

## **Constructing Excellence Wales (CEW) review into NRW Marine Nitrates**

### **Key points captured**

1. The full papers are attached and the information here is a summary of the key points captured from the work of CEW.
2. Much of the information is anecdotal given the short time in which CEW has had to engage with key stakeholders.
3. Some of the more detailed information may provide a basis for extrapolating data to assess the information provided from the local authorities. For example, feedback captured indicates that a stalled £19m project is forecast to cause potential job losses ranging from 10 direct to over 400 jobs in the supply chain. Similarly, the Solent case study highlights that the paused 5,500 homes represent ~£1.48bn output and 13k–19k job-years supported.
4. Community Housing Cymru shared examples of scheme-specific mitigation measures being explored by Caredig and their partner developers, including redirecting the flow of the foul via another route away from the SAC are being utilised (but at a considerable cost). 'Betterment' from demonstrating the previous versus new contributions is also included. However, for some schemes, there are no obvious mitigation measures which are therefore leading to at least a 12 month delay. Projects mentioned include Parc Emlyn Development Penygroes, Farmers Arms, Llangennech, Capel Hendre, Ammanford, and Ty-y- Bonnau, Pontardulais.
5. The issue goes beyond housing and is already impacting industrial projects, brownfield sites. One client is now at serious risk of losing its “anchor tenant” for the scheme which could result in the scheme no longer being viable and therefore scrapped. If the project is not viable, it is likely that the client will need to make some redundancies as staff were employed specifically for this scheme. The “anchor tenant” is a large-scale builder’s merchant and would introduce a significant volume of jobs and trade to the area.
6. Review of the Solent case study outlines that SMEs are hardest hit from the schemes being stalled. Mitigation actions arising from this scheme include:
  - Nutrient trading pilot : Farmers retire land from intensive agriculture for conversion to wetlands/woodlands. Nitrogen credits are calculated (NECR459 methodology);
  - Mitigation credits market: Developers buy credits; proceeds fund land-use change, creating long-term nutrient reduction;
  - Warblington Farm (Havant): Converted to a mitigation site — actively enabling stalled development;
  - Constructed wetlands (in situ bioremediation, water treatment) provide dual benefit: pollutant removal & biodiversity uplift;

- Wastewater treatment works upgrades: Significant N & P load reductions achieved (e.g. Langstone Harbour saw 49% N load reduction and 75% P load reduction since 1990s); and
- Partnership for South Hampshire and Solent Nutrient Market have created a functioning credit marketplace.

7. Somerset Council has established a separate phosphates team to alleviate pressures. This could be replicated in Wales but requires resource.

8. The table at Annex 1 summarised details of reported impacts.

## **Annex 1 – Reported Impacts captured**

**Construction Services Organisation** - £19m project currently delayed by 12 months, serious risk of losing major anchor tenant and project no longer viable.

**Large Housing Association** – 787 plots impacted. Supply chain contractor has 50 jobs at risk. S Wales supply chain affected: Groundworks - £8.2m (E&TL Jones), Roofing/Cladding – £2.3m (Haran), Steel Frame - £900k (Morgans of Usk) and Curtain Walling/Windows/Doors - £800k (Vellacine). Up to 100 people at peak.

**Housing Association** – Avoided impact through building extant permissions but noted significant frustrations in engaging with NRW.

**Commercial Property Developer** – Groundworks specialist has 4–5 sites in Carmarthenshire, Swansea and Pembrokeshire at various stages of planning, ranging from 20+ to 80+ units. Could result in delays of 18 months or more. Targeting schemes in other parts of South Wales outside the affected SAC catchments – loss of local contractor supply chain.

**Construction Firm** - 80 employees and 320 workers in supply chain across Carms, Pembs, Ceredigion and Swansea. Impacting on business and supply chain.

**Architectural Services** Micro business, employing 5 people. Projects held for 6-9 months – big impact on business.

**Community Housing Association** - represents 30 not-for-profit associations providing c174,000 homes to 10% of the Welsh population. NRW is blocking at least 1,772 new affordable homes. Redundancies already taking place in supply chain.

**SME Multi-disciplinary Architectural Practice** - active for 15 years and delivered more than 2,000 homes. 14 sites impacted, including a scheme ongoing for 3 years for 83 homes in Milford Haven about to be determined, and schemes ranging from 20 through to 73 units. In total 522 units caught. 2 redundancies made already.

**Large Housing Partner Construction Company** – Contract signed Mar 25 with Wales and West for a £22.8m scheme of 91 homes in Narberth, start on site in Oct 25 under threat with potential for significant redundancies in firm and supply chain.

**Large House Building Private Developer** – recorded pre-tax profit of £274m in 2025 delivered 16,565 homes, large employer. Sites affected: site is allocated under Policy SD H of the Swansea LDP mixed-use development comprising approximately 1,319 homes, further site was added as an allocation for 80 units following the Inspector's initial findings into the Carmarthenshire RLDP.