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2<sup>nd</sup> October 2017

Dear Miss Jones,

**Merthyr Tydfil County Borough Council – Preferred Strategy 1<sup>st</sup> Review – Regulation 15 Consultation: Welsh Government Response**

Thank you for consulting the Welsh Government regarding the Merthyr Tydfil County Borough Council Local Development Plan (LDP) – 1<sup>st</sup> Review pre-deposit documents. It is essential the Authority is covered by an up-to-date LDP that will deliver the vision and key objectives and give certainty to local communities and investors.

Without prejudice to the Ministers discretion to intervene later in the process and to the independent examination, the Welsh Government is committed to helping Local Planning Authorities minimise the risk of submitting unsound documents by making appropriate comments at the earliest stages of document preparation. The Welsh Government looks for clear evidence that the tests of soundness (as set out in the 'LDP Manual') are addressed.

The **Welsh Government is broadly supportive of the Preferred Strategy**, which seeks to direct development to the Primary Growth Area with smaller scale development to be focussed in sustainable communities in the Other Growth Area. **The Welsh Government is also broadly supportive of the level of housing growth proposed** when considered against the range of issues the plan is seeking to address, such as a reduction in out-migration, population decline and an increase in levels of economic activity.

However, it is disappointing that **for the replacement plan there are limited background documents and topic papers on key issues that are critical to fully understand the Preferred Strategy**. While the plan alludes to draft studies and work to be undertaken for the Deposit plan, it is difficult to provide meaningful comments at this stage. Our comments are based on work that is publically available at this point in time.

As you can appreciate, demonstrating delivery of the strategy will be critical and this should be supported by your Authority's evidence in the Deposit plan. We elaborate further within the annex to this letter. The development planning system in Wales is evidence led and demonstrating how a plan is shaped by the evidence will be a key requirement at the examination. Demonstrating the

delivery and viability of all sites in the LDP is key, particularly large brownfield sites that are integral to the strategy and plan objectives.

The Environment (Wales) Act 2016 sets out a legislative framework for the sustainable management of natural resources (SMNR) with provisions for public bodies to contribute to achieving SMNR; to maintain and enhance the resilience of ecosystems and the benefit they provide. The Preferred Strategy should set out a 'direction of travel' on how the plan will aim to improve and not reduce biodiversity and further the resilience of ecosystems. Currently, the Preferred Strategy does not sufficiently reflect the Environment Act and it does not present a policy response to further the resilience of ecosystems. We are more than happy to meet and assist in appropriate policy development for the Deposit Plan.

Our representation also includes **other issues** which are set out in detail in the annex to this letter. Collectively, our comments highlight a range of issues that in our opinion need to be addressed if the plan is to be considered 'sound'. We have indicated where evidence of soundness is not immediately clear and where the evidence base can be improved and/or strengthened going forward. Some key areas include:

- Spatial distribution
- Housing components and large windfall sites
- Delivery and phasing
- Affordable housing and the Local Housing Market Assessment (LHMA)
- Gypsy and Travellers
- Minerals, and
- Renewable Energy

We strongly advise these matters are addressed in order to maximise the potential of your LDP being considered 'sound' at the Deposit stage.

As always, we would urge you to seek your own legal advice to ensure that you have met all the procedural requirements, including Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment (HRA) as responsibility for these matters rests with your Authority.

If you would like to meet at **an early date** to discuss matters arising from our formal response to your Preferred Strategy, then please contact me. You should document your response to our comments in your Consultation Report.

Yours sincerely,



**Mr Mark Newey**  
**Head of Plans Branch**  
**Planning Division**

## **Annex** to Welsh Government Letter 2<sup>nd</sup> October 2017 in response to Merthyr Tydfil County Borough Council – Preferred Strategy – 1<sup>st</sup> Revision

### **Review Report**

In accordance with Regulation 41 of the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (as amended), we note the Authority has undertaken a full review of its adopted Local Development Plan (LDP). The Review Report **concludes that a full revision of the plan is required.**

### **Spatial Strategy**

The Council's preferred spatial option to deliver sustainable growth across the plan area will focus development in the Hoover Strategic Regeneration Area (i.e. the Primary Growth Area) with smaller scale development directed to sustainable communities in the Other Growth Area. Outside the Primary Growth Area, the Council proposes to merge Secondary and Other Growth Areas (as identified in the adopted LDP) to take account of charges in the Community Infrastructure Levy (CIL) and limited opportunities for development in the mid-valley settlements. **The Welsh Government does not object to the principle of merging the two growth zones and supports the ethos of the wider strategy (subject to the comments below) in line with the principles of sustainable development as set out in national policy.**

### **Growth Options and Housing Provision**

Planning Policy Wales (paragraph 9.2.2) states that Authorities will need to have a clear understanding of the factors influencing housing requirements in their area over the plan period. The latest Welsh Government household projections and the Local Housing Market Assessment (LHMA) should form part of the plans evidence base, together with other key issues the plan is seeking to address. Please see our comments on this matter. For Merthyr Tydfil, the Welsh Government 2014-based household projections, released March 2017, are the most recent.

The Council has assessed eight growth options (Population and Housing Background Paper) of which three scenarios were taken forward for assessment in the Preferred Strategy. Of the high, mid and low growth options tested, the preferred option is for mid-growth that would result in a population increase of 8% or up to 64,400 persons by 2031 (LDP, Figure 3). The mid-growth option would result in a provision of 2,825 dwellings to deliver a requirement of 2,250 homes over the plan period (Policy SW1). **This level of growth is supported when considered against the range of issues the plan is seeking to address**, such as a reduction in out-migration, population decline and an increase in levels of economic activity.

The mid-growth option would result in an average build rate of 150 dwellings per annum (2,250 requirement/15 years) and is a level of house building that is comparable with past rates. This level of development is considered achievable by the Authority and in broad terms **the Welsh Government does not object to the level of housing growth in the plan.** It will be for the Authority to demonstrate that the level of growth proposed can be delivered in line with the necessary timescales.

The Council have suggested that as the plans strategy relies on the delivery of brownfield sites a 25% flexibility allowance is required. The Welsh Government does not object in principle to the level of flexibility in the plan; however it will be for the Council to demonstrate why 25% is appropriate, including how the flexibility relates to all housing components and phasing over the plan period. Please see our comments on the housing trajectory.

## **Housing Components and Large Windfall Sites**

Table 1 in the Preferred Strategy identifies that large windfall sites will account for 4% (or 101 units) of the plan's total housing provision. It is unclear how large windfall sites have been calculated and the robustness of the Council's approach in this respect.

The Council have started by looking at windfall completion rates over the last 10-years (Population and Housing Background Paper, Table 5) and have then appeared to apply a substantial reduction, significantly reducing the large windfall contribution from 370 to 100 units. The Council have stated the key reason for this is linked to the delivery of sites for 100% affordable housing. This is unclear and requires justification. Are the Council saying there will be no large windfall sites developed by the private sector? In addition, past windfall completions appear to be sites with planning permission that were allocated in the adopted LDP? Is there double-counting in the windfall assumptions and if so, has this overestimated past trends? **The Council should ensure the large windfall assumptions in the Deposit plan are robust and realistic** while ensuring there is no double-counting between components in the housing supply.

## **Delivery and Phasing**

The majority of allocated sites will be located in the Primary Growth Area (90%), with development in the Hoover Strategic Regeneration Area accounting for over half of all development on allocated sites (LDP, Table 1). With a concentration of development sites in the north of the County Borough, the Authority **will need to demonstrate in the Deposit Plan that all sites are financially viable and deliverable over the plan period, ensuring there is sufficient range and choice.**

We note the Authority's intention to provide evidence on density and phasing requirements for allocated sites in the Deposit plan, which is welcomed (LDP, paragraph 7.5.30). However, this will need to be accompanied by clear evidence on the delivery of all sites; key infrastructure requirements and associated costs as well as an indication of key timings and funding mechanisms to ensure all allocations and related infrastructure are deliverable over the plan period. This is particularly relevant in the Hoover Strategic Regeneration Area, which is a key part of the Council's strategy and is reliant on a new rail station and park and ride facility as part of the South Wales Metro (LDP, paragraph 7.5.41) to deliver a large proportion of the Authority's housing and economic growth. The Council should explain how development in the Regeneration Area will be phased, taking account of infrastructure requirements in particular and existing capacity on the A470. The Authority should embed the principles of the masterplan in policies in the Deposit LDP.

**The Authority will need to prepare a housing trajectory** for the Deposit plan, which will greatly assist all parties to understand the ability of sites to be delivered over the plan period. The trajectory should be supported by an analysis and understanding of lead-in times for large sites, the interrelationship between such sites, potential constraints, costs, infrastructure requirements and funding streams, together with robust assumptions on windfalls in order to **demonstrate a 5-year housing land supply from adoption of the plan.**

## **Community Infrastructure Levy (CIL) and Planning Obligations**

The Authority intends to fund infrastructure through Section 106 agreements and the CIL (LDP, paragraph 7.5.47). To inform the Deposit plan, we note the Council intends to update its viability work to take account of the CIL rate and whether this will need to be amended. The Welsh Government is supportive of this approach as sites will need to be evidenced as deliverable over the plan period. Notwithstanding this, the Authority should be certain that with pooling restrictions on S106 agreements and a zero CIL charge in the Other Growth Area, the Council is able to fund the necessary infrastructure requirements.

Policy SW8 needs to provide certainty to the plan user on the planning obligations sought by the Council, at present the policy is vague.

### **Affordable Housing**

The Authority's LHMA (2014-2019) concluded a need for 366 affordable homes per year, of which the majority are for social rented properties (92%) comprising largely of one and two-bed homes. When considering the high level of affordable homes required and the prioritisation of affordable housing through planning obligations (Policy SW8), it is unclear why this does not form an Objective in the plan? This could usefully be included to inform the plans Monitoring Framework.

As mentioned earlier in the representation, the plan has considered a number of growth and spatial options, yet there appears to be no clear discussion or conclusion on how these options have been informed by findings in the LHMA. The Deposit plan should clearly **explain how the level of affordable housing need in the Local Housing Market Assessment (LHMA) has influenced the scale and location of growth, particularly in the south of the County Borough**. It is essential the Authority demonstrates how it has maximised affordable housing delivery to meet key issues the plan is seeking to address.

No broad level affordable housing viability assessment has been submitted with evidence to support the Preferred Strategy. **It is therefore unclear on how the viability levels have informed the plans spatial distribution, density assumptions and scale of housing sites**. An update to the Council's affordable housing viability assessment will need to be undertaken for the Deposit plan.

The Deposit Plan should also;

- Include an indication of the overall level of affordable housing need (based on an up-to-date LHMA) including any backlog;
- Include a target for the provision of affordable housing that will be delivered through the planning system, and
- Indicate how the plan target will be achieved using identified policy approaches; which will include site specific targets and thresholds, the allocation of sites for 100% affordable housing and a policy supporting rural exception sites (paragraph 7.5.14). Challenging policy targets need to be grounded in evidence and applicable to the majority of applications, whilst allowing site specific negotiations to occur (where necessary and on a limited number of sites).

### **Gypsy and Travellers**

In accordance with the provisions of the Housing (Wales) Act 2014, a Gypsy Traveller Accommodation Assessment (GTAA) has been undertaken by the Council. During the Preferred Strategy consultation, the Authority replaced incorrect versions of the assessment with the correct version signed-off by the relevant Minister and made available on 21<sup>st</sup> August.

This study identifies a surplus of 11 pitches up to 2021 but fails to cover the whole plan period to 2031. With no evidence to determine need (if any) over the last 10-years of the plan period, the Council will **need to ensure it has assessed the need for Gypsy and Traveller provision over the entire plan period in advance of the Deposit plan consultation in order to make appropriate provision (if necessary)**. This will ensure compliance with national policy in this respect.

### **Employment**

It is disappointing the Economic Growth Strategy (EGS) and other background documents and papers were not published to inform employment policies in the plan. In the Deposit LDP, the Authority will be **required to evidence the employment target of 'up to 30ha' of B-Class land**

**(Policy EcW21) and explain the spatial distribution and delivery of allocated sites.** The scale of each employment allocation and its appropriate B-Class use should be clear in Policy EcW21.

Policy EcW22 identifies and protects key existing employment sites for B-Class use over the plan period. In the Deposit plan, the Authority should consider a new policy to support alternative uses on existing employment sites (not those identified in Policy EcW22).

## **Retail**

### **Policy EcW23: Retail Hierarchy**

In line with the requirements of TAN 4, Policy EcW23 sets out the hierarchy of retail centres, with Merthyr Tydfil at the head of the hierarchy followed by Local Centres that include the proposed centre at the Hoover Strategic Regeneration Area. Notwithstanding this, out-of-town retail centres play an important role across the County Borough at Cyfartha, Pentrebach and Dowlas Top and the Authority should consider developing a new policy in the Deposit plan that sets out the vision for developing existing out-of-town centres over the plan period.

### **Policy EcW24: Retail Allocation**

The Authority proposes to retain existing Policy EcW24 to support the retail and commercial allocation at Merthyr Tydfil bus station. Given that the allocation remains undeveloped in the adopted LDP, the Authority should evidence its delivery over the replacement plan period taking account of findings in the Retail and Commercial Leisure Study.

## **Tourism**

Supporting tourism across Merthyr Tydfil is a key element of the plans vision and objectives, with assets such as Bike Park Wales and Parc Taf Bargoed vital to the local tourist economy. However, the plan contains **no clear strategy for developing tourism related activities and facilities** over the plan period, for example, is there a need to develop visitor accommodation or support the expansion of existing tourism related businesses? The Deposit plan would benefit from clarification in this respect and supported by a suitable policy framework (if appropriate).

## **Flooding**

### **Policy SW10: Sustainable Design and Placemaking**

The Deposit plan would **benefit from a strengthened policy framework** on flooding to reflect the requirements of national planning policy. The plan identifies that flood risk is a key issue in the town centre and the Authority should demonstrate how it has complied with national policy in this respect, particularly that no sites for highly vulnerable development are allocated within flood zone C2 and that the relevant justification tests have been appropriately applied for all other development (where appropriate).

## **Minerals**

The Deposit plan should:

- Clearly set out the broad strategy for mineral working over the plan period, providing a narrative on the existing mineral workings within the Authority;
- Safeguard mineral resources, including primary and secondary coal resources in line with national policy and the BGS Safeguarding Map of Wales. This will maintain consistency across boundaries with neighbouring authorities;
- Ensure the maintenance of a ten-year crushed rock landbank over the plan period;

- Include buffer zones around permitted and proposed mineral workings, supported by policy;
- Consider the inclusion of a local minerals working policy to ensure the environmental, amenity and health impacts of any future planning application can be appropriately assessed;
- Assess the likelihood of any dormant sites being worked and if appropriate, set a clear strategy and provide clarification on serving prohibition orders;
- Indicate areas where future coal working is likely to be environmentally acceptable;
- Show areas of past, present or future coal workings on the Proposals Map and develop a supporting policy;
- Identify and safeguarding all existing and potential new railheads to provide sustainable transport options;
- Encourage the prudent use of natural resources and promote the use of recycled, secondary aggregates or waste materials to reduce primary resource extraction, and
- If applicable, demonstrate the rationale for employment sites and allocated housing within mineral safeguarding areas and evidence that prior extraction has been considered in-line with national policy.

## **Waste**

The Deposit plan should:

- Set out its role for waste management in a robust policy framework to ensure sustainable collection and recycling methods and an integrated network of facilities are supported (LDP, paragraph 7.8.46);
- Assess the suitability of established employment sites or sites proposed for allocation in the plan to meet waste requirements and future demand identified in the Waste Planning Monitoring Report for SE Wales (if appropriate). Sites considered suitable for waste management facilities should be clearly identified in policy, and
- Include a requirement in Policy EcW28 for the submission of a Waste Planning Assessment to be submitted with applications for a new waste management facility classified as a disposal, recovery or recycling facility (TAN 21, paragraph 4.2).

## **Renewable Energy**

The Welsh Government notes the Authority has commissioned a Renewable Energy Assessment (REA) to establish the potential resource available across the County Borough to inform findings in the Deposit plan (LDP, paragraph 7.8.32). It will be for the Authority to build on this assessment moving forward to explain how the renewable energy policies in the Deposit plan have been developed in line with Planning Policy Wales (PPW) and the Welsh Government's Toolkit for Planners (2015), taking account of all relevant issues and, where appropriate, making evidence-based decisions where the Toolkit facilitates this approach.

The Deposit plan should:

- Demonstrate how the REA has been embedded in the Candidate Site process and explain how renewable energy and low carbon opportunities have informed the scale and location of growth;
- Include the contribution of the plan area towards developing and facilitating renewable and low carbon energy, including the identification of preferred locations on the Proposals Map (if appropriate). Plan policies should support delivery of the contribution, with the contribution itself included in the Monitoring Framework;
- Include specific thresholds for development in plan policy to align with national policy (PPW, Figure 12.2) and the conclusions of the REA;

- Include a policy framework that encourages sub-local Authority scale renewable energy projects, and clearly set out criteria against which proposals for sub-local Authority scale projects will be assessed (PPW, paragraph 12.9.9);
- Explore opportunities to co-locate major developments, such as the Hoover Strategic Regeneration Area, to optimise renewable energy potential and promote district heating schemes (PPW, paragraph 12.8.18), and
- Take into account issues associated with grid connection and the transportation network (PPW, paragraph 12.9.3). Initial findings of the REA have indicated that renewable energy opportunities are constrained by the capacity of the grid to accept new connections for several years (LDP, paragraph 7.8.33). The Authority should explain the ability of the grid to increase capacity and meet rising demand over the whole plan period.

## **Natural and Historic Environment**

### **Policies EnW17: Environment to EnW20: Special Landscape Areas**

The Deposit plan should:

- Provide criteria against which development affecting different types of designated sites, will be assessed, reflecting their relative significance (PPW, paragraph 5.4.5);
- Clearly identify on the Proposals or Constraints Map areas to which policies for the conservation and enhancement of the natural environment will apply, and
- Explain the practicalities and implementation of Policy EnW17. Is it reasonable for all development to prevent loss of soil unless mitigation and compensatory measures are provided?

### **Policy SW9: Protecting and Improving our Open Spaces**

The Authority's Open Space Strategy (2016) identifies the types of open space that are important across Merthyr Tydfil and sets out locally derived, quality and access standards and applies the Fields in Trust 'Benchmark Standard' (where appropriate). The study concludes a deficiency in open space across the County Borough. To address this deficiency and meet the requirements of national policy, the plan should contain policies for the provision, protection and enhancement of open space and set standards so that deficiencies can be identified and met through the planning process (PPW, paragraph 11.2.2). In this respect, Policy SW9 should be amended accordingly with open space planning obligations (set out in Policy SW8) factored into the viability assessment and financial contribution assumptions.

### **Policy CW15: Historic Environment**

The Deposit plan should:

- If appropriate, consider the identification of historic assets of local importance and include policies in the Deposit plan for their conservation and enhancement (PPW, paragraph 6.4.11);
- Include criteria in Policy CW15 to assess proposals for the re-use or new development affecting historic areas and buildings (PPW, paragraph 6.4.1), and
- Identify the location of Urban Character Areas and Archaeologically Sensitive Areas so that development (required by Policy CW15) can have regard to their special character and importance.

## **Welsh Language**



The plan identifies the percentage of Welsh speakers in the county (<10%) as a key issue which is translated into Objective 2 and aims to promote the use of the Welsh language.

The Deposit plan should:

- If appropriate, identify Welsh language sensitive areas and include in policy a requirement for Language Impact Assessments to be undertaken on ‘unanticipated’ windfall sites;
- Consider the appropriateness of Welsh language considerations with the planning obligations policy, and
- Explain how the needs and interests of the Welsh language have been taken into account in plan preparation (TAN 20, paragraph 3.7.2).

### **Supplementary Planning Guidance (SPG)**

The preparation and timing of SPG should be linked to the monitoring framework (where applicable), with key guidance available at the Deposit stage. SPG adopted under the current plan should be reviewed or updated to ensure it’s alignment with the replacement plan.

### **Monitoring**

The monitoring framework should include appropriate targets and key triggers so that action can be taken in advance of the statutory 4-year review if key policies that are fundamental to the delivery of the strategy are not being successfully implemented.

When the Deposit plan is prepared, a large number of LDPs will have gone through the examination process and been successfully adopted. This will provide good practice examples that the Authority may benefit from to build on the effectiveness of the existing framework in the adopted plan.

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