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23 August 2019

Dear Angela,

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

Thank you for consulting the Welsh Government on the Denbighshire County 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 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 plans 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 adoption of the Denbighshire LDP. **The Denbighshire 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 strategy focuses development in the Bodelwyddan Strategic Site and serviced settlements with limited growth in the un-serviced settlements. **With no key evidence to justify ‘rolling forward’ the Strategic Site from the adopted LDP and in the absence of any progress on the strategic site due to significant infrastructure requirements, the WG has serious concerns on the ‘soundness’ of the plans strategy.**

As a replacement plan, it is disappointing there are limited background documents and topic papers on key issues including strategic site housing delivery, the spatial distribution of housing supply and components, 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 on some topic areas at this point in time as many studies 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 strategic 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 (3rd 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 Council has strong relationships with adjoining authorities, in particular Conwy. The plan must demonstrate how these relationships have influenced the strategy and at later stages the plan policies and proposals and site allocations. The scale and location of employment growth along the A55 corridor is a specific matter in this respect.

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:

- Bodelwyddan Strategic Site
- Delivery and implementation
- Employment growth
- Affordable housing
- Gypsy and Traveller provision
- Welsh language
- Renewable energy
- Minerals

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 stylized flourish at the end.

Mark Newey
Head of Plans Branch
Planning Directorate

Annex to Welsh Government Letter 23 August 2019 in response to Denbighshire County Council's Replacement LDP – Preferred Strategy

Growth Levels: Homes and Jobs

The LPA has tested a range of demographic, economic and housing-led scenarios to inform the growth strategy. The 'Preferred Strategy' sets a housing requirement of 3,275 homes (218 per annum) plus 15% flexibility resulting in a plan provision of 3,775 units and 1,500 jobs on 47.60ha of employment land over the plan period (2018-2033).

This level of growth is around 1,926 units above the Welsh Government (WG) 2014-based principal projection. The Council has concluded the WG projections would result in a level of growth that was 'too low' to support LDP aspirations and would not deliver on the key issues the plan is seeking to address. The level of housing growth proposed broadly aligns with the past 15-year build rate (at 220 per annum) and is above the past 10-year build rate (at 170 per annum). The housing requirement is a reduction of 4,225 units from the current adopted LDP requirement of 7,500 homes.

The population, housing and dwelling numbers in the 'preferred' growth scenario are calculated using a reverse iteration methodology, which adjusts components of population change (mainly migration levels) to match job growth to population levels. Job growth (1,500) is the main driver of population change. The proposed level of growth takes into account the regional economic drivers identified in the North Wales Growth Deal with strategic employment sites at Bodelwyddan and St Asaph Business Park. The preferred growth option also provides the conditions to attract and retain younger generations to support economic activity rates and provide suitable and affordable housing.

Spatial Strategy and Distribution of Growth: Focus on Bodelwyddan Strategic Site

The preferred strategy directs most new growth to a single mixed-use site at Bodelwyddan. The site in Bodelwyddan is a key strategic site in the adopted LDP for 1,715 dwellings, 26ha of employment land and associated highway and infrastructure provision (Policy BSC 5). The plan contains no information on the scale of uses proposed or specific phasing information. In addition, it is unclear how the 'significant infrastructure provision' required to facilitate the site will be delivered if the scale of development is reduced. Recent evidence in the Council's 2018 Annual Monitoring Report (AMR) identifies that no development has taken place on site in the 6 years since the current LDP was adopted in 2013 and that the outline planning permission (granted March 2016) is due to lapse in just 2-years in 2021. With no supporting evidence to justify a substantial change in circumstances to explain rolling forward the strategic site, which should include; schematic frameworks and masterplans, delivery and phasing information, viability assessments including infrastructure costs and Statements of Common Ground (SoCG) with developers, the **WG has serious concerns on the delivery of the Bodelwyddan Strategic Site and consequentially the 'soundness' of the plans strategy, including implications on the delivery, scale and location of homes and jobs.**

The preferred strategy also aims to direct development to serviced settlements (main centres, local centres and villages) and supports limited growth in serviced settlements through infill and small sites within settlement limits. There is no information within the plan setting out the spatial distribution of housing and its components. On this basis it is difficult to ascertain if **the strategy is appropriate, compliant with the key locational principles of PPW, in particular promoting sustainable travel patterns, or whether it is deliverable.**

To understand the extent of this growth, the scale of housing and components of supply across the settlement hierarchy should be set out in the Deposit plan by completing Table 16 of the draft DPM (Edition 3).

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 Council should ensure all relevant aspects are covered in the Deposit plan, with particular attention on the de-risking checklist. 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.** The Deposit plan must address the following:

- With a focus on development at the Bodelwyddan Strategic Site the authority must demonstrate the strategic site is financially viable and deliverable over the plan period for the plan to be considered 'sound'. The strategic site must be supported by evidence including schematic frameworks containing information on viability, costs, phasing, key infrastructure requirements, an Infrastructure Plan and supporting LDP appendix and evidence of commitment from developers through SoCG.
- Evidence the delivery of all other 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.

With the exception of the Strategic Site, the plan is silent on housing and employment allocations required to deliver the strategy. There is no indication or analysis of 'key' Candidate Sites or the existing allocations and their relevance moving forward. There is also no assessment of the current landbank, windfall and small sites, which will underpin future supply.

Employment and Economic Growth

The Employment Land Review (ELR) tested 2 methods of forecasting employment growth including past completions and labour demand forecasting. The jobs-based forecast suggests the Council has an oversupply of employment land but this is contrary to the market assessment and review of historic trends, which indicates that labour demand forecasting significantly underestimates employment land requirements. The preferred option is therefore an extrapolation of short term completions, which generates a requirement for 47.60ha of employment land (including 5-years flexibility at 11.90ha) including the regional employment sites consented in Bodelwyddan and St Asaph Business Park.

The Deposit Plan should:

- Clarify the provision of 68ha of employment land with findings in the ELR;
- Identify employment allocations to meet regional and local need with clarity on their scale (ha) and Class B use with an explanation on their spatial distribution and delivery;

- Consider a safeguarding policy that identifies and lists key existing employment sites for retention for employment use;
- Include a policy to support alternative uses on employment sites that are not safeguarded;
- Include criteria-based policies to assess employment applications in urban and rural areas and provide support to the rural economy through the expansion of existing businesses, self-employment and micro businesses (TAN 6), and
- Identify the employment sites that are suitable for waste management facilities.

Affordable Housing and the Local Housing Market Assessment (LHMA)

The authority's LHMA (July 2019) concluded the need for a total of 2,325 affordable homes over the plan period (2018-2033) which equates to 155 units per annum. The LHMA identifies that the majority of this need is for 1 and 2 bed social rented (68%) properties with 32% intermediate need.

The plan has considered a number of growth and spatial options, yet there is no discussion or conclusion on how these options have been informed by findings in the LHMA. The Deposit plan should clearly **explain how the level of affordable housing need in the LHMA has influenced the scale and location of growth**. It is essential the authority demonstrates how it has maximised affordable housing delivery to meet Key Issues and Objectives in the plan.

No broad level affordable housing viability assessment has been submitted to support the Preferred Strategy. **It is therefore unclear on how the viability levels have informed the plans spatial distribution, the scale of housing sites including land at Bodelwyddan and density assumptions**. The Deposit Plan should:

- Indicate how the plan target of 750 units will be achieved using identified policy approaches that will include site specific targets and thresholds. Challenging policy targets need to be grounded in evidence and applicable to the majority of applications.

Gypsy and Traveller Provision

The latest Gypsy Traveller Accommodation Needs Assessment (GTANA) approved by Welsh Ministers does not form part of the evidence base to inform the accommodation needs of Gypsy and Traveller families.

To identify the level of need and timescales for delivery, a new GTANA must be prepared covering the entire replacement plan period (2018-2033), which the current study does not. By Deposit stage, a new GTANA must be prepared and agreed by Welsh Ministers with provision made for appropriate and deliverable site allocations to meet need in the timescales identified. **Failure to identify the need and allocate sites in the Deposit plan to meet this need is likely to result in the plan being unable to be found 'sound'**. Policies in the Deposit plan must be clear on the total and type of need and timescales for meeting this need up to 2033.

Welsh Language

The plans Vision is for 'a strong Welsh language and culture' with 26% of the population Welsh speaking, which is a drop of 2% from 2001. To reverse this trend and support the plans Vision, a Welsh language policy has been included in the Preferred Strategy but it does not set a threshold or identify Welsh language sensitive areas.

The Deposit plan should:

- Explain how the Welsh language, particularly in the south of the County, has influenced the scale and location of growth including housing developments. The SA has tested the impact of the 'preferred strategy' on the Welsh Language but results were inconclusive, and

- If appropriate, identify 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.

Renewable Energy

It is very disappointing that the Preferred Strategy does not have a specific policy on renewable energy or an explanation of how opportunities for decarbonisation and renewables have influenced the strategy. The NDF identifies Priority Areas 3 & 15 which should be reflected in the plan.

The Deposit plan should:

- Be informed by a Renewable Energy Assessment (REA) to provide the areas contribution to maximising renewable energy production. From the REA, 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;
- 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 as part of the monitoring framework the contribution of the plan area 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.

Minerals

The RTS (1st Review) identifies an under provision of 2.2 million tonnes of sand and gravel and 0.18 million tonnes of crushed rock throughout the plan period. The authority must ensure that any requirement identified in the RTS (which is currently undergoing a second review) is addressed in the deposit plan and supported by an appropriate policy framework.

Best and Most Versatile (BMV) Agricultural Land

Agricultural land of grades 1, 2 and 3a are the best and most versatile (BMV) and should be conserved. The SA (Table 21) is not consistent with national policy in this respect as only grades 1 and 2 are considered. The authority **must ensure the SA assesses the impact of the spatial strategy, including proposed residential development, on grade 3a agricultural land** in accordance with the Agricultural Land Classification (ALC) system.

The Bodelwyddan Strategic Site contains significant amounts of BMV land and **the WG will not accept any further BMV loss outside the outline permission on the Strategic Site or in other settlements without significant justification and application of the sequential test** in PPW. You are advised to liaise with our colleagues in the Environment Team moving forward to Deposit.

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