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11 September 2019

Dear Cath,

Ceredigion County Council – Replacement Local Development Plan – Preferred Strategy Consultation: Welsh Government Response

Thank you for consulting the Welsh Government on Ceredigion County Council's 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 priority as the delivery of high quality, sustainable places, through place-making. PPW 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 to 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 encourage everyone to think in an integrated and collaborative way about policy making, drawing out long term trends. The implementation of core policy areas in PPW such as ensuring a sustainable spatial strategy, appropriate 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 during 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 followed when preparing the evidence base, and to be taken account of within 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 Ceredigion LDP. The Ceredigion LDP will need to be in conformity with the NDF when adopted. The Council should assure itself that conformity can be achieved.

The Welsh Government (WG is concerned that there is a lack of clarity on how the authority has considered the level of growth proposed alongside the Local Well-being Plan, the Local Housing Market Assessment and wider social, well-being, economic and environmental issues, including the impact on the Welsh language. There are also concerns regarding the preferred spatial option, as the plan has failed to examine different spatial options for growth. The plan should not rely on evidence from LDP1 without any reassessment, and it is therefore unclear whether the preferred strategy remains the most appropriate and sustainable option. The authority must also consider whether this approach complies with the SEA Directive. The areas of concern are expanded on in the Annex.

Demonstrating delivery of the strategy and key 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 Development Plans Manual (3rd Edition, consultation draft).

The Planning and Compulsory Purchase Act 2004 (PCPA 2004), the tests of soundness and PPW all emphasise the importance of collaborative working between neighbouring LPAs to secure the best possible planning outcomes for communities. Ceredigion has strong spatial relationships with adjoining authorities, such as Powys, Carmarthenshire, Pembrokeshire, Pembrokeshire Coast National Park and Snowdonia National Park. The plan should demonstrate how these relationships have influenced the strategy and at later stages, plan policies/proposals and site allocations.

Our representation also includes more detailed issues in the annex to this letter. Collectively, the 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 can be improved or strengthened going forward. Key areas include:

- Preferred level of growth and connections to local issues
- Spatial strategy options and distribution of growth
- Employment and economic growth
- Delivery and implementation
- Affordable housing and the Local Housing Market Assessment
- Welsh language
- Gypsy and Travellers
- Renewable energy
- Minerals
- Best and most versatile (BMV) agricultural land
- Historic environment

We strongly advise 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. As stated above, we note the lack of consideration of growth or spatial options in the SA and it is the authority's responsibility to ensure compliance with the SEA Directive. 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', written in a cursive style.

Mark Newey
Head of Plans Branch
Planning Directorate

Annex to Welsh Government Letter 11 September 2019 in response to Ceredigion County Council's Replacement LDP – Preferred Strategy

Housing Growth

The authority has assessed population based growth scenarios from the Welsh Government's 2014 based population and household projections. These comprise the principal projection and four variant projections. **The authority concludes the WG-2014 based principal household projection of 2,437 homes (162 dpa) should form the housing requirement for the plan period 2018 to 2033.** The growth level appears broadly deliverable when compared to past delivery rates of 183 dwellings per annum, and is a reduction of 3,563 units from the current adopted LDP requirement of 6,000 homes.

The analysis of the preferred growth level appears to have focussed solely on the demographic components and it is unclear to what extent wider issues in the authority's area have influenced the chosen growth level. To accord with national policy, the population and household projections should be considered alongside the latest Local Housing Market Assessment and the Well-being Plan for the area (PPW, paragraph 4.2.6). The authority should also consider the impact the level of growth could have on the Welsh language which is identified as "an integral part of Ceredigion's social fabric" (paragraph 2.4). The LDP must demonstrate that the proposed level and distribution of growth will not adversely affect use of the Welsh language. The plan should also consider the relationship between the proposed level of housing growth and the projected growth in the economy of 'potentially 4,000 jobs' (paragraph 3.3, Key issue 1). The spatial strategy should ensure the plan can reduce the need for commuting, locate employment close to existing sustainable transport (including active travel) infrastructure and minimise air pollution.

The Deposit Plan should;

- Include a strategic policy setting out the housing provision, housing requirement and flexibility. The Council's 'predict and provide' approach" (LDP, paragraph 6.52) is not a sound approach.
- Contain supporting evidence to justify why a flexibility level of 23% (563 homes) is appropriate, how it relates to all housing components and the delivery and phasing over the plan period.

Spatial Strategy & Distribution of Growth

Assessment of spatial options

The authority does not appear to have considered and assessed different spatial options. This is key omission from the plan and its evidence base. Ceredigion's Preferred Strategy states "The Council has not looked at wider alternative options, given that the Strategy within the adopted Plan was agreed by the Inspector as the most sustainable of the options considered by the Council at that time" (LDP, para 1.6). The authority must demonstrate it has considered and assessed a range of reasonable spatial options, to take account of the changes in national policy in Planning Policy Wales (edition 10) and use the SA framework to assess their sustainability. This is particularly pertinent when the authority's Review Report concluded a full revision of the plan was required and stated that the settlement groups failed to meet their targets and made the strategy very difficult to achieve (Review Report, paragraph 7.29).

The authority has not assessed growth levels or spatial options through the Sustainability Appraisal (SA), yet it does appear to have tested the preferred spatial strategy against the SA's objectives. **It is a matter for the authority to consider whether it has satisfactorily complied with the requirements of the SEA Directive** (specifically article 5(1) and Annex I(h)) and whether reasonable alternatives have been identified, described and evaluated. PPW states "the

spatial strategy should be informed by a sustainability appraisal and must form an integral part of an over-arching strategy in the development plan” (paragraph 3.38). **The SA forms a key evidence base to assess and fully justify/evidence that the growth levels are directed to the most sustainable places, related to the scale and location of housing need, not impacting negatively on the Welsh language and is realistic and deliverable.**

Distribution of growth

The preferred strategy states that growth will be distributed as follows:

	Proposed percentage share of growth	Adopted LDP
Urban Service Centres	55%	51%
Rural Service Centres	20%	24%
Large Linked Settlements	15%	25%
Sustainable Linked Settlements	10%	
Linked Settlements and other locations	0%	

The overall distribution of growth requires further justification. The authority must demonstrate that growth has been directed to the most sustainable locations to minimise the need to travel, reduce reliance on the private car and increase sustainable modes of transport, i.e. those settlement group towards the top of the hierarchy. We note this is a focus towards more growth in the ‘urban service centres’ than in the adopted LDP. However, there is a corresponding decrease in the level directed to ‘rural service centres’ resulting in a more dispersed pattern of growth, which the authority should justify. To accord with national policy, further growth should be proposed in the more sustainable rural service centres. The authority should also consider whether the level of growth directed to ‘sustainable linked settlements’ is in accordance with the strategy. The provision for 300 dwellings in this tier of the hierarchy of 22 settlements appears large when the strategy states “a small allowance for windfall development of 1 and 2 units will be acceptable” (paragraph 6.16).

The authority should demonstrate that the distribution of growth does not adversely affect the Welsh language. We note that 25% of the growth is directed to large linked settlements and sustainable linked settlements. The authority should demonstrate whether stronger concentrations of the Welsh speaking population reside in these areas and what impact the growth may have on the language, avoiding potential adverse impacts.

We note there are some minor changes to the classification of settlements within the hierarchy, as set out in the background paper: settlement strategy. It is unclear to what extent the authority has reassessed the settlements to ensure growth is directed to the most sustainable places. Given the change in national policy since the first LDP was adopted, the authority must demonstrate the plan’s strategy is consistent with the Key Planning Principles and contribute towards the National Sustainable Placemaking Outcomes (PPW, paragraph 3.44). The growth strategy must also be compatible with the aspirations of neighbouring authorities and provide the most sustainable locations for growth for the wider area.

The authority should consider whether the policy framework set out in policies S01-S04 is sufficiently clear in order to deliver the strategy. We have the following observations, which the authority should consider when drafting the Deposit Plan:

Policy SO3 - Development in Rural Service Centres (RSCs)

The following sentence requires clarification: “Other uses which come forward adjacent to the settlement boundary will be permitted, provided they accord with other Plan policies and where it has been demonstrated that there is no suitable location available within the boundary.” The policy needs to be clear what uses are permitted adjacent to the settlement boundary to ensure it accords with national policy. In general, settlement boundaries should be drawn so that the settlement is capable of accommodating appropriate growth within the boundary and proposals outside the boundary are for affordable housing exception sites only.

Policy S04 is Development in ‘Linked Settlements’

This policy is currently unclear and needs to be revised to ensure it will deliver the spatial strategy and is in accordance with national policy. It is not clear whether the term ‘linked settlements’ applies to the lowest tier of the hierarchy ‘linked settlements and other locations’. The application of criterion 4a, for infill and rounding off to be permitted in ‘linked settlements’ would appear to relate to the lowest tier of the hierarchy, yet this does not accord with the authority’s strategy for zero growth. National planning policy is clear that “new building in the open countryside away from existing settlements or areas allocated for development in development plans must continue to be strictly controlled.” (PPW, paragraph 3.56).

The Deposit Plan should:

- Include a table identifying the components of housing supply (allocations, commitments and windfalls) by settlement tier (Table 16 from the Draft Development Plans Manual (DPM), Consultation draft, June 2019).
- Include a site allocations policy, clearly setting out the site name, settlement, number of units (private and affordable) and broad phasing tranches (see table 17 in the Development Plans Manual, consultation draft, June 2019).
- Include a housing trajectory, which is a national policy requirement (PPW, paragraph 4.2.10). Guidance on how to prepare the housing trajectory is contained in the Development Plans Manual. The trajectory must be included as an appendix, including supporting evidence of the timing and phasing of sites in the plan (both allocations and committed sites (See DPM para 5.66 – 5.69 and Tables 19 -21 and Diagram 16).

Employment and Economic Growth

A key objective of the plan is to promote a sustainable, diverse and progressive rural economy by facilitating job growth over the plan period. Economic growth of potentially 4,000 new jobs has been identified across the Growing Mid-Wales region but in the absence of evidence to support this figure **the plan is unclear on the number of new jobs in Ceredigion and its relationship to the level of housing growth and scale of employment land provision.**

For the Deposit Plan an Employment Land Assessment will need to be undertaken to identify the number of new jobs and the scale, type and location of B-Class land to deliver on job growth and meet sector demand. The draft Development Plans Manual (Edition 3) is clear that existing employment allocations should only be ‘rolled forward’ in exceptional circumstances where there is clear and robust evidence the site can be delivered.

The Deposit Plan should:

- Clearly set out in policy the scale (ha) of employment provision and allocate individual sites to meet this provision;
- If appropriate, include a new safeguarding policy to retain existing employment sites for employment purposes.

- Identify safeguarded and allocated employment sites that are suitable locations for waste management facilities, and

Delivery and Implementation

A critical element of the plan will be the timing, phasing and delivery of sites to ensure the plan delivers the scale of growth alongside associated infrastructure in locations to meet the needs over the plan period. The delivery of the strategy is reliant upon the authority allocating sites which are broadly viable, deliverable and in accordance with the settlement strategy. The Draft DPM (Ed 3) Chapter 5: Preparing an LDP (Core Issues) sets out the key issues that must be addressed. **The Council should ensure that the Deposit Plan has covered all relevant elements, with particular attention to the de-risking checklist.**

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

The plan is completely silent on the allocations (housing or employment) required to deliver the strategy. Allocated sites should only be 'rolled forward' in exceptional circumstances where there is clear and robust evidence that they can be delivered. Site specific viability work, including detailed articulation of timing and phasing, costs, and infrastructure requirements including the preparation of SoCG will be necessary to demonstrate the delivery of the plan.

We note the authority has a large number of committed sites with planning permission in linked settlements and the authority states that "no further development is permitted in settlements where this capacity exists" (paragraph 6.133). Including the entire land bank in the housing provision can be a high risk strategy and the authority should consider whether the application of a 'non-delivery allowance' is appropriate.

The Deposit Plan should set out site specific details for key allocations including schematic frameworks containing information on viability, general phasing timescales, key infrastructure requirements and evidence of commitment from developers.

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 site specific viability work for key sites which are central to the delivery of the strategy.
- Prepare a detailed 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
- Ensure any necessary infrastructure requirements can be funded taking into account pooling restrictions on S106 agreements.

Affordable Housing and the Local Housing Market Assessment (LHMA)

The LHMA (2016) should be updated to provide a core piece of baseline evidence, to influence the scale, type and location of housing. The LHMA is of critical importance to demonstrate that the proposed level and type of housing reflects local needs. At present it is unclear how the distribution of growth relates to areas where it is viable or needed.

The viability assessment (April 2017) undertaken by Andrew Golland Associates identifies seven sub market areas with different levels of viability. These must be reflected in policy and the spatial

areas identified on the proposals map. The viability assessment does not appear to factor in any cost requirement for S106 contributions and it is unclear if the cost of installing sprinklers is included at £3,100 per unit. The plan refers to the requirement for all homes to be built to 'lifetime' design standards (paragraph 2.31) which must also be factored into the viability assessment.

It is currently unclear what the authority's intention is regarding the threshold for affordable housing contributions. The viability study states "the Council's current policy is to require affordable housing contributions on all sites. The evidence from the analysis in chapter 4 suggests that this policy should be continued (Golland, paragraph 7.14). However, policy S05 refers to a threshold of 5 or more units.

The Draft DPM (Edition 3) sets out detailed guidance on viability and includes a checklist for developing an affordable housing policy framework. To accord with the Ministerial letter, dated 8 July 2019, LDPs must make provision for affordable housing led housing sites. Such sites will include at least 50% affordable housing, making use of public land in the first instance.

The Deposit Plan should:

- Explain how the level of need in the LHMA(s) 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;
- 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 separate policy supporting exception sites. The draft DPM (Edition 3) sets out detailed guidance on developing an affordable housing policy framework and viability testing.

Welsh language

The preferred strategy identifies the Welsh language as "an integral part of Ceredigion's social fabric" (paragraph 2.4) and is supported by two background papers: Welsh Language Impact Assessment and Welsh Language Topic paper. The language is identified as a key issue for Ceredigion and objective 8 of the plan seeks to "support the development of the Welsh language and promote inclusive bilingual communities within Ceredigion". Strategic policy S06 'Planning and the Welsh language' highlights the importance of the language to the area, and identifies the whole of Ceredigion as being linguistically sensitive.

As stated in the strategy section above, there is concern that as the authority has not revisited the spatial options, it is unclear how the Welsh language has influenced the scale and spatial distribution of growth, as the Sustainability Appraisal has not assessed a range of options, only the preferred option.

Gypsy and Traveller Provision

We note the authority will be undertaking a revised Gypsy and Traveller Accommodation Assessment (GTAA) to identify the level of need over the entire replacement plan period (2018-2033). By Deposit stage, a new GTAA must be prepared and agreed by Welsh Ministers with provision made for appropriate and deliverable site allocations to meet any need in the timescales identified. This is a key issue for the authority and failure to identify the level of need and allocate sites in the Deposit Plan is likely to result in the plan being unable to be found sound.

To accord with the Welsh Government's Circular 005/2018 'Planning for Gypsy, Traveller and Showpeople Sites', criterion 1 in Policy LU04 'Meeting a range of housing needs' should be removed. Criterion 1 which only permits sites where there is a 'need' is not acceptable as it acts against the freedom of movement for Gypsy and Travellers.

Renewable Energy

The LDP will need to be in conformity with the NDF when adopted. The Draft NDF identifies two priority areas (9 and 10) for solar and wind energy in the authority. Applications above 10MW for energy will be determined by Welsh Ministers as 'Developments of National Significance'.

The LDP will need to plan for renewable energy under 10 MW. The Renewable Energy Assessment (REA) should consider the potential for wind and solar, as well as other renewable energy technologies at all scales. We note the authority is undertaking an REA and should fully utilise the evidence to develop locally specific policies, set renewable energy targets and direct development to the most appropriate locations.

Minerals

The Deposit Plan should reference the landbank requirements set out in the Regional Technical Statement (RTS) and state how the LDP will satisfy these. The RTS 1st Review (endorsed 2014) states there is an under provision of 2.94mt of sand and gravel reserves within the region of Carmarthenshire, Ceredigion and Pembrokeshire (including the National Park). These authorities should work collaboratively to address the shortfall and identify specific sites. A Statement of Common Ground should be prepared between the authorities, agreeing how the shortfall will be prepared. We note this position may change in the emerging RTS 2nd Review and the Deposit Plan will need to respond to any change in requirements.

Best and Most Versatile (BMV) Agricultural Land

Agricultural land of grades 1, 2 and 3a is the best and most versatile (BMV) and should be conserved. Most BMV land in Ceredigion is concentrated in coastal areas and valley floors near existing settlements. The Deposit Plan should clearly **explain how BMV land has informed development of the spatial strategy and the implication of the strategy on BMV resources.** You are advised to liaise with our colleagues in the Environment Team moving forward to Deposit.

Historic Environment

The number of historic assets included in the statutory Historic Environment Record curated by Dyfed Archaeological Trust could be included in paragraph 2.43. The number of abandoned metal mine sites could be better placed in paragraph 2.44.

The need to protect and enhance cultural heritage should be placed under key issue 6.3, and included as a key issue under objectives 4, 6, 10 and 13.
