



Llywodraeth Cymru
Welsh Government

INTEGRATED SUSTAINABILITY APPRAISAL OF THE NATIONAL DEVELOPMENT FRAMEWORK

NON-TECHNICAL SUMMARY:

Appraisal of Future Wales – the national plan 2040:
ISA Report (incorporating Environmental Report)

FEBRUARY 2021

Our first national development framework will when published be called '**Future Wales – the national plan 2040**'. This assessment was prepared prior to publication and uses the name 'national development framework' and 'NDF' throughout. For clarification the references to the national development framework in this document are taken to mean

Future Wales – the national plan 2040.

From 1st January 2021 in Wales Natura 2000 sites will be known as 'National Site Network sites'. This assessment has been in preparation since 2016 and uses the terms Natura 2000 sites throughout reflecting the correct terminology at the time. For clarification the references to Natura 2000 sites in this document are taken to mean National Site Network sites.

VERSION CONTROL

Version	Date	Author	Checker	Changes
0.1	March 2020	Joseph Evans Sarah Tooby	David Hourd	-
0.2	June 2020	Joseph Evans Sarah Tooby	Sarah Tooby	Updates to Policy P10
0.3	August 2020	Joseph Evans	David Hourd	Review in light of amendments to Policy P22 and the housing need
0.4	January 2021	Sarah Tooby/ Ben Twiss	David Hourd	Changes following changes to the NDF following Senedd Scrutiny.

This report dated February 2021 has been prepared for Welsh Government (the "Client") in accordance with the terms and conditions of appointment, (the "Appointment") between the Client and **Arcadis Consulting (UK) Limited** ("Arcadis") for the purposes specified in the Appointment. For avoidance of doubt, no other person(s) may use or rely upon this report or its contents, and Arcadis accepts no responsibility for any such use or reliance thereon by any other third party.

CONTENTS

PURPOSE OF THE NON-TECHNICAL SUMMARY	2
WHAT IS THE NATIONAL DEVELOPMENT FRAMEWORK?.....	2
WHAT IS THE INTEGRATED SUSTAINABILITY APPRAISAL?	2
TIMING, AND THE IMPLICATIONS OF COVID-19	2
ISA AND NDF PROCESSES SO FAR.....	3
HOW THE ISA HAS BEEN UNDERTAKEN	4
ISA Framework.....	4
APPRAISAL OF THE NDF	6
Appraisal Results – NDF Outcomes	6
Appraisal Results – Issues and Options (assessed November 2017)	6
Appraisal Results – Preferred Option (assessed February 2018)	7
Recommendations.....	8
APPRAISAL RESULTS – DRAFT NDF (ASSESSED MAY 2019)	8
APPRAISAL RESULTS - SPATIAL STRATEGY	8
APPRAISAL RESULTS – DRAFT NDF INCLUDING PROPOSED CHANGES POLICIES AND UPDATES, POST SENEDD SCRUTINY	9
HOW THE ISA HAS INFLUENCED THE NDF	14
AVOIDING, REDUCING OR MITIGATING NEGATIVE EFFECTS AND MAXIMISING POSITIVE EFFECTS	14
FINDINGS OF HRA AND HOW THESE HAVE FED INTO ASSESSMENT	15
MONITORING SIGNIFICANT EFFECTS	15

Purpose of the Non-Technical Summary

- 1.1.1 This document provides a summary in non-technical language of the Integrated Sustainability Appraisal (ISA) of Future Wales - the national plan 2040. This was previously known as the 'National Development Framework (NDF)'. For the purposes of this report, Future Wales will be called 'NDF'. Any future iterations of the ISA (the Post Publication Statement) will change this reference to 'Future Wales'. Further details can be found in the ISA Report.

What is the National Development Framework?

- 1.1.2 The Welsh Government has prepared the NDF to provide a spatial context for development in Wales over the next 20 years. The NDF will be used to guide both public and private investment. Welsh Government's aim is to ensure investments and developments – whether large or small in scale - contribute to the broader ambitions of the Welsh Government and to the well-being of communities. Therefore, the NDF will influence how communities develop over the next 20 years and it is important that we have a comprehensive understanding of the positive and negative effects this could have as the NDF is developed. The NDF should be read alongside Planning Policy Wales (PPW) and does not repeat PPW, which provides planning policy on an all-Wales basis. The NDF replaces the Wales Spatial Plan.

What is the Integrated Sustainability Appraisal?

- 1.1.3 ISA is a process of appraising the contents of the NDF, as it is written, against a series of sustainability objectives in order to help promote sustainable development and test the NDF before it comes into force. ISA has been undertaken throughout the preparation of the NDF and it has been able to feedback recommendations to improve the relative sustainable development performance of the NDF. The ISA incorporates statutory and Welsh Government required assessments and it meets the legal requirements of the Strategic Environmental Assessment (SEA) Regulations. The ISA is high-level and considers both positive and negative effects of the NDF. The purpose of this is to help ensure that future land-uses in Wales over the next 20 years are sustainable.
- 1.1.4 One of the 'ways of working' that form part of the Welsh Government sustainable development principle is the need to take an integrated approach to what we do. The ISA, therefore, includes a number of other statutory and non-statutory assessments. This allows us to take a more rounded view of the sustainability implications and opportunities arising from the NDF. The ISA integrates the following assessments, and fully meets the legislative requirements, of: Sustainability Appraisal; SEA Regulations; Well-being of Future Generations Act (2015); Welsh Language (Wales) Measure 2011; Equalities Impact Assessment; Children's Rights Impact Assessment; Sustainable Management of Natural Resources and the Natural Resources Policy (Environment (Wales) Act 2016). The ISA also accounts for the non-legislative requirements of assessments relating to Rural Proofing; Health Impacts; Climate Change; and Economic Development.
- 1.1.5 The integration of these assessments ensures that a collaborative approach is undertaken on different issues, sharing knowledge and recognising links between topics in a consistent and transparent manner.

Timing, and the implications of Covid-19

- 1.1.6 The drafting of the ISA has been undertaken over the past five years. In 2020, the Covid-19 Global pandemic hit the UK and resulted in an unprecedented impact on Wales' economy, travel patterns and the population's health and well-being. It has been suggested that the pandemic may result in longer term changes to the way that we live our lives, particularly in terms of our appreciation of outdoor spaces, our changes in travel patterns and our working patterns. Following the end of the pandemic, the shift in people's attitudes to outdoor activity and remote working have the potential to become more permanent.

- 1.1.7 Whilst Covid-19 is not specifically referred to in the ISA, the ISA provides an appraisal of the policy measures in Future Wales (the NDF) using an appraisal framework that was based on a clear understanding of how to achieve more sustainable places. The framework includes ISA Objectives related to, for example, access to open spaces, the promotion of active travel, improvements in digital communications and lower car-dependency. This has ensured that Future Wales includes a range of policy measures designed to support and promote these themes, which will form a key part of a sustainable development, and recovery where necessary, into the future.
- 1.1.8 The ISA is underpinned by baseline evidence and trends. Whilst 2020 is atypical in terms of many socio-economic and environmental trends it is considered that this year is an anomaly rather than a 'new normal', so the long-term trends identified in the ISA remain an appropriate basis for appraisal. Changes observed during the pandemic to travel patterns, active travel, impacts from homeworking, town centres, health and well-being inequalities, socio-economic disadvantages, and the value of outdoor recreational space, may have a lasting effect beyond the pandemic. If so Future Wales (the NDF) provides a robust framework to maximising the benefits of these trends and to address any potential negative effects. The impacts and future trends from the pandemic will be reflected in the evidence and monitoring work. The ISA process is not static and future iterations of it and Future Wales will reflect any changes to long-term trends going forward. It is also the case that Strategic and Local Development Plans will have the opportunity to adapt to any new evidence that arises.

ISA and NDF Processes So Far

- 1.1.9 The NDF preparation commenced with a process of evidence gathering and stakeholder engagement in Winter 2016/17. In Spring 2017, further work was undertaken to identify issues for the NDF following the engagement events. At this stage, initial ideas were developed for the potential NDF objectives and strategic options.
- 1.1.10 The first stage of the ISA (Scoping) also commenced at this time. The ISA Scoping stage included the following tasks:
- Scope and level of detail;
 - Relevant plans, policies, programmes and initiatives;
 - Relevant information about existing and predicted future social, economic, cultural and environmental conditions in Wales at a national scale;
 - Identify key sustainability issues and opportunities; and
 - Present a framework of Objectives and decision aiding questions, against which the NDF can be appraised.
- 1.1.11 These tasks were reported in the Draft ISA Scoping Report which was consulted upon between 28 April and 21 July 2017. In addition, a stakeholder workshop was held early May 2017. The Draft ISA Scoping Report was issued to Natural Resources Wales and Cadw for comment. It was also sent to statutory consultees outside Wales that may be indirectly affected by the NDF, notably the Environment Agency, Natural England and Historic England; as well as wider stakeholders such as the Royal Society for the Protection of Birds (RSPB). The Final Scoping Report (April 2018) has been shaped through this engagement and involvement of stakeholders.
- 1.1.12 Drawing upon the consultation feedback, work began in Summer/Autumn 2017 on further developing outline NDF Objectives and Strategic Options. An initial, high-level, HRA Screening was undertaken at this time.
- 1.1.13 In November 2017, the initial NDF objectives and strategic options were subject to ISA and the results of this were fed back to the NDF team to influence their further development. The next iteration of objectives and options were then further subject to ISA and Preliminary HRA Screening in winter 2017/18. These findings were documented in an Interim ISA Report that accompanied consultation on the Issues and Options version of the NDF between 30 April 2018 and 23 July 2018.

- 1.1.14 The ISA at this stage comprised the following tasks:
- Testing the plan objectives against the SA Objectives;
 - Predicting and evaluating the effects (including cumulative and secondary effects) of plan options and alternatives; and
 - Considering ways of mitigating negative effects and maximising beneficial effects.
- 1.1.15 The ISA was further refined and amended in light of the consultation responses received.
- 1.1.16 Based on the above, the Draft NDF was developed.
- 1.1.17 The Draft ISA provided an appraisal of the revised policies, as well as the different options Welsh Government had considered when drafting the proposed policies. Appraisal results were accompanied by a series of recommendations which, if adopted, would help to enhance the sustainability of the policies. The Draft NDF, and supporting documents including the accompanying ISA, was consulted on between 7 August 2019 – 15 November 2019.
- 1.1.18 Responses received during consultation on the Draft NDF helped to refine the NDF further and have also helped to influence the ISA. This full ISA Report sets out in detail how consultation responses have played an important role in shaping the ISA.
- 1.1.19 Welsh Government then prepared the Draft NDF Including Proposed Changes. The ISA was further updated to reflect this version of the NDF.
- 1.1.20 The final stage of the preparation of the NDF was Scrutiny by the Senedd. Following this, changes to the NDF were proposed. These have since been reflected in this ISA, a process which is documented in the Post Publication Statement.

How the ISA has been undertaken

- 1.1.21 The geographical scope of the ISA has been driven by the geographical scope of the NDF i.e. the whole of Wales. Whilst the NDF will be updated every five years, it is intended to apply until 2040 following publication in 2021. This timescale has been reflected in the ISA. The intention of the ISA was to enable the principles of sustainable development to be embedded into the NDF from the outset.

ISA Framework

- 1.1.22 A key output of the ISA Scoping Stage was the ISA Framework. The ISA Framework is the main assessment tool used during the ISA and comprises a series of 17 ISA Objectives covering social, economic, cultural and environmental issues identified during the ISA Scoping Stage. The ISA Objectives are listed in Table NTS-1. These ISA Objectives have been used to test the performance of the NDF by appraising each element of the NDF for its likely effects on each ISA Objective. For example, for ISA Objective 1, each policy in the NDF has been appraised for the extent to which it could have positive or negative effects with regards to encouraging and supporting improvements in educational attainment for all age groups and all sectors of society and improving opportunities for life.
- 1.1.23 The ISA Framework allows for an integrated approach to assessing the effects of the NDF by bringing together the various impact assessments listed above in Section 1.1.4 into a single appraisal framework.

Table NTS-1: ISA Objectives in the ISA Framework, against which the NDF is appraised

No.	ISA Objective
1	To encourage and support improvements in educational attainment for all age groups and all sectors of society to help to improve opportunities for life
2	To contribute to an improvement in physical, mental and social health and well-being for all, including contributing towards a reduction in health inequalities across Wales
3	To create opportunities for an increase in employment across the country and promote economic inclusion
4	To create opportunities for sustainable economic growth, diversity and business competitiveness
5	To contribute towards the future well-being of the Welsh Language
6	To create opportunities within which greenhouse gas emissions can be reduced and limited and encourage energy efficient and sustainable design
7	To create opportunities to encourage the protection and improvement of air quality
8	To create opportunities for the protection, conservation and enhancement of the historic environment, historic assets and their settings
9	To create the opportunities for the protection and promotion of Welsh culture
10	To contribute to the reduction and management of flood risk
11	To create opportunities to protect and enhance the quality and quantity of water features and resources
12	To create opportunities for the improved connectivity of communities and sustainable access to basic goods, services and amenities for all groups
13	To create the opportunities within which an improvement in social cohesion and equality can be achieved
14	To create opportunities for the provision of good quality, safe, affordable housing that meets identified needs
15	To create opportunities for the protection and enhancement of the local distinctiveness of our landscapes, townscapes and seascapes
16	To create opportunities for the conservation and enhancement of biodiversity and geodiversity
17	To create opportunities for the sustainable management and use of natural resources, taking into account their benefits and intrinsic value

Appraisal of the NDF

1.1.24 The NDF is structured in the following way:

- 1. Introduction;
 - *Sets out what the NDF is, how it fits with wider Welsh Government policy and the structure of the Welsh planning system.*
- 2. Wales: An Overview
 - *Sets out an overview of Wales and some of the key demographic, economic, environmental, cultural and social trends; and identifies the challenges and opportunities that have shaped the NDF.*
- 3. Setting and achieving our ambitions
 - *Includes the 11 NDF Outcomes which are a collective statement of where the Welsh Government wants Wales to be in 20 years' time and details of the review of the NDF.*
- 4. Strategic and Spatial Choices: The NDF Spatial Strategy
 - *Sets out the Spatial Strategy and its policies. The Spatial Strategy will be the guiding framework for where large scale change and nationally important developments will be focused over the next 20 years.*
- 5. The Regions.
 - *Sets out the NDF policies for Wales' four regions: North, Mid, South West and South East.*

1.1.25 ISA is an iterative process with appraisal results fed back to the plan-makers at numerous stages of the NDF's development. Overall, the ISA has provided appraisals of the following elements:

- How environment in Wales would be likely to change over time in the absence of the NDF;
- The NDF Outcomes, which are broad objectives Welsh Government would like to achieve through the NDF;
- Different options for the overall spatial distribution of development and policies in the NDF;
- All elements of the 2019 Draft NDF;
- All elements of the 2020 Draft NDF Including Proposed Changes; and
- All revisions to the NDF, post Senedd Scrutiny.

Appraisal Results – NDF Outcomes

1.1.26 NDF outcomes are the broad objectives that Welsh Government are seeking to achieve through the NDF. These have been assessed for their compatibility with ISA Objectives, the results of which are discussed in the main ISA Report and presented in full in Appendix C.

Appraisal Results – Issues and Options (assessed November 2017)

1.1.27 The Interim ISA Report documents the appraisal of the NDF Alternative Options and Preferred Option. Four Alternative Options for the NDF were developed together with a Benchmark Option which comprises not producing an NDF. Each option was subject to ISA in November 2017. A full description of the NDF Alternative Options can be found in Appendix C of the Interim ISA Report¹. In summary, these options were:

- Alternative Option 1 – An option focussing growth in the strongest market areas
- Alternative Option 2 – An option focussed on creating strong communities across all Wales
- Alternative Option 3 – An option to deliver decarbonisation and climate change objectives

¹ Interim ISA Report, available online at: <https://gov.wales/sites/default/files/consultations/2018-04/180430-interim-isa-report.pdf> [Accessed 17/02/21]

- Alternative Option 4 – An option focussed on the sustainable management of Wales’ natural resources
- Benchmark Option - Do Not Prepare the NDF

Alternative Option 1

1.1.28 Overall, alternative Option 1 performed worse than the other options when assessed against the full suite of ISA objectives. The option was not strongly driven by the principles of sustainable development and economic growth would take precedent over the natural and built environment which could lead to negative effects in these areas.

Alternative Option 2

1.1.29 Alternative Option 2 performed significantly better than alternative Option 1. The option focused on local needs across a wider area, which may reduce inequalities and lead to an increase in benefits across all communities. No strong negative effects were predicted for this option.

Alternative Option 3

1.1.30 The assessment of alternative Option 3 also led to the prediction of strong positive effects. The option would anticipate the risks from climate change to ensure that future development patterns consider, are shaped by, and build resilience to these risks. The option would deliver renewable energy generation to the most appropriate locations and provide a framework to support its delivery. No strong negative effects were predicted for this option.

Alternative Option 4

1.1.31 Strong positive effects were predicted against seven of the ISA objectives in the assessment of alternative Option 4. The option included significant emphasis on the climate change resilience. It recognised how the natural environment underpins economic sustainability and has a very strong focus on environmental protection.

Do Nothing

1.1.32 No strong effects were predicted for the ‘do nothing’ option. Although the Wales Spatial Plan and other policies and strategies would continue to be in place without the NDF, trends, such as higher than average deprivation in the South Wales valleys and some North Wales coastal towns, are likely to continue, leading to a mix of potentially positive and negative effects without the implementation of the NDF.

Appraisal Results – Preferred Option (assessed February 2018)

1.1.33 Following the assessment of the Alternative Options, the Welsh Government team refined the NDF Options, and developed a first draft of the Preferred Option. Feedback from the ISA of this Preferred Option was then used to refine a final version of the Preferred Option.

1.1.34 The ‘Preferred Option’ was developed around five themes, reflective of Planning Policy Wales, Edition 10 (PPW):

- Placemaking;
- Distinctive & Natural Places;
- Productive & Enterprising Places;
- Active & Social Places; and
- Wales’ Regions.

1.1.35 None of the Alternative Options 1 – 4 were considered to be entirely preferable as they each demonstrated negative outcomes to varying degrees and would not deliver the balanced sustainable development required. Welsh Government therefore developed the Preferred Option by integrating the benefits of each Alternative Option with one another, whilst minimising potential negative effects. The ISA of the Preferred Option in early 2018 subsequently predicted strong positive effects in six of the ISA objectives, with no strong negative effects predicted.

- 1.1.36 Overall, the Preferred Option in 2018 would have been likely to contribute towards the protection and enhancement of nationally important landscapes; seascapes; and nature conservation sites and habitats, whilst also strengthening ecosystem resilience and facilitating the provision of new green infrastructure in places across Wales. However, the proposed requirement for improvements to, and the expansion of, the national road network was predicted to have the potential to lead to an increase in traffic volumes in the long-term, leading to negative effects associated with this, such as exacerbated noise pollution in South East Wales. This could be further exacerbated by the development of city regions and growth areas. Significant infrastructure projects, such as for transport or energy purposes, would also have posed a risk to natural landscapes, although these could likely be mitigated to some extent on a project-level basis.

Recommendations

- 1.1.37 Although strong positive effects were predicted for social and economic indicators, it was considered through the ISA that the potential for the NDF to contribute to environmental sustainability in particular could have been strengthened. In order to improve the potential for the Preferred Option to contribute towards the ISA objectives, a number of recommendations were made, which were considered by the Welsh Government. These recommendations and how they were considered are recorded in the appraisal table for the Preferred Option in Appendix B. Feedback from the ISA of the Preferred Option was then used to refine the final version of the Preferred Option at the time and this was consulted on alongside the Interim ISA Report (April 2018).

Appraisal Results – Draft NDF (assessed May 2019)

- 1.1.38 Following several rounds of appraisals, recommendations and consultations, the Welsh Government prepared the Draft NDF. The Draft NDF policies were prepared to deliver the NDF Outcomes and the NDF Spatial Strategy. The July 2019 Draft NDF (assessed May 2019), including its Spatial Strategy and 33 Policies, were appraised for their likely effects against each of the ISA Objectives for their likely impacts in the short, medium and long terms. These appraisals were consulted on between August and November 2019 alongside the Draft NDF.
- 1.1.39 The full appraisal results for the Spatial Strategy and Draft NDF policies are presented in Appendices D and E of the ISA Report.
- 1.1.40 The Spatial Strategy proposed in the Draft NDF has been carried forward with some amendments and is proposed in the Draft NDF Including Proposed Changes. A summary of the assessment findings for the Spatial Strategy is provided below.
- 1.1.41 The Draft NDF policies were revised and amended in light of consultation responses and the latest relevant evidence to form the 36 policies proposed in the Draft NDF Including Proposed Changes.

Appraisal Results - Spatial Strategy

- 1.1.42 The Spatial Strategy proposed in the NDF would be expected to result in predominantly positive sustainability impacts. Overall, the strategy would be expected to help facilitate enhanced accessibility and increased capacity of education and health services throughout Wales. The strategy would also facilitate excellent access to open spaces and the countryside for new people, which is important for physical and mental well-being. The support for significant economic growth and new housing that satisfies needs should help to reduce poverty and homelessness and better enable people of all backgrounds in many regions of Wales to pursue healthy and high-quality lifestyles. The strategy would be likely to help contribute towards significant economic growth in Wales, particularly in urban areas. The range of employment opportunities in regions across Wales, and the accessibility of these opportunities for areas currently most employment deprived, is likely to be significantly boosted. The proposed Spatial Strategy would be expected to help ensure that identified housing needs are satisfied at national, regional and local levels.
- 1.1.43 The proposed approach would direct the majority of new development towards existing urban regions and this should enable more sustainable development that facilitates lower-carbon living for

people due to the good access to public transport modes and the shorter distances needed to travel to access key services and amenities.

- 1.1.44 Focussing new development in these areas could also lead to reduction in the risk of environmental pollution in more rural areas. Development in existing towns and cities would be expected to be able to make a more efficient and sustainable use and management of natural resources, particularly soils, due to opportunities for using brownfield sites, existing building and reused materials, leading to positive effects.
- 1.1.45 The strategy would be likely to help enhance Welsh culture to a minor extent, primarily due to the protection afforded to rural areas where cultural and traditional places and activities are prominent. Likewise, impacts of the proposed approach on Welsh language are likely to be somewhat limited.
- 1.1.46 The strategy focusses on the four regions of Wales. In these regions there is a risk that the level of development proposed would lead to an increase in flood risk. It should be recognised that situating development in the main towns and cities could limit these effects due to the plentiful opportunities for using brownfield sites and enhancing the presence of green infrastructure.

Appraisal Results – Draft NDF Including Proposed Changes Policies and updates, Post Senedd Scrutiny

- 1.1.47 Following Scrutiny by the Senedd, a number of changes to the NDF were proposed. These have since been reflected in this ISA, a process which is documented in the Post Publication Statement. It is noted that only two scoring changes were recorded, in relation to the assessment of P6, increasing the medium and long term score from neutral to minor positive, against the housing objective. This has not affected the summary of the assessments, which reflect significant predicted effects.
- 1.1.48 The final version of the Final NDF policies (following Scrutiny by the Senedd) would be expected to have neutral or positive effects on the social and economic ISA Objectives, which are related to improving education, health, economy, employment, connectivity, social cohesion and housing. More mixed impacts were identified for the ISA Objectives relating to the protection of the natural environment, including energy and greenhouse emissions, air quality, flood risk, water, landscapes and townscapes, cultural heritage, biodiversity and geodiversity as well as natural resources. For most of these, it is unclear whether the positive or negative effects would outweigh the other. In many cases the adverse effects relate to the increase in resource consumption and emissions as a consequence of new development. New development typically involves, for example, a degree of increase in local car use, water and energy consumption, land take or alteration to the surrounding townscape or landscape character. The policies in the NDF seek to provide a framework to minimise or reduce these effects whilst also promoting sustainable development in order to meet the social and economic needs of the country.
- 1.1.49 Potentially significant negative effects in the long-term were identified for policy P10, primarily because it would encourage and support the maintenance of Cardiff Airport and other Strategic Gateways, which would be expected to continue to be major sources of greenhouse gas emissions as a result of air and shipping movements.
- 1.1.50 For each policy, the Welsh Government considered various reasonable alternatives, including a do-nothing (i.e. have no policy) approach. The appraisals of the preferred options are alongside the appraisals of their reasonable alternatives to enable quick comparisons between them. These assessment results helped the plan-makers with their decision making over which of the policy options to pursue, amend or reject.
- 1.1.51 A summary of the assessment of the NDF Final policies (following Scrutiny by the Senedd) is provided in Table NTS-2.

Table NTS-2: Summary of Final NDF policies (following Scrutiny by the Senedd) Assessments

Summary of Final NDF policies (following Scrutiny by the Senedd) Assessments Results
<p>Education</p> <p><i>ISA Objective 1: To encourage and support improvements in educational attainment for all age groups and all sectors of society to help to improve opportunities for life</i></p>
<p>The assessments of NDF policies on the provision of education and skills learning opportunities for all people of Wales identified largely positive effects. All policies were predicted as having either positive or negligible effects, with no negative scores recorded. Over time, for many policies, these effects were predicted to increase in magnitude and to become significantly positive in the long-term.</p> <p>Overall, policies of the NDF in-combination would be expected to have a cumulative significant positive effect as a result of improvements to existing educational facilities and their enhanced connectivity for all people. They would also combine to deliver cumulative positive effects through employment and economic growth that delivers skills learning opportunities in accessible locations for communities throughout Wales.</p>
<p>Health</p> <p><i>ISA Objective 2: To contribute to an improvement in physical, mental and social health and well-being for all, including contributing towards a reduction in health inequalities across Wales</i></p>
<p>The assessments of NDF policies recorded largely positive effects on the ISA Objective of improving the physical, mental and social health and well-being for all, including a reduction in health inequalities.</p> <p>Overall, policies in the NDF would be expected to deliver significant cumulative positive effects on the objective of improving physical, mental and social health and well-being in Wales as a result of new employment opportunities. Reducing inequality and poverty, enhanced transport infrastructure improving people's access to services, facilities and the natural environment, increased delivery of affordable housing improving the quality of living environments and enhancements to Wales' digital and mobile connectivity providing benefits for digital health services.</p>
<p>Employment and Economy</p> <p><i>ISA Objective 3: To create opportunities for an increase in employment across the country and promote economic inclusion</i></p> <p><i>ISA Objective 4: To create opportunities for sustainable economic growth, diversity and business competitiveness</i></p>
<p>The assessment of NDF policies recorded positive effects against the ISA Objectives on increasing employment across the country and promoting economic inclusion, as well as maximising on opportunities for sustainable economic growth, diversity and business competitiveness. All policies were recorded as being likely to have either negligible or positive effects on these Objectives, with positive effects likely to be direct effects that grow in magnitude to become significant in the medium- and long-term, whilst no negative effects were recorded.</p> <p>Overall, policies in the NDF would be expected to lead to significant positive effects in terms of increasing employment and promoting sustainable economic growth as a result of improving the accessibility of key employment areas, encouraging major new economic and employment development, catering to regional needs as well as urban and rural needs and promoting regional equity.</p>
<p>Welsh Language</p> <p><i>ISA Objective 5: To contribute towards the future well-being of the Welsh Language</i></p>
<p>The NDF policies assessments recorded mostly positive effects with regards to protecting and improving the future well-being of the Welsh language. Overall, policies in the NDF would be likely to lead to minor positive effects in terms of the well-being of the Welsh language as a result of encouraging new economic development and growth, improving education facilities and the accessibility to these facilities and encouraging more affordable housing.</p>
<p>Energy and GHGs</p> <p><i>ISA Objective 6: To create opportunities within which greenhouse gas emissions can be reduced and limited and encourage energy efficient and sustainable design</i></p>

Summary of Final NDF policies (following Scrutiny by the Senedd) Assessments Results

The need to create opportunities within which greenhouse gas emissions (GHG) can be reduced and limited and for encouraging energy efficient and sustainable design is becoming increasingly important, as highlighted by the Welsh Government’s 2019 declaration of a climate change emergency. The NDF places tackling climate change at the core of its approach towards land-use planning and seeks to ensure that the sustainability of new development is maximised and evidenced.

Overall, policies in the NDF would be expected to lead to both positive and adverse effects in terms of energy efficiency and greenhouse gas emissions. The NDF makes best efforts to significantly enhance the sustainability of new development in Wales and it is considered to be likely that most new development delivered during the NDF period would be more sustainable as a result of the NDF, than if it were delivered without the NDF being in place. The NDF would help to protect and enhance essential carbon sinks, significantly improve sustainable transport options, increase the renewable energy supply in Wales, whilst encouraging more efficient heat energy networks, and encourage development in locations in proximity to key services and areas thereby reducing the need to travel. This could be countered to a limited extent by GHG emissions from activities associated with Wales’ Strategic Gateways, as well as the increase in energy consumption and transport movements of people caused by the development proposed in the NDF for all regions of Wales.

Flooding
ISA Objective 7: *To contribute to the reduction and management of flood risk*

Whilst the NDF makes best efforts to enhance the sustainability of new development in Wales and to reduce its contribution towards human-induced climate change, the NDF also recognises the importance of enhancing the resilience of Wales’ communities to the impacts of climate change. This includes a recognition of the importance of sustainably managing the risk of flooding for communities throughout Wales, with approximately 245,000 properties in Wales currently thought to be at risk of flooding. The risk of flooding from all sources is likely to change and increase over time due to climate change, with extreme weather and storminess are also likely to increase over time. Aside from flooding, enhancing the climate change resilience of communities throughout Wales is a principle embedded throughout the policies in the NDF, particularly where the NDF seeks to protect and enhance green infrastructure.

Overall, policies in the NDF were recorded as having a variety of different effects on this Objective. Effects of new development are primarily dependent on the distribution and implementation of development in relation to flood risk. In general, it is expected that development would conform with planning law and avoid land at a level of flood risk with which the type of development would be incompatible. However, given the scale of new development it may not be possible to avoid developing in land at risk of flooding in all cases. National planning policy sets out circumstances where developing in areas of flood risk may be justifiable and necessary.

There is also a risk that development in some locations would lead to a loss of above ground vegetation and permeable soils, replacing it with hard standing and impermeable surfaces, and thereby altering the extent and distribution of local flood risk.

Air Quality
ISA Objective 8: *To create opportunities to encourage the protection and improvement of air quality*

Assessments of NDF policies against the air quality Objective of creating opportunities to encourage the protection and improvement of air quality are somewhat mixed, although more positive effects were identified than negative effects.

Overall, policies in the NDF would be likely to deliver both positive and negative cumulative effects. The NDF seeks to encourage, support and facilitate new economic, residential and strategic development that would have associated pollution risks. A secondary impact of the construction, occupation and operation phases of this development across Wales could also lead to an increase in car use due to economic and population growth. The NDF also supports the maintenance of Strategic Gateways, including Cardiff Airport, which could pose air pollution risks.

Water Resources
ISA Objective 9: *To create opportunities to protect and enhance the quality and quantity of water features and resources*

Summary of Final NDF policies (following Scrutiny by the Senedd) Assessments Results	
Access	<p>Assessments of NDF policies against the ISA Objective of creating opportunities to protect and enhance the quality and quantity of water features and resources recorded mixed results. It is considered to be likely that the growth and development encouraged in the NDF would result in an increase in water consumption for new homes and new businesses. However, the locations targeted for this development are predominantly urban, where the risk to the quality of natural waterbodies, such as rivers, lakes or the coast, is more limited. The protection and enhancement of green infrastructure would also help to protect and improve the quality of local waterbodies, due to the important role vegetation and soils play in the water cycle. At the same time, there could be a risk that increases in development density in urban areas potentially affecting water quality as a result of an increase in wastewaters.</p>
Access	<p>ISA Objective 10: <i>To create opportunities for the improved connectivity of communities and sustainable access to basic goods, services and amenities for all groups</i></p>
Social Cohesion	<p>People in Wales need sustainable access to basic goods, services and amenities for all groups. Policies in the NDF were recorded as having positive or negligible effects in this regard, with no negative effects predicted. Policies would combine to significantly enhance Wales' public transport offering. Public transport and efficient journeys are essential for ensuring people have sustainable access to goods, services and amenities. This focussed investment would also help to increase the range of services and facilities in accessible locations on offer to local people. P16 seeks to encourage regional planning throughout Wales and this would help to ensure that local needs in terms of access and the provision of services are being met. The NDF would be likely to lead to cumulative improvements to mobile and digital connectivity in areas most in need. An increasing proportion of people's needs and social interactions are being provided through online interactions, so the NDF would be expected to help provide this important means of connectivity for communities across Wales.</p>
Social Cohesion	<p>ISA Objective 11: <i>To create the opportunities within which an improvement in social cohesion and equality can be achieved</i></p>
Housing	<p>The NDF policies assessments recorded only positive or negligible effects with regards to improving social cohesion and equality. It is likely that many of these positive effects would increase in magnitude to become significantly positive in the long-term. Policies would be expected to lead to significant positive effects in terms of helping to create opportunities for increasing the cohesiveness of communities across Wales and to encourage greater equality. Regional planning and policies would help to ensure that regional and local needs, including in terms of what is needed to address local equality issues, are identified and satisfied whilst major enhancements to Wales' public transport infrastructure would help to ensure that people from all backgrounds are equally able to access goods, services and amenities.</p>
Housing	<p>ISA Objective 12: <i>To create opportunities for the provision of good quality, safe, affordable housing that meets identified needs</i></p>
Landscapes and Townscapes	<p>The NDF policies assessments recorded only positive or negligible effects with regards to maximising on opportunities for the provision of good quality, safe, affordable housing that meets identified needs. No negative effects against this Objective were predicted for any policy. It is expected that the NDF would be expected to deliver significant positive effects in terms of ensuring that national, regional, urban and rural development needs, including housing needs, are met. The various regional policies would help to ensure that there is new residential development in each region of Wales that satisfies regional housing needs and contributes towards the national need.</p>
Landscapes and Townscapes	<p>ISA Objective 13: <i>To create opportunities for the protection and enhancement of the local distinctiveness of our landscapes, townscapes and seascapes</i></p>
Landscapes and Townscapes	<p>The likely effects of NDF policies on landscapes and townscapes is largely mixed as it can depend on the precise location of proposed land-uses in relation to the surrounding landscape or townscape. The NDF would direct much of new development towards urban areas, including Growth Areas or existing large settlements and this would help to</p>

Summary of Final NDF policies (following Scrutiny by the Senedd) Assessments Results
<p>ensure that new development is situated within and adjacent to existing built form. The protection and enhancement of green infrastructure would further help to protect and potentially enhance character as a result of new development. However, a range of policies encourage and support new development and there is a risk that in some cases this development would alter the local townscape or landscape character and distinctiveness.</p>
<p>Cultural Heritage</p> <p>ISA Objective 14: <i>To create opportunities for the protection, conservation and enhancement of the historic environment, historic assets and their settings</i></p>
<p>The effects of NDF policies recorded in the assessments conserving and enhancing cultural heritage are mixed. Only positive or negligible effects were predicted with regards to conserving the historic environment, but some potential adverse effects were predicted with regards to conserving sensitive heritage assets. Much of the new development would be directed towards urban areas, including Growth Areas or existing large settlements and this would help to ensure that new development is situated within and adjacent to existing built form. This could help to avoid potential impacts of development on the setting of heritage assets in rural areas, whilst also providing opportunities for enhancing townscapes by revitalising brownfield sites. However, urban locations are typically home to a greater number of historic assets than countryside areas and, although new development within existing built-up areas is unlikely to have a significant impact, there is a risk of some degree of alteration to the setting of historic assets here. Policies protecting and enhancing green infrastructure minimise the risk of new development adversely impacting on Welsh culture or heritage assets. Effects are therefore largely dependent on implementation.</p>
<p>Wales' Culture</p> <p>ISA Objective 15: <i>To create the opportunities for the protection and promotion of Welsh culture</i></p>
<p>The NDF would help to facilitate new investment to important areas for Welsh cultural activities and places and could help to protect them for future generations to appreciate. Some development could pose a risk to Welsh cultural activities, such as new development in countryside locations impacting on rural sheep farming, but occurrences of this are likely to be very limited.</p>
<p>Biodiversity and Geodiversity</p> <p>ISA Objective 16: <i>To create opportunities for the conservation and enhancement of biodiversity and geodiversity</i></p>
<p>With regards to creating opportunities for the conservation and enhancement of biodiversity and geodiversity, the assessments predicted both positive and negative effects. New development could pose a risk to sensitive biodiversity assets and designations, such as due to cumulative increases in disturbance caused by visitors, increases in pollution and direct harm caused by development on greenfield. Adverse effects on biodiversity are unlikely to be entirely avoidable or mitigated in all cases. It also appears that adverse impacts on biodiversity (and the historic environment) would be weighed against the economic benefits of development and a balanced decision making approach would be undertaken. At the same time, NDF policies would be expected to combine to deliver significant enhancements to Wales' biodiversity and geodiversity, potentially helping to achieve biodiversity net gains, with ecological assets protected and connected in a coherent ecosystem. A coherent ecological network across Wales is essential to enabling the free movement of wildlife and avoiding isolated islands of habitats and species being 'cut off from nature'. A new National Forest would be likely to be an area of significant biodiversity value that provides suitable habitat for a diverse range of protected species, whilst enhancing connectivity.</p> <p>Of particular relevance to this ISA Objective are the findings of the HRA, which ruled out an adverse effect on any Natura 2000/ Ramsar site as a result of the NDF (see below for more information regarding the HRA).</p>
<p>Natural Resources</p> <p>ISA Objective 17: <i>To create opportunities for the sustainable management and use of natural resources, taking into account their benefits and intrinsic value</i></p>
<p>With regards to creating opportunities for the sustainable management and use of natural resources, taking into account their benefits and intrinsic value, the assessment identified a mixture of effects arising from NDF policies. Effects were predominantly associated with whether the policy would lead to new development on greenfield or brownfield land. Greenfield locations are often the location of important natural resources that need protection, such</p>

Summary of Final NDF policies (following Scrutiny by the Senedd) Assessments Results

as soils, peatland and woodland. The distribution of development proposed in the NDF would be expected to help reduce the amount of greenfield lost to new development.

The NDF would help to improve the efficiency of Wales' energy networks, whilst increasing supply of renewable energy, and facilitating opportunities to develop on brownfield land, whilst protecting and enhancing green infrastructure. At the same time, policies would be likely to combine to encourage new development throughout Wales that relies on the consumption of natural resources for completion, such as minerals for construction. Not all new development in Wales that is supported by the NDF would be on previously developed land, and so some degree of greenfield loss can be expected. New development would also be likely to lead to some degree of air pollution during the construction phase and, depending on the type of development, also during its operation phase, such as that caused by a local increase in car usage. A cumulative impact of all development supported and encouraged by the NDF is also likely to be some degree of increase in the consumption of water, due to both the consumption by businesses as well as residential consumption. In addition to water consumption, there could be an increase in the risk and prevalence of pollution or contamination of waters. Whilst the NDF seeks to encourage an increase in the proportion of Wales' energy generation and consumption that stems from renewable sources, it is unclear and potentially unlikely that this will match or exceed the likely increase in energy consumption associated with the levels of growth that the NDF seeks to support and encourage.

How the ISA has Influenced the NDF

- 1.1.52 The ISA experts have worked closely with the planning team at Welsh Government since very early on in the NDF-making process. Through an iterative process, ISA experts have fed assessment results and recommendations to the planners to assist with their decision-making. This has played an important role in helping the plan-makers to take into consideration the sustainability performance of different options they may be considering for inclusion in the NDF, as well as the different measures they could consider adopting that would help to maximise positive effects or to minimise or avoid negative effects.

Avoiding, reducing or mitigating negative effects and maximising positive effects

- 1.1.53 During the iterative process of the ISA, the NDF has incorporated a range of recommendations that have helped to enhance the overall sustainability performance of NDF proposals. Throughout the appraisals of NDF policies, recommendations have been made for each policy against each ISA Objective, where appropriate, in order to help avoid or mitigate negative effects and to help maximise positive effects.
- 1.1.54 It is important to read and understand the NDF in the context of wider planning policy, including PPW. The NDF will be used to guide both public and private investment. Welsh Government's aim is to ensure investments and developments – whether large or small in scale - contribute to the broader ambitions of the Welsh Government and to the well-being of communities. The NDF does not seek to replace PPW, which it should be read in conjunction with, as PPW provides planning policy on an all-Wales basis. This means that any development encouraged or supported in the NDF would need to conform with the requirements of PPW, as well as any regional or local plans in force.
- 1.1.55 Overall, policies would be highly likely to make a positive contribution towards achieving ISA Objectives. The Draft NDF Including Proposed Changes was recorded as being likely to result in highly positive effects on the more social and economic ISA Objectives, including those related to education, health, employment, economy, connectivity, social cohesion, housing and culture. For many of these the identified effects would be likely to become significantly positive over the medium and long terms as the effects of the NDF grow over time.
- 1.1.56 More mixed effects were identified for eight of the ISA Objectives. These are predominantly associated with the natural environment, including energy and GHG emissions, air quality, flood risk, water, landscapes & townscapes, cultural heritage, biodiversity & geodiversity as well as natural resources. For most of these, it is unclear whether the positive or negative effects would outweigh

the other, although it is expected that the NDF will help to make sure that new development in Wales is increasingly sustainable and, whilst there is uncertainty here, it is likely that development in Wales will be better equipped to avoid adverse effects whilst maximising positive effects on the natural environment as a result of the NDF.

- 1.1.57 Adverse effects are primarily the consequence of new development and growth in Wales, supported and encouraged by various NDF policies that would be likely to lead to some degree of increase in energy and natural resource consumption and emissions. However, it should also be noted that the NDF is intended to be applied alongside a wider suite of policy including PPW which will also help to mitigate uncertain negative effects at the more local level. The NDF does not intend to duplicate this policy.
- 1.1.58 Where negative effects have been predicted, the ISA has provided recommendations which, if incorporated into the policy in question, would be likely to help avoid or mitigate potential negative effects or to enhance positive effects. Recommendations made to Welsh Government have been a key feature of the ISA process from its inception. Welsh Government has proved highly receptive to measures for enhancing the sustainability performance of the NDF and subsequently made enhancements and amendments to the NDF throughout.

Findings of HRA and how these have fed into assessment

- 1.1.59 A separate Habitat Regulations Assessment (HRA) process has accompanied and informed the NDF-making process. This includes an Appropriate Assessment. HRA is an iterative process between ecological experts and plan-makers to determine if a plan could potentially have adverse effects on areas of high biodiversity value that are protected at an international level. These biodiversity designations are referred to collectively as Natura 2000/ Ramsar sites, of which there are many in Wales.
- 1.1.60 The HRA Report accompanying the NDF makes it clear that it is difficult at this very high-level stage of the development planning process in Wales to determine how European designated sites may or may not be affected by strategic policy decisions. However, it is important to note that the potential implications for Natura 2000/ Ramsar sites have been considered throughout the development of the NDF, such that early avoidance of the issues (and/or reduction of risk) has been a key element of the process.
- 1.1.61 The HRA has determined the type of impacts that could occur through implementation of the policies and flags up mitigation measures that would need to be considered when producing lower-tier plans. This has provided a precautionary extra level of protection to Natura 2000/Ramsar sites, which it is considered will, in addition to the legal requirement for HRA of lower-tier plans and projects, provide sufficient safeguarding to be able to confirm that no adverse effects on integrity are anticipated.

Monitoring Significant effects

- 1.1.62 The ISA has identified the likely effects of the NDF on ISA Objectives over the short, medium and long terms. An indication of the certainty of these effects was also provided. However, there is a risk that the sustainability impacts of the NDF, including the impacts of specific policies or the cumulative impacts of policies in-combination, are different to those anticipated, such as due to unforeseen circumstances. The Covid-19 pandemic also provides some uncertainty as to how future trends may materialise. It is therefore an essential component of delivering sustainable development to monitor the significant effects of the NDF in relation to the predicted impacts. Regular monitoring then enables the relevant authorities to alter plans, as necessary, should unexpected negative effects arise or expected positive effects not arise.
- 1.1.63 A monitoring framework, comprising those effects being sought to be monitored, is presented in the ISA Report that sets out a range of indicators to be monitored relevant to the likely effects of the NDF. In addition to monitoring the extent to which the NDF results in the impacts identified in the ISA, the monitoring framework provides an indication of the impacts of the NDF on the environmental baseline in Wales and this can be compared with the future trends of this baseline.

The monitoring of the NDF will aim to identify any significant effects as they arise, which should help to inform any uncertainty within the ISA findings. The monitoring process will also help to inform the baseline characteristics as the NDF evolves, post publication.

- 1.1.64 Following the publication of the NDF, a Post Publication Statement will be prepared, including a Statement of Environmental Particulars, providing detail of how the ISA process has influenced the development of the NDF, the predicted significant effects, as well as the Monitoring Framework.

Arcadis Consulting (UK) Limited

Arcadis Cymru House

Cardiff

CF3 0EY

United Kingdom

[arcadis.com](https://www.arcadis.com)

