



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Iau, 26 Ionawr 2012
Thursday, 26 January 2012

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Rebecca Evans	Llafur Labour
Russell George	Ceidwadwyr Cymreig Welsh Conservatives
Vaughan Gething	Llafur Labour
Llyr Huws Gruffydd	Plaid Cymru The Party of Wales
Julie James	Llafur Labour
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
David Rees	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol
Others in attendance

Estelle Bleivas	Maer, Cyngor Tref y Trallwng Mayor, Welshpool Town Council
Kevin Ingram	Rheolwr Cyllid, Asiantaeth yr Amgylchedd Cymru Finance Manager, Environment Agency Wales
Kevin McCullough	Cadeirydd Panel y Sector Ynni a'r Amgylchedd Chair of the Energy and Environment Sector Panel
Chris Mills	Cyfarwyddwr, Asiantaeth yr Amgylchedd Cymru Director, Environment Agency Wales
Nick Oliver	Cyfarwyddwr Rhanbarthol Cludiant, AECOM Transportation Regional Director, AECOM
Robert Robinson	Clerc y Dref, Cyngor Tref y Trallwng Town Clerk, Welshpool Town Council

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Catherine Hunt	Clerc Clerk
Marc Wyn Jones	Dirprwy Glerc Deputy Clerk
Lisa MacDonald	Gwasanaeth Ymchwil Research Service
Andrew Minnis	Gwasanaeth Ymchwil Research Service
Nia Seaton	Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 9.02 a.m.
The meeting began at 9.02 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **Yr Arglwydd Elis-Thomas:** Bore da, a chroeso i'r pwyllgor. Nid oes angen i chi gyffwrdd â'r botymau ar y microffonau. Mae offer cyfieithu ar gael a gobeithio bod pawb yn deall yr hyn yr wyf yn ei ddweud.

Lord Elis-Thomas: Good morning, and welcome to the committee. There is no need to touch the buttons on the microphones. Translation equipment is available and I hope that everyone understands what I am saying.

[2] There does not seem to be much point in talking about interpretation in Welsh. The translation is found on channel 1, as you have gathered. Therefore, this is an officially bilingual meeting.

[3] Yr ydym wedi derbyn ymddiheuriad gan Mick Antoniwr.

We have received an apology from Mick Antoniwr.

9.03 a.m.

Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—Tystiolaeth ar agweddau yn ymwneud â chludiant Inquiry into Energy Policy and Planning in Wales—Evidence on transportation aspects

[4] **Yr Arglwydd Elis-Thomas:** Croeso felly i'n deisebwyr o Gyngor Tref y Trallwng. Mae'n rhan bwysig o'n gwaith fel pwyllgor i ystyried deisebau a gyfeiriwyd atom gan y Pwyllgor Deisebau ac yr ydym yn falch eich bod wedi manteisio ar eich cyfle democrataidd i gyflwyno eich barn. Byddwn yn ôl y weithdrefn berthnasol yn ymateb i'r ddeiseb, nid yn unig fel rhan o'n hadroddiad, ond hefyd yn uniongyrchol i chithau fel eich bod yn gwybod y canlyniad i'r hyn yr ydych wedi'i wneud.

Lord Elis-Thomas: Welcome therefore to our petitioners from Welshpool Town Council. It is an important part of our work as a committee to consider the petitions referred to us by the Petitions Committee and we are pleased that you have taken advantage of your democratic opportunity to present your views. According to the relevant procedure, we will respond to that petition, not only as part of our report, but also directly to you so that you know the outcome of what you have done.

[5] Therefore, a warm welcome to you. Would you like to introduce yourselves? You are welcome to make a statement and then I will ask my colleagues to question you.

[6] **Mr Robinson:** Thank you very much. Good morning, everyone. Councillor Estelle Bleivas, who is sitting next to me, is the mayor of Welshpool and has been very much involved with looking at aspects of TAN 8 and how they have affected Montgomeryshire. I am Robert Robinson, the town clerk of Welshpool. I have also been involved in that, hence the reason for us both being here this morning.

[7] I will introduce the subject by saying three things, which are the fundamental planks to where we are coming from. First, we are horrified, astounded and concerned that Assembly Members, either by themselves or via their officials, did not understand the effects of TAN 8 when it was approved. In 2007, when I joined Welshpool Town Council and the first windfarm application appeared, I looked at what TAN 8 was about, and I stood up in a public meeting and asked, 'You do realise what comes with this?' You will see the pictures that I have given to the clerk to hand round; I showed two of them at the meeting in 2007. You can see the giant pylon line, the hub, and the transport, but I was laughed at. I am sorry, but if I can pick it up—we are just a town council—why on earth did the Assembly not pick up that

situation at that time? We have had statements recently, particularly from the First Minister, saying, 'Oh, we did not know it meant that'. I am sorry, but, with something as big as this, that was a real concern for us. Somehow or other we are proceeding with TAN 8 when you have openly admitted that, at the beginning, you did not understand the effects of it. To us, that is a good basis for saying that it should be reviewed.

[8] The second point, Chair, is that there is obviously strong feeling in Montgomeryshire about TAN 8, as you know—whether it is the pylons or the transport, and so on. I know that it is the transport that we are homing in on this morning, and I will come to that, but it could be argued that 2,000 people down at Cardiff is not very many out of a population of 56,000, and it could be argued that a public meeting in Welshpool with 300 people is not terribly representative when you have an electorate of 4,500, so we took the trouble of doing a door-to-door survey, the results of which are in the pack. The way that it was done was that we had a leaflet that was agreed between Powys County Council and some of the windfarm companies as well as ourselves, so that it was as balanced as it could be. It was delivered to every door and collected the following day from under a milk bottle or stone on the doorstep. We had a 41% return and over 2,000 responses, which came up with the result of 80% showing deep concern about the whole aspect. That is not just a public meeting of a few people in a hall, but a response from right across the town, and, with regard to Montgomeryshire as a whole, Welshpool is probably one of the least affected areas, yet we still had that level of concern and response.

[9] The third point, referring specifically to transport, is the level of transport. We have not seen, although we have asked and asked, any plan that has looked at the effects of the transport overall. Every time you talk to somebody, it is about the transport connected to one site or another. Nothing has been put together, but, when you look at them cumulatively, you start to see the result. I know in our report that we refer to nine extra-large vehicles for turbines, yet the figures here show 10. There is a reason for that, in that it depends upon the size of turbine as to whether you end up with eight abnormal loads or up to 12. We took 10 as the mean. These convoys come in threes, and these lorries, to give you some idea—as if you did not already know—are three and a half times the length of a Tesco pantechnicon each. That is how big they are. They are massive, as you will know if you have seen them. If you put three of them together, they travel on decent roads at 20 mph—and then you get into the roads of Montgomeryshire. Again, we have given some pictures to your clerk of the roads that those convoys would travel. It does not work; it is as simple as that. I took Cheryl Gillan MP along the route for one of these, and at one point she asked me, 'When are we going to go back on to the windfarm route?', and I said, 'You are on it'. She burst out laughing, because my wing mirrors were touching the hedges either side of the road. I was also told by an official down here at the Assembly that he did not know why we were worried about it, because we have dual carriageways for them. I invited him to come to mid Wales and show us where the dual carriageway was, because I would like to use it. I am not aware that there is one between Merthyr Tydfil and the north coast.

[10] So, I think that there is a lack of understanding. When I spoke to the National Grid about the lorries coming through, it said that they will be coming through at quiet times. I asked, 'What is a quiet time?' and the answer it gave was, 'School holidays'. Funnily enough, people come to Montgomeryshire on holiday during the school holidays and so it is not a quiet time at all. What is proposed at the moment is that these lorries will come down from Ellesmere Port, through Oswestry, Pant and Llanymynech, where the traffic and the narrow roads are already notorious, then into Welshpool, where the Welshpool bypass would take the lot, and then they would divide from there, with some coming through Welshpool town centre and some going on in the direction of Newtown. If you take just one example, the test run that was done through Welshpool was timed by our spies from the moment it got to the roundabout by the station, and it took 24 minutes to travel the mile through the town centre. That lorry was not the real thing; it was just a lorry with a bit of wire on it, but it took that

length of time. If you apply that to the stretches of road on which the convoy is supposed to be doing four miles between rests to allow traffic through, and work it out, that will mean between 35 and 40 minutes-worth of road closure, because you not only have to clear the road of the traffic coming towards you, you also have to clear it in time for the lorry to get through at the beginning. Start adding that up and you realise the traffic queues that will ensue from not just from one convoy, but over 2,000 convoys under the current TAN 8 proposals. That is an awful lot of lorry convoys coming through, and you can see it hitting the television; I can see the BBC loving seeing great big convoys holding up traffic. Then it will come out that this is for three or four years. Can you really see tourism coming to mid Wales? What we are saying, Chair, is that either there was a misunderstanding or something has gone wrong somewhere, which means that the effect that this was going to have on mid Wales was not understood at the time that TAN 8 was put together. That really is by way of introduction as to where we are coming from. Unless you want me to, I do not intend to go through the presentation word for word; you have all had it and I think that it would be better if you talk to us if you have any queries. However, that is where we are coming from.

[11] **Ms Bleivas:** I would like to add a few things. Thank you for inviting us; it is very good of you. I agree with everything our town clerk, Mr Robinson, has said. I would like to point out a few things about the route. We were also told that there would have to be massive 500m-length laybys for these huge lorries to stop, because they can only travel for so long. Where on earth are they going to be? How much is it going to cost to dig them up? What will it do to tourism and the countryside? Also, how can we say that wind turbines, and the transportation in particular, is going to be ecologically effective if each load is followed by at least 1,000 lorries carrying cement, timber and so on? What is that doing to our carbon footprint? In what way is this sound? Also—Robert has not touched on it, because it is mentioned in our pack—there is the issue of the town infrastructure; we have old sewers and old drainage and buildings that are not a safe concrete base. They are very old buildings on sand. It is quite likely that the weight of these lorries could damage our infrastructure underground.

[12] What about our emergency services? Robert has talked about the length of time that traffic will be held up—how are fire engines and ambulances going to get through if there is an accident? The Llanfair road, which some of you will know, is notorious for accidents, especially during the tourist season. How is anyone going to help if there is an accident? Robert again pointed out the disruption to our tourism, which is the vital blood of Welshpool. Our shops are struggling, but, thank goodness, even in this recession, they are just about holding their heads up above the water. However, many will go under.

9.15 a.m.

[13] As was pointed out, once this hits the newspapers and the television, would you want to come here? Once we lose tourists, they will not come back. More businesses will go under and there will be more unemployment. What sort of legacy is that to leave the youngsters—a ruined town? Street furniture will have to be moved. Some of these lorries are 36m wide and 90m long. They will be coming through the middle of our roundabout by our station, going up towards Raven Square and through the middle of another roundabout. I foresee plenty of traffic chaos. Our benches, telephone boxes and traffic lights will have to be shifted and they will not be put back the next week. It will last up to five years. I have never begged anyone for anything in my life, but I am begging you to look at this again. For those of you who do not know the roads and do not know where Welshpool is, please come and see it. We are absolutely desperate.

[14] **Lord Elis-Thomas:** Thank you very much. As a general observation, I would like to say that I am very impressed with the role that the Welshpool Town Council has taken up in this matter. In some ways, you are in a similar situation to that in which we find ourselves as a

committee and as a National Assembly—making representations about matters over which we do not always have direct control. Being a voice for a community in these matters is to be commended. I do know the roads you refer to and I understand your concern. I will ask one question and then invite colleagues to ask theirs. Following the petition, the Ministers in the previous Government—both the then Minister for environment and the then Minister for transport—had written to the committee and responded to aspects of the petition. Would I be right in saying that you are not very impressed by what the Ministers said at the time?

[15] **Mr Robinson:** That is absolutely right. We do not see any change in the position. I do not think that there is any recognition that TAN 8 is going anywhere other than forwards. Going back to my very first statement, we just feel, looking at what has been said in the press about not understanding the effects of it, that that is just one underlying thing that says that it has to be revisited. If you did not understand it in the first place, why are we going ahead with it? It just shows a lack of concern for anything.

[16] **Lord Elis-Thomas:** In relation to the specific points that you made about lack of consultation with the town council and a lack of understanding of the detailed transportation issues and the impact on the road system as you have described it, you are not satisfied with the response you have had from the Ministers on that score either, are you?

[17] **Mr Robinson:** Not at all.

[18] **William Powell:** I would also like to declare an interest in that I am currently Chair of the Petitions Committee. My colleague Russell George also serves on that committee. I hope that you consider it appropriate that we have referred the petition to this committee, because, given the committee structure in the fourth Assembly, it naturally fits within this committee's work at the present time. I wanted to pick up the issue of an overall transport plan. The need for such a plan has been stated this morning and it is also evident in your submission. RenewableUK Cymru is currently undertaking a strategic overall plan for transport. Have you been involved in the formulation of that plan and what are your views on its likely role within this wider situation?

[19] **Mr Robinson:** This comes back to the point that was made a moment ago about lack of consultation. Community councils have not really been consulted—they have been talked at. We have been to meetings that our county council, in particular, has held to 'discuss' the matters with community councils, but we just get told what the situation is. Windfarms and transport and the like tend to come at the end of the list, so they are at the bottom of the agenda; they do not have the prime place on the agenda.

[20] We had a demonstration outside the county offices in 2008 regarding the transport for the Tirgwynt planning application that was coming up. Incidentally, the pictures of the roads that we have given the committee are of an approved route from that planning application. They are not just pictures of anywhere; you are looking at an approved route. We had the demonstration, and the chairman of the relevant committee would not speak to us. He just walked straight past us. That, to me, did not seem like consultation at all. We also have a local forum that meets regularly. Again, the county council has not used this.

[21] I understand that One Voice Wales is the representative body for community councils dealing directly with the Welsh Government. At the same time, it is in a very difficult position because it represents Montgomeryshire as a whole. If you drew a north-south line through Llanfair Caereinion, which is about eight miles west of Welshpool, you would get a different view to the west than to the east. In the west, you have the windfarm sites and the community benefits that go with them. In the east, we see that we are getting transport, pylon lines and hubs, but we do not see that we are getting any benefit out of them. From One Voice Wales's point of view, it has a group of councillors that is split down the middle. It is very

difficult for the organisation to represent Montgomeryshire as a whole, when one half is saying one thing and one half is saying the other. I respect that position. The local forum that we hold for councils around Welshpool seemed to be the logical forum for the county council to talk to, but that has not happened. We have not been involved in that group at all. We have not been consulted in any shape or form.

[22] **William Powell:** That is a very interesting point. I would now like to drill down a little further. What components would you consider to be essential in an overall transport management plan of the kind that RenewableUK Cymru has stated that it is close to pulling together? I am alarmed by what you have just said.

[23] **Mr Robinson:** It should start with a chart such as the one we have already enclosed, whether it be that exact one or one that has been amended to meet certain requirements. Once that has been done, the correct time frame needs to be set. At the moment, we do not know whether the time frame is three, four or five years, and the time frame that is chosen makes quite a bit of difference. It then needs to assess not only the effects on the local area, but what the timeline should be, if we have to have these windfarms to produce this energy, so that we do not end up with all of the planning applications coming to fruition at the same time, and all of the transport channelled into a shorter period of time. If it has to come, this development has to be properly programmed if it is not going to have the devastating effect to which we have already alluded.

[24] **Rebecca Evans:** Thank you for your written evidence and for coming to see us today. In your evidence and in your opening remarks, you referred to the economic impact that you expect the windfarm development to have on the town. Could you expand on that and offer any of the evidence upon which you are basing that view?

[25] **Mr Robinson:** In Welshpool, we have seen massive change already in the last four years. We have seen the emergence of a new livestock market, which is lovely. That has released the old livestock market—a site on which we now have a superstore and where we are waiting for further shops to be built. With that development came a traffic management system, so we have seen a one-way system appear. Although the system is there, and is a good idea in principle, it has not been constructed correctly. The lack of signage is unbelievable. Considering that road engineers are involved, you would have expected them to get it a bit more right the first time. That has already generated a reputation whereby people are saying that they do not know whether they wish to stop in Welshpool, and they are driving through because they do not want to get caught up in what is perceived to be a traffic problem. Newtown has had the same problem with the lights that have been installed in place of the roundabout. Those are the effects on the local economy of two small things. People are not stopping. Welshpool is the stop for people going on holiday to the west coast. Ours is the last town on the way through. If you start bringing the windfarm traffic through and creating traffic queues, once it hits the news, you are going to find tourists saying, ‘Well, I think that I will give that place a miss for a while.’ People do not go on holiday to sit in traffic queues. That is the bottom line. They will not go there to do that. That is the effect that concerns us.

[26] On the longer-term effect, we had the foot-and-mouth disease outbreak earlier in the decade. That wiped out an awful lot of trade. To be honest, it has not returned completely, even now. Once people stop coming, they develop habits elsewhere. So, that is where our deep concern lies. It is not necessarily about the centre of Welshpool, but, when you take the by-pass, which is due to take all the convoys, all the way through Pant and Llanymynech, we can see the traffic just snarling up. Even if you have two or three convoys a day, you could argue that ‘Well, in 20 minutes the lorry will have gone past’. That is not the case, because every four miles they are going to stop and there is going to be a problem. Cumulatively, that adds up. Until the survey is done, this is something that will not come to any conclusion as to what the effect will be. To an extent, we feel as though we are swimming in treacle, because

we know what the effects are likely to be. We know there are going to be applications for wind turbines but nobody seems to be able to put their finger on how much, how many or when. You have to work it out yourself, because there is nothing there to hang your hat on.

[27] **Rebecca Evans:** How would you respond to the suggestion that the negative economic impact would be outweighed by the positives, in terms of employment in construction and community benefits offered by the developers?

[28] **Mr Robinson:** The community benefits that we would be likely to get at the eastern end of the county are not that much. When you look at the community benefits scheme, the lion's share goes to those directly by the windfarms. The community benefits are also only for certain periods of time. So, from a transport point of view, they will not be going on forever. The economic benefits, as you talk about them, are all fine, but then you have to ask 'at what cost?' Are you going to hit a rural area that has employment difficulties already by something that brings the traffic and so on down? You say that local people will help with the construction of windfarms. However, the construction sites that I have seen go up around the country have not employed that much local labour. The majority of workers have been brought in from outside. They might use the local concrete supplier. However, they do not employ that many people on site, because they are looking for specialists who have done it before, which will not be the case if they are the first ones to come to the area.

[29] **Russell George:** Thank you both for coming today. I appreciate all the work that you have done in bringing together the community's views on this issue. How did you arrive at the figures for the estimated traffic movements provided in your paper? Will you expand on that?

[30] **Mr Robinson:** Again, it is a moving target at the moment. As at the time this was done, there were 630 wind turbines that were the subject of planning applications lying on Powys County Council desks, somewhere. Therefore, that is where that figure came from. We are aware that although an application might be made for 50 wind turbines, that number could alter. Therefore, all we have been able to do is take the figure in the application. You do not know what the result of that application is, because there has only been one that has gone through and been approved. To get the balance correct, that application dropped from 23 turbines to 12. Therefore, again, we can only go on what has been applied for. We do not know what the eventual result will be.

[31] We know from that, and this is recognised by the industry, that there are approximately 1,000 vehicle movements per turbine. This was taken from the industry's own application figures. The Tirgwynt windfarm application accepted that 1,000 vehicle movements is about right. This includes journeys by car in taking someone to work and home again, right up to the big lorries and the range of vehicles involved. So, if you multiply that, it comes to 630,000 vehicle movements on our roads, which is almost double your holiday traffic in any one year. If you are doing that year on year, that is an awful lot of extra cars, and you must bear in mind the sort of roads that we have.

[32] We also know that there is something between eight and 12 abnormal loads per wind turbine. We have taken 10 here. This includes the tower, the motor at the top and the blades, which are the very big ones that need to come through. They come in convoys of three. That gets you to your 2,000 convoy movements over a period of time. If you then take this over a period of three, four or five years, it is only a mathematical exercise to get to the number of such movements you are looking at in each year. So, if it were only a three-year period, you would be talking about something like four convoys a week going via Welshpool, eight via Newtown and two via other areas. Again, it can only be an estimate at this stage of where the wind turbines lie and where they are likely to be accessed from. Either way, there is something around 2,000 convoys required to bring a period of time in the local area in some

form.

9.30 a.m.

[33] **Russell George:** What would you like to see happen as a result of this committee's final report? What would be the solution for you? What would you like to see the Welsh Government doing? What actions would you like it to take?

[34] **Mr Robinson:** The community is asking for two things. First, it would like to see a transparent review of TAN 8. That is fundamental to everything that everyone is saying. It is not just us; everyone is saying the same thing. This was ill thought out, because people did not understand what the overall effects were. If a review of TAN 8 says, 'I'm sorry, there are still going to be windfarms', there needs to be a real look at how transport can get into the areas concerned without causing the effects that we are talking about. You may have to take them away from the trunk road network and town centres. It may mean building new tracks to get them away, because the trunk roads, as you will know from living in the area, Russell, are barely bigger than a B road down here in Cardiff. If you put these big lorries on those roads, you have an issue. Therefore, you have to find some way of getting these lorries through without having the effect that we have been talking about this morning. It may mean a separate track to take them away from the main roads.

[35] **Llyr Huws Gruffydd:** Rydych yn dweud yn eich tystiolaeth eich bod yn cefnogi'r targedau y mae Llywodraeth Cymru wedi eu gosod o safbwynt lleihau nwyon tŷ gwydr, yr ôl troed carbon ac yn blaen. Sut felly rydych yn rhagweld y bydd modd i'r Llywodraeth gyflawni'r targedau hynny heb ddatblygu melinau gwynt a symud y cydrannau drwy ganolbarth Cymru fel sy'n cael ei argymhell?

Llyr Huws Gruffydd: You state in your evidence that you support the targets that the Welsh Government has set in terms of reducing greenhouse gases, the carbon footprint and so on. How then do you anticipate that the Government will be able to achieve those targets without developing windfarms and transporting the component parts through mid Wales as is recommended?

[36] **Mr Robinson:** As far as producing windfarms and the transport to them are concerned, it needs to be done in a sustainable way that does not destroy an area. Therefore, there may be windfarms that could come to mid Wales that are not of the size we are talking about. We already have windfarms in mid Wales and the transport has arrived without causing great problems, because they are smaller. It is the sheer size of these—some of the turbines are twice the height of the ones that we already have. It is a case of what the area can take. The amount that you are talking about here is so great when compared with what the area can cope with. We understand that we have to have renewable energy in the future and that it has to be provided, but we are not sure that mid Wales is the right place for developments of this scale. This is what people are hitting at—the scale of it. It is massive. If the scale is reduced, you will find that you might get a different response.

[37] **Llyr Huws Gruffydd:** Ar ba lefel rydych yn meddwl y byddai'r raddfa yn dderbyniol o'i gymharu â'r hyn sy'n cael ei awgrymu?

Llyr Huws Gruffydd: At what level do you think that the scale would be acceptable, compared with what is being suggested?

[38] **Mr Robinson:** It comes under two things. The first is the size of the windfarms, because that would reduce the impact that we are talking about. As regards what the level should be, that will be for experts to look at and work out. I would not claim to be someone who could work that out. However, if it is transparent and the communities are directly involved, you will not get the backlash that you have. The difficulty has been that the communities—not just Welshpool—have not been involved. They feel that it has been foisted

on them.

[39] **Llyr Huws Gruffydd:** Mae pwynt allweddol yma, onid oes? Rydych wedi cyfeirio at y diffyg ymgynghori yn barod, ond yn y system gynllunio, mae gwrthdaro yn digwydd yn gyson rhwng yr angen i gwrdd â thargedau ynni adnewyddadwy—ac mae rhesymau dilys am hynny—gan wneud hynny'n sydyn oherwydd sefyllfa'r byd rydym yn byw ynddo, ac, ar y llaw arall, yr angen i sicrhau bod aelodau'r gymuned leol yn teimlo bod ganddynt berchnogaeth dros unrhyw ddatblygiadau, eu bod yn rhan o'r broses ac yn cyfrannu'n sylweddol at y broses. Mae gwrthdaro rhwng gwneud penderfyniad sydyn a sicrhau cyfranogaeth y boblogaeth leol. A oes gennych unrhyw awgrymiadau ynghylch sut byddai modd gwella'r system gynllunio, yn enwedig o safbwynt y drefn o ran ymgynghori â'r boblogaeth leol?

Llyr Huws Gruffydd: There is a key point here, is there not? You have already referred to the lack of consultation, but the planning system sees regular conflict between the need to meet renewable energy targets—and there are valid reasons for that—and to do so with urgency given the circumstances we face in a global context, and, on the other hand, the need to ensure that members of the local community feel that they have ownership of any developments, that they are part of the process and contribute significantly to the process. There is conflict between making a swift decision and ensuring the participation of local people. Do you have any suggestions on how the planning system could be improved, particularly in the way that consultation is undertaken with local people?

[40] **Mr Robinson:** Certainly. When a planning application comes in, it is like shutting the stable door after the horse has bolted. Of course, you are talking about TAN 8 being a policy in relation to which people are making planning applications. The planning system is too late. Once the planning application goes in, the poor community has a very short period of time in which to get its thoughts together; for example, as a town council, we would have 14 days. We may not even know that it was coming. The officers might see it at the county council, but we do not see it until it lands on our table. TAN 8 is over five years old, but there has not been any consultation with community councils during those five years. That time could have been well used. How are you going to achieve that? I would suggest that we would be happy to help with that and get the community councils that are directly affected by it, in the west, together around a table to talk to them sensibly about what we have to do, the parameters of the work, and whether it is possible to work together to solve it. Then I think that you will start to get some community involvement that will be worth while. While we have this standoff, with the National Grid doing one thing and the windfarm companies doing another, the community councils are being pushed to the side and told that they will be consulted when the time comes, and that is not a way in which this is going to work, particularly when you see the level of opposition that you have to something like this. I suggest that as a way forward. Maybe the Welsh Government needs to come down and talk to the community councils about how they can work together to get to some solution.

[41] **Julie James:** I just want to add my voice to those thanking you for your presentation. It was clearly very heartfelt and I am grateful for that. One of the complications that we have, of course, is the problem with what TAN 8 controls and what the national policy statements in the UK control, and so on. Have you had any contact from the Infrastructure Planning Commission or the UK level planning application people about community consultation? Have you made any proactive attempts to contact any of the UK Government level people? As we know, there is a conflict between national policy statements and TAN 8.

[42] **Mr Robinson:** No, they have not contacted us in any shape or form and I am not aware that they have contacted any other community council in the area either. We have been to the central Government in the last Parliament. The MP, Lembit Öpik, arranged for us to meet Wayne David. There were concerns about transport levels at that time. When we went to

see him, those who were with me mentioned the possibility of disturbing curlews and so on. He was sat there with this chart and his eyes were fixed on it. He did not believe the figures that were in front of him, even at that time. Since then, our current MP, Glyn Davies, has arranged for Cheryl Gillan to come down and meet all the community councils—the four that I referred to that have come together. She came and spoke to them and listened to their concerns. She promised that she would do all that she could to seek a review. That was her promise at that meeting. Also, following that meeting—

[43] **Lord Elis-Thomas:** May I just ask you, by whom and of what did she promise a review?

[44] **Mr Robinson:** A review of the windfarms.

[45] **Lord Elis-Thomas:** A review in what sense? The Welsh Government?

[46] **Mr Robinson:** I do not think that that was clearly defined. I would not want to put it any more strongly than that.

[47] **Lord Elis-Thomas:** I am interested in this from a constitutional point of view. How can the Secretary of State for Wales promise the community councils a review of what is Welsh Government policy? That is what I do not understand.

[48] **Mr Robinson:** I do not understand it either. I said that because it was a part of what came out of that meeting. She then took the trouble to spend the afternoon travelling the windfarm routes so that she could see for herself what it was all about. We have made attempts to go in that direction as well, but, again, we have not had anything back of any significance.

[49] **Julie James:** The Chairman has highlighted one of the difficulties, which is that there is clearly a conflict about who is in charge of what and whose policy has precedence and so on.

[50] **Mr Robinson:** Absolutely. This is where the community councils and the protest groups feel they are stuck in the middle, and the protest groups, such as Montgomeryshire Against Pylons and so on, have really grown up for that reason. We go to talk to someone about transport and they say, 'That's not my bit; that's someone else's'; you go to talk to them and they say, 'That bit's not mine'. There is no-one you can get hold of to say, 'Look, this needs sorting'. So, if the Welsh Government is prepared to meet the community councils, perhaps we also need someone from Parliament there, and perhaps we need to try to pull all of this together. Without that, the statement that was made in the police report at the very beginning of TAN 8 is probably going to come true. The police see civil unrest coming out of this, because the communities really feel that they are being railroaded. We have already seen a certain indication of that. There was a trial run due to go through Cefn Coch. There was a rumour that it was coming, and the tractors were out in the middle of the road with straw bales ready to stop it. That is the first little sign that people really feel that they are not going to put up with being told that there are different people involved in different places and that they are just going to end up with this. I understand the difficulties and we have been battling against the same problem.

[51] **Antoinette Sandbach:** One of the things that Julie James has highlighted is that, with applications under 50 MW, the whole application is not considered, but its constituent parts. With applications over 50 MW, the whole application is considered, as I understand it. With regard to the grid and the infrastructure, which is something that you have spoken about, what consultation was there with community councils in relation to the associated grid infrastructure? In 2009, the energy network strategy group published a report. Welsh

Assembly Government officials sat on that group. The report highlighted the grid infrastructure from mid Wales. From 2008-09 to date, has there been any communication from the Welsh Government to town councils about the grid infrastructure, the substations and the associated development that comes with these windfarms as part of the TAN 8 process?

[52] **Mr Robinson:** The answer is ‘no’, not from the Welsh Government. We have obviously had discussions with National Grid, we have had discussions with Scottish Power, and there has been the consultation process that they have been going through, but we have had no direct contact from the Welsh Government. Whether that is partly our own fault because we are not a member of One Voice Wales, I do not know. However, from talking to other community councils that are members, I do not see that they have had that communication either. I am not aware of anything that has come down from the Welsh Government about that.

[53] I do not want to sound arrogant about this, but being a chartered surveyor I can pick up an Act of Parliament, skim through it and get the meat out of it very quickly, because that is my training. This is one of the difficulties we have. Most clerks in the area have not had that training—and that is not to be critical of them. So, when we have our forum, we share our information with them because they really do not have a clue what they are looking at with many of the documents that come through. That is not to be disrespectful; I think that most of us receiving a great big wad of documents would be like that with anything outside our field of expertise. I am sure that you get exactly the same thing, as Assembly Members, and I do not envy your job of having to go through it all. So, that creates a difficulty as well. People miss things because things come through in a form that is not directly understandable.

[54] **Antoinette Sandbach:** In relation to the comments that you have made about, for example, lay-bys and, again, connected with the grid infrastructure and so on, have the environmental impact reports been wide enough in what they have looked at? Do they need to look at the associated development that comes with the project so that they do not look only at the impact on the field in which the windfarm is built and its immediate surrounding area? Have the environmental impact assessments sufficiently considered the impact along the proposed routes, for example?

[55] **Mr Robinson:** No, I do not think they have. Alongside that, there is a point to make that, when the planning applications for these windfarms in the west of Montgomeryshire came in, we were not on the consultation list. We picked those planning applications up because my staff look at every planning application that is going through to see whether it is relevant to us. The transport was going through our town, but we were not a consultee.

9.45 a.m.

[56] It is only as a result of kicking up an absolute fuss with Powys County Council that we now get those, but not every community council does. It is only because we have rattled the cage that we now receive those. So, in effect, when these planning applications come in, the consultees are those affected by the red line around the site. Those who are affected on the way through do not appear to have been consulted.

[57] **Antoinette Sandbach:** I would like to add quickly that I know the routes well, because I drive along them from north Wales and my aunt lives very close to Welshpool, so I know that one-way system too.

[58] **Lord Elis-Thomas:** I think that William Powell needs another round.

[59] **William Powell:** Thank you, Chair, for your indulgence in letting me come back in

on this point. It is remarkable what the town council has contributed to the understanding of this work and reflecting your community's views. I am also conscious that that most important tier of government, with exception of the role of clerk, is a voluntary role. We all need to recognise that.

[60] The issue that I wanted to comment on is the community benefit, which is not the main point behind the petition that you have brought forward, but it is an important matter that you have teased out, and you referred to it in your last answer. There is a dichotomy between those communities that could potentially derive very considerable benefits from any scheme of benefits and those who have more disbenefits, on balance, than could possibly be compensated for. I understand that a protocol is being developed on community benefit. It is not clear to me whether your forum or your town council has been consulted on this matter. In the last 18 months, Powys County Council has done some work to set up a scrutiny group on this. Vanessa Garwood was the lead officer for it and there were various county councillors on that body. To what extent has that been a useful exercise? Do you feel that you have had a full say in contributing your views to that exercise?

[61] **Mr Robinson:** The community benefit was presented to the community councils by Powys County Council. With regard to the original one that was put before the community councils, there was concern that those away from the sites were getting next to nothing out of it. The protocol has been changed to reflect that, to a certain extent. It was then agreed that a community benefit trust ought to be set up for the first windfarm site that was approved. One thing that the community councils—not just us, but the forum that we hold—were keen on was that these trusts were to be administered by elected members, not by chosen people. So, if people were unhappy about something happening, they had the recourse at election time. That was quite a strong point that came through. It is effectively public money and should therefore be dealt with by elected representatives.

[62] We were approached by Vanessa Garwood in December 2010 with a view to the forum being responsible for putting the trust together for the first windfarm. It looked as if we would have some involvement. Two months later, we were told that One Voice Wales was going to do it, so it was taken away from us. That did not go down well with the group. We have heard nothing since. Does that help?

[63] **William Powell:** That is helpful; thank you.

[64] **Lord Elis-Thomas:** If there are no more questions, I would like to put one piece of evidence to you—and I am very careful what I say about Powys County Council as I have distinguished members of that authority sitting on my right—

[65] **William Powell:** Some have sent their apologies as they have to be in another place.

[66] **Lord Elis-Thomas:** Yes, absolutely. We were told in evidence from the council that, as a planning authority, if the Welsh Government's transport department and Powys's highway department have shown that they can accommodate the traffic, it would accept that and proceed on that basis. That was the considered view that we were given. Are you surprised that it said that?

[67] **Mr Robinson:** No, not at all. I come back to the fact that, without community council involvement, it will still feel as though this has not been transparent.

[68] **Lord Elis-Thomas:** You would like us to consider whether we should make some recommendations to other—I hesitate to use the words 'levels of government', because these spatial metaphors tend to imply that you are at the bottom, that the United Nations or the European Union are somehow the top and that the UK Government is somewhere in between;

it is not really like that. Would you like us to consider making representations about the engagement or proper consultation of all levels of local government, especially you?

[69] **Mr Robinson:** Absolutely; yes.

[70] **Lord Elis-Thomas:** The committee, if we survive, will be dealing with the planning Bill proposed by the Welsh Government. There are current members of planning authorities here, and I represented the national park for a few years, so all of us on the committee have an interest in how planning operates and who is consulted. If we were to look at that, and maybe strengthen the statutory position of town and community councils, would that be something that you would welcome?

[71] **Mr Robinson:** We would welcome that. It is something that has been raised at the North Wales Association of Town and Larger Community Councils on numerous occasions, as has the feeling that the consultation should be more than just 'We have heard you'. There is a strong feeling among town and community councils that, when they make a representation on a planning application, they are not actually taken into account seriously. The decision comes out with no explanation to the town councils as to why their response has not been taken seriously.

[72] **Lord Elis-Thomas:** I am afraid that I have opened another issue, but we must conclude in a moment.

[73] **Antoinette Sandbach:** Just to expand on Dafydd Elis-Thomas's point, if you are given a greatly enhanced statutory role, would you see a need for resources to follow that, so that you could respond to a large number of consultations?

[74] **Mr Robinson:** Yes. The clerks would need more training than they are given now—there are not many qualified town clerks.

[75] **Lord Elis-Thomas:** They seem to do a good job, from where I am sitting.

[76] **Mr Robinson:** I became a clerk five years ago; I had been a councillor at district and local level, but this was my first time as a town clerk. I took the opportunity to get the CILA—I think that I was the first in Wales to get it. There are not very many qualified clerks in Wales; you could count them on two hands. So, that would need to be addressed. The same applies to everything that we are looking at. We have been asked, as a council, to take on quite a large number of extra responsibilities, such as tourist information, but not a lot of money comes with those responsibilities; they expect us to fund them. There is some money by way of grants, but that does not get anywhere near paying for it. That is another thing that comes through strongly from us, and from others. Community councils will take on the responsibility where they are able to do so, but some sort of funding needs to come with it. We are not convinced that direct funding from the county council is necessarily the right way to do it. The National Assembly should, perhaps, be funding community councils directly. That is the message that we have received from those around us.

[77] **Lord Elis-Thomas:** We are grateful to you. I will make sure that I stop more often when I travel through Welshpool, whether by train, car or bus.

[78] **Mr Robinson:** You are always welcome to call in. The coffee pot is always on.

[79] **Lord Elis-Thomas:** Thank you.

[80] We will now move to the next witness. Thank you for your patience, Nick Oliver. Do you have anything to add orally in a short statement to your written evidence or should we go

straight into questioning?

[81] **Mr Oliver:** Good morning, everyone. I have not prepared a statement, as this was at fairly short notice. I am not coming with a particular axe to grind, a point to make or an opinion or view. My understanding is that, on some of the more technical aspects of the transportation issues that arise, I will be able to give some assistance to this committee in arriving at some conclusions that have a greater basis in objectivity.

[82] **Lord Elis-Thomas:** We are in the same difficulty, in the sense that we do not have a completed and approved strategic traffic management plan in this area. I think that it would be a very good use of your time and ours if we were able to highlight some of the key issues.

[83] I will ask a question that has amused me, having looked at this issue and knowing the area. Do you consider the roads in mid Wales to be in any sense qualitatively or quantitatively different to the roads in west central Scotland or New Zealand, where you have worked, or wherever else there are developments of this kind? That is a leading question, obviously. *[Laughter.]*

[84] **Mr Oliver:** The roads in mid Wales are quite definitely rural in nature. One has to travel a long way to find anything representing a dual carriageway, let alone a motorway. I do not know the areas of Scotland as well as I know Wales, but from some of the work that I have seen that has been done there, windfarms have been sited in some fairly remote locations. So, there are parallels in that regard. Certainly, in New Zealand, the road network is about as varied as the UK network: there is everything from three-lane motorways down to some very tortuous, narrow, single-lane roads. There are a certain number of parallels between the conditions of New Zealand roads and Welsh ones, other than the fact that New Zealand is much less densely populated than Wales.

[85] One of the difficulties with roads in Wales is that the highways infrastructure is fairly thin on the ground in terms of the population that it serves—there are very few corridors. However, in other parts of Wales—the north and the south—there is a much better standard of roads and there are many more roads to serve the population. So, I think that there is an issue that is specific to mid Wales.

[86] **Lord Elis-Thomas:** As far as you are aware of the normal processes here, is it your view that there has been no delay in producing a completed system of traffic management?

[87] **Mr Oliver:** I believe that there has been a delay in producing some form of traffic management plan on a strategic basis—there is still nothing available, as far as I have been able to establish, despite promises.

[88] **William Powell:** What form of consultation with local communities, businesses and other relevant stakeholders in a particular area do you think would be appropriate for the construction of such a strategic management plan for transport?

[89] **Mr Oliver:** I think that you must look at a couple of issues. There is the technical issue of whether you can get a particular type of vehicle along a particular road, which might need certain improvements. The consultees for those sorts of issues tend to be the highway authorities and/or the planning authorities. Possibly, if works are needed, they will include environmental bodies that have an interest, if there are effects on the countryside and on hedgerows, trees and so on. However, when you start to talk about it, the issue at the centre of the discussion is the accumulation of vehicles. There is no doubt that, although the accumulation varies, according to the estimate that you look at, it does give rise to issues. I can understand why the people of mid Wales are concerned. They should be considered. It is a highly technical issue that often gets caught up in emotive language and subjective views. It

is quite difficult to distinguish those.

10.00 a.m.

[90] To be able to consult properly with a community, one has to be able to couch proposals in terms that it will understand. The idea that has been talked about—the repetition and frequency of convoys—is a way of getting to the heart of it in a way that people understand. At the same time, I have heard certain groups talk about convoys, and they will start by saying that some of the vehicles are 55m long—which is true; they might be that long to carry propeller blades—and that there will be nine, 10 or 11 of these vehicles per wind turbine, on average. However, what is not said is that three of those will be vehicles carrying propeller blades, three or four might be carrying pylon sections, which are not as long, but they are wider and higher, and there is also the nacelle, which is the big box that goes at the top, which is quite short, but heavy. So, some distinction needs to be made.

[91] Other abnormal indivisible loads also come into the equation, which are the cranes that are required. You only have to take a quick look at YouTube to find some great videos of these huge cranes in sections, and they are brought in as long loads. If there are three turbines on a windfarm, quite a lot of extra crane equipment has to come in, relative to each turbine. If you are talking about 100 turbines, you are probably only going to bring that crane in once and take it out again. So, that is why the numbers vary to some extent on the estimates. Some people will say that seven vehicles are needed, and some will say 11. There is a whole range of vehicles to be taken into account.

[92] On top of that, there is the other issue of 1,000 vehicles—in round terms—per wind turbine, which is a generally accepted figure, excluding the abnormal indivisible loads. In my view, that figure is a red herring. I know that we are talking about cars and not heavy vehicles, but a residential estate with 10 houses in a rural area will typically generate about 100 trips a day. So, in 10 days it has generated 1,000 vehicle trips. When you hear the figure of 1,000 vehicles out of the blue and out of context, it sounds like a heck of a lot, but when you put it into context, it is not as much as you might imagine.

[93] I had a quick look to try to get an analogous example of use that is commonplace in a rural area. From the database that we use, I found that two livestock markets had been surveyed. I thought ‘Okay, that is the kind of use that you get quite a bit of in mid Wales’. Market days generate up to 2,000 vehicles, of which 30% are heavy vehicles such as cattle trucks and so on. If we look at a small market, we see that the amount of traffic generated in a single day is equivalent to wind turbine traffic generation over the life of its construction. Those are quite useful comparisons to make. However, the big issue is getting the abnormal indivisible loads through in convoys.

[94] Also in that regard, I have had a look at all the documentation that I can find—that is always difficult, because the technology is moving. In Chepstow, they have started manufacturing wind turbine pillars, and it is the only place in the UK where they are manufactured. We cannot say whether a developer would buy wind turbines from there or whether it will buy from overseas and have them shipped in, but all the work so far, as far as I can see, has been based on turbine components coming in via Ellesmere Port or Mostyn—by the time that they get to Wales, they will be coming from the same direction and using the same route. However, if they come from Chepstow it is a totally different story. That has not been considered, because the factory only started production quite recently. That then set my mind thinking that you could bring components in through ports in south Wales—Newport for example—and through Avonmouth on the other side of the Severn, and take them up similar routes and bring them in from Chepstow. That has not really been looked at.

[95] One other thought that occurred to me when I was taking a look at access on the west

side of a windfarm in area B was that, given the constrictions of coming through from Welshpool—and the further west you get, the more problems you have to get through—perhaps there was another way. I consulted with some colleagues from my company who have done a lot of work for the Welsh Government on the whole of the trunk road network, reviewing it for other reasons, and sought their views. They came up with the suggestion of bringing them around the A55 on the north Wales coast, and swinging them around and linking up to the A470. There could be problems; it is not a definite answer, but nowhere have I seen anyone investigating that at all.

[96] The next thought that came out of that was, if you are going to come around that way, why not bring them in at Holyhead, and bring them down the A5 and across the bridge? Can the bridge take it? No-one has tested that, but Holyhead has never been mentioned as a possible access route in any report that I have found. Certainly, all the components for a nuclear power station will be brought in there, so I would imagine that it has the capacity. I believe, therefore, that the inputs so far are not complete and that more work needs to be done. I have read the brief of the STNP, and it does not include some of those issues. If you have that greater range of facts, then you can discuss them and consult with the local community. If you put the information properly in front of people, I think that they will take a considered view and think, ‘Someone, somewhere is trying to spread the load and not stick it all through Welshpool’, which is the feeling that comes across at the moment, that Welshpool is taking the brunt of it. I hope that I have answered your question.

[97] **William Powell:** That was one of the fullest answers that the committee has ever had to a question, I think.

[98] **Lord Elis-Thomas:** People are welcome to use the A5 and the A470 past my cottage any day. [*Laughter.*]

[99] **William Powell:** I have a short supplementary question, which is to do with whether or not there has been an economic impact assessment, associated particularly with the issues around tourism and related matters, given the importance of that sector to this part of Wales, and the parts of Wales that you have also referred to in your subsequent answer. Does that sit appropriately within this exercise, or would you consider that to be a complementary piece of work?

[100] **Mr Oliver:** I have been giving this a bit of thought. I am not an economist and I know as much about tourism as most individuals who have been on holiday do. I am quite familiar with mid Wales and it is a destination, but it is also en route to a lot of places. Where it is en route, it is probably not such a big issue, but where it is a destination for walkers or outdoor holiday pursuits and so forth, if I had a choice, and I was aware that there were a lot of traffic problems, I might well consider a different location. That is a purely subjective view, but, if you are going to do a study, what I was trying to get at there was that, with regard to the technical issues involved in transportation, the only link is via transport economics—and it is a fairly tenuous link—to the economics associated with tourism. Even if you tried to put the two together as a single exercise, you would have two specialists or two groups of specialists working on the two issues, and there would be a point where they would overlap, but they would not overlap a heck of a lot.

[101] My answer, I guess, to that question is that it would probably have to be a separate, parallel and closely linked exercise, taking the information from the transport investigation into the economic tourist investigation.

[102] **Lord Elis-Thomas:** Rebecca has the next question, then Russell and then Antoinette.

[103] **Rebecca Evans:** Can you tell us how the planning system in Wales compares to that

in other places in the UK, or further afield, with regard to transport?

[104] **Mr Oliver:** I will start off on a positive rather than a negative. Wales's planning system as it relates to transport is different from those of Scotland and England. There are more similarities with England than there are with Scotland, which has a fairly distinct planning system of its own. I have experienced the planning systems in New Zealand and in South Africa, although my South African experience is from quite a while back. My New Zealand experience is quite recent and it is perceived as a world leader in environmental issues. Its legislation covering planning has been around for a good number of years—around 10 or 15 years—and it is pretty comprehensive in the way that it looks at issues. What is quite interesting is that, if you give evidence in New Zealand, as I have done, you do so under oath, whereas in a public inquiry in this country, you do not. So, you if you tell porkies over there, you could be in trouble.

[105] Complications come about because of the two-tier system of the Infrastructure Planning Commission. If a scheme is over 50 MW, then it is looked at by the IPC, and the planning is the same as it is in England. There is a different regime that tends to frontload much of the consultation work, so you demonstrate that you have done your consultation before you go too far down the technical route. However, those consultations extend quite a long way. For example, it is quite likely that one would have to trace the impacts of the abnormal indivisible loads all the way back to Ellesmere Port. However, a scheme that is under 50 MW is considered within the Welsh planning system. So, the planning authority deals with it unless it becomes a question of appeal or it is called in, at which point it becomes a Welsh Government issue.

[106] England does not have that Welsh Government step, but you can appeal to the Secretary of State, so there are many similarities there. Where the planning system does differ in Wales is that, through TAN 8, with its strategic search areas, it has created a focus on specific areas, whereas in Scotland, England and everywhere else that I know of, there is not that concentration on particular areas. I am not saying that that is necessarily a good or bad thing—there are plusses and minuses to the whole equation—but in England, and I have talked to some of my colleagues who are working on schemes in those areas to get their thoughts on this, there is a much greater dispersion of impact, because the locations for windfarms are dotted all over the place. Therefore, there is not the cumulative effect that you get in mid Wales, in particular, from the SSAs. It is almost viewed by communities—certainly in Scotland, or so I am told—as a very positive thing because the feeling is that the benefits accrued go to the place that is impacted, namely the local area. Road improvements, which are what I know about, are local and the highway authorities tend to say, 'Great, we will get some money to make some improvements to our highway network', and the local population has a tendency to think similarly—that they are getting something out of it that is very local.

[107] However, in mid Wales, the brunt of the transport impact tends to be felt at a distance, that is, away from the point where the windfarms are located. That is where the concentration is. Those people are not getting much out of this concentration of transport—or their perception is that they will not get very much out of it—other than someone else's traffic. That is how they perceive it. Have I answered your question?

10.15 a.m.

[108] **Rebecca Evans:** Yes, that was good, thank you.

[109] **Lord Elis-Thomas:** Following on from that, do you think that it would be possible to involve National Grid in a community benefit situation for the transmission line recipients? I speak as someone who lives in a valley surrounded by pylons in all directions, from hydro,

nuclear and any other generation that you can think of. Do you think that that could happen?

[110] **Mr Oliver:** I do not see why it should be exempt. The planning system requires any developer in any form of development to mitigate the impacts of their development. Most impacts are post-development in terms of traffic and transport, which is what makes windfarms slightly unique, because, once they are developed, the traffic impact is negligible. So, it is during construction that it is an issue. That possibly explains why it was overlooked, if it was. It is my personal view that National Grid should be putting something into the communities. Referring to my experience in New Zealand, I was involved in a project on its national grid that was a major—

[111] **Lord Elis-Thomas:** This is the 400 kV upgrade.

[112] **Mr Oliver:** Yes, it was a very large scheme. One of the big arguments was that, as it came into the southern suburbs of Auckland, which has a population of 1.5 million, it should be undergrounded. All the same arguments, reasons and fears that are being expressed in this country arose. There was a long debate, because obviously the national grid in New Zealand, or Transpower as it is called, wanted to minimise the amount that it undergrounded. The local population en masse wanted it undergrounded and a compromise was worked out eventually. However, there was quite extensive undergrounding, at quite a bit of extra cost.

[113] **Russell George:** My question is around whether you believe that there should be a full review of TAN 8. This question follows evidence that we heard this morning from witnesses from mid Wales who believed that, when TAN 8 was conceived, the then Welsh Assembly Government had not fully taken into account the implications for the communities. Would you agree with their view?

[114] **Mr Oliver:** I will talk from a transportation point of view. I do have leanings towards their view. From what I can establish myself, transportation was not a major consideration in the identification of the SSAs. Whether the whole of TAN 8 has to be reviewed, I do not know, but perhaps the windfarm elements could be reviewed. My concern with that is that it would put another two or three years' delay onto the whole business of delivering more sustainable sources of renewable energy. I know that we are behind our targets in Wales in terms of delivery. I would also imagine that one would have to avoid a free-for-all arising whereby windfarm developers saw an opportunity to start putting in applications for any location that they felt worked for them. Obviously, they would still have to go through the planning system, but there could be complications. My personal thought is that, if transportation had been taken into account in TAN 8 and windfarm SSAs, there might have been a slightly different map.

[115] **Russell George:** Are you suggesting that, if there is a review of TAN 8, it should be focused on the transport implications? Also, are you suggesting that there should be a review or amendment of the SSAs?

[116] **Mr Oliver:** I am suggesting that transportation should be one of the elements incorporated into the review. I cannot really speak on other issues. My understanding is that other issues, such as landscape and so forth, were fairly comprehensively taken into account. However, as was mentioned earlier, alongside that are other economic impacts that need to be considered, such as tourism, employment and so forth. Possible effects on community amenities also need to be considered. Those are just my thoughts. Transportation is one of the key elements.

[117] **Russell George:** My last question follows on from that. Do you think that these considerations were not properly addressed when TAN 8 was conceived? Alternatively, do you think that technology has moved on in such a way that, when TAN 8 was conceived, the

Welsh Assembly Government—as it was at the time—had not realised what the impact would be?

[118] **Mr Oliver:** It is a combination of the two. On senedd.tv, I watched a session in which evidence was provided by a representative from Arup consultants about the making of TAN 8. My recollection of that evidence—and I apologise to anyone if I am incorrect about this—was that there was an admission that transport had not really been considered a major issue and was not really a major part of the brief that Arup had had to consider. I am not trying to criticise another consultant.

[119] **Lord Elis-Thomas:** In trying to balance each side of the house, I will bring Julie James in next and then Antoinette Sandbach.

[120] **Julie James:** Thank you, Chair.

[121] Mr Oliver, I would like to go back to a couple of the things that you mentioned about the grid. One difficulty with the way that the grid works in Wales, though I cannot speak for anywhere else, is that it is driven by contracts with developers. For example, we heard from the National Grid—and I know this from my own experience, anyway—that it is not proactively developing a network of electricity for Wales. It is looking at what is being generated by various private sector developers and responding to that in a contractual fashion. From a personal and political point of view, I think that that is entirely the wrong way to do it, but that is another story. You referred to an example in New Zealand. Is that the case there? I do not have the faintest idea about that. Also, given the situation that we are in at the moment, is there anything that could be done in terms of community consultation by the National Grid itself? My understanding is that consultation is carried out by developers on behalf of the entire scheme, including the grid. I think that we are getting ourselves into a bit of a pickle over who does what bit of consultation.

[122] **Mr Oliver:** I will deal with my experience in New Zealand first. The grid upgrade was not driven by developers. It was a national imperative. There were fears because Auckland had already suffered a couple of major blackouts, one of which had lasted about a week. It was more about strengthening that link as a national need rather than linking up to developers' sources of energy. Looking at the UK Government's policy on energy, and renewable energy in particular, we see that there are a heck of a lot of major schemes, some of which are already in the pipeline. Nuclear power stations have been identified. There are endless windfarms all over the place. Other sources have probably fallen off the agenda a little bit, such as photovoltaics, hydroelectric and so forth. One would have thought that part of the whole national strategy would be ensuring that the grid was proactive, rather than reactive, which is what I think it is. It is not just in Welsh windfarms that I have come across that perception. I wonder whether you could repeat the other part of your question.

[123] **Julie James:** One of the things that we hear all the time from community organisations is their frustration about not being consulted, not only on the windfarm development itself, but on the grid connections that follow. My understanding is that it is the developer who does the consultation for the whole thing, because the developer is driving the connection to the grid on a contractual basis. We do not have a proactive grid; we have a reactive grid in Wales. I think it is probably the case in England as well. Whether you think that is right or wrong, that is where we are.

[124] **Mr Oliver:** There is a substation and the grid is related to it. If a new one is required, it comes about because the developers are applying to provide an energy source. The logical starting point from the application is 'What are the implications?'. One of them is that we need additions to the grid. My understanding is that if a separate planning application is needed for a substation or piece of the grid, then that planning application should go through

the normal processes that any other planning application should. Therefore, the developer of that piece of the grid, whether it is a substation or pylon lines, is the one who should be doing the consulting. In New Zealand, it was Transpower, which is equivalent to our National Grid, that had to do the consultations. Therefore, I think that it is a little bit of hiding behind others.

[125] **Julie James:** It seems to me that, unfortunately, communities often fall between those two stools. That is part of the problem.

[126] **Mr Oliver:** It is difficult for communities to know to whom they should speak and how to consult. It is often difficult even for the professionals in the business to keep track of all the routes, let alone for the public. There is reliance to some extent on the planning authorities, who are often overstretched, and developers themselves. It is always perceived that if the developer does the consultation, there is something that is not quite straightforward about it; even if they use independent consultants, it is all loaded up. Have I answered your question?

[127] **Julie James:** Yes, thank you.

[128] **Lord Elis-Thomas:** Antoinette, thank you for your patience.

[129] **Antoinette Sandbach:** Earlier in your evidence, you talked about the fact that if this application had been made in New Zealand, the environmental impacts would have been traced all the way back to Ellesmere Port. Is that what you were saying?

[130] **Mr Oliver:** Yes. At the planning stage, I had to look at the importation of transformers, which were the big loads. They are bigger, in terms of weight at any rate, than the nacelle. They need special transportation. I traced them from the port right through the route.

[131] **Antoinette Sandbach:** In your view, are the environmental impact assessments adequate enough if they are not doing that tracing process along the entire route?

[132] **Mr Oliver:** It is a scale thing, which is defined by this 50 MW somewhat arbitrary line that has been drawn. If it is above 50 MW, which typically means 20 or so turbines, then it goes via the IPC route, which means that it has to be traced further back. That route is more all-encompassing. If it is less than that, it goes the standard—if you can call it that—EIA route, which is managed by the planning authorities, or the county councils, largely speaking.

10.30 a.m.

[133] What they require in the EIA varies between planning authorities. There are guidelines, but it is about the decision and the scoping process that they have to do with regard to the geographical extent. If you are looking at 10 turbines, should you necessarily be tracing those back to Ellesmere Port? I think that that is too onerous. The impact of 10 turbines in isolation would be quite manageable. I do not think that anyone would object to that. The issue is the accumulation. This is where we get into the difficulties. The guidance provided by the Welsh Government on EIAs states that cumulative impacts must be taken into account. Does that mean that every application has to trace back to Ellesmere Port or wherever? They will take forever to produce and to get through planning, we will not have wind energy and the additional cost will make them less effective financially.

[134] **Antoinette Sandbach:** In Germany and elsewhere in Europe, there is a lot of anaerobic digestion. Do the same problems exist in relation to transport and infrastructure for building anaerobic digesters as exist in relation to windfarms?

[135] **Mr Oliver:** There are a lot of heavy vehicles involved with anaerobic digestion but they are usually not abnormal indivisible load vehicles. They will be standard HGVs. They are not great vehicles to be following behind but, depending on the size of the anaerobic facility, there can be a large number of vehicles. They can have a significant local impact, but that can usually be mitigated. Usually, they are stuck out in the middle of the countryside, again because nobody wants one of those near them.

[136] **Antoinette Sandbach:** Could I perhaps have one final question?

[137] **Lord Elis-Thomas:** This will be the final one because we have Mr McCullough waiting and we cannot have Mr McCullough waiting.

[138] **Antoinette Sandbach:** In its June 2009 article about windfarm development, the Royal Institution of Chartered Surveyors has written that, in every case in the UK to date, transport needs have been underestimated. Do you agree with that statement?

[139] **Mr Oliver:** I read that quotation myself and it gave me pause for thought. I would say that what has tended to happen is that there has been a focus on the AILs and, although consideration should be given to the construction stage, the other traffic, because it seems insignificant compared with the AILs, is not looked at. It may be that, in many cases, the emphasis has been on getting the major components in and out. I do not have any evidence to hand for whether that is true, so I do not know whether it is an opinion or a fact. I would like to know more about it before I could confirm whether it was right.

[140] **Lord Elis-Thomas:** I have David Rees with a final short sharp question.

[141] **David Rees:** I have a point of clarification because, with my engineering background, I like to delve into the details a bit more. You referred to 1,000 vehicles. I assume that that is near the actual windfarm development site. Are you talking about 1,000 vehicles along the route of a whole development? I know that this is not going to be clarified exactly with figures.

[142] **Mr Oliver:** Those 1,000 vehicles are the construction-related vehicles. There is a whole mix of vehicles for sand and concrete as well as cars and so on. The catchment tends to be more circular, if you understand. The concrete depot might be on a totally different route. Concrete might be brought from Aberystwyth, for example, so it will be coming from a different direction. Gravel may be coming from a quarry somewhere totally different again. The local workforce and even the non-local workforce who will be living locally during construction will be coming into the site from the local area. These 1,000 vehicles would not be cumulatively added to the route that passes through Welshpool on which there has been a great deal of focus.

[143] **David Rees:** You mentioned TAN 8 in your answer to Russell George and the possibility of a free-for-all with developers if we were not careful. If TAN 8 was an imposition, would the transportation problems be more difficult, because mid Wales is still a target for wind developments? What impact has TAN 8 had on focusing interest? If there was no TAN 8, would the focus still be there because of the sites?

[144] **Mr Oliver:** This is my opinion, but there are facts attached to it. TAN 8 has focused the search for sites for windfarms on mid Wales. Many areas were excluded for landscaping and national park designations, and so on. However, there are still many search areas that the developers could have looked at. My view is that it could have been more evenly distributed across Wales. Locations near the main transport corridors that make life easier for getting in and out would be obvious choices. It would be a case of finding sites that meet all the other criteria.

[145] **Lord Elis-Thomas:** When we come to write this report, or even before that, we might like to return to you with some written questions following the very illuminating parts of the evidence that you have given today, especially on the options that do not seem to have been considered.

10.41 a.m.

**Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—Panel y Sector Ynni a’r
Amgylchedd
Inquiry into Energy Policy and Planning in Wales—Energy and Environment
Sector Panel**

[146] **Lord Elis-Thomas:** Thank you for giving up your time to attend this committee, alongside your other activities.

[147] **Mr McCullough:** It is a great pleasure to be here.

[148] **Lord Elis-Thomas:** As you know, some of us are passionately interested in what you may be doing further north from here, and clearly some of that will come up in questioning. May I ask you first how you enjoy working for the Welsh Government?

[149] **Mr McCullough:** I have said publicly that, although I was not born in Wales—I was born in Belfast and grew up in Yorkshire—I got to Wales as soon as I could. My company is the biggest investor in Wales, leaving my role as the chair of the energy and environment sector panel aside, and it is a great place to do business. There are challenges to doing business here, and I am passionate about helping to meet them. The initial stages of working with the Welsh Government can be a little frustrating. Everybody, irrespective of where you are from, needs a little help, and if I can give some, that is what I am here for.

[150] **Lord Elis-Thomas:** It might be more than a little help, from what we have been told in evidence to this committee, where a succession of developers in a position such as yours have said that Wales is not a good place to do business. The Minister with the main responsibility for strategic policy on energy, namely the First Minister, has begun to respond to that. You make that point clearly in your paper and you also highlight that the planning regime is one of the key three determinants of how development takes place. Can you expand a bit on that?

[151] **Mr McCullough:** First, I need to emphasise that I can talk about specific examples, both within my company and across the sector, but I will try to remain impartial on my company’s interests and give a generic view of the sector that I am here to represent. To say a little about the energy and environment sector panel, it is made up of a number of individuals, two of whom have given evidence to this committee already, I believe: David Williams and Gerry Jewson. We have other members from Welsh Water and the environmental consultative bodies, so the sector is well represented. Without any separation in our view, the entire panel sees it as being much harder to do business in Wales than in any other part of the United Kingdom. That is a challenge that we are all passionate about trying to fix. Examples range from a small wind turbine or hydroelectric scheme right through to the Pembrokeshire scheme, which is mine, in the south-west. Example after example indicates that the time that it takes from the initiation of a project to the time when we can start pouring concrete and then enter commercial operation may be two or three times the length of gestation for a determination to be made elsewhere, be it positive or negative. Every day that passes costs a developer money.

[152] When you look at the UK as a whole and bear in mind that much of the money in the UK is being targeted at Wales, you see that an increasing amount of that is in foreign ownership and has its roots in world markets. My experience is that that money will usually find the path of least resistance for the greatest return, and quite often that is not in Wales, despite the fact that the vast majority of the natural resource available is here in Wales. We are determined to try our best to uncap it.

10.45 a.m.

[153] **Lord Elis-Thomas:** Why would you say, as chair of the advisory board, that Wales is such a good location for energy development, but that that does not seem to have been realised in the governance of the country?

[154] **Mr McCullough:** I would probably start to answer that question with a bit of a historical view. If you look at the heritage of Wales, it has a huge amount to be immensely proud of in terms of being the bread basket of energy for the United Kingdom. It was certainly a very significant contributor. My own view is that some of that recognition has been lost along the way, in that, for hundreds of years, Wales has done a fantastic job of reinventing itself, with the coal industry being a prime example; Aberthaw in the south is one remnant of the serious coal providers that is looking to assist what is effectively an ailing industry that has huge socioeconomic benefits.

[155] The fact is that we are now entering a new era, a more modern era, where the diversity of that energy supply needs to change—whether that is wind, hydro, nuclear or gas—and the physical and geographical amenities in many parts of Wales lend themselves favourably to many of those developments, yet a disproportionate number of hurdles are thrown up in front of developers. There may be local misunderstanding as to what the developer is initially trying to achieve and, in some cases, the developer is at fault for that—I have come across such cases—however, in other cases, they are absolutely not at fault. When I look at some of the evidence given to this panel, and when listening to the colleague who preceded me, some of the bits that I have captured suggest that it is easy to tar the whole industry with the same brush. We are very good at finding problems, but we are not so good at finding solutions. If Wales is to succeed in bringing in socioeconomic benefit, it needs to wake up to having a better can-do attitude to make this work. This is a personal observation: at the moment, perhaps some of this is down to a settling-in period, although I know that the Welsh Government has been established for a number of years, but as it evolves my message has been, and remains, that the First Minister and others need to be careful what they ask for, and when. The world is watching and it has a fragile confidence level, and if you try to take on too much too soon, then that fragility will turn into a negativity that turns investment away.

[156] **Lord Elis-Thomas:** This is my final question. One thing that bugs me is when I am told by large developers that we are much inferior to Scotland in this matter. Is that true?

[157] **Mr McCullough:** Sadly, I have to say that it is. In my experience, we have had, by comparison, an open door in Scotland. That is a generic statement. It is not wholly true in every circumstance, but if you were to ask, ‘Is Scotland more amenable to having an open door and finding a can-do attitude?’, then the answer would be ‘yes’.

[158] **Antoinette Sandbach:** I wonder whether part of the reason for the problems that you have encountered is the concentration of windfarm development in the strategic search areas, which is not an issue in Scotland or England.

[159] **Mr McCullough:** That is not a problem that we have encountered at all. A lot of people talk about it being a problem, and a lot of people talk about SSAs and TAN 8 and the

fact that work has been done to look at preferable areas for development, wherever they are and utilising whatever technology. However, I would observe that people have jumped on that by being alarmist and those who, for whatever reason, are against development point out the immediate problems. When you have an SSA or a TAN 8 area, or any other kind of zone, it immediately gives those who are vocal when the possibility arises that a project being brought to their neighbourhood that they do not want a focus to create a frenzy. This is often poorly informed. I read, for example, the Montgomeryshire submission, which is so typical of many ‘anti’ views about developments that are very misguided. If you ask a leading question to a member of the public without giving them a balanced view, you are lining up the answer to the question very neatly. Many of those reports reflect that. They do not give a balanced view of what is available.

[160] **Antoinette Sandbach:** We heard evidence from Gerry Jewson, who sits on the panel with you, that there were many suitable sites that have fallen outside the strategic search areas and that there may well be barriers to development for them because of that. Do you agree with that?

[161] **Mr McCullough:** We are seeing some evidence of that, where schemes have come forward across the sector and it has to be determined whether schemes fall inside the boundaries of SSA or TAN 8 areas. We have seen a local political reaction, where people have crossed their arms and said, ‘We are fine, because we are not included in that, therefore you cannot build it here anyway. Go away and build it somewhere else.’ There is an extra hurdle that makes it substantially more challenging for any developer to find a way to get started in that process. However, those areas exist to identify the optimal areas, but that does not mean that everywhere else is completely inappropriately sited. Wales will shut down its opportunities dramatically if it adopts that attitude. Many political figures are adopting that attitude. For example, if a proposed wind energy development is in a TAN 8 area, then it is fine, but if it is not, then it is dead. We are seeing that being reflected by many of the statutory bodies as well. These have a consultative process and a role to play, but their attitude with regard to the way in which they deal with it appears—it is very difficult to get this factually nailed—to reflect that opinion, which is pretty irresponsible.

[162] **Antoinette Sandbach:** I have one final question. Do you accept that communities may have very legitimate concerns about the cumulative impact of developments, if they are concentrated into one area?

[163] **Mr McCullough:** Of course I do. Without doubt, the development of any infrastructure requires responsible development that is not only sympathetic to local needs, but genuinely takes those local needs and concerns on board. There are examples, and there will always be examples, where too much of any one thing will be too much. However, it is the wrong place to start to assume that. I can guarantee you that, of the developments that we have in the pipeline—we have several hundred megawatts of wind power alone in ‘development’ at any one point in time—if I am lucky, I might build 20% or 25% of them. In order to get that, I probably need four or five times that in the funnel to get to that point. The challenge of education in that process is that people immediately start at the wide end of that funnel and talk about 1,000 vehicles per site, multiplied by 600 turbines, multiplied by the number of sites and strategic areas, and they come up with astronomical figures that are in cloud-cuckoo-land. Reality needs to be brought to bear on what is happening and what is likely to happen.

[164] **Vaughan Gething:** Perhaps we can follow on from the point that you were making. We have heard evidence today and in previous meetings about transport and the challenges of constructing onshore wind projects in particular. We have heard from developers about the difference with regard to the position in Scotland. Earlier, you said that it is easier to do business in Scotland. I am interested in your perspective on whether the approach taken in

Scotland with regard to transport is more effective and therefore part of the reason why it may or may not be easier to do business there.

[165] Equally, what is your view on the status of the building of a transport management plan here? How would you respond to concerns that we have heard about transport and how easy it may or may not be get abnormal loads to construction sites in mid Wales, given the rural road network?

[166] **Mr McCullough:** The first thing to say in response to your question is that transport is a key issue. It is very challenging to get to some sites in mid Wales. There are real considerations about how you get in and out and continue to service the asset through its life, and also how you would ultimately decommission it. So, there are real challenges there.

[167] I fear that the evidence that I have been able to catch up with so far is a little skewed to the difficulty and not the actual practicalities of it. It is absolutely categorically wrong to say that the vast majority of developers do not consider transportation needs for their sites. An environmental impact assessment always precedes a planning application. Good developers—I accept that there will be some not-so-good developers out there—should have thoroughly worked through their transport plan assessment and included it in the overall impact assessment; that is key.

[168] I do not feel that it would be justified to say that Scotland is immeasurably better in terms of its attitude towards transport, per se. I would categorise my support for Scotland by saying that they are more amenable in general to finding a way and are more pragmatic about the solution. It is difficult to say, generically, that they have a healthier attitude to finding solutions to transport problems than Wales; that would be stretching the point too far. I am not sure whether that answers the question.

[169] **Vaughan Gething:** Yes, that is helpful. I know that you have answered this in part before, but what do you think that we can do differently here to make it easier? Is it about the lead of the Welsh Government? Is it about the attitude and the competence or the ability of planning authorities to deal with planning applications? Is it about how we structure different parts of the process? For example, should transport be considered before planning, as part of the planning or after initial consent has been given?

[170] **Mr McCullough:** There were lots of questions there. I will try to answer them, but if I do not, please ask me a specific question. You ask about the ministerial view and so on; I will make that more generic. Do I think that the Ministers come to work every morning thinking openly about the can-do attitude for Wales? There is a lot of rhetoric about that, but, when the rubber hits the road, it is lacking. It is one thing to say it, but it is another thing to live it and to go out of your way to make it happen. That is not about politics or anything else; it is about leadership.

[171] The one ingredient that Wales is lacking overall is real spine and leadership: the ability to face challenges, the ability to be aggressive, assertive and demanding when it is required and to get on and do it. We are missing out so much in Wales because of a lack of a home for the old-fashioned thing called leadership.

[172] I had a meeting with Edwina Hart yesterday in my capacity as chair. One thing that I said to Mrs Hart was ‘Use me more, please’, and she was very accepting of that. The Welsh Government has taken time to appoint the sector panels; we are busy people but we are people who are passionate about doing the right thing for the country. As chair of the energy and environmental panel, I see myself as a non-executive director of Welsh Government, so I should be used for advice, to say things publicly that are sometimes difficult for Ministers to say and to have the courage and conviction not to care who thinks that I am wrong or right,

because I believe passionately in what we are doing. I have spoken to many chairs and members of other panels, and they are all so frustrated, because it is so rarely that we get an opportunity to do that.

11.00 a.m.

[173] To be fair, it is a learning process. When the panels were appointed, shortly thereafter we had the election, followed by a period of settling into new political seats and so on. In the meantime, we got on with supporting our civil servant teams. Our role is not to manage them, however; it is to speak up and give direction, and the opportunity and encouragement to do that does not come along as frequently as I would like.

[174] **Vaughan Gething:** We have heard many people call for a review of TAN 8, and such calls are almost always implicitly or explicitly accompanied by calls for a freeze on development. While I would not expect you to say that you are in favour of a freeze on development, what is your view on the calls for a review and the impact that that would have on investment in renewables in Wales?

[175] **Mr McCullough:** It would be so negative. If you want to do something that will single-handedly turn an investor off Wales, my message to the Welsh Government would be to carry on. We are sick and tired of having review after review. I can tell you from my personal involvement that TAN 8 was not a one-way, completely sold, top-down process: people were involved. Team members of mine who were based in Wales were heavily involved in the consultation on the appropriate areas and on issues of transport and socioeconomic benefits. Now, that may not have been deep enough, it may not have been extensive enough, and it may not have been long enough, but it did happen. Simply to throw that away to create another hiatus in which nothing happens, other than further confidence being lost in a region's ability to bring a sound benefit on a national need, would be absolutely shameful.

[176] **Vaughan Gething:** Thank you; that was very helpful.

[177] **Llyr Huws Gruffydd:** One of the issues that I grapple with—it comes through clearly in most of the evidence sessions that we have here, and I raised it earlier today—is this conflict between statements such as those made in your paper to do with the need for consenting systems and regulations that deliver speedy responses on the one hand, and the need to take the local community with you on the other, so that they feel that they have had the time and space to be able to properly contribute to any sort of process that involves their lives and their communities. Could you elaborate a little on how you see those two conflicting viewpoints converging?

[178] **Mr McCullough:** This comes down to the responsibility of the developer, primarily, in my view. If you are a good developer, and you engage with your community, then you will engage with the stakeholders that you will affect—you will have done that long before you submit a planning application, and you will have done it openly. You will have held public consultations; you will have hired the village hall for the evening. You will have done all these things to make people aware. All that is long before you actually get to the point where you ask whether you have an opportunity to fit appropriately the new development into the amenity that is in a local jurisdiction. I think that developers generically are getting better at doing that, because there are more examples of practice, good and bad, available in the community of developers to see where that happens.

[179] Thankfully, I am seeing more and more of that very early engagement. There is an investment that has to be made, so the call that I made in my submission was: provided that the developer is seen to do all of that preparatory work in addition to the requirements that are

statutory, expected or mandated, there is no justification for dragging out the process. Yes, people have to be consulted formally; of course they do. People also need to have sufficient time to consider the application and the pros and cons, and they need a sufficient amount of time to submit evidence and for that to be considered impartially.

[180] However, my experience also tells me that the ‘sufficient amount of time’ is ill-defined and not backed up by anything real or tight—guidance exists, but it is basically ignored. It is not deliberately ignored; it is ignored because of the challenge of resources. A planning officer can go from deciding on an extension to someone’s home, to deciding on a 20 turbine windfarm development, because it is the next application on the pile. It is not fair to expect that individual to understand the implications of that spectrum of interest. However, it can work, provided that you can get the right people involved and they are aware of what constitutes a good and bad development—there is a lot of industry help available for that. For instance, I used to sit on the British Wind Energy Association board before it became RenewableUK, and we did a huge amount of work travelling the entirety of the United Kingdom to sit with local planners and take them through that kind of planning process. Some might say that that is biased, but I say that that is part of the education process, and planners can take it in board or not. However, to give them the opportunity is part of the development and education that constitutes a good or bad developer. If that happens, there is no reason why you cannot determine applications quickly.

[181] **Llyr Huws Gruffydd:** Are you of the opinion, then, that some local planning authorities and consenting bodies should be given more resource to ensure that they have the capacity and expertise needed to decide on applications?

[182] **Mr McCullough:** That is essential, but it has to be resource of the right type. Planners have to be cognisant of what will pass across their desks, and they have to be armed with the experience to deal with that. They must also have set parameters and targets within which to work so that what is expected of them is very clear in terms of processing that kind of application.

[183] **Lord Elis-Thomas:** Next is Julie James, then William Powell, then Antoinette for a second round, and then David.

[184] **Julie James:** Following on from that, with regard to the new planning Bill, or even before that, do you have a view on where that decision should be made? Should it remain at local authority level, or should it come up to a national level or to some sort of regional level for that sort of development?

[185] **Mr McCullough:** It depends. If it is an application for a Wylfa nuclear power station, when you look at the justification statement of need through the UK Parliament at Westminster and national policy statements and so on, those developments are of such strategic investment size and importance that it is very hard to decide on them at a local level. Of course, there is a very significant local component in that, but there has to be an overarching body that says ‘yes’ or ‘no’. If you go to the community end of the scale, at the other end of the spectrum, there is no reason why those projects cannot be locally determined.

[186] **Julie James:** So, it is about the scale. We have this problem in Wales with applications over 50 MW, who gets to decide what and all of the complications associated with that. As you know, the Welsh Government has aspirations to have the power to decide on such applications devolved, but we do not know whether that will happen. However, given that we have this 50 MW level, do you have a level in mind that would be suitable for a county council to decide upon? Would 5 MW be suitable, say, and 25 MW not suitable?

[187] **Mr McCullough:** If you could entirely ring-fence it, if it was an isolated project and

it was not likely that there would be others—we are talking theoretically now, because the point that we made earlier about the cumulative impact still applies—you could have 10 50 MW or 10 49 MW projects all determined locally, but then you would have 500 MW of development in an area. That is the difficulty. The 50 MW level was set under electricity legislation in the 1970s. It was deemed to equate to any power plant of any generating type, and it is a very historic, dinosaur-like kind of badge. It does not bear any reference to modern development. It was set at a time when the vast majority of new power plants throughout the UK were large, central load generating plants, such as coal, oil, gas, and so on, and it was not set with a view to much more distributed generation. My personal view is that that needs revising.

[188] **Julie James:** That leads me nicely off the subject of wind power, since we have talked about it all morning, and on to photovoltaics and generally distributed energy systems. You have said some interesting stuff in your evidence paper to us and elsewhere, which I have been following with some interest, about the fact that the Government lost its appeal in the Court of Appeal against the reduction in feed-in tariffs, which obviously affects Wales as well.

[189] **Lord Elis-Thomas:** The UK Government, that is. [*Laughter.*]

[190] **Julie James:** The UK Government has lost its appeal in the Court of Appeal. Sadly, I think that it has said that it is going to appeal to the Supreme Court, for whatever reason. I think that all of us in this room, across the parties, accept that that has been a bit of a disaster. Do you have a view, regardless of the outcome of that, about the state of the industry in south Wales and whether we can recover it? I am sorry to give you multiple questions, but, if you do not, the Chair cuts you off.

[191] **Lord Elis-Thomas:** This is not true at all. [*Laughter.*]

[192] **Mr McCullough:** I am absolutely fine with multiple questions.

[193] **Julie James:** The third question is a question on the grid. Given the way that the grid is driven at the moment, is there going to be a problem with distributed energy systems in terms of connections into the grid, or, indeed, cumulative connections into the grid, not just in mid Wales, but right across Wales?

[194] **Mr McCullough:** It is quite a challenge to know where to start on that one. One of the things that I would say about the feed-in tariffs for solar energy in particular—and this is one of the things that Government has a real responsibility to get right early, and, on that, it did not—is that setting the tariff at such a high level created a rush for it among the public, businesses and so on, who were saying, ‘We’ll have some of that, thank you very much, because we can see the economic benefit to us as individuals.’ It created business opportunity and a balloon, but the balloon burst, because, through a collection of observations, we—UK plc in that context, if you like—caught on to ourselves and asked, ‘What are we doing?’ Yes, it stimulated socio-economic growth, and solar does have a part to play. Despite the fact that we live in a pretty grey and dismal rain-filled land sometimes, it does still have a part to play and can be beneficial. However, it is not beneficial at any cost. If you look at other European examples, Germany being a classic case in point, where there really are political problems, the vast amount of money invested in solar for the absolute minimum contribution that it gives, is completely disproportionate to what can happen in terms of decarbonising the economy.

[195] It goes back to what your target is and what you want to achieve. Do you want to achieve decarbonising at a faster rate, or do you want to simply employ people, at a very significant cost? Those strategic questions were not asked. Again, that comes back to the

challenge of leadership. Leadership is all about not just taking a decision, but thinking about the strategic direction, setting some goals and having all of those pros and cons with you before you actually say ‘go’. That did not happen in the solar industry. Do I think that it is recoverable? Sadly, I do not think it is. I think there will be many people who have had their hopes ballooned, only to have them shattered. Solar investment will continue because the tariff now available is such that, for some properties and at a certain scale of development, it will still make sense, but, for a lot of people, it will not. So, that is a hard lesson that has to be learned. Please remind me of some of your other points.

[196] **Julie James:** I was just asking about the grid connections. In my constituency of Swansea West, there have been numerous difficulties with grid connection even for minor projects, and there is a problem in south Wales as a whole in terms of the grid infrastructure. We have also heard a lot about infrastructure problems elsewhere.

[197] **Mr McCullough:** With regard to the current level of penetration, and for the foreseeable future of 10 to 15 years, from my discussions with National Grid, we are in a very manageable state, even at the level of penetration of renewables that we have at the moment. The reason why I include renewables, which can be micro or major projects, is that they have an intermittent nature and a somewhat unpredictable characteristic. I say that as someone who was, in one of my last roles, chief operating officer of RWE Innogy, which is one of the biggest renewables developers in Europe, and clearly we have Npower renewables here in Wales as well.

11.15 a.m.

[198] The fact about that type of electricity generation is that it needs to have complementary types of generation to hit the peaks and smooth the demand profile. If you look at a country where that has been exaggerated to its maximum effect, and where a grid system that was built for large central generation hubs is now having to cope with many thousands of connection points for very much smaller ones, while the old, large connection hubs are decommissioned—that is, Germany—you will see that the grid management is being exacerbated. It is hugely difficult to manage load profiles in an economically sensible way as a result. It is like a fiscal model. The fiscal model that we are all used to is that businesses operate on quarter-on-quarter results, while Governments operate on four or five-year terms, but, if we are ever going to get sustainability and decarbonisation right, given the level of investment it needs, then, at some point in time, we need that adult conversation to break away from that model. The same is true of the grid. The National Grid has a mandate from Government to do certain things within certain tight parameters and it has a limited opportunity to step outside that and look at investment for something that may or may not happen. If it does happen, it is unpredictable as to when it will happen to the level at which we need to make changes. That is a very real challenge for the National Grid at the moment.

[199] **Lord Elis-Thomas:** Do you have any more questions, Julie?

[200] **Julie James:** No. I have asked them all, thank you. [*Laughter.*]

[201] **William Powell:** I wanted to turn your attention to another area of policy that is fairly frequently raised in the Chamber, and that is enterprise zones. What contribution do you think that energy-themed enterprise zones could make to further promoting renewables in Wales?

[202] **Mr McCullough:** I have discussed this topic with the Minister. Often, a failing in enterprise zones is that they create economic migration and not new growth. That is a real concern for me in Wales. Locally, there will always be the challenge for someone who is somewhat struggling to be allowed to slip into an enterprise zone because they can thrive again. You are therefore not creating anything new, so making that judgment call as to who

does and does not qualify will be a difficult task. There is no doubt that there are many opportunities, but only if Wales gets its act together and allows some of this responsible development to take place. There is huge benefit in terms of socioeconomic regeneration, with the creation of real jobs over a real amount of time in some quite socially deprived areas of the country. Take the north Wales coast, for example, where we built the UK's first offshore windfarm, North Hoyle. The port of Mostyn has completely regenerated itself on the back of that. The hotels are full, the taxis are busy travelling to and from the train station, the restaurants and take-aways get business and so on. Apologies, Chair, but—

[203] **Lord Elis-Thomas:** Not at all, it is music to my ears; keep going.

[204] **Mr McCullough:** It is an example from my own company. We have used the port of Mostyn as a hub for operational excellence and as a base for our people. That base will grow as it serves not only Rhyl Flats, the second plant that was built, but also Gwynt y Môr—the £2 billion investment that we are in the process of constructing. Similarly, if you look at Dolgarrog and Cwm Dyli in the area of Snowdonia, we have more than a dozen hydroelectric plants in Wales, but the UK centre for all of our renewable operations is the Dolgarrog power plant. That control centre is remotely operating power plants, including wind, hydro and so on, all over Wales—in fact, all over the UK—and all of those plants need local attention and support, technicians who can go out to carry out maintenance when there is an issue, and so on. Those people need somewhere to live, sit, to store their tools, equipment and spares and to park their Landrovers or whatever. The energy sector in Wales has more than 4,000 active companies and provides something approaching 70,000 jobs. There is an opportunity to expand that—that is actually on a very low level of penetration. I was one of the people who put together—or endorsed, if you like—the £50 billion figure that is untapped in terms of investment in Wales. I absolutely believe that at least that kind of figure is available. If you extrapolate the jobs that leads to, it is an immense opportunity that people need to wake up to very quickly. The enterprise zones, if used responsibly, are a huge opportunity, and shame on us if we mess it up.

[205] **William Powell:** That is a really interesting response. You picked up on the issue of Mostyn and the benefits that have accrued there in that port location. I think that the Welsh Affairs Committee of the House of Commons did a piece of work in 2009 looking at the ports of Wales and identified the ports as an underdeveloped resource. So, if we are looking at developing energy-themed enterprise zones, you would suggest that that needs to be taken into account?

[206] **Mr McCullough:** Yes. The point is worth emphasising. I can tell you that there are other ports that we thought were more appropriate at the time, but they were not interested. For example, in Holyhead on Anglesey, the conversations around adapting its port and various facilities to accommodate the offshore wind industry and so on fell into the too-difficult-to-have box. They said, 'It's not what we do; we ferry people to Ireland or deal with the aluminium smelter'. However, the success of Mostyn in that example is more or less singlehandedly down to Jim O'Toole, the guy who owns the port. I wish I could replicate that entrepreneurial spirit and can-do attitude in many towns in Wales, because it is what Wales needs. It needs people with that kind of mentality, who get up in the morning and are going to find a way to make it happen. He does that.

[207] **William Powell:** I have a final question on an unrelated topic. I want to pick up on something you said earlier regarding statutory consultees within the planning process. A large part of our agenda today will look at issues around the business case for the single environmental body. Could you give us any thoughts on the qualities that you would like to see in that single environmental body that would possibly draw on some of the lessons that you alluded to in your remarks in an earlier answer?

[208] **Mr McCullough:** How long do I have? I would love to book some more time.

[209] **Lord Elis-Thomas:** You have seven minutes. I am looking at our next witnesses and they are not nodding at me when I am saying that you may carry on for a little longer because you were slightly late starting. Is that all right?

[210] **Mr McCullough:** I am very pleased that I was asked that question. It was one of the things that I wanted to express a view on today. Without question, the system as it currently stands is badly broken. Environment Agency Wales, the Countryside Council for Wales and so on are very challenging organisations to do business with. It is important that I qualify that.

[211] **Lord Elis-Thomas:** I would watch my back if I were you. [*Laughter.*]

[212] **Mr McCullough:** I know who is behind me, so that is fine. [*Laughter.*] Equally, I do not come to this kind of panel to hide away from the things I think are valid and need to be said.

[213] The one thing I will say is that I am entirely supportive of the notion of creating a single body. We need to be very careful, however, how we do it. There is a responsibility, when that single body is formed, to ensure that it also has the check-and-balance mechanism built in. The one thing that is positive about the separation at the moment is that you have a counterparty to a body that at least provides some challenges. From CCW to the Environment Agency and the like, there is a statutory consultee. One of our fears as a panel about the merger of a number of entities—I will come to merger components in a moment—is that you must have the right level of leadership and set the right kind of targets, which have to be real, and a Minister needs to be on the hook if it does not happen. At the moment, it is too vague. People can slip away into the shadows and point fingers at someone else, and the unpredictability of how the system works at the moment is not checked. It has to be better than it is.

[214] The panel's concerns about the merger are not about Environment Agency Wales merging with the CCW. We think that, done correctly, that would be a very welcome thing and that the vast majority of the development community would welcome it. They will be nervous about it, but only because they have been burned by what is there already. Therefore, there is a broad view that it can only get better and that the entities need to be put together. So, that is a good thing. However, we are in complete disagreement with the fact that Forestry Commission Wales should be part of that merger. It is a commercial body, but it happens to have the same parentage, in terms of a link to the Welsh Government. In relation to TAN 8 and some of the SSAs, Forestry Commission Wales is the landowner and the counterparty with which many of these developers are interacting. Therefore, this is instantly setting up a conflict that need not exist. To me, that raises a very real question about the concept of putting that model together. Of course, everyone wants to see the Government efficiencies that could be achieved by merging these various departments. However, there are some departments that should be separated for very real reasons, and it is our belief that the Forestry Commission is one of them.

[215] **Lord Elis-Thomas:** Do you have a model—and I am not thinking necessarily of the Glas Cymru water model—for ownership and control of forestry that would be different from that of a Government department, which is what it now is? If so, would it deal with some of the commercial issues that have been highlighted to us and that you just mentioned?

[216] **Mr McCullough:** There are several models. Last week, I was in Georgia in the US because we are converting our Tilbury plant in the mouth of the Thames—a 1 GW coal plant that is 40 years old and is now burning 100% pelletised wood from Georgia. It is an entirely private enterprise, with commercially farmed wood grown initially for pulp and paper but

now extensively for biomass purposes. Various models exist. I do not have a problem, per se, with the fact that Forestry Commission Wales is Government-managed. That is not the issue. This system can work, and I am sure that it does in many cases. In fact, our dealings with Forestry Commission Wales in relation to many of the sites that we have developed have been very healthy and without incident. My fear is that that part of the system is not broken. Do not mess with it, please. The part that needs attention is the merger of Environment Agency Wales with the Countryside Council for Wales. There are good reasons for the merger, which Environment Agency Wales has laid out in its submissions and that the panel agrees with. However, I have quite deep concerns about the Countryside Council for Wales, in terms of its determination and in terms of how things can lengthen in time and be so unpredictable, leading to very severe and expensive delays. Frankly, developers will turn away from this. There are jurisdictions in Europe in which they can place their money because that predictability is there. This situation has to improve. Provided that it can, those are the two bodies that need to merge—but nothing else.

[217] **Lord Elis-Thomas:** Is this your advice to your Minister?

[218] **Mr McCullough:** It is. I have advised both the First Minister and the Minister responsible.

[219] **Lord Elis-Thomas:** We can look forward to some interesting debates within the Welsh Cabinet—not that it is for this committee to speculate on that. Nevertheless, this issue may be something we can consider when we look later at the business case for the merger.

[220] Antoinette, I know that you have been waiting patiently. You have had one round of questions. Would you like to ask some more?

[221] **Antoinette Sandbach:** No, I think that you and William Powell have covered my issues.

[222] **Lord Elis-Thomas:** That is very helpful. Thank you.

[223] **Mr McCullough:** You did not ask me about Wylfa.

[224] **Lord Elis-Thomas:** No, but I am going to ask you about it now because we have one minute left. We will extend this session slightly because this issue is a passion of mine. Regarding the energy mix in Wales, we have talked a lot about the history of Wales as a place to produce energy for the UK, Europe and the world. You described it as an energy breadbasket. Wylfa's role in that is clearly crucial. Could you specify how you see the energy mix developing? You mentioned the decarbonisation of the grid several times. Clearly, that is a big priority for all of us in terms of sustainable development and climate change. I would like you to put that all in context, focusing on Wylfa if possible.

11.30 a.m.

[225] **Mr McCullough:** As a stand-alone country, Wales has properties that are not matched in many other places in the world. I say that seriously—I have worked in the United States and Thailand, and I have developed power plants throughout Europe, working across the energy sector during my entire career. When I was asked to consider taking the role of chair, I did not have to think long about doing it because, despite the fact that it is time-consuming and all of that, it is worth it because of the ability of Wales to truly have the model diverse energy mix, from nuclear to small wind and hydro, photovoltaics, marine and tidal projects, and everything that goes in between. It is all there. The challenge is how the hell do we get it?

[226] When you look at Wylfa, it is the best site in the entire UK for new nuclear development, and, as chairman of Horizon Nuclear Power, I am determined to do all that I can to replant that with a brand new reactor. We are going through the final stages of our vendor selection at the moment. At the other end of the scale, in the south-west in Pembrokeshire, we have the most efficient gas turbine plant in the United Kingdom. It had a difficult birth, and there were very real challenges presented to us by the Environment Agency and the Countryside Council for Wales. Some of those challenges were more appropriate than others, but we have a much improved project as a result, and that is a healthy, diplomatic, democratic environment to be in. We have the full spectrum of everything in between, but we do not have enough of a can-do attitude. Wales is full of too many BANANAs—build absolutely nothing anywhere near anything. We have Nimbys, and we all understand them, but the BANANAs prevent anything being built anywhere near anything. If we can sort those out, then we will have a Wales to be proud of in terms of energy.

[227] **Lord Elis-Thomas:** Thank you. This has been a challenging evidence session, for which we are very grateful. I will not say anything else, or I will become too partisan in favour of what you are up to in the north.

[228] **Mr McCullough:** Thank you all for your time.

11.33 a.m.

Ymchwiliad i'r Achos Busnes dros Un Corff Amgylcheddol Inquiry into the Business Case for the Single Environmental Body

[229] **Lord Elis-Thomas:** Bore da, Chris a Kevin, a chroeso i'r pwyllgor. Dyma'r tro cyntaf inni edrych ar yr achos busnes ac yn gofyn am dystiolaeth. Ni fyddaf yn eich annog i wneud datganid pellach gan ein bod ni wedi cael tystiolaeth a gwyddom beth yw'ch safiad oddi wrth y deunydd rydych wedi ei anfon wrth ymateb i'r ymgynghoriadau sydd wedi digwydd ynglŷn â hyn.

Lord Elis-Thomas: Good morning, Chris and Kevin, and welcome to the committee. This is the first time that we will look at the business case and ask for evidence. I will not encourage you to make a further statement given that we have had evidence and therefore are aware of your position from your written response to the consultations on this subject.

[230] You heard the evidence from the chair of the Minister's panel on business just now. Do you have any response to his analysis of why we should be moving to combine the Countryside Council for Wales and Environment Agency Wales in line with the business case that we have?

[231] **Mr Mills:** Yes. I am pleased to hear that he thinks that it is a good idea to bring Environment Agency Wales and Countryside Council for Wales together. Clearly, the most contentious part of this proposition is whether the Forestry Commission should be included. At the end of the day, that is a decision for the Welsh Government, but from our point of view, in terms of looking at the business case, the fact that the Forestry Commission is included improves it from an economic point of view. However, we have also set out that one of the key challenges for the new environment body is sustainable land-use management, and the Forestry Commission is an important organisation in those terms. It manages on behalf of Wales some 6% of the total land mass, and a further 7% is in the ownership of private forestry concern. We believe that, operating together, the three organisations can make a real contribution to that sustainable land-use management. That is one of the key reasons.

[232] There is also a great deal of talk about the fact that the Forestry Commission is

commercial. However, that kind of overlooks the fact that it receives a large amount of grant in aid from the Welsh Government. Although we are not a commercial organisation, the Environment Agency is also an organisation that does things on the ground. We build flood defences. Yesterday, I was visiting a site where we have just spent £1 million remediating a contaminated land site close to Cardiff. I have not ever quite understood the argument that, as a commercial organisation, it could not still operate quite effectively within the framework of a single environment body.

[233] **Lord Elis-Thomas:** Kevin, can you comment from the point of view of the operational and financial side as described in the business case?

[234] **Mr Ingram:** With specific reference to the Forestry Commission?

[235] **Lord Elis-Thomas:** Indeed.

[236] **Mr Ingram:** Yes, I guess that I am here to support Chris on the finance side. I operate as finance manager for EA Wales. On the financial side, an assessment has been made of the benefits and costs. When comparing the options of merging EAW and CCW and merging the three organisations, a lot of the cost base appears to be fairly similar. I guess that, to make the transformation of IT systems, the costs are fairly similar. The difference is obviously in the benefits: I think that merging the three bodies delivers net present-value benefits of £68 million over the term of 10 years, whereas merging EAW and CCW delivers about £12 million less than that. Therefore, on an efficiency basis, there are significant additional benefits from integrating the three bodies.

[237] **David Rees:** I have a couple of questions. Next week, we will see the launch of the natural environment framework. What input might you have had to the draft version of that and the case for the single body?

[238] **Mr Mills:** Our staff had considerable input to the natural environment framework. Primarily, it is a document that has been written by the Welsh Government. What we stress in our evidence is the need to take all of the debate around the natural environment framework from something that I think is quite theoretical to something rather more practical. Therefore, we very much welcome the next stage of work on the natural environment framework, which is about setting up some pilot studies to evaluate, from applying the principles of ecosystem management, what things are going to look different on the ground and how people are going to work differently—what they are going to do differently in practical terms. At the moment, it is quite a theoretical document, but it needs to be brought down to the level of what is going to happen in practice and what new tools we will need. Again, for example, we say in our evidence that a national infrastructure plan is just one of the tools that will help to deliver that.

[239] **David Rees:** I would like to take that on a bit. Last week, we heard evidence from farmers' unions and land representatives that emphasised the fact that the focus was not on the consumer, with regard to advice in that case. You talk about looking at new tools and how you are going to interact to manage the ecosystems, but have you given enough consideration to the bodies and people you are going to interact with and how you are going to work with them?

[240] **Mr Mills:** If we are talking about land-use managers, we have certainly thought a great deal about that. We carried out a piece of work over the past year or so involving walk-over surveys of farms to look at what environmental impacts were being caused. We put that evidence together, and there is quite a bit of evidence for environmental impacts. Some of them are to do with point-source discharges. However, many are rather more subtle diffuse pollution type things, such as sedimentation and the over-application of nutrients. We have been talking to the farming unions and, indeed, the Welsh Government about those impacts.

We are trying to work with everyone to look at the institutional framework that is going to allow us to manage those impacts in a far better way and to put it in the context of more than environmental protection, because many of the issues to do with sustainable land-use management, if carried out correctly, will also be cost-beneficial to land-use managers.

[241] **David Rees:** You talk about managing land correctly; it comes down to resources again. We have often heard that the resourcing is getting tight because of various constraints and that this new body may also have some difficulties if the issue of resourcing comes in, particularly if the shadow body takes staffing out of your current resource levels. Have you managed to look at how that will operate with reduced staffing and still be able to deliver while in transition and beyond transition? Do you have the resources and the right skills for the period beyond transition?

[242] **Mr Mills:** That was a big and extensive question. All EA Wales staff, which is part of the wider Environment Agency, will be transferred to the new body, so there will be no reduction in terms of the staff who operate on the ground in Wales. However, as part of an England and Wales body, we receive services and policy advice from the wider agency. That bit will not all transfer into the new body. The maintenance of certain critical services will be transferred, including flood forecasting, the European emissions trading scheme and its administration, and nuclear regulation. Those services that are currently provided from within the parent body will continue to be provided.

[243] We do not get those services for nothing. At the moment, some £20 million of Government grant in aid is transferred from EA Wales back into the agency to pay for those services. That money will become available in future to replicate the services that we are getting from England at the moment. The further question that is of concern to us is to do with the transitional period. At the moment, we have to put resources into the setting up of the new body as well as the disentanglement from the parent body, which is a complex process. We have some concerns that, between now and April 2013, we will be asked to do extra things that will put pressure on what is already quite a resource-constrained situation.

[244] **Antoinette Sandbach:** I want to go back to the comparison of the benefits of a merger between CCW and the Environment Agency and a merger between the Forestry Commission, CCW and the Environment Agency. In annex 8—perhaps this is a question for Kevin Ingram—almost half the increased benefits claimed for option 4, which is the merger of the three bodies, over option 2 on the project life arise in row six, in other words, field workforce operations. No details are given of where those savings originate, whether they are from CCW, EA or Forestry Commission Wales. Option 2 excludes Forestry Commission Wales, so the implication is that those savings will be made from the Forestry Commission. Can you expand on that?

[245] **Mr Ingram:** I was not involved with that specific part of the business case. We have a large field workforce throughout Wales maintaining flood defences, and I guess that the Forestry Commission does as well, although it does a different type of work. I cannot explain why those savings are not shown in the Forestry Commission one with EAW.

[246] **Antoinette Sandbach:** So, that was not discussed; you were not part of those discussions.

[247] **Mr Ingram:** No.

[248] **Antoinette Sandbach:** Are you able to elucidate further, Mr Mills?

[249] **Mr Mills:** I cannot answer that specifically. The business case was put together by a lot of different people from the three organisations and the Welsh Government. I do not have

access to those details.

[250] **Antoinette Sandbach:** Have you seen the business case and its annex?

[251] **Mr Mills:** Yes.

[252] **Antoinette Sandbach:** It is a substantial saving.

[253] **Mr Mills:** Could you repeat your question?

[254] **Antoinette Sandbach:** Yes. It is on the comparison of the benefits of option 2, which is the merger of CCW and EA, and option 4, which is the merger of the Forestry Commission, CCW and EA. Annex 8 shows that almost half of the increased benefits claimed for option 4 over option 2 arise in row six, which is field workforce operations, which is £17 million out of £37 million. The difference between the two options is that the Forestry Commission is not included in one, so the assumption is that £17 million of those savings will come from field workforce operations, which I presume is personnel.

11.45 a.m.

[255] **Mr Ingram:** It will not just be personnel; the costs would be spread across support services. It would be the vehicles, the equipment, the maintenance and any external consultants that would be used. So, you are right that a significant part of that will be personnel, but other overheads will be added as well. I agree that the vast majority of it will be people costs.

[256] **Antoinette Sandbach:** You have talked about external expertise, indicating that £20 million will, in effect, be available in Wales if that is not bought in from England. Do you think that the business case explores sufficiently the level of external expertise that may need to be bought in across the three areas—in other words, CCW, Forestry Commission Wales and you—and also the research and development costs?

[257] **Mr Mills:** I do not think that it is possible to have completely redesigned this new organisation at the business case stage. Therefore, at this stage we are just looking at the fact that we receive these services at the moment from England to the tune of £20 million. That money will then be available for the future to reinvest in Wales. We may not replicate exactly the services that we had formerly, and there is some potential for creative thinking. To give one example, one of the services that we get from England at the moment is to do with air quality modelling and monitoring. As we go forward, there is interest not just from the new body, but from local authorities and the health service, in air quality modelling and monitoring, and it may be possible to replicate that service to provide not just for the new body, but for a wider community in Wales. Equally, there are some things that are done as part of an 11,000-strong organisation that may not be needed by one that will be less than 2,000 strong. So, I do not think that we will necessarily replicate like for like all the time.

[258] The one area that would cause concern is whether we can definitely find the expertise, but that is a challenge for the new organisation to attract new people in, as part of its challenges going forward. However, that is something that any organisation has to do. We are not alone in this. There are other smaller environmental organisations such as the Scottish Environment Protection Agency, for example, and Northern Ireland and the Republic of Ireland have all managed to do this.

[259] **Antoinette Sandbach:** However, those organisations do not have commercial elements to them, and they certainly do not have the Forestry Commission element.

[260] **Mr Mills:** They do not have a forestry commission, at the moment. One of the other things about the Forestry Commission is: who knows what the future will hold in terms of the present model of the UK organisation? There is some debate about whether that will be sustained into the future.

[261] **Antoinette Sandbach:** In relation to the pilot areas that you were talking about, the NEF has not been out for public consultation yet—it will not be launched until Monday. So, in effect, the pilot areas have been picked and set up prior to the public consultation and whatever the results of that consultation might be.

[262] **Mr Mills:** The consultation is on the document. Quite rightly, the Welsh Government feels that it needs to press ahead to start to look at some of the practicalities, because, as I said earlier, in terms of the design and the set-up of this new organisation, those practicalities will be extremely important. So, it is an additional part, outside the consultation.

[263] **Antoinette Sandbach:** So, the answer to that is, ‘Yes, they have been picked and the criteria chosen before the consultation results are known’.

[264] **Mr Mills:** Not that I am aware of. The proposition is to have pilot areas and the Welsh Government is taking that forward.

[265] **Rebecca Evans:** The business case identifies a number of limitations to the current environmental delivery bodies, including the duplication and triplication, in some cases, of services, and a complex regulatory landscape, with that complexity due to organisational boundaries and so on. Do you agree with the limitations that have been identified in the business case and do you feel that the business case has identified a comprehensive list of limitations, or are there others? Can these limitations best be addressed through the creation of a single environment body or would one of the other options address the issue equally well?

[266] **Mr Mills:** When you talk about limitations, are you talking about risks?

[267] **Rebecca Evans:** Risks and limitations, I think.

[268] **Mr Mills:** I think that the business case went into some detail. Obviously, it is predicated on the options that are being looked at. There are, potentially, other options that could have been looked at, but those are the options that the Welsh Government decided it wanted to look at—from keeping everything as it is through to the full merger of the three organisations. Within that context, I think that the business case is thorough in terms of looking at limitations and risks. Again, it goes back to a degree of detail; until someone is going to design this organisation in considerable detail, some of those limitations and risks will not have been identified. I think that that is almost inevitable. Experience of previous exercises like this, such as the creation of the Environment Agency itself, demonstrates that there will be a period, after the setting up of this new body, of further change being required. When you look at the range of roles and responsibilities for these three organisations, it is a complex matter. There has been a thorough job done in trying to evaluate those, but there will almost certainly be further things that will come out as we go forward.

[269] **Llyr Huws Gruffydd:** I ddilyn o’r ateb hwnnw, faint o amser a gymer yr holl elfennau hyn i setlo cyn y bydd gennym gorff sy’n bwrw ymlaen â’i waith yn effeithiol ac yn effeithlon, fel un endid? **Llyr Huws Gruffydd:** To follow up on that response, how much time will it take for all of these elements to settle down and for us to have a body that is working effectively and efficiently, as a single entity?

[270] **Mr Mills:** In terms of the critical services that the three bodies carry out now, it is

vital that they continue to deliver them from day one. That is the first point that I would make. It will be important also to maintain the focus on service delivery rather than on internal reorganisation, although there will be internal reorganisation to be done. Previous experience demonstrates that there is usually a period of two to three years of intensive reorganisation required in the setting up of a new body such as this. However, as I say, during that period we need to ensure that critical services are monitored and evaluated and continue to be delivered.

[271] **Llyr Huws Gruffydd:** Rydych wedi cyffwrdd â'r mater hwn, ac mae David Rees wedi'i gyffwrdd hefyd, ond rydym wedi derbyn tipyn o ohebiaeth fel Aelodau unigol, a thystiolaeth fel pwyllgor, ynglŷn â'r gofid y bydd y ffas lo yn dioddef—hynny yw, y lefel honno o ymwneud â'r cyhoedd. Rwy'n meddwl bod hynny'n anochel, oherwydd rydym yn sôn am swyddogaethau yn cael eu dyblygu, newidiadau o ran staffio a strwythurau ac yn y blaen. Rwy'n tybio, os ydych am fod yn driw i'ch gair, mai un o'ch blaenoriaethau fydd sicrhau nad oes effaith ar y lefel weithredol honno. Bydd angen mwy o adnoddau i sicrhau bod hynny'n digwydd. A ydych yn hyderus bod gennych yr adnoddau ar gael i wneud hynny a bod gennych y personél angenrheidiol i sicrhau cysondeb mewn gwasanaethau?

Llyr Huws Gruffydd: You have touched on this issue, and David Rees also touched on it, but we have received a fair bit of correspondence as individual Members, as well as evidence as a committee, on the concern that people at the coal face will suffer—namely the level that deals with the public. I think that that is inevitable, because we are talking about roles being duplicated, changes in terms of staffing and structures and so on. I assume that, if you are to be true to your word, one of your priorities will be ensuring that there is not an impact on that operational level. More resources will be needed to ensure that that happens. Are you confident that you have the resources available to do that as well as the required personnel to ensure consistency of service?

[272] **Mr Mills:** The pressure on our organisations is probably as great between now and vesting day as it will be afterwards. The proof will be in the pudding. At the moment, we are able to protect the vast majority of our staff from what is going on, in terms of allowing them to carry on delivering their front-line services. It is more of an issue for a smaller group of staff, which at the moment is inputting both to the setting up of the new organisation and the detachment from our parent body. I am confident that we can manage that. What is critical, though, is that we are not asked by Welsh Government to take up significant new duties during this period, so that we can absorb this extra work.

[273] **Llyr Huws Gruffydd:** Mae nifer o Filiau ar y gorwel. Rydych yn sôn am gais ichi beidio ag ymgymryd â gwaith ychwanegol yn y cyfnod hwn, ond rydym yn disgwyl y Bil cynaliadwyedd, y Bil amgylchedd a'r Bil cynllunio ac yn y blaen. Efallai nad dyma'r amser gorau i fynd drwy'r broses hon.

Llyr Huws Gruffydd: A number of Bills are on the horizon. You have talked about the request for you not to undertake additional work during this period, but we are expecting the sustainability Bill, the environment Bill, the planning Bill and so on. Perhaps this is not the best time to go through this process.

[274] **Mr Mills:** I guess that it is a chicken and egg situation, is it not? Some of those things are also quite vital to the new ways of working that this new organisation will need to adopt. We have to deal with new legislation on a daily basis. Our policy staff are used to dealing with the range of inputs that they need to make to new policy and new legislation. In terms of new duties, I was speaking more about extra operational things we need to do.

[275] **William Powell:** One area that I have not been particularly lobbied on—and nor am I aware that other colleagues have been to a great extent—is the educational work undertaken by the three bodies. It does not really feature extensively either in the business case. However, I am aware that CCW and Forestry Commission Wales, but undoubtedly also wings of the

Environment Agency, are active in the field of education and getting greater public understanding of the importance of the natural environment. Often, I think that some of the work is done through partnership agreements with third-party agencies, such as wildlife trusts and possibly the national parks, through service level agreements and so on. I have some concerns that that is an area that has been somewhat overlooked. Do you believe that sufficient regard has been given to that very important work, which is vital to the success of the environment framework that is to be launched on Monday?

[276] **Mr Mills:** There is a whole spectrum here, is there not, from creating awareness right through to formal education? In much of our work, we are involved right across that spectrum. I suppose that we see it as an integral part of our work. The Environment Agency does relatively little in terms of formal education. We have instances where we have influenced the curriculum, or there have been certain initiatives, such as the salmon homecoming project, where we have sent staff into schools to get children to engage with the local environment, fish and fish rearing, and so on. For us, the bigger part is the awareness. We see that as being part of what we do. For example, a major part of our work on flood-risk management is our flood-awareness programme, which is making people aware of the flood risk they face and the things they can do to manage that risk. As to whether enough emphasis has been put on that in the business case, it has not been drawn out as a specific item, but that could be due to the fact that it is seen as being an integral part of doing a range of other things.

[277] **William Powell:** With regard to the wider new single environment body, is it important that relationships with other bodies that are delivering on the ground, to some extent, are safeguarded specifically?

[278] **Mr Mills:** Yes, absolutely. The national environment framework contains lots of big words about ecosystem management, but I think that I could boil that down to the need to work to manage the environment in a much more integrated way. Our experience of most environmental problems is that they will not be solved by this new body alone. The new body needs to work with local authorities, with the Government, with third-sector organisations and with the general public. So, that way of working—engaging with the public and with partners—is absolutely vital if you are going to have that more integrated way of working.

[279] **David Rees:** You have talked about the way we work, but we have not yet talked about cross-border work, which will be important. Although I represent an area that is not near the border, there are a few hazardous waste sites in our area, for example, and we may have to work across the border with regard to hazardous waste sites. How do you see such work being carried out by the new organisation?

12.00 p.m.

[280] **Mr Mills:** We work across the border at present. About 18 months ago, we reorganised our boundary as part of the Environment Agency from a catchment boundary to an administrative boundary. That entailed a lot of work to reorganise the way we work. That is about two separate parts of the same organisation working together across an administrative boundary, whereas in future, it will be two separate organisations. However, many of the practicalities have been sorted out, although they may need to be formalised. We need to look at the model that exists between England and Scotland, because some of those issues are very similar, in terms of the Border Esk and the Tweed. My feeling is that that is not insurmountable—dealing with the boundary itself, the cross-border rivers and the Dee and Severn estuaries.

[281] However, we highlighted in our evidence the importance of a level playing field and how we operate with regard to regulation between England and Wales. We would like to

highlight that that is extremely important. We need to be very aware that policy changes in Wales can have an effect on that. Obviously, many companies operate across England and Wales. It is up to the Welsh Government what policies and legislation it wants to put in place, but we need to be mindful that that could act as an incentive or a disincentive to companies in terms of operating in Wales and England.

[282] **Lord Elis-Thomas:** I have two final questions. Do you think that the business case considered sufficiently any risk to your regulatory functions, in the short term—during the process of merger—and in the longer term?

[283] **Mr Mills:** No. Apart from the issue that we were talking about, the issue of creating a level playing field is very important. I would like to raise an issue that has been discussed quite a bit, namely the relationship between people who provide us with advice in that regulation and our regulations—for example, people like Kevin McCullough, who is involved with Pembroke power station permitting. There is concern that having that in the same organisation could cause some problems. There was a similar concern when the Environment Agency was set up and the three bodies came into that. Our feeling is that it does not need to be a problem; after all, the new body will still be subject to the same environmental legislation. There are a whole range of processes that make that transparent in terms of public consultation. For complex permitting decisions, such as Pembroke power station, at the minded-to decision stage there is a further round of public consultation. If people are not satisfied with that, there is always the opportunity for the Welsh Government to call it in, and other avenues can also be explored, such as a judicial review, freedom of information and the ombudsman. There are many safeguards to that transparency of decision making and ensuring that, within the same organisation, advice can be provided to meet the requirements of environmental legislation.

[284] **Lord Elis-Thomas:** You are probably aware that one of my favourite bodies in the world is the joint nature conservation committee. It is one of the few proper federal bodies, in my view, in the United Kingdom. Do you think that its future is secure, operating both at the UK and European level?

[285] **Mr Mills:** Obviously, the JNCC is not a body that we have many direct dealings with.

[286] **Lord Elis-Thomas:** However, you have used it.

[287] **Mr Mills:** Yes. There is a great deal of support for the function of the JNCC. It seems to me to be a very effective way of providing those services, and we will have to see whether that continues in future.

[288] **Lord Elis-Thomas:** Thank you for the concise and specific form of your answers. That will help us a lot in this rapid survey that we are undertaking into the business case.

[289] Bydd y cyfarfod nesaf am un o'r The next meeting will be at 1 p.m.. Enjoy
gloch. Mwynhewch eich cinio. your lunch.

*Daeth y cyfarfod i ben am 12.04 p.m.
The meeting ended at 12.04 p.m.*