the communities supported by and relying on them. An example of this was the decimation of the 1970s Maelfa District Centre in north east Cardiff and the impact of Asda in an adjoining area. Developments in these locations are less likely to impact on the town centre in convenience grocery terms contrary to the stated assumption in PPS6 / Tan 4 and in a statement of this Consultation.

The recommendation of an impact test is a good one notwithstanding that it was wrong to limit it to just grocery and out-of-town. A discrete impact test on any retail development over 1000 square meters, wherever it is located, may provide sufficient information to make a balanced evaluation of sustainability including carbon reduction factors.

Q2♦ What particular actions do you think the Local Planning Authorities in Wales should be taking to ensure that the land use planning system in Wales encourages greater progress towards the achievement of carbon reduction targets?

A2

- Local Planning Authorities in Wales have diverse objectives and individual problems in respect of satisfying the needs of their areas. In this respect they should not be fettered with attempting to achieve unreasonable targets related to unrealistic Assembly policies particularly where they have to compete with England for projects.

³ Proposed Changes to Planning Policy Statement 6: Planning for Town Centres - Consultation
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- The Assembly in providing a balanced policy on sustainability would enable a Local Planning Authority to take a balanced judgement on ESE sustainability at 'ground level'.
- Encourage Local Authorities that proportionate impact tests are important in delivering projects to ensure that Human Rights Act requirements are not breached.
- The Local Authority should ensure that all national, regional and local policies are referred to in their Statements of Reasons for CPO projects.
- The Local Authority should have the decision as to the extent of the sustainability investigation required as is the case now in assessing whether an Environmental Impact Assessment is necessary.
- Projects including CPO authorisations and Statements of Reasons will have to demonstrate that the minimum environmental, economic and social (community) policies and issues have been addressed.
- Where design is a factor and BREEAM regulations / Carbon reduction regulations apply there should be an ability to adjust the standard where the scheme is marginal and the overall project would be beneficial to the community and there is a compelling case in the public interest for it.
- Where compulsory purchase is involved the sustainability requirements should be set out in the CPO Guidance Circular in the simplest and unequivocal terms. This not just for the planning process but the CPO itself which under Sec 226 of the Town and Country Planning Act 1990 (as amended by the Planning and Compulsory Purchase Act 2004) may to an extent be run without planning consent.

There should be time limits set for the community consultation on the sustainability impact test.

Recommendations

1. A more balanced and realistic approach to carbon reduction targets assessing them as part of environmental sustainability as part of ESE sustainability.
2. Devise simple but easy to operate impact tests which will ensure that all sustainable elements receive some degree of airing.
3. Devise a simple system of analysis based upon a 'triple bottom line' approach.
4. Review the Assembly policy making departmental structure to derive the optimum for being able to assess holistically sustainability issues.

5. Provide Local Planning Authorities a practical, realistic, mechanism whereby it can perform their duties and yet be seen to address all of the sustainability elements including carbon reduction.

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