

Consultation Response Form

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<u>Organisation (if applicable)</u>	Federation of Small Businesses

1. NDF Outcomes (chapter 3)

The NDF has proposed 11 Outcomes as an ambition of where we want to be in 20 years' time.

- Overall, to what extent do you agree or disagree the 11 Outcomes are a realistic vision for the NDF?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- To what extent do you agree with the 11 Outcomes as ambitions for the NDF?

Agree with all of them	Agree with most of them	Agree with some of them	Agree with none of them	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- If you disagree with any of the 11 Outcomes, please tell us why:

Given that these are meant to be high level outcomes, we would generally agree with these outcomes as aims.

However, what is important is what lies beneath these outcomes, and what are the targets, goals and direction that will ensure that they are met? There is a claim that this is a twenty-year plan and the outcomes reflect this. However, there is little to clearly bridge the gap between the present sectoral analysis and how to achieve the outcomes in twenty years time.

It would also be useful to have clearer read across to other developments and mapping out how documents interrelate (such as the Environment Act and the proposed National Infrastructure Strategy). This would also help to provide detail around how the different outcomes relate to each other, whom is in charge of what, and how the policies noted are impacting upon these different sectors. In the recent FSB report on infrastructure, 'Are We There Yet'¹, we have called for a clear mapping of the institutions involved in governance, as well as how they relate to each other. Such a mapping of the role and remit of the NDF, in relation to other areas would be a useful addition.

The spatial plan should also look to develop detailed spatial mapping across the sectors (not just environmental) so they can be analysed together to understand where there are overlapping or competing interests or needs, and where they can be

mutually reinforced or where there are trade-offs. It is notable that while parts of the draft are spatial in nature (such as Environment) others (such as Housing) currently have no spatial analysis in the draft. If this is spatial analysis is to be developed in future, how the data is accommodated and impacts on the wider spatial plan should be explicitly addressed in the framework.

In terms of particular outcomes, there are some issues that we would like to raise:

Outcome 2 – While understandable and correct in some contexts – and in particular some areas within the draft - the word ‘balance’ between ‘development and preserving the character of rural Wales’ risks positing a false opposition between the two. Development as sensitively created through place-making, can be used to enhance the character of places, and indeed one aspect of sustainable development should be to provide sensitive and place-based development. The wording is different in other parts of the document that discusses ‘enhancing’ place and using ‘place-making’ in this latter way. The danger in a discourse where the high-level outcome views development in opposition to rural character is that development is foregrounded as only in the urban areas, and concentrated in the more urban areas only.

Outcome 8 – This outcome works well in continuing providing the supply of better broadband. However, given that the NDF notes that uptake of ultrafast broadband speed is at 38% there is likely a need to look at the demand side as well. To address this there could be an additional sentence that ‘SMEs, organisations and individuals are able to see the advantages and have the necessary skills and efficacy to take them up, in an affordable and competitive market’.

2. Spatial Strategy (policies 1 - 4)

The NDF **spatial strategy** is a guiding framework for where large-scale change and nationally important developments will be focused over the next 20 years.

- To what extent do you agree or disagree with the spatial strategy and key principles for development in...

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
Urban areas (Policies 1, 2 & 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rural areas (Policy 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- If you have any comments on the spatial strategy or key principles for development in urban and rural areas, please tell us:

There may also be room for changing definition of 'urban' in different areas and the function they have could also be part of place making within local and regional plans. The strategy notes the size of towns, but in terms of place, towns of the same size can serve different functions depending on the relative size and functions of other towns and nearby settlements. This fits with the place-making and spatial approach that the draft advocates, in being integrated, strategic and sensitive to place. This can be addressed within Outcome 5.

A definition of how 'nationally significant' is determined would be useful.

The national strategy, while noting the role of regional centres, focuses mostly on agglomeration in the national urban centres (Swansea, Cardiff, Wrexham and their hinterlands). In our recent infrastructure report '*Are We There Yet*' we noted the importance of a level of regional parity in funding, and recommended a local transport fund of at least £100m. While the national framework will not deal with the budget detail at this level, a commitment to a level of regional parity underlying the discussions that some sectors be dealt with through LDPs and SDPs would be welcome. Funding will be centrally determined on issues around development and infrastructure.

Such a commitment would balance the focus on agglomeration in the national plan, and address concerns that there is a focus on areas to the detriment of others. In response to our survey, many SMEs noted concerns about development being geographically concentrated, seeing many areas as missing out.

A spatial approach, while needing to identify these city urban areas for development, needs also to address wider concerns. The draft has commitments to the functions of towns and to development that is 'complementing rather than competing efforts to grow our cities and towns'. However, how to ensure a place sensitive approach to place and development, and to identify functions is not really addressed. To do so will require more detailed mapping outside the core cities than is seen in this plan.

The commitment to the M4 and A55 'corridors' as areas of development should link to a wider transport plan and infrastructure strategy in general. The North and South corridors make sense as clear areas for development of links already present, but there should be a national implication to the quality of North/South connection addressed in this plan also. This appears to be deferred to the SDPs, and yet even if these are projects at a more local level, it appears odd for this not to have a national spatial element. Again, this risks exacerbating views of uneven development as seen in our recent infrastructure survey, such as by the member who noted that mid Wales between the A55 and M4 was treated as a 'neglected interior'.²

The map on page 25 makes Wales look like an island without an eastern border – given the focus in the plan on cross border links, strategic towns and cities in England, as well as key airports should be included in this visualisation. There also needs to be some acknowledgement that planning decisions and developments across the border will have an affect on decision to be made in Wales.

On page 28 the plan notes the need to ensure development sustainable for the long term, rightly stating that the 'short term capital receipt or a cheaper development cost is unlikely to offset these longer term costs'. While this identifies the problem, it is not clear that the framework provides or links to a means of addressing the perverse incentives that lead to such short-term decisions. A general timeline for addressing budgetary pressures and short-term cycles would be useful. In a similar way, that the *Prosperity for All: A Low Carbon Wales* includes a plan for the Welsh Government budget to be aligned over the next decade to carbon budgets.³ It would be useful to look at how we can move budgetary cycles along a similar timeline.

On rural policy (policy 4), there is a correct emphasis on the need for local areas to shape their own plans, but the framework also needs an understanding of how local and regional plans feed in and shape the national spatial plan, rather than being deferred to plans that sit 'outside' the national plan. The different levels of governance cannot sit separately, and the national framework needs to understand how the other plans fit and reshape the national spatial plan, and how they are to be accommodated within it. If the interlinking between the agglomeration of city areas and hinterland towns and rural development are to be 'complementary' (as the plan

² LI ap Gareth 'Are We There Yet?' *A Roadmap to Better Infrastructure for Wales* (FSB: 2019), p 26
https://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb_infrastructure_roadmap_eng.pdf?sfvrsn=0

³ *Prosperity for All: A Low Carbon Wales* (Welsh Government: March 2019), p 23

advocates), then it is important that the different levels interrelate and are mutually reinforcing. While the draft begins that process, the framework needs to set out how it can accommodate this and future data is included and used.

Without this approach to the national spatial plan accommodating the LDPs and SDPs, and allowing them to provide data for the national plan, as well as a commitment to a measure of geographical parity outside the three city centres for development, there is a danger that the approach to rural development would sit in contradiction with the vision for growth in Policy 1. This is not a necessary outcome, and it is important to identify the different needs of different spaces. The plan identifies the place making approach that can address these tensions, but it is unclear whether the framework will be able to absorb them as it currently stands.

3. Affordable Housing (policy 5)

The NDF sets out the approach for providing affordable housing, encouraging local authorities, social landlords, and small and medium-sized construction and building enterprises to build more homes.

- To what extent do you agree or disagree with the approach to increasing affordable housing?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- If you disagree, in what other ways can the NDF approach the delivery of affordable housing?

We welcome the approach to increasing numbers of affordable housing. However, we are concerned that the NDF as currently constituted does not consider market housing to the same extent, and in particular the benefit of a diverse base of SME house builders on delivering both affordable and market housing.

Affordable housing will remain a key part of planning. It is notable that unlike other parts of the plan, there is no real spatial element to the analysis. This may be that policy and data in other areas (such as Environment and renewables) is further ahead. If so, the framework needs to address how this data can be accommodated in future as it becomes clearer.

Where such data is uneven, there is a danger in terms of sequencing that it is areas where there is better data available that is driving the strategy, rather than a holistic understand across sectors and how they interlink.

4. Mobile Action Zones (policy 6)

- To what extent do you agree or disagree the identification of mobile action zones will be effective in encouraging better mobile coverage?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- If you disagree, in what other ways can the NDF improve mobile phone coverage in the areas which currently have limited access?

Our recent infrastructure survey and report notes the need for continued intervention to ensure against market failure in this area.

Welsh Government should fund market interventions similar in scale and ambition to Superfast Cymru to ensure Wales is at the forefront of digital connectivity.

99% of business view the internet as important to their business. UK and Welsh Governments should continue to work with mobile operators to expand the network coverage for mobile internet, especially with the onset of 5G.

5. Low Emission Vehicles (policy 7)

- To what extent do you agree or disagree that policy 7 will enable and encourage the roll-out of charging infrastructure for ultra-low emission vehicles?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- If you disagree, in what other ways can the NDF enable and encourage the roll-out of charging infrastructure for ultra-low emission vehicles?

Given the experience of market failure in the initial rollout of broadband in Wales, the expectation that business and industry will drive the rollout of charging infrastructure may be premature. This is particularly true given that the original UK rollout strategy connected UK core cities, which did not address the needs in Wales adequately. While the Welsh Government's £2m to address this issue in trunk roads was to mitigate it, this level of investment is too low for future needs. This experience suggests that proactive intervention is required to ensure development of this infrastructure. The plan should also address the challenges to the National Grid in more detail, including a timeline to develop this would dovetail with the development of charging infrastructure.

This is a particular area where an over-emphasis on the corridors of the A55 and M4 could exacerbate the inequalities that already exist and promote uneven development.

Our infrastructure report suggest that a number of firms will look to adopt EVs in the next 5-10 years. At present, the cost of electric vehicles and the lack of charging infrastructure are key barriers. The UK and Welsh governments must address both of these if it is to decarbonise personal transport.

With firms looking at a 5-10 years as a realistic time to move to EVs, there is opportunity to target a shift to electric vehicles for businesses within this timeline. The UK and Welsh governments should look to incentivise this shift by introducing tax incentives or scrappage schemes as have happened previously.

On new technologies and decarbonisation, SMEs are generally positive about how they view the potential impact on their business, however many SMEs remain disengaged. More could be done using the Wellbeing of Future Generations Act to nurture these conversations with SMEs.

The NDF should provide an opportunity to inform a long-term infrastructure strategy. We have called for the National Infrastructure Commission to deliver such a 30 year vision for infrastructure and to include the rollout of charging infrastructure as a key element.

6. Green Infrastructure (policies 8 & 9)

- To what extent do you agree or disagree with the approach to maintaining and enhancing biodiversity and ecological networks?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

7. Renewable Energy and District Heat Networks (policies 10-15)

- To what extent do you agree or disagree with the NDF's policies to lower carbon emissions in Wales using...

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
Large scale wind and solar developments	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District heat networks	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- If you disagree with the NDF's approaches to green infrastructure, renewable energy or district heat networks, what alternative approaches should we consider to help Wales to enhance its biodiversity and transition to a low carbon economy?

The level of detail on these maps is to be commended – although the extent of developments in each of the large areas earmarked for possible development is at present unclear which may alarm those communities.

However, a spatial analysis of this detail across different sectors that could be overlaid on each other would be useful, in order to illustrate where there are areas of overlap/contention/ trade-off between sectors. So for example, linking site choice with mapping of the tourist economy, agriculture and so on, would provide help for better public debate on the issues involved.

We understand that this is a framework so such mapping may not be done as yet – but this should indicate the gaps, and how mapping exercises across different sector could shape and renew and review the spatial plan, as well as to shaping what we would want it to look like in 20 years. The framework should note how it can accommodate developments as a live document.

What areas have been mapped in more detail indicates where Welsh Government is further along – since the start of devolution, green issues have been a central plank of governance, in terms of being a central organising principle, and in terms of issue salience for the National Assembly for Wales. In terms of a holistic strategy, it is important that the sequencing does not merely depend on particular sectors that are

further along in policy development taking precedence.

8. The Regions (policy 16)

- To what extent do you agree or disagree with the principle of developing Strategic Development Plans prepared at a regional scale?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

We are supportive of the move towards Strategic Development Plans on the whole. It is vital that any SDPs are able to inform the National Development Framework and Local Development Plans. We would expect these plans to be developed by regional bodies such as the Cardiff Capital Region or the North Wales Economic Ambition Board.

9. North Wales (policies 17-22)

We have identified Wrexham and Deeside as the main focus of development in North Wales. A new green belt will be created to manage the form of growth. A number of coastal towns are identified as having key regional roles, while we support growth and development at Holyhead Port. We will support improved transport infrastructure in the region, including a North Wales Metro, and support better connectivity with England. North West Wales is recognised as having potential to supply low-carbon energy on a strategic scale.

- To what extent do you agree or disagree with the proposed policies and approach for the North Region?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Mid and South West Wales (policies 23-26)

Swansea Bay and Llanelli is the main urban area within the region and is our preferred location for growth. We also identify a number of rural and market towns, and the four Haven Towns in Pembrokeshire, as being regionally important. The haven Waterway is nationally important and its development is supported. We support proposals for a Swansea Bay Metro.

- To what extent do you agree or disagree with the proposed policies and approach for the Mid and South West Region?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. South East Wales (policies 27-33)

In South East Wales we are proposing to enhance Cardiff's role as the capital and secure more sustainable growth in Newport and the Valleys. A green belt around Newport and eastern parts of the region will support the spatial strategy and focus development on existing cities and towns. Transport Orientated Development, using locations benefitting from mainline railway and Metro stations, will shape the approach to development across the region. There is support for the growth and development of Cardiff Airport.

- To what extent do you agree or disagree with the proposed policies and approach for the South East Region?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	<i>Don't know</i>	<i>No opinion</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you have any comments about the NDF's approach or policies to the three regions, please tell us. If you have any alternatives, please explain them and tell us why you think they would be better.

Place-making is a good approach for Welsh Government to use, as it fits with the multifaceted needs approach identified in the Well-Being and Future Generations.

It would be useful for planners at local and regional level, as well as local communities, to provide a clear Welsh Government definition of place-making as it is used in this draft.

As noted above, there is a need for an understanding of how local, regional and national plans can interrelate and shape each other. The draft NDF notes that 'it is important that SDPs both shape and are shaped' by the local and national plans – this should also be the case for national spatial plan.

In terms of the North Wales corridor, it is odd that Holyhead is not mentioned, given its' key role in linking through its port. It is also significant that there is a particularly great risk that Brexit will require a more holistic approach to development in Holyhead.

The draft NDF notes the importance of towns to play a role in 'providing jobs; leisure and retail; cultural opportunities; education, health and services'. This multifaceted approach mirrors our recent and ongoing work on towns' development, which is available at:

<https://www.fsb.org.uk/docs/default-source/fsb-org-uk/tm-the-future-of-welsh-towns-report.pdf?sfvrsn=0>

Again, an important part to towns' success in development and regeneration is

funding, which is why we have called for a 'Towns fund' to balance the recent focus on City Deals.

12. Integrated Sustainability Appraisal

As part of the consultation process, an Integrated Sustainability Appraisal (ISA) was conducted to assess the social, economic and environmental impacts of a plan. The report identified a number of monitoring indicators, including health, equalities, Welsh language, the impact on rural communities, children's rights, climate change and economic development.

- Do you have any comments on the findings of the Integrated Sustainability Appraisal Report? Please outline any further alternative monitoring indicators you consider would strengthen the ISA.

N/A

13. Habitats Regulations Assessment

As part of the development of the NDF, a Habitats Regulations Assessment (HRA) was undertaken. The purpose of the HRA process is to identify, assess and address any 'significant effects' of the plan on sites such as Special Areas of Conservation and Special Protection Areas for birds.

- Do you have any comments on the Habitats Regulations Assessment report?

N/A

14. Welsh Language

We would like to know your views on the effects that the NDF would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

- What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

As it currently stands, and as with other sectors noted in this response, culture and language are noted as areas that are affected and taken into account, but there is little detail of how the issues are to be linked together. The NDF needs to have greater depth if it is to properly consider the tensions between development in certain areas and its social, cultural and economic impact.

Please also explain how you believe the proposed NDF could be formulated or changed so as to have:

- I. positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and
- II. no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

15. Further comments

- Are there any further comments that you would like to make on the NDF, or any alternative proposals you feel we should consider?

A real concern is that the only reference to the National Infrastructure Commission for Wales (NICW) is in the 'Model of NDF Influence' and here it is only as 'Independent advice'. As such, this undermines the point of a mooted 30 year infrastructure strategy, which must surely be viewed in parallel to the NDF.

Our Infrastructure report recommends a mapping of the institutions that make up the 'infrastructure ecosystem', with clarity on their respective roles and remits and how

they relate together.

This is important in order to understand the responsibilities of the policy-making institutions, but also for external facing areas to understand the central point of contact and whom has the role of convening and coordinating different parts of the ecosystem. In our report, we have recommended that NICW be put on a statutory basis, be provided with sufficient resource, and that it coordinate with other new institutions such as Development Bank for Wales (DBW) to help link with institutional investors.

The NDF and PPW should also form a part of this system, but how they relate together needs clarification. They currently appear to be developing independently of each other. For 'arms' length' institutions and frameworks to work requires a clear delineation and understanding of relative responsibilities.

16. Are you...?

Providing your own personal response	<input type="checkbox"/>
Submitting a response on behalf of an organisation	<input checked="" type="checkbox"/>

Responses to the consultation will be shared with the National Assembly for Wales and are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here	<input type="checkbox"/>
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