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Welsh Government

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Regulation 15 second review: Welsh Government response to Caerphilly County Council

Our response to Caerphilly County Borough Council on the replacement Local Development Plan (LDP) Preferred Strategy Consultation.

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25 November 2022

Dear Dave,

Thank you for consulting the Welsh Government on the Caerphilly County Borough Council Replacement Local Development Plan (LDP) – Preferred Strategy consultation. It is essential the authority is covered by an up-to-date LDP to give certainty to local communities and business.

Without prejudice to the Minister's powers, the Welsh Government is committed to helping Local Planning Authorities (LPAs) minimise the risk of submitting unsound plans by making comments at the earliest stages of plan preparation.

The Welsh Government looks for clear evidence that the plan is in general conformity with Future Wales: The National Development Framework and aligns with Planning Policy Wales (PPW), and that the tests of soundness (as set out in the 'LDP Manual') are addressed.

National planning policies are set out in Planning Policy Wales (PPW) Edition 11, which seeks to deliver high quality, sustainable places through a place-making approach. The implementation of the core policy areas in PPW, such as adopting a sustainable spatial strategy, appropriate housing and economic growth levels, infrastructure delivery and place-making, are articulated in more detail in the LDP Manual (Edition 3). We expect the core elements of the Manual, in particular Chapter 5 and the 'De-risking Checklist(s) to be followed. The development planning system in Wales is evidence led and demonstrating how a plan is shaped by the evidence is a key requirement of the LDP

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examination.

After considering the key issues and policies in Future Wales, the Welsh Government is of the view that the over-reliance on Spatial Option 3 – Maescymmer Strategic Site to deliver a significant proportion of the new housing growth in the Preferred Strategy, is not in general conformity with Future Wales: The National Development Framework. The Council must re-consider its Preferred Strategy which currently lacks coherence to ensure that new housing developments are located in more sustainable locations. Specific comments are set out in the Statement of General Conformity (Annex 1 to this letter). Annex 2 of this letter also highlights a range of issues that need to be addressed for the plan to align with PPW and DPM. Collectively, our comments highlight a range of issues that need to be addressed for the plan to be considered ‘sound’ as follows:

Annex 1 – General Conformity with Future Wales

- Maescymmer Strategic Site Not in general conformity
- Regional Collaboration Further clarity required
- Resilient Ecological Networks and Green Infrastructure Further clarity required

Annex 2 – Core matters that need to be addressed (PPW and the DPM)

- Housing and Economic Growth Levels – Regional Collaboration
- Assessment of Spatial Options – The Preferred Strategy
- Settlement Hierarchy - Spatial Distribution and Clarity of Components of Housing Supply

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- Key Strategic Site at Masesycymmer – Site Suitability and Deliverability
- Best and Most Versatile Agricultural Land (BMV)

I would urge you to seek your own legal advice to ensure you have met all the procedural requirements, including the Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment (HRA), as responsibility for these matters rests with your authority. A requirement to undertake a Health Impact Assessment (HIA) arising from the Public Health (Wales) Act 2017, if appropriate, should be carried out to assess the likely effect of the proposed development plan on health, mental well-being and inequality.

My colleagues and I look forward to meeting you and the team to discuss matters arising from this response.

Yours sincerely

Neil Hemington
Chief Planner Welsh Government

For matters relating to general conformity with Future Wales and planning policy please contact: PlanningPolicy@gov.wales / For matters relating to Local Development Plan procedures and compliance with the Development Plans Manual please contact: mark.newey@gov.wales and Candice.myers001@gov.wales

Annex 1 - Statement of General Conformity

The Welsh Government considers Spatial Option 3 - A Strategic Site of at least 2,700 homes (1,200 in the plan period) at Parc Gwernau, Maesycymmer is not in General Conformity with Future Wales, specifically policies 1, 2, 9, 12, 19, 33 and 36.

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Future Wales places great emphasis on the development of National Growth Areas in a sustainable manner. Growth must be well-planned, sustainable, encourage active travel and public transport and be developed within a wider regional consensus.

Reasons

Maesycymmer Strategic Site

The strategic site at Maesycymmer will be one of the largest development sites in Wales. The site is capable of delivering 2,700 homes (30dph) to 3600 homes (40dph) with 1,200 homes proposed in this plan period. The site will be primarily residential, and the proposed layout is 'road dominated'. Issues related to the delivery of the spine road, to relieve congestion on the A472, raise serious questions as to whether wider comprehensive development, placemaking and a modal shift away from the private car can be achieved. The WG considers the Maesycymmer strategic site is not in general conformity with the following policies of Future Wales. (See also Annex 2.)

Policy 1 - Where Wales will grow

Caerphilly County Borough is in a national growth area. The WG supports sustainable growth in national growth areas to ensure that we respond to climate change challenges and make best use of our resources. Growth areas must be sustainably planned, reduce the need to travel by car, encourage walking and cycling, maximise public transport usage and embed green infrastructure. Growth areas must embed these principles within a wider regional consensus.

Policy 2 – Shaping Urban Growth and Regeneration – Strategic Placemaking

Strategic placemaking should enable people to walk/cycle to local facilities and maximise public transport. Urban growth and regeneration should be focused within city and town centres, as well as around mixed-use local centres and public transport nodes. To support the economic and social success of our towns and cities, including sustaining public transport and facilities, urban growth and regeneration should increase the population density of our towns and cities’.

Policy 6 – Town Centre First

Town Centres should be the focus for growth and regeneration. A key aim of this policy is that new development should be on sites in areas that support active travel, public transport and reduce the need to travel. The proposed strategic site is one that is road/car dominated.

Policy 12 – Regional Connectivity / Policy 36 – South-East Metro

Growth areas should be planned in a manner to maximise opportunities arising from investment in public transport, including identifying opportunities for higher density, mixed use and car free development around metro stations. A key priority is to reduce the need to travel, particularly by private vehicles, and support a modal shift to walking, cycling and public transport. The sustainable transport hierarchy in Planning Policy Wales, which prioritises active travel and public transport, is a fundamental Welsh Government principle that underpins Future Wales.

Regional Collaboration

Policy 19 – Regional Connectivity & Policy / Policy 33 National Growth Area

Further evidence is required to understand how the Preferred Strategy has been developed within the wider regional context and how it will promote and enhance Cardiff, Newport and the Valleys' strategic role, and ensure key investment decisions support the National Growth Area and the wider region. Future Wales brings a new perspective that all LDPs have to embrace, that of how each LDP sits within the region as a whole and the relationship to other LDPs, in essence a strategic approach to planning in advance of the formal commencement of SDPs. This principle applies not only to the overall scale of growth, but also to any strategic site(s) identified. In this instance how does the growth level relate to other LDPs in the region, why that level, is a strategic site needed and is the one identified in the preferred strategy the most appropriate both for the region and the plan?

The absence of evidence demonstrating that a regional approach has been followed and the explanation of how the wider region has been involved in shaping and agreeing the choices made is of significant concern and the consequences the decisions taken by Caerphilly may have for other LDPs and/or future SDPs. Whilst the further detail in the table at Appendix 1 of the Preferred Strategy is noted, section 2.24 of the Preferred Strategy does not identify policies 33 and 36 as being of particular importance. The description of regional collaboration in paragraphs 2.36 to 2.38 is limited.

Resilient Ecological Networks and Green Infrastructure

Policy 9 – Resilient Ecological Networks and Green Infrastructure

At present, it is considered that the Preferred Strategy takes a pre-Future Wales LDP approach to ecological and biodiversity issues. The National and Regional issues set out in the Preferred Strategy should include the nature emergency, which has been declared by the Senedd and which is integral to responding to the climate emergency. The omission of Future Wales Policy 9 from the list of policies identified as being of importance at 2.24 is a significant omission. Future Wales Policy 9 should be a key policy consideration in the preparation of Preferred Strategy Policy 1 'The Level of Growth for the RLDP', Policy 4 'Areas of Growth' and all relevant strategic policies.

In line with Future Wales Policy 9, the Caerphilly Preferred Strategy should emerge from a nature-based approach, that takes as its starting point the need to take action to maintain and enhance biodiversity (to provide a net benefit) and uses a nature based approach as a key mechanism for securing sustainable growth, ecological connectivity, social equality and well being. The imperative of achieving resilient ecological networks and effective green infrastructure should shape strategic and spatial choices at all scales. It is considered that more work is required to demonstrate how this has been done to address the climate emergency, reverse biodiversity decline and enable communities to benefit from more sustainable forms of managing natural resources.

Annex 2 – Core matters that need to be addressed (PPW and the DPM)

The Level of Growth: Homes and Employment

The most recent projections based on 2021 Census data indicate negative demographic trends for Caerphilly; there will be more deaths than births (causing negative natural change, the first time in history) and a reduction in the working age population of 2,900 people over the plan period. The Council considers that this will have significant negative implications for the County Borough, including for services and infrastructure, particularly schools with a reduction in school age children.

The County Borough is located in a National Growth area identified in Future Wales Policy 1. Caerphilly is located within Cardiff Capital Region (CCR) which through the City Deal is seeking to increase the number of jobs in the region by 25,000. It will be essential to demonstrate how the targeted increase in population/jobs can be achieved in a way which is compatible and consistent with the LDP strategies of the other LPAs in the CCR. It would be beneficial to provide information on the number of jobs created in the County Borough since the City Deal was agreed and whether any additional jobs can be attributed to it.

The Council has chosen 'Option J – CCR Growth in Working Age Population' as the preferred growth scenario (Policy PS1). This will deliver an overall population increase of 5.9% over the plan period including a positive increase in working age people by 4,100 people. This results in a housing requirement of 6,750 homes (450 per annum) over the plan period, plus a 10% flexibility allowance resulting in an overall housing provision of 7,425 homes (Policy PS 12). The Council also has a significant need for more affordable homes of around 282 homes per annum (4000 over the plan period). The level of homes proposed (450 p/a) is lower than the current adopted plan (575 per annum) and

higher than the WG government principal projection (290 per annum). Past build rates have averaged 300 dwellings (10 years), 375 (15 years) and 390 (20 years) respectively. To maximise the supply of affordable homes the Council should consider whether it would be appropriate to allocate sites for affordable housing led developments where at least 50% of the homes will be affordable. Additional controls will be necessary to deliver such sites including, public ownership of land, binding legal agreements with the land owner or council resolution to use compulsory purchase powers.

The Council has concluded that the employment land figure should be based on past completions since 2000 (1.98ha x 20 years, including a flexibility buffer) with an additional 4.9 hectares of land to address a current shortage in the south of the County Borough. Policy PS10 allocates 44.5 ha of employment land but is silent on what sites will be allocated to meet the need. The Council must ensure that employment sites are deliverable and explain how they are sustainably located and how they relate to proposed housing allocations.

Assessment of Spatial Options – The Preferred Strategy

The Council has a land bank (sites with planning permission and urban capacity/windfall sites) of around 4,500 dwellings. This means that the Council has to find an additional 3000 homes on new allocations over the 15-year plan period to meet the requirement. The Council has identified a key strategic site to deliver the majority of this growth (at least 1200 dwellings) in the plan period at Maescymmer – Parc Y Gwernau (Policy PS5).

The Council has assessed 6 spatial options as follows:

- Option 1 – Continuation of adopted LDP Strategy – ‘Dispersed around the County Borough’
- Option 2 – Heads of the Valleys Regeneration Area Focus
- Option 3 - Key Strategic Site at Maescymmer

- Option 4 - Metro Investment Focus
- Option 5 –Town Centre First
- Option 6 – Caerphilly Basin Focus

The Council has chosen a 'Hybrid Strategy' (Policy PS2) comprised of Option 3, Option 4 and Option 5 as the most appropriate for the LDP. It is not clear from the Council's evidence as to why this combination of spatial options, in particular the over reliance on Option 3 to deliver the majority of new housing growth, has been chosen as the most appropriate. The Council's own evidence 'PS1 – Strategy Options Assessment' raises doubts in this respect and states that Option 3 'generally accords' with national planning policy and 'may not' accord with Future Wales'. There is also significant inherent tension within the hybrid strategy between the sustainable town centre/metro focus, which is supported by the Welsh Government, and the key strategic site option which is not.

PS1 Strategy Options Assessment' rules out Options 1 and 2 due to predominantly (not exhaustive) viability and delivery concerns either in terms of site availability or market interest. It is also unclear as to why Option 6 has been ruled out as the Council states that it is in 'strong conformity with national policy and guidance', in particular relation to the town centre focus and location to main transport nodes.

In summary, the WG has fundamental concerns over the over reliance on Option 3 – Maescymmer Strategic Site to deliver a significant proportion of new housing growth which does not accord with key elements of Planning Policy Wales (PPW) and Future Wales. In particular there are concerns on how this site will deliver on climate change, placemaking, sustainable development and public transport-oriented development.

Settlement Hierarchy - Spatial Distribution and Clarity of Components of Housing Supply

The Council's sustainable settlement hierarchy is set out in Policy PS3 and Table 2 of the plan. This sets out three main tiers of settlement, Principal Centres, Local Centres and Residential Centres. Policy PS4 goes on to state that growth and new development will be targeted to the Principal and Local Centres. Development in Tier 3 Residential Centres will only be allowed where it based on placemaking and sustainable transport.

The town of Maesycymmer is located in Tier 3 which is defined (Table 2) as a 'settlement that has limited services and facilities and serves as dormitory for the larger centres. It is unclear how the proposed strategic site at Maesycymmer aligns with the Council's settlement hierarchy.

Background Paper PS5 – 'Housing Land Supply' explains the various components of housing supply by 'masterplan area' and not always by settlement. On this basis it is difficult to understand where the total housing provision of 7,425 units is located and how this relates to the settlement hierarchy in Policy PS3. This disparity also adds confusion as the plan (para 7.6) specifically states that it is not appropriate to identify spatial strategy areas. The spatial distribution of housing components should relate to the settlement tiers identified in Policy PS3 to aid clarity to the plan and to understand the growth attributed to each of the settlement tiers set out in policy PS3. In addition, the plan makes an allowance for 1570 windfall units but it is not clear where they may come forward. The plan should be clear how the majority of growth has been directed to more sustainable locations as defined in the Councils own settlement hierarchy.

Key Strategic Site at Masesycymmer – Site Suitability and Deliverability

A key driver for the site is to alleviate an existing congestion problem on the A472 through the provision of a new spine road through the site. The layout is one that is 'car/road dominated'. The A472 effectively severs the site from Ystrad Mynach. Walking to Ystrad Mynach Station is unlikely to be a viable option. The site has a varied topography which could make access to nearby train stations via bike/foot challenging (100 metres difference). It is questionable whether the train stations are sufficiently close to be realistic options for a site of this scale (around 3000 homes). There is also limited capacity for park and ride at both train stations. WG is concerned that the most likely outcome is that the majority of residents will move to and from the site by car.

WG has concerns regarding the uncertainty and method for funding the new spine road which has significant implications for how the development is phased. Option 2 is the most likely, with development funding the road. It is questionable whether the spine road will commence at both ends, due to the significant topography/cost implications at the western end. There are further questions as to whether the road will 'meet in the middle'. This will mean the main spine road will not be delivered until the latter stages of development possibly beyond this plan period (after 2035) as reflected in the Council's evidence. Consequently, the traffic from the development would need to be accommodated on the existing road network, placing additional strain and exasperating the current congestion problems. It will also embed car-based travel patterns into the occupants on site. Until the spine road is completed, it is questionable if comprehensive development and any meaningful public transport options such as buses to access/egress from the site will be achieved.

Best and Most Versatile Agricultural Land - (TAN 6 Annex B1 and B6 and PPW 3.58 & 3.59)

ISA Report

One of the ISA objectives (Table 3.1) is 'To make the best use of previously developed land and existing buildings to minimise pressure for greenfield development and protecting, where possible, higher grade agricultural land' [Emphasis added]. WG considers this objective should give 'considerable weight' to protecting BMV as per PPW 3.58. The appraisal of the spatial strategy options is unclear as to how BMV policy has been considered in practice, the weight given to BMV land and how BMV policy has been applied to the spatial strategy.

The WG is also concerned how land quality information is also considered for Strategic Policy EN9 (Minerals – 10yr land bank) and EN1 (Renewable Energy). This needs to be considered and evidenced together with all other allocations in terms of impacts on the BMV resource over the plan period and how PPW 3.58 and 3.59 is applied.

ISA Scoping Report

Section 7.14 notes the distribution of ALC grades (as per Predictive map) for the county - this is welcome. However, WG disagrees with paragraph 7.30 (6th bullet point) - 'The majority of land in the county borough is not suitable for agricultural uses due to its lower quality agricultural grading; however, there are some small areas of higher quality land at Draethen'. The ALC system reflects the limitations in the capability of land for agricultural uses – land in lower grades would still be suitable for agricultural use, but flexibility and cropping choice may

be limited.

Candidate Site Methodology (PS8, PS10) and Site Allocations

Although the methodology requests agricultural land quality information, it is unclear how BMV policy is applied in the assessment methodology and what weight is given to BMV land and how BMV policy is being applied (overriding need and sequential test) to site selection. This requires clarification.

WG expects any candidate sites proposed involving BMV to be supported by survey information and WG (LQAS) is available to validate any surveys commissioned. WG can confirm, according to the Predictive ALC Map, the strategic site at Maesycwmmmer is considered ALC Subgrade 3b (non-BMV) at best. A survey is therefore not recommended.

In summary, to meet the requirements of PPW Para 3.58 and 3.59, WG expects the BMV Policy to be considered at the earliest point in the process and throughout. BMV policy must be sufficiently evidenced and justified in the plan, sustainability appraisal, spatial strategy, and site selection – what weight has been given to BMV land; how BMV policy has been applied to the spatial strategy and site selection. We do not consider this is clearly demonstrated in the preferred strategy and the background documents currently. It is recommended that the BMV Policy is specifically covered in the 2RLDP by a short specific topic paper on how the policy has been considered, evidenced, and addressed by the plan.

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