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Dear Ian,

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

Thank you for consulting the Welsh Government on Carmarthenshire 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') 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. 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. Any references to PPW in the plan and supporting evidence base must be updated to refer to and reflect the principles in PPW Edition 10.

As a **replacement plan the limited context and** background documents and topic papers on key issues, **such as housing supply/components, Welsh language, the Local Housing Market Assessment, affordable housing viability assessment, Gypsy & Traveller assessment (for the plan period) is disappointing as a robust evidence base is critical to fully understand the Preferred Strategy.** While the consultation mentions draft studies and work to be undertaken for the Deposit plan, it is difficult to provide comments 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 be amended.

The WG does not have significant concerns with the ethos and objectives of what the Preferred Strategy is seeking to achieve, nor the approach to Clusters within the settlement hierarchy. **However, the Welsh Government is concerned that the proposed distribution of housing growth, particularly within settlement Tiers 3 and 4, raises sustainability issues based on the role and function of places.** Acknowledging the rural characteristics of Carmarthenshire, the scale and distribution of growth at Tier 3 & 4 settlements does not align with the principles of sustainable development, PPW or the Council's own evidence (Sustainability Appraisal and the Role and Function of Settlements Paper) and has the potential to have an adverse impact on the Welsh language. **This is explained in detail within 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 LDP Manual (3rd Edition).

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

The Environment (Wales) Act 2016 sets out a legislative framework for the Sustainable Management of Natural Resources (SMNR) with provisions for public bodies to contribute to achieving SMNR. The Preferred Strategy should set out a 'direction of travel' on how the plan will aim to improve and not reduce biodiversity and further the resilience of ecosystems. Currently, the Preferred Strategy does not sufficiently reflect the Environment Act 2016.

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 can be improved or strengthened going forward. Key areas include:

- Spatial strategy, scale and distribution of growth
- Employment and economic growth
- Delivery and implementation
- Welsh language
- Affordable housing and Local Housing Market Assessment (LHMA)
- Gypsy and Travellers
- Renewable energy
- Minerals

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. 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 'M. Newey', with a stylized flourish at the end.

Mark Newey
Head of Plans Branch
Planning Directorate

Annex to Welsh Government Letter 06 February 2019 in response to Carmarthenshire County Council's Replacement LDP – Preferred Strategy

Growth Levels: Homes & Jobs

The authority has explored six population based growth scenarios and two employment-led scenarios. The authority has concluded the WG-2014 based projections would result in low levels of housing growth impacting negatively on demographic change (population decline) and ability to support economic growth. The 2014-based Principal and 10 year migration variant projections would result in a dwelling requirement of 3,367 and 6,542 respectively. The Council's preferred growth option is 'PG Long Term' which is predicated on significant internal and international migration flow assumptions averaging 1,423 persons pa for the sixteen year period 2001/02-2016/17. This period takes into account the high migration levels prior to 2008, and lower net migration following the recession. This is particularly relevant in this context as deaths exceed births; net migration being the dominant driver of population change. The PG Long Term Scenario results in a dwelling requirement of 9,887 dwellings (659 p/a) over the plan period. This is based on a 3.4% vacancy rate (VR) (adjusted from 6.3% Census VR) which takes into account recent data on second and empty homes. **This is a deviation of 6,520 dwellings above the WG-2014 based principal projection and 3,345 dwellings above the 10-year migration variant.** The proposed housing requirement of 9,887 is a substantial reduction of 5,310 dwellings from a requirement of 15,197 homes in the current adopted plan.

The evidence also explains that the jobs led scenario(s) tested would result in a requirement for 17,000 – 20,000 homes over the plan period. The Council has stated that this would result in an undeliverable and unsustainable growth strategy. Recent housing completions based on 10 year average JHLAs figures are approximately 500 d/pa. In summary, the Council has chosen a demographic led scenario that will contribute to the delivery of the Council's economic aspirations. The population increase targeted by the PG Long Term Scenario would result in supporting the creation of 5,295 jobs (353 p/a) over the plan period. **The authority must 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.** You should also demonstrate the growth strategy is compatible with the aspirations of neighbouring authorities and provides the most sustainable locations for growth for the wider area. See comments on spatial strategy.

Spatial Strategy & Distribution of Growth

Preferred Strategy – The Council has concluded through the Sustainability Appraisal (SA) that a Hybrid Option - 'Balanced Community and Sustainable Growth Strategy' is the most appropriate. This option has been subject to an SA (SA, section 4.5) and is the 'Preferred Strategy'. The Preferred Strategy incorporates the core elements from Options, 2, 4, 5 and 6 which are summarised as follows:

- Growth is assigned to urban areas, while also recognising the role and function of rural settlements
- Reflects investment opportunities and economic benefits afforded to the County through the City Deal.
- Recognised that sustainable growth needs to be supported by the availability and range of infrastructure.
- Growth should also be deliverable and oriented to community need and market demand.

Further clarity is required on the spatial outcome of the Preferred Strategy. The SA highlights that the negative implications of Option 4 are that it could result in a disproportionate amount of development in unsustainable locations, generating significant additional car journeys.

In the absence of a LHMA it is also unclear how the Preferred Strategy has been influenced by the level and location of housing need. The Hybrid Option and its spatial distribution requires further justification specifically; how it will deliver affordable housing, employment growth, reduced commuting, relates to the sustainable transport hierarchy (including active travel) infrastructure, minimises air pollution and potential negative impacts on the Welsh Language. These should be considered in light of 'future proofing' and how technology may shape how places function in the future, taking account of digital connections, telecoms, low emission vehicles and the associated benefits on movement patterns.

Settlement Framework and Distribution (Policy SP16: Sustainable Distribution – Settlement Framework) - We note the authority's new spatial framework set out in SP16 differs from the adopted plan and adopts a 'cluster' approach. There are 6 clusters of functionally linked areas and within each cluster there are four tiers of settlements (Tier 1: Principal Centres, Tier 2: Service Centres, Tier 3: Sustainable Villages, Tier 4: Rural Villages). All settlements are 'predominantly' functionally linked within the cluster, with lower tier settlements linked to upper tier settlements that have more services and facilities. **The WG does not object to the principle of this approach, the key concern is the scale of growth directed to each tier relative to the role and function and sustainability of places.**

The Role and Function Topic Paper, includes an analysis of the key services and facilities within Tiers 1-3. The reasoned justification of SP16 states that growth will be broadly distributed as follows:

- Principal Centres 50-55% (will have a settlement boundary)
- Service Centres 15-20% (will have a settlement boundary)
- Sustainable Villages 15-20% (will have a settlement boundary)
- Rural Villages 15-20% and (no settlement boundary)
- Non Defined Rural Settlements (1%) (no settlement boundary)

The Welsh Government is concerned that the proposed scale and distribution of housing growth, particularly within Tiers 3 and 4 raises implications of sustainability and potentially negatively impacts on the Welsh language. It is unclear why the more sustainable Service Centres have been allocated the same proportion of growth as Tiers 3 and 4? In addition, it is also unclear why Rural Villages (Tier 4) that have no settlement boundaries, services or facilities would have the same growth levels/capacity as Tier 2 settlements? This point is re-enforced by the Role and Function Topic Paper which highlights that Tier 3 settlements – Sustainable Villages have in broad terms limited services and facilitates. Tier 4 settlements are not even assessed. While the WG acknowledges the rural characteristics of Carmarthenshire, the scale and distribution of growth does not appear commensurate with the principles of sustainable development, nor the Councils own evidence within the SA or the Role and Function Paper. **To summarise the Welsh Government has concerns about the scale of growth proposed to Tiers 3 and 4 of the settlement hierarchy conflicts with PPW.**

To demonstrate delivery and sustainable distribution of growth across the settlement hierarchy the Deposit plan must; **Identify spatial distribution and components of housing land supply** as allocations, commitments and windfall sites (small and large) for each settlement tier in which they will be delivered (See LDP Manual, Ed 3). **The policy framework must clearly articulate the type and scale of development that would be appropriate at each tier of the hierarchy.** Policy SP12 Rural Development needs strengthening in this respect.

Employment and economic growth

Policy SP1 supports the delivery of approximately 5,300 jobs, further evidence and explanation is required to explain how and where the level of job growth will be delivered, including both strategic and non strategic allocations. It is unclear what the level of employment provision is and for what

sector and how this translates into a land requirement for employment uses? **The current employment evidence base is inconsistent and unclear.** The plan is currently silent on the type and location of key employment sites required to deliver the strategy. Further explanation is also required on how all opportunities arising from the Swansea Bay City Region have been taken into account as part of the economic strategy.

The Deposit Plan should:

- provide greater articulation on the link between the plan's housing requirement and target for 5,300 jobs to ensure broad alignment in economic activity and labour force projections and reduce the need for commuting;
- identify an employment (ha) / job target and buffer;
- identify spatial allocations to meet identified need including broad timing and phasing and defining the land use by Use Class;
- if appropriate, include a new policy to protect and identify key employment sites to safeguard for future employment use;
- include a policy to support alternative uses on existing employment sites not safeguarded;
- explain how allocated sites will be delivered, especially key allocations; and policies to promote and sustain the rural economy.

Delivery and implementation

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 Manual (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** (included as an Annex within the plan) and a housing land supply table.

With the exception of the two strategic sites, the plan is completely silent on the allocations (housing or employment) required to deliver the strategy. There is no indication or analysis of 'key' candidate sites, nor of the existing allocations and their relevance or future status going forward. There is no assessment in broad terms of the current land bank, windfall and small sites that may come forward. 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 SoCGs will be necessary to demonstrate the delivery of the plan.

The Preferred Strategy identifies two strategic sites (Policy SP5); Yr Egin Creative Cluster in Carmarthen and the Llanelli Well-being and Life Sciences project which are both components of the Swansea Bay City deal. The Deposit plan must demonstrate deliverability of both individual sites and in combination, together with SoCG with developers. **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.**

A key issue highlighted in the Councils evidence base (Spatial Options Topic Paper, para 8.9) is that completions/sites did not come forward as anticipated in the more sustainable settlement tiers which suggests that completions have been occurring in the least sustainable areas. **This has been a major shortcoming of the existing plan that should not be replicated in the revised LDP.**

Finally, the Council is proposing a flexibility allowance of 6% (593 units) to be added to the housing requirement. **Further evidence is required as to why 6% is appropriate**, and how it relates to all housing components and their delivery and phasing over the plan. A 6% figure appears low in the context of the Welsh Average (10%) and the more rural nature / developer profile prevalent within Carmarthenshire.

Welsh language

Policy SP7 - Welsh language highlights the importance of the language to the area. A topic paper setting out how the Welsh language has influenced the scale of growth and strategy is essential given the significance of the Welsh language for this LDP. The consequence of the level/distribution of housing growth proposed on the Welsh language needs to be clearly articulated especially as past high levels of in migration and international migration are being used to justify the housing requirement. **This is a key requirement of TAN 20 that has not been addressed.** The SA of the Hybrid Option alludes to positive effects (SA, Figure 6) however the implications of the settlement hierarchy and proposed distribution of growth (SP16) is not conclusive in this respect (SA, Figure 8). There is no indication the authority has considered the potential strategic approaches to the Welsh language, as outlined in paragraph 2.5.2 of TAN 20. The authority should consider a suitable approach, taking account of how it fits with neighbouring authorities, and consider whether there are any anticipated impacts on the language which should be avoided or where they cannot be avoided, require mitigation.

Affordable housing and the Local Housing Market Assessment (LHMA)

The absence of an up to date LHMA is a major shortcoming as it is a core piece of baseline evidence influencing 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.** Linkages to sustainability issues should also be reconciled; i.e. why it is, or is not appropriate to locate affordable housing in less sustainable communities. **At present it is unclear how the distribution of growth relates to areas where it is viable or needed?** Whilst the authority refers to an affordable housing target in para 11.42 which mentions the Affordable Housing Delivery Plan 2016-2020 target of 1,000 homes, Policy SP4 'Affordable Homes should set a target for affordable homes. The LDP Manual (edition 3) sets out detailed guidance on viability and includes a checklist for developing an affordable housing policy framework.

Gypsy and Traveller provision

The latest Gypsy Traveller Accommodation Needs Assessment (GTAA) approved by Welsh Ministers does not form part of the evidence base to inform the accommodation needs of Gypsy and Traveller families. The Authority must ensure the GTAA referenced in the reasoned justification to Policy SP9 is the version currently signed-off by Welsh Ministers.

To identify the level of need and timescales for delivery, the GTAA must cover the entire replacement plan period (2018-2033), which it does not at present. 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 any need in the timescales identified. We note the Council are currently undertaking a separate call for gypsy and traveller sites (until April), including the methodology for site selection. **This is a key issue for the authority and failure to identify the level of need and allocated sites in the Deposit Plan to meet the identified need is likely to result in the plan being unable to be found sound.** In the Deposit plan, the results of the new GTANA must be clear in terms of the total and type of need and timescales for meeting this up to 2033.

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. We do not agree with the statement in paragraph 11.155 that "the County's landbank figures, for both hard rock and sand and gravel, are

notably in excess of the minimum requirements set out in MTAN 1, and consequently there is no requirement to allocated new sites for mineral development”. The RTS (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.

Renewable energy

LPA's should take a leadership role in pro-actively planning for renewable and low carbon energy. LPA's should fully utilise evidence in their renewable energy assessments (REA) to develop locally specific policies, set renewable energy targets and direct development to the most appropriate locations. **It is extremely disappointing that the Preferred Strategy document does not have a specific policy on renewable energy, nor is it clear how opportunities for decarbonisation and renewable energy has influenced the strategy. There is currently no evidence on this topic.**

Strategic Policy 13 – Protection and Enhancement of the Natural Environment

Opportunities to secure enhancement of biodiversity and the resilience of ecosystems have to be taken at the plan level in order to fulfil duties under Section 6 of the Environment Act. The plan is the opportunity to take a comprehensive approach towards enhancement and to set out what can be achieved. This approach goes beyond what can be achieved as part of identifying allocations.

Strategic Policy 13 – Protection and Enhancement of the Natural Environment should be re-framed as ‘Maintaining and Enhancing the Natural Environment’. It would be helpful to understand how the Green Infrastructure Assessment (as required in PPW10) will inform the implementation of this policy and also the relationship of this policy to Strategic Policy 8: Infrastructure.

Opportunities to secure enhancement of biodiversity and the resilience of ecosystems have to be taken at the plan level in order to fulfil duties under Section 6 of the Environment Act. The plan is the opportunity to take a comprehensive approach towards enhancement and to set out what can be achieved.
