



Helen Lucocq  
Principal Planning Officer  
Strategy and Policy Team  
Brecon Beacons National Park Authority  
Plas-y-Ffynnon  
Cambrian Way  
Brecon  
LD3 7HP

21 August 2019

Dear Helen,

**Brecon Beacons National Park Authority – Replacement Local Development Plan – Preferred Strategy Consultation: Welsh Government Response**

Thank you for consulting the Welsh Government on the Brecon Beacons National Park Authority 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 investors.

Without prejudice to the Ministers' powers, the Welsh Government is committed to helping Local Planning Authorities (LPAs) minimise the risk of submitting unsound plans by making appropriate comments at the earliest stages of plan preparation. The Welsh Government looks for clear evidence that the tests of soundness (as set out in the 'LDP Manual' Edition 2) are addressed.

Planning Policy Wales (PPW) Edition 10 establishes the key national planning priorities as the need to deliver high quality, sustainable places through place-making. PPW also requires a wider, sustainable and problem solving outlook, which focuses on integrating and addressing multiple issues to deliver effective planning outcomes. This means a move away from the traditional approach of considering policy areas in isolation and encourages more placed based policies. The seven well-being goals must also be demonstrated, together with the five ways of working which encourages everyone to think in an integrated and collaborative way about policy making and drawing-out long term trends. The implementation of core policy areas in PPW such as ensuring a sustainable spatial strategy, housing and economic growth levels, infrastructure delivery and place making is further articulated in Edition 3 of the Development Plans Manual (Edition 3) (DPM). The DPM is currently out for consultation and will be published in October 2019. The WG expects the core elements of the Manual, in particular the guidance set out Chapter 5:

Preparing an LDP – Core Issues and the ‘de risking checklist’ to be adhered to when preparing the evidence base and taken into account through the content and presentation of the plan itself.

**The Welsh Government has published the National Development Framework (NDF) for consultation. The NDF is due to be adopted prior to the timetabled adoption of the Brecon Beacons National Park LDP. The Park’s LDP will need to be in general conformity with the NDF when adopted. The Council should assure itself that general conformity can be achieved.**

The Welsh Government (WG) does not have significant concerns with the key issues the Preferred Strategy is seeking to address, nor the level of housing and job growth proposed. However, **we are concerned that there is a lack of clarity in the Preferred Strategy and its sustainability implications, together with the distribution of a third of the plans housing growth in ‘other’ areas not identified.** Whilst we acknowledge the rural characteristics of the Park, it is unclear in the absence of a settlement assessment or settlement hierarchy policy, whether the scale and distribution of growth outside the identified Primary Key Settlement and Key Settlements aligns with the principles of sustainable development, PPW or the Council’s own evidence in its Sustainability Appraisal (SA). This is explained in detail in the Annex.

As a replacement plan, **it is disappointing that there are limited background documents and topic papers on the key issues** including the spatial strategy, settlement hierarchy, housing supply and components, the Local Housing Market Assessment (LHMA), viability study, Gypsy and Traveller Accommodation Needs Assessment (GTANA) and renewable energy study. A robust evidence base is critical to fully understand the Preferred Strategy. Whilst the consultation mentions that some draft studies and work will be undertaken for the Deposit plan, it is difficult to provide meaningful comments at this point in time as many have yet to be completed. Bearing in mind an adopted plan already exists there was an opportunity to use the Preferred Strategy stage to consult on those policies that are not anticipated to change, as well as those that will require amendment

Demonstrating delivery of the strategy and allocations will be critical and this should be supported by your authority’s evidence in the Deposit plan. Further comments are set out in the annex to this letter with additional guidance contained in the draft DPM (3<sup>rd</sup> Edition).

The Planning and Compulsory Purchase Act (PCPA) 2004, the tests of soundness and PPW all emphasise the importance of collaborative working between neighbouring authorities to secure the best possible planning outcome for communities. The Brecon Beacons National Park Authority has strong relationships with 8 adjoining authorities. The plan must demonstrate how these relationships have influenced the strategy and at later stages the plan policies, proposals and site allocations.

Our representation also includes more detailed issues in the annex to this letter. Collectively, our comments highlight a range of issues that in our opinion need to be addressed if the plan is to be considered ‘sound’. We have indicated where evidence of soundness is not immediately clear and where the evidence base should be improved or strengthened going forward. Key areas include:

- Housing and Economy Growth – Clarity and justification of growth levels and supply
- Spatial strategy – distribution of growth
- Delivery and implementation
- Welsh language
- Affordable housing and the Local Housing Market Assessment (LHMA)
- Gypsy and Travellers
- Renewable energy

We strongly advise that these matters are addressed in order to maximise the potential of your LDP being considered 'sound' at the Deposit stage.

As always, we would urge you to seek your own legal advice to ensure that you have met all the procedural requirements, including 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.

The Welsh Government is committed to ensuring a plan-led approach to development in Wales. I trust these representations will assist you in preparing your Deposit plan and ensuring your LDP can be found 'sound' and adopted following independent examination. My colleagues look forward to meeting with you and your team to discuss matters arising from this formal response.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Newey', with a long horizontal stroke extending to the right.

**Mark Newey**  
**Head of Plans Branch**  
**Planning Directorate**

## **Annex** to Welsh Government Letter 21 August 2019 in response to Brecon Beacons National Park Authority Replacement LDP – Preferred Strategy

### **Housing and Economy Growth – Clarity and justification of growth levels and supply**

The Park has tested 10 growth scenarios, which include 4 demographic-led, 5 economic-led and 1 housing-led scenario over the period 2017-2032. Of the 10 scenarios tested, 3 have been taken forward for 'further assessment' comprising a range of 681 to 2,008 new homes.

The proposed housing requirement of 1,720 dwellings (115 p/a) is **a deviation of 1,230 units** (calculated using an 8.7% vacancy rate) **above the 2014-based Welsh Government principal household projection and is above past build rates (70 p/a) for the period 2007-2018**. The Park have concluded the WG principal projection would result in negative demographic and economic trends, including a decrease of the labour force. Under this scenario no additional land for new housing outside the existing supply would be required and has been discounted as a reasonable option. The housing requirement is a reduction of 270 units from current adopted LDP requirement of 1,990 homes.

The housing requirement (1720 homes) falls between Scenario G: Zero Jobs Growth at 1,670 units and Scenario D: Experian Forecast (18 jobs pa) at 1,881 units, yet neither scenario has been taken forward for further assessment by the authority in its Housing Topic Paper? This point also relates to the economic growth scenarios tested where an employment requirement of 3ha has been chosen which does not relate to the economic growth options tested. **The WG does not object to the principle of a hybrid approach or the growth levels of housing and jobs proposed. However, further clarification is required as to how the housing and job requirement relates to the key issues the Park is seeking to address**, such as demographic and economic outcomes and, in the context of delivery, building an additional 40 units per annum above past build rates. Both economic and housing growth should broadly align to support each other as this is a key issue identified by the authority. In addition, the Deposit Plan should:

- **Explain and justify the flexibility allowance** - The authority's strategic housing policy makes provision for 1,805 new homes to deliver a requirement of 1,720 dwellings. The difference (85 units) results in a 5% flexibility allowance. The WG notes that in the Housing Topic Paper (Table 7) the authority has applied a 10% flexibility allowance to allocations only. This level of flexibility proposed is inconsistent and unclear. The flexibility allowance should not be applied to a single housing component but should be added to all components that make up the housing provision collectively.
- **Robustly evidence large windfall assumptions**– the large windfall allowance, explained in the housing background paper (paragraph 5.8 and Table 5) is based on an 11 year average of 14 per annum. DPM (edition 3) states that periods of abnormally high or low completions rates should not be included in future extrapolation rates. In this instance, the Authority's windfall assumption has not been robustly justified in light of recent trends, where windfall completions are 8 units p/a. The LPA needs to robustly evidence its windfall assumptions given they appear aspirational in nature and this being a specific issue for the previous LDP.
- **Identify employment allocations** to meet need in the preferred growth scenario. The policy should be clear on their scale, Class B use, spatial distribution and delivery;
- **Include a policy to support alternative uses** on existing employment sites not safeguarded and include in policy, opportunities to support the rural economy through the expansion of established businesses, self-employment and micro businesses (TAN 6), and
- Identify safeguarded and allocated employment sites suitable for local waste management facilities.

## Spatial Strategy and Distribution

### **Spatial Strategy:**

The Park has concluded a Hybrid Strategy is most appropriate (paragraph 5.2). The strategy incorporates elements of Spatial Option A: Sustainable Placemaking 'with elements' of Option B: Economic Growth and Option C: East / West Diversity. Option A seeks to concentrate development in the principal settlements of Brecon, Crickhowell, Hay-on-Wye and Talgarth which all scored positively overall in the Sustainability Appraisal (SA). What remains **unclear is the extent to which Options B and C have informed the spatial strategy**; the hybrid approach has not been tested in the SA, nor is it clear how growth has been distributed. The SA highlights many negative impacts in both Options (B & C) including the loss of greenfield sites, infrastructure constraints, an over-reliance on private vehicles and limited access to services and facilities. It is also unclear how the Preferred Strategy impacts on the Welsh Language. **Clarity is therefore required on the elements of Options B and C included in the spatial strategy, the rationale for this and its spatial implications**, linked to findings in the Local Housing Market Assessment(s) (LHMA) and the National Sustainable Placemaking Outcomes in Planning Policy Wales (PPW).

### **Distribution of Housing Growth:**

The distribution of housing supply is set out in Table 2, which apportions housing growth in line with the 'preferred spatial strategy'. The table identifies that the Primary Key Settlement of Brecon will account for 38% of all housing growth with 27% in the Key Settlements of Crickhowell, Hay-on-Wye and Talgarth. The remaining 35% has been apportioned to 'Other' areas. **The Park has not published a settlement assessment and methodology to explain the role and function of places, their capacity, services or facilities. This is a key omission from the plan and its evidence base.** In the absence of this key evidence explaining how the housing apportionment is linked to the sustainability of places and a policy setting out the settlement hierarchy, **it is difficult to ascertain if the strategy is appropriate, compliant with the key locational principles of PPW, or whether it is deliverable.**

By Deposit stage the authority should:

- Provide evidence on the role and function of places to clearly explain the opportunities and constraints that exist for realistic and deliverable sites in settlements. This evidence should take account of the capacity of existing and potential infrastructure (as set out in the Infrastructure Plan) and other factors identified in PPW and the draft Development Plans Manual (DPM) (Edition 3);
- Identify the location of settlements that can accommodate growth including the location of 'other' areas to which a large proportion (currently 35%) of the plans housing growth is apportioned. Once identified, the settlement hierarchy must be clearly articulated in policy with defined levels of growth attributed to each tier in Table 2, and
- The WG notes that the plan makes strategic cross-boundary links with Merthyr Tydfil and Abergavenny (paragraph 5.13). To 'meet cross-border needs' in Abergavenny, the plan allocates 154 units. The authority should explain this level of growth and its location in the Park. For example, will development be allocated within the sustainable settlements in close proximity to Abergavenny? It would also be useful to understand how the plan builds on its strategic links with Merthyr.

## Delivery and Implementation

The delivery of the strategy will be reliant on the authority allocating sites which are viable and deliverable and sited in accordance with the spatial strategy and settlement hierarchy. The draft

DPM (Edition 3) sets out the key issues that must be addressed (in Chapter 5) and the Park should ensure all relevant aspects are covered in the Deposit plan, with particular attention on the de-risking checklist. **The plan is silent on allocations required to deliver the strategy with no analysis or indication of 'key' candidate sites or the status and relevance of existing allocations moving forward.** Existing allocations should only be 'rolled forward' in exceptional circumstances where there is clear and robust evidence the sites can be delivered.

To demonstrate site delivery and implementation, the **Deposit plan must be underpinned by viability work, an infrastructure plan and a robust housing trajectory to be included in the plan appendix** along with the table on housing land supply. The Deposit plan should:

- Evidence the delivery of all allocated sites including a detailed articulation of their timing, phasing, costs and infrastructure requirements including the preparation of Statements of Common Ground (SoCG) where necessary, to demonstrate delivery of the plan;
- Prepare a high level viability study to inform affordable housing targets and site specific viability work where appropriate.
- Prepare a housing trajectory supported by an analysis and understanding of lead-in times, the relationship between sites, potential constraints, costs, infrastructure requirements, density and funding streams with robust assumptions on windfalls, and
- With pooling restrictions on S106 agreements, the authority should ensure it is able to fund any necessary infrastructure requirements.

### **Affordable Housing and the Local Housing Market Assessment (LHMA)**

We acknowledge the authority is in the position that it does not prepare a LHMA specific to the National Park Authority boundary and is reliant on other Local Authorities, in particular Powys, Carmarthenshire, and Monmouthshire Council's. We note in the Housing Needs paper (May 2019) that the authority is anticipating publication of the LHMA in advance of Deposit stage.

The LHMA identifies spatial areas of housing need to inform the scale, type and location of housing growth in the plan. In the absence of this evidence, **it is difficult to understand how the distribution of growth relates to areas of greatest housing need.** To deliver the key issues the plan is seeking to address on meeting affordable housing need, the Deposit plan should:

- Explain how the level of need in the LHMA and other local evidence where appropriate, has influenced the scale and location of growth linked to viability and the sustainability of places;
- Include an indication of the overall level of affordable housing need (based on an up-to-date LHMA);
- Include a target for the provision of affordable housing that will be delivered through the planning system, and
- Indicate how the target will be delivered using a table setting out the components of supply and other policy approaches including site specific targets and thresholds, the allocation of affordable housing-led sites and a policy supporting rural exception sites. The draft DPM (Edition 3) sets out detailed guidance on developing an affordable housing policy framework and viability testing.

### **Welsh Language**

The Welsh Language Topic Paper (June 2019) acknowledges the importance of the language and the integral role it plays in community life in the Park. However, the plan does not contain a policy, threshold or Welsh language sensitive areas to support this position. See also comments in respect of Spatial Strategy. The Deposit plan should:

- Explain how the use of the Welsh language, particularly in the west of the Park, has influenced the scale and location of growth and housing development. As the authority's preferred spatial option has not been tested in the SA its implications on the Welsh language and any mitigation is unclear, and
- If appropriate, identify in policy Welsh language sensitive areas above which a proportion of the population are Welsh speaking and include a requirement for Language Impact Assessments on 'unanticipated' windfall sites only.

### **Gypsy and Traveller Provision**

The Park is not the housing authority for the area. We acknowledge that preparation of a Gypsy Traveller Accommodation Needs Assessment (GTANA) is largely outside of the Park's control. Notwithstanding this, an assessment is required to accord with the provisions of the Housing (Wales) Act 2014. To ensure compliance with legislation and planning policy, **a GTANA(s) must be prepared and agreed by Welsh Ministers in advance of Deposit stage for the whole LDP period (2018-2033) with provision made for appropriate and deliverable site allocations to meet the need identified within the required timescales**, if appropriate. Failure to prepare a GTANA and meeting the required need is likely to result in the plan being unable to be found 'sound'. We would therefore urge the authority to work with Welsh Government (Equalities Division) to ensure the evidence is in place by Deposit.

### **Renewable Energy**

The plan supports sustainable renewable energy development (LDP, paragraph 5.57) however no evidence has been prepared to date. To inform the Deposit plan, **the authority will need to undertake a Renewable Energy Assessment (REA)** to inform the Park's contribution to maximising renewable energy production in Wales. From this assessment, the authority should be able to explain how their renewable energy policy approach has been developed in line with PPW and the Welsh Government's Toolkit for Planners (2015) taking account of all relevant issues and, where appropriate, making evidence-based decisions where the Toolkit facilitates this approach. The Deposit plan should:

- From Energy Priority Areas identified in the draft NDF, the authority should explain how opportunities for District Heat Networks in Brecon have been explored;
- Demonstrate how the REA has been embedded into the candidate site process and explain how renewable energy and low carbon opportunities have informed the scale and location of growth;
- Include in policy (and monitoring framework) the contribution the plan makes towards developing and facilitating renewable and low carbon energy, and
- Include in the policy framework opportunities for local renewable and low carbon energy generation schemes.

### **Best and Most Versatile (BMV) Agricultural Land**

Agricultural land grades 1, 2 and 3a are defined as the best and most versatile (BMV) and should be conserved. The Key Settlements of Brecon, Hay-on-Wye and Talgarth are all located within areas of BMV and several sites in the Candidate Sites Register, which passed Phase One assessment, are on circa 13ha of BMV land. The Deposit plan should clearly **explain how BMV land has informed development of the spatial strategy and its implication for BMV resources through applying the search sequence** set out in PPW. You are advised to liaise with our colleagues in the Environment Team moving forward to Deposit.

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