

Appendix - BE Sector Feedback on NRW Planning Impact

This section collates the insight shared from sector, addressing the impact and effect of pausing schemes on supply chains through a varied selection of sector respondents. This has been fed into the document provided to Welsh Government for conversation with Ministers.

1. [Detailed Impact Table](#)

2. [Sector suggested Mitigation Measures](#)

1. Detailed Impact Table

Company	Affected Turnover	Size of projects	Employees impacted	Dialogues with LA and NRW	Future Impact
1. Construction Services Organisation – Table provided below in support.					
<p>1.Private – Construction Services (Civil engineering, construction, refurbishment, facilities management)</p> <p>2023 at a glance: Turnover £61.7m Headcount 70 Training spend £50k</p> <p>2024 Turnover £47.0m</p> <p>Across South Wales and South-West</p> <p>Projects Type – Varied – Housing, Offices and others.</p>	Figure Unknown	<p>Project (in Swansea) with estimated value of £19m currently delayed by 12 months due to ongoing groundwater contamination and NRW approval requirement</p> <p>The delay relates to the discharge of the final pre-commencement planning condition, the process to discharge dates back in excess of 13 months. Timeline of events table below.</p> <p>The scheme is the</p>	<p>Yes: Direct project team of 10 employees is affected, along with a further estimated 70 employees within our supply chain</p> <p>Company Supply chain makeup: Groundworks - £8.2m (E&TL Jones), Roofing & Cladding – £2.3m (Haran), Steel Frame - £900k (Morgans of Usk) & Curtain Walling, Windows and Doors - £800k (Vellacine) - all South Wales based Contractors. The scheme promised significant labour demands for the local area, estimating a</p>	<p>Yes: -Multiple submissions have been made to the LPA and NRW since August 2024, with delays often occurring due to the time taken for correspondence to pass between LPA and NRW (over one month between submissions and responses) - The key issue now relates to chlorinated solvents identified in groundwater testing. Despite evidence provided by TEC the site investigation specialists and a collaborative approach taken on recent calls, NRW are insisting on further modelling and 'clear evidence' before any comfort can be given to allow progress - NRW have requested up to 6 months of seasonal testing. TEC are pursuing an alternative approach of undertaking an intensive one-month testing regime to</p>	<p>Yes: - 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</p> <p>The "anchor tenant" is a large-scale builder's merchant and would introduce a significant volume of jobs and trade to the area</p> <p>- Loss of turnover (for us and our supply chain) and likely job redundancies - Will have a detrimental impact on local economic</p>



		construction of 17 industrial units, and the re-development of a brownfield site	total of 100nr employees at the peak. You can see by the size of the groundworks package, the cost to remediate the site is significant and a price the Client was willing to pay in order to progress the site. Impact on training: The delays caused to this scheme has reduced the current demand for trainees / apprentices with job offers being rescinded	demonstrate no harm to receptors, with a view to gaining LPA and NRW support to start works on site under ongoing monitoring - Whilst the LPA have indicated they may consider a Non-Material Amendment (NMA) to allow this route forward, they have stressed that this will require NRW's support	growth, employment, and delivery of planned regeneration. if the project becomes unviable for the client, it is likely that we will need to make some jobs redundant as we employed staff specifically for this scheme, which should have commenced on site this time last year. No other projects are affected at the moment but with this new legislation, it will undoubtedly be a risk we will have to register on all brownfield sites going forward.
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2. Housing Association - Table provided below in support.

2.Housing Association NGO and based in Wales Team of over 2500 individuals Manage over 16000 properties 2024 at a glance £187.3m turnover 2039 employed aim to create 10,000 new homes between 2020 and 2030	Figure Unknown	circa 787 plots that are currently impacted, the majority of which are affordable. With all of the sites listed below, we are either: -In a build contract. -Are legally tied into purchases and well progressed with planning	Yes – in supply chain Whilst we are seeing a significant pipeline impact, we are incredibly conscious of the impact that this is having on our supply chain, with a number of partners informing us of potential job losses (up to 50 with one contractor) and significant business harm	Yes - actively engaged with CHC, Welsh Government, DCWW We are actively engaged with all impacted LPAs and are lobbying CHC and WG to facilitate an open forum meeting between LPAs, WG and impacted RSLs to discuss potential next steps to establish a level of consistency between all parties. The goal is to establish a small suite of agreed options that all parties buy into in order to save time, effort and money for all involved and to prevent a	Yes In terms of future impacts, there are a few concerning points from our perspective currently: 1.The likely outcome of this will come at a financial cost to the sector. Putting increasing pressure on financial viabilities, potentially jeopardising the longer term delivery of
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		<p>applications that are now on hold. -Have secured terms and were looking to progress planning applications within the next few months.</p> <p>Refer to table below</p>	<p>if a way forwards isn't forthcoming from NRW/LPAs and WG.</p>	<p>scatter gun style approach. Feedback from all that we've approached has been positive, so we are waiting for this to be scheduled.</p>	<p>affordable homes. 2.The impact on the supply chain is still yet unknown. If solutions aren't agreed fairly soon, then there is the possibility of the sector losing very good and established regional contractors. 3.There is a risk that the 'impact zone' expands further across South Wales Marine SACs as we understand that monitoring is continually undertaken, and once levels hit a threshold, they could/would be added to the current list as needing to evidence neutrality. 4.For schemes that are outside of the impacted zone, but are in more rural areas, we are coming to learn that there are potential capacity challenges with the DCWW infrastructure which is currently preventing connections. In certain circumstances we are being told that it is not viable/feasible to upgrade some of the smaller, more rural treatment</p>
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					works. So there's a genuine question over the longer term plan to overcome this given the overwhelming need to deliver more homes, and quickly.
3. Housing Association - SME					
3.Housing Association Wales based Homes focus SME	Not yet Gotten around it, by focusing on building our extant permissions , which don't then require any SUDS plan, or considerati on of Nitrite (of course internally we do factor it in).	Not yet	Not yet	Yes previously. On a broader point more widely, NRW have been the single most difficult to engage with statutory consultee we ever have or have had to engage with, and I suspect the problems are systemic. The crux of the issues is two fold : -It seems of lot internal staff don't fully understand NRW policy well, and yet are happy to make decisions and offer (often incorrect) guidance against it. Sometime this can even differ between internal staff. -There is no sense of urgency – I've been on the phone to NRW, literally pleading, explaining that at the end of the 'chain' here are real people's jobs, and if we don't get decision A, or advice B, then we can't start works, or potentially can't continue works. They are still happy to wait months to respond to a query that no doubt could be answered in a single 5 minute phone call (and	Potential



				I have real world examples of this).	
4. Commercial Property Developer and Groundworks specialist					
Multi D	Unknown	<p>Yes, the current nitrate restrictions are impacting several of our live projects. At present, we have 4–5 sites in Carmarthen shire, Swansea and Pembrokeshire at various stages of the planning process, ranging from 20+ to 80+ units.</p> <p>We are continuing with pre-app and PAC submissions, but our planning consultants advise that once schemes reach full application stage, they are unlikely to be determined until either:</p> <ul style="list-style-type: none"> • a strategic solution is agreed by NRW and the LAs, or • we are able to evidence a 	<p>Yes, Early indications suggest this could result in delays of 18 months or more. In the meantime, we are having to target schemes in other parts of South Wales outside the affected SAC catchments.</p>		<p>While this flexibility is helpful to us as a contractor, the practical outcome is that new housing delivery in the affected areas is effectively paused at a time of significant housing shortage.</p> <p>Without clarity on mitigation pathways, the pipeline of new homes in these counties will continue to stall.</p>



		"no net nitrate impact" position.			
5. Construction services – Housebuilding, Commercial Works, Civil Engineering & Ground					
<p>Construction Firm employs 80 directly employed and 320 subcontractors, totalling a workforce of 400 people.</p> <p>Head office Carmarthenshire</p>	<p>£40million of schemes affected due to the Nitrates.</p> <p>The impact on nitrates from house building is so negligible at less than 2%, with 98% plus coming from farming. It is evident that the many business will fail as a consequence of this action, resulting in less developers and contractors in the market place to support the need for affordable homes. WAG's target clearly wont be hit for the next 2 years at least unless a sensible approach is taken to lift this blanket ban.</p>	<p>Varied</p> <p>The NRW enforcement will devastate our business and potentially result in hundred of job losses or complete failure of the business unless planning permissions are granted for the schemes in question.</p>	<p>As a big employer in Carmarthenshire, Pembrokeshire, Ceredigion and Swansea, this scenario is having such a detrimental impact on our business and the supply chain of Suppliers and Subcontractors who support us.</p>	<p>Yes - consultation with the LPA who state that they have not been told to stop, but they are interpreting the NRW letter in such a way that they are nervous of a judicial review on awarding planning as they are unable to evidence nitrate neutrality. Thus, they have elected not to award any planning until further guidance is provided to them and an appropriate nitrate calculator is rolled out which is pending Welsh Government approval. Fact is the LPS' cannot sit on the fence, Welsh Government must step in and provide guidance and in fact issue permission to the LPA's to continue with Business as usual until such time as a solution can be implemented. The 2% impact housing is having on the SAC is so small in comparison to farming, that we bear into insignificance, yet and entire industry will be decimated as a consequence of this action.</p>	<p>Thereafter, there won't be sufficient number of Contractors to backfill the build process which will further impact the affordable homes build programme for many years to come.</p> <p>There is no future unless the ban can be released. 1,000's of homes will not be built and homelessness will increase in our communities, resulting in more families and children stuck in temporary accommodation. Welsh Government must step in and put a stop to this ban 'Immediatley'.</p> <p>Believe that Pobl have engaged a consultant who was instrumental in implementing changes in England when a similar scenario was presented in South West.</p> <p>Potential for purchase of farmland to off</p>



					<p>set credits against build and provide for an overall betterment. Introduction of reed beds. Possible on site package sewerage treatment plants. Improvement in Welsh Water Assets to capture nitrates in Sewage Works. All of which will take too long to implement</p> <p>resulting in mass insolvencies and loss of Contractors, Subcontractors and Supply chain, adding a further burden to the social system due to unemployment in Wales.</p>
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6. SME Micro Architectural Services

SME Employs 5 people Private resi and other projects	Unknown			<p>Yes -</p> <p>This issue is being pushed and has been raised at the Senedd by MS Paul Davies and we continue to push them to 'continue as normal' until such time that appropriate guidance/SPG is provided to inform new applications. Unfortunately, completely inconsiderate actions and lack of joined up thinking from the local planning authority, NRW, DCWW and Welsh Gov.</p>	<p>Avoidable issue? strongly feel that NRW/DCWW and Local planning authorities, should have reviewed this new Nitrate data, come up with strategies for how to address it in affected areas and written Supplementary Planning Guidance (SPG) for agents/applications to follow. To pause the planning system</p>
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					<p>whilst this exercise is undertaken seems crazy. I don't think they have done any assessment of the damage this will likely cause to consultants, developers, contractors, suppliers and the wider local economy.</p> <p>97% of the Nitrate issue is Agricultural run-off. That industry is unaffected. DCWW have just said that its too expensive to address at Treatment plants so don't intend on taking any action. However planning stops.... Clearly nothing has been learnt from the similar phosphates issue in England.</p>
7. Community Housing Association - Large					
Represent 30 not-for-profit housing associations that provide almost 174,000 homes to 10% of the Welsh population.	Unknown .	We are aware of 13 RSL sites that were due to commence imminently or were progressing on site, totalling 889 units. There are a further 12 schemes in the pipeline amounting to 883 units, meaning	Those schemes that are at a critical stage of delivery are facing the biggest impact. Whilst we do not have a number, we do know that redundancies are already taking place in the supply chain within development contractors and consultants	Yes, All our effected members are actively engaging with their LPAs, however the extent to which these discussions can progress is limited by the LPAs not currently having the assessment mechanisms needed to determine the nutrient levels produced by each scheme. We understand that Welsh Govt planning department are currently updating this.	The current advice is based on the assessments undertaken within a specific region of Wales. There is a real concern that this advice could be extended across Wales if NRW proceed with their marine assessments, leading to further blockages to new homes and having a



		that the advice issued by NRW is blocking at least 1,772 new affordable homes.		There are concerns that discussions between RSLs, developers and LPAs are taking place in isolation. A more coordinated joint up approach to discuss mitigations, lead by Welsh Government, would be valuable.	<p>catastrophic impact on the supply chain throughout Wales.</p> <p>Given that housing contributions to nitrate load is minimal compared to agriculture, we must ensure that there is a concerted effort to address the pollution from the main sources so that housing does not continue to experience this disproportionate impact.</p> <p>Mitigation Measures are unknown . There are examples in England we can learn from and we are aware of a number of environmental consultancies that are knowledgeable in this area. We have passed their details on to Welsh Government and NRW.</p> <p>At this stage, our main priority is to see an exemption for affordable housing to allow the sites that are at a critical stage to continue.</p>
8.SME Multi-disciplinary Architectural Practice					



<p>involved in the HA sector for over 15 years & helped to deliver more than 2,000 homes in that time, so we are a vastly experienced & committed partner.</p> <p>Based in West Wales</p>	Unknown	<p>circa 14 sites caught up in this, ranging from a scheme that we have been working on for 3 years for 83 homes in Milford Haven & which was about to be determined, to schemes ranging in number from 20 through to 73 units that are/were at various stages of work, including expensive survey work, ecology, topographical etc. All this survey work which has been undertaken & paid for, will likely be out of date by the time some, if any, of these schemes come back online!</p> <p>So, in total we have circa 522 units (or homes as I prefer to call them) caught up in this debacle!</p>	<p>Yes, to date 2 redundancies made, one of whom had been with us for 8 years & who has a young family</p> <p>understand that the 'elephant in the room' in the form of agricultural run-off is the real culprit here & is not being adequately addressed.</p>	<p>Yes, reached out local authority, housing supply and community housing cymru</p>	<p>We urge the Welsh Government to:</p> <ol style="list-style-type: none"> 1. Intervene immediately to resume determination of planning applications 2. Provide clear interim guidance so urgent housing schemes can proceed 3. Recognise the human and economic cost of inaction
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9.Large Housing Partner Construction Company – Tier 1 Contractor owned

Housing partner operating for over 50 years, owned by Tier 1 contractor firm 1245 employees, 15 staff on NVQ training, 72 apprentices, management trainees and graduates employed every year	Profits totally £37.4m 2023	are already in contract with Wales and West for a scheme of 91 homes in Narberth. This is a £22.8m contract which was signed in March 25. We are currently working towards a start on site in October 2025, which was subject to (amongst other detailed matters) the discharge of a 'pre-commencement' planning condition in respect of drainage. This date of October is now under threat due to the position with the Marine SACs as our planning condition cannot be discharged and we cannot therefore commence works	Already have staff recruited for schemes under contract and we may struggle to redeploy them within the organisation if these schemes cannot progress any further and onto other projects. It will be similar, if not more marked for our smaller supply chain partners (subcontract trades, consultants, etc) as any delays to pipeline work and contracted work will mean more costs and potential redundancies as we all struggle with the challenge of paying operational and overhead costs without any revenue coming into the business from these schemes	Yes, letter to LA and WG. But There has been no consultation with anyone it seems or reasonable lead in time or transition arrangements. For our RSL partner, delays to this start on site mean that our costs will increase, their financial viability becomes tighter and there will be additional demand for more Social Housing Grant, other grants and Private Finance to make the scheme stack. RSLs will have already explained the situation about increased costs of holding land already purchased and delays in programmes which will result in increased costs and potentially unviable schemes, but the impacts will be more than this.	Offsite 'off setting/ mitigation' solutions would be preferable, but this would need to be delivered in the main at the Local Authority level, as in England, to ensure meaningful outcomes. Partnerships with local farmers or use of LA/WG land holdings would be options, but again these will take time to put into place and will be reliant on all parties working together. Our concern is the time this will take, the potentially limited options available to LPA's and the significant impacts on organisations such as Lovell and the wider construction sector in the period until such time as deliverable solutions can be identified and secured. Our request is that there is an immediate consultation with the development sector (RSLs/LAs
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					and Developer/Contractors, NRW and the LPAs to work collaboratively on finding short- and longer-term solutions which will enable us to maintain our planned delivery of new homes alongside our partners
10. Large Housing Building Private Developer – data recorded in section below.					

[Feedback 1] Private company - Timeline of Events Table

TEC / Client Issue to LPA	LPA Issue / NRW Received	NRW Response	Received by Client
02.08.2024	13.08.2024	11.09.2024	12.09.2024
02.10.2024	23.10.2024	12.11.2024	14.11.2024
18.12.2024	18.12.2024	23.01.2025	30.01.2025
07.02.2025	19.03.2025	01.04.2025	03.04.2025
09.04.2024	10.04.2025	24.04.2025	24.04.2025
01.07.2025	03.07.2025	18.07.2025	23.07.2025
29.07.2025	21.08.2025	Pending	TBC

[Feedback 2] Housing Association – Table – Ok for stats to be used from this table, but please treat the contents as confidential.

Scheme	LA Area	SHG status	No. of Homes	RAG Status	Comments
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Parc Pencrug	Carmarthenshire	Main	84 mixed tenure		Outside of the nitrate impact zone, but there are challenges associated with the waste water treatment works that the site will drain to, and the eventual outfall as it could eventually drain to a location which does require nutrient neutrality. Currently engaged with DCWW on this point.
Slade Lane Phase 2	Pembrokeshire	Reserve	103 mixed tenure		In the impacted zone. LPA aren't currently determining applications in these areas.
Gwynfaen 2	Swansea	Main	50 Social Rent		In the impacted zone. LPA aren't currently determining applications in these areas.
Clordir Road	Swansea	Main	31 Social Rent		In the impacted zone. Drainage conditions haven't been discharged, but the contractor has submitted NMA's to change these trigger points to facilitate a meaningful start on site. No official feedback from the LPA as yet around whether this approach is feasible.
Beili Glas	Swansea	Main	96 mixed tenure		As above RE: NMA approach.
Carmarthen Road, Cross Hands	Carmarthenshire	Reserve	c. 50 social rent		Principle of planning is accepted, but the site is in the impacted zone, therefore the Reserved Matters consent will be delayed. Due to submit the application imminently.



Gorseinon Primary School	Swansea	Proposed	c.40 social rent		In the impacted zone. No planning work has been progressed yet.
Bryn Hawddgar Ph2	Swansea	Proposed	9 Social Rent		Outside of the impacted zone, but very close to the boundary so there are questions around the actual drainage outfall location.
Maespïode, Llandybie	Carmarthenshire	Reserve	45 Social Rent		In the impacted zone. LPA aren't currently determining the application.
Walters Yard, Pontlliw	Swansea	Reserve	67 Social Rent		In the impacted zone, but we believe that the planning position has been secured and will not cause implications for delivery. Waiting for this to be confirmed officially.
Swansea Road, Garden Village	Swansea	Potential	17 Social Rent		In the impacted zone. LPA aren't currently determining applications in these areas.
Former Swelco Factory, Cwmgors	NPT	Reserve	45		In the impacted zone. LPA aren't currently determining applications in these areas.

Milford Way & Leos Site, Penlan	Swansea	Main	c.150 mixed tenure		In the impacted zone. No formal planning submissions have been progressed yet. LPA aren't currently determining applications in these areas.
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Raw Data of Sites Affected – Barratt Redrow

Keepers Lodge, Swansea – the Site is allocated under Policy SD H of the Swansea LDP as part of the wider strategic allocation known as “North of Waunarlwydd / Fforest-fach.” This strategic site is designated for a comprehensive mixed-use development comprising approximately 1,319 homes, alongside a new primary school, commercial and community facilities, enhanced public realm, and a Regional Employment Site. BarrattRedrow were due to start PAC on a scheme for 430 residential units, primary school and local centre on part of the allocation in August 25.

Bryn, Llanelli – the Site was added as an allocation for 80 units following the Inspector's initial findings into the Carmarthenshire RLDP. The Inspector concluded that additional housing allocations were required. It should be noted that BarrattRedrow are advocating that the site should be allocated for 160 units in accordance with the candidate site submission.

Swansea Replacement LDP. – The following 2 sites have successfully passed the Stage 1 and Stage 2 candidate site assessments processes:

- Whitley Farm, Lougher – promoted for 260 units
- Land to West of Gowerton – promoted for 110 units.

The Deposit Plan is currently programmed to be consulted upon in Summer/Autumn 2026.

2. Sector Suggested Mitigation Measures

Examples shared by Community Housing Cymru, 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 (but at a considerable cost). and also 'betterment' from demonstrating the previous versus new contributions.

You will note that for some schemes, there are no obvious mitigation measures which are therefore leading to at least a 12 month delay.

In response to CHC seeking information on the various points raised then the following are my responses:-

1). Has any dialogue been explored with planning authorities yet to find solutions

- **Parc Emlyn Development Penygroes** - the developers engineers have been in dialogue with Welsh Water about taking the flow of the foul along another route which will then ultimately discharge away from the Marine SAC. In looking at this alternative solution comes at a cost as one has to install an adopted pumping station to Welsh Water specification and some 400m of drainage pipe for the foul. The budget cost allowed is circa £325,000. This has also been re-laid to Planners at Carmarthen Council. Further more the developer has paid the legal fees to progress the Section 106 agreement and the Planner has instructed their legal department to proceed and I am fairly confident that planners are looking at the developers section 73 application. So to date there appears a willingness by all parties to the development to keep progressing the scheme. This development will provide 58 affordable dwellings. This is a package deal with Parc Emlyn Developments Ltd (PEDL) and is currently in their ownership. The developers have additional land which they are in discussions with Carmarthen Planner for a 3rd Phase that could produce circa 300 dwellings.
- **Farmers Arms, Llangennech** - what the developer via their a[pointed engineer has submitted calculations to show that the flow of foul from the development of 6 x 1bed/2person affordable flats is less than the flow from the previous use being a Public House and a residential 2bed/4person flat on first floor. In other words a betterment and so would not impact on the current Marine Nitrates issue. Such details have been presented to Planners and a decision is awaited. This is a package deal with Thomas Homes West Ltd and the property is currently in their ownership.
- **Capel Hendre, Ammanford**- the site has the benefit of a full planning consent with condition for 19 affordable dwellings and a full consented SAB. However there is a condition within the Planning consent that relates to foul and surface water drainage. As, such there is no alternative solution that will allow the flow of foul away from the Marine SAC. I have therefore applied a delay of at least 12 months until a working solution is developed by Welsh Water and or NRW. This is a package deal with Castell Construction Ltd and the land is currently in their ownership.
- **Ty-y- Bonnau, Pontardulais** - a decision is still awaited from City and County of Swansea Planning department for the development of 29 affordable dwellings. **Their is no alternative solution to take the flow of foul away from discharging into the Marine SAC and as such we have applied a delay of at least 12 months until a working solution is developed by Welsh Water and or NRW.** The site is currently in the ownership of Caredig HA.

Further - As noted by Lovell, Offsite 'off setting/ mitigation' solutions would be preferable, but this would need to be delivered in the main at the Local Authority level, as in England, to ensure meaningful outcomes. Partnerships with local farmers or use of LA/WG land holdings would be options, but again these will take time to put into place and will be reliant on all parties working together.