

**SOUTH WEST WALES CORPORATE JOINT COMMITTEE
OVERVIEW AND SCRUTINY COMMITTEE**

20TH APRIL 2023

REPORT OF THE CHIEF EXECUTIVE

Report Title: South West Wales Strategic Development Plan

Purpose of Report	To update Members on the key components and stages of the Strategic Development Plan (SDP); the options for delivering the work programme; the current issues and risks; and an overview of the collaborative evidence base studies undertaken across South West Wales.
Recommendation	It is recommended that Members note the current position in respect of the issues, risks and progress made in respect of the South West Wales SDP.
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Introduction

1. Future Wales – The National Plan 2040, the new Local Government Elections (Wales) Act 2021 and Corporate Joint Committee (CJC) Regulations together set the framework for the formation and preparation of Strategic Development Plans (SDPs).
2. With specific regard to the strategic planning function, each CJC has a statutory duty to prepare an SDP – this is a mandatory function. For the purpose of preparing an SDP, National Park Authorities (NPAs) will have a member on the CJC, with voting rights, wherever the CJC encompasses either part, or the whole of the NPA area. This means that Pembrokeshire Coast NPA and Brecon Beacons NPA (part of) will be within the South West SDP. Furthermore, it is noted that the CJC approved its Corporate Plan 2023-2028 in March 2023 and that well-being objective 3 contained therein focuses upon the delivery of the SDP for South West Wales (refer to paragraph 48 of this report).

Brief Overview of Key Components of SDPs

3. SDPs should only focus on those issues, topics or places, which are key to delivering wider than local issues. SDPs should not be concerned with naming all places within their boundary, rather focus on those places, which are critical in responding to the key drivers of change. This can cover issues such as major centres for economic growth, housing (including new settlements) or conversely broad areas for protection including Green Belts and Strategic Green Infrastructure.

4. SDPs must express a vision and a strategy to deliver the vision for the region as a whole. In addition, it should also express sub-regional strategies for either an individual Local Planning Authority (LPA) or combinations of LPAs to enable LDP Lite's or Joint LDP Lite's to be progressed at a later date. SDPs must set the scene and enable LDPLs/JLDPs to be prepared which align and deliver the strategy of the SDP.
5. The fundamental elements of LDPLs/JLDPs such as the strategy, scale of housing and identification of key settlements will need to be clearly stated in the SDP where they can be evidenced and tested through the public examination. This means that an SDP must expressly state and include the following:
 - A clear and deliverable vision for the SDP area and for each constituent LPA.
 - A coherent, overarching strategy with clearly defined roles for places both on a regional and sub-regional basis.
 - A clearly expressed settlement hierarchy based around the role and function of places, focused on those places key to delivering the plan.
 - Sustainable development and Placemaking embedded as the overarching principles.
 - Identify an overall housing provision and requirement for the SDP and for each constituent LPA/LDPL, set out in dwellings.
 - Identify an overall employment provision for the SDP and for each constituent LPA/LDPL.
 - Identify spatial areas to accommodate growth above a set threshold.
 - Establish the Gypsy and Traveller need for the SDP area and each LPA/LDPL on a consistent methodology, with coordination between LAs and their duties under the Housing Act.
 - A regional retail hierarchy.
 - A broad delivery trajectory for homes and jobs aligned to the implementation of infrastructure to support change.
 - Identify infrastructure capacity pinch points and headroom alongside future requirements necessary to support growth.
 - Identify broad areas of affordable housing need and links to viability to demonstrate delivery.
 - Assess and quantify the capacity of public and private transport infrastructure and opportunities to increase a modal shift away from the private car.
 - A coordinated approach to environmental designations, including green belts, ecological assets and biodiversity.
 - A coordinated approach to energy, minerals and waste related designations.
6. Like LDPs, the policy framework presented in SDPs will need to be fully justified and based on sound evidence. The evidence gathered will need to be relevant, proportionate and focused, and ideally front-loaded to inform the Preferred Strategy stage.

Strategic Development Plans Manual

7. On 9th September 2022 an informal ‘SDP Draft Manual’ setting out the scope and range of SDPs was issued to all 25 Local Planning Authorities, including the WLGA. Members will note that the CJC considered the Draft Manual as part of a wider presentation on the SDP at its December 2022 meeting. It is expected that a more formal consultation will take place for a 12-week period over the Summer/Autumn 2023, with publication anticipated by the end of 2023.
8. The aim of the manual is to provide a practical resource for CJCs and others involved in the SDP process – it will set out practical guidance on how to prepare, monitor and revise a SDP. The manual follows the same format as the current Local Development Plan (LDP) manual.

Key Stages of SDP Production

9. The SDP Manual proposes that SDPs should be capable of being prepared and adopted in approximately 5 years (refer to Table 4.6 below). Members will note that the stages to be navigated mirror that of a Local Development Plan, with the first stage requiring the preparation of a Delivery Agreement (including a Community Involvement Scheme). The Delivery Agreement must be approved by resolution of the CJC before submission to Welsh Government.
10. Notwithstanding the above, Welsh Government has indicated within published advisory notes that they will take a pragmatic approach to the early SDPs in recognition of the complexities involved in delivering the regional plan. It is generally accepted therefore that it is reasonable and prudent to assume that the production and adoption of SDPs is likely to take a period in excess of 5 years.

Table 4.6: The Timetable

Key Stage		Timescales
Definitive		
Stage 1	Delivery Agreement Preparation and submission	Up to 4 weeks for WG approval (Usually shorter)
Stage 2	Pre-Deposit Preparation and involvement	Approximately 3 years
Stage 3	Preferred Strategy Public consultation	
Stage 4	Deposit plan Public consultation	Approximately 1 year
Stage 5	Submission	
Indicative		
Stage 6	Examination	Approximately 12 months in accordance with Planning Environment Decisions Wales (PEDW) Procedural Guidance
Stage 7	Inspector's Report	
Stage 8	Adoption	
		Total plan preparation time <u>5 YEARS</u>

Potential Options for Delivering the SDP

11. An assessment of the options available to formulate the 'SDP Preparation Team' that is capable of delivering the required outputs is underway – the following provides a brief overview of the options being considered.
12. **Regional 'Full' SDP Team employed by the CJC** – a separate team outside of existing Local Authority Strategic / Forward Planning departments is created, administered, recruited and managed independently. This will require a senior level operational lead/manager for the SDP – a separate post to any existing local authority senior management structure, supported by a team of officers with the sole purpose to deliver the SDP.
13. **Regional 'Co-ordinating' SDP Team employed by the CJC** – rather than a dedicated team, the arrangement would draw on the existing expertise and resources from within the region. A 'skeleton' team including an SDP lead and support staff, to be employed by the CJC, would co-ordinate officers within existing LPAs who would be required to provide significant inputs, potentially through secondment. In this regard, specific authorities would be nominated to lead on specific areas of SDP production (Housing, Employment, Retail etc.) and would be overseen by the SDP implementation team who would coordinate the process.
14. **Regional Strategic Planning Restructure / Merger** – a formal restructure incorporating the strategic planning policy function of all LPAs in the region into one Regional Strategic Planning Service. This service would be responsible for the delivery of all matters relating to Development Plan preparation, adoption and monitoring across the whole region, as well as a broader strategic planning agenda.
15. **Creation of 'Full' Regional SDP Team within existing Local Authority** – a dedicated SDP Preparation Team would be positioned within an existing local authority Strategic/Forward Planning department. This would make use of existing senior manager arrangements within one authority who would oversee a new dedicated team to deliver the SDP for the region. The core team would be led by a dedicated team leader who would report to existing senior management who would be the interface with the CJC Planning and Land Use group. Within this structure a small core team reporting to existing senior management could drive forward the SDP. Being within an existing authority will benefit from close working and correlation with officers working on emerging Replacement LDP's and ensuring that both plan tiers align being under the same management structure. The team could be supported by new posts or through the secondment of officers for the duration of the SDP work. Such secondments would not necessarily need to be for the full terms of the SDP but rather to deliver specific areas of work.
16. **Creation of 'Co-ordinating' SDP Team within existing Local Authority** – this would see existing senior management within a chosen Local Authority to oversee the preparation and delivery of the SDP. One or two core officers within that strategic planning section would coordinate delivery of the process. The team leader would report to existing senior management who would sit on the Planning/Land Use Group. Rather than secondments, service level agreements would be put in place with existing strategic planning departments within the region who would take the lead in particular

areas of work to feed into the SDP. Where the expertise or resource is not available, and it is considered more resource efficient to procure consultants than the core team would lead on the procurement of specific commissions utilising the standing orders of one local authority.

17. Each of the options summarised has its advantages and disadvantages. The analysis of existing staff, skill sets, areas of expertise and capacity to accommodate work streams is important to inform requirements for the SDP Preparation Team – a pan-Wales assessment of staff resources has been undertaken.

Current Issues and Risks

18. There are a number of factors currently preventing progress on the South West Wales SDP. Firstly, there is no substantive budget/funding allocated that would enable the 'SDP Preparation Team' to be established (*as per options above*) and the detailed work programme to commence. Members will note that the CJC agreed a 'Continuity Budget' for 2023/24 at its January 2023 meeting. The Overview and Scrutiny Sub-Committee also considered the budget at its meeting of 27th January 2023.
19. Moreover, there are no existing staff resources or capacity within the respective LPAs across the region to divert from existing work streams in order to deliver the SDP. Local Authorities are also not in a position to delay work bringing forward their respective Replacement LDPs not least as this could result in LDPs reaching their 'drop-dead' dates.
20. It should also be noted that there are ongoing and significant recruitment and retention issues being experienced across the Planning profession. These challenges will be no different when seeking to recruit experienced officers to become part of the SDP Preparation Team.
21. In light of these issues, it will be important over the next 12 months to maintain an ongoing dialogue with Welsh Government concerning the expectations around SDP development, the future timescales for delivery and more importantly the potential for future funding to assist and facilitate the delivery of the SDP programme across Wales.
22. Members will note that the CJC has established 4 sub-committees, with the terms of reference for each of these agreed in October 2022. The below sets out the structure of these sub-committees. The consideration of how the respective duties (including the SDP) can be progressed and action planning formulated will become clearer as the sub-committees are 'stood up' over the coming months.

Sub Committee	Lead Chief Executive	Political Lead
Regional Transport Planning	Swansea	Carmarthenshire
Economic Well Being – regional economic development	Carmarthenshire	Swansea
Strategic Development Planning	Pembrokeshire	Neath Port Talbot
Economic Well Being - regional energy strategy	Neath Port Talbot	Pembrokeshire

Cross-Boundary Collaborative Work – Developing a Common Evidence Base

23. Whilst substantive progress on the SDP is likely to be delayed pending the resolution of the financing and resourcing issues, it is important for Members to note that a great deal of collaborative cross-boundary work has and is being undertaken across the region.
24. Bringing together different LPAs into a wider regional structure through CJsCs will inevitably mean that there could be some variations in how evidence has previously been collated for plan making. However, there is now both an opportunity and necessity to rationalise and standardise methodologies for evidence gathering in order to prepare an SDP.
25. The ‘South West Wales Strategic Planning Group’ is well-established and comprises the four SWW authorities plus Brecon Beacons National Park and Pembrokeshire Coast National Park. A number of collaborative initiatives and studies have already been progressed – these work streams will not only inform reviews of individual LDPs but will also contribute positively providing a baseline and ‘building blocks’ for the SDP. The following provides a brief overview of the recent joint work undertaken.
26. **Joint Local Housing Market Assessment (LHMA) (October 2020)** – covers the Mid and South West Wales regions (i.e. Brecon Beacons NPA, Carmarthenshire County Council, Ceredigion County Council, Neath Port Talbot Council, Pembrokeshire Coast NPA, Pembrokeshire County Council, Powys County Council, City and County of Swansea). The region commissioned Opinion Research Services (ORS) consultants to produce an overarching Regional Housing Report (Main Report) and several Sub Area Reports for each of the Local Authorities within the regional group.
27. The LHMA considers the state of the whole housing market, including assessment of the need for affordable homes of different tenures (such as social rent, affordable rent, low-cost home ownership, and specific local needs for affordable housing) and the differing needs of communities such as the housing requirements of older people, students, people with disabilities, and local housing needs for market housing.
28. The LHMA serves a number of purposes, including informing:
 - The development and review of LDPs and local housing strategies;
 - Decision-making in terms of negotiating the level, type and mix of affordable housing and other tenures;
 - The provision of affordable homes of different tenures; and
 - Housing issues that are relevant to the authority’s duties under the Well-being of Future Generations (Wales) Act 2015.
29. **Regional Viability Study** – covers the Mid and South West Wales regions (i.e. Brecon Beacons NPA, Carmarthenshire County Council, Ceredigion County Council, Neath Port Talbot Council, Pembrokeshire Coast NPA, Pembrokeshire County Council, Powys County Council, City and County of Swansea). The region commissioned Burrows-Hutchinson Ltd consultants to produce the following core elements:

- Produce a Regional Viability Model and High Level Viability Assessment;
 - Deliver Site Specific Viability Testing Tool: the 'DVM' Development Viability Model – there is one for Residential and one for Commercial – LPAs are using these to assess the viability of candidate sites and planning applications (and charging a fee);
 - Deliver a structured training programme for officers across the region; and
 - Provide support services to enable LPAs to produce Financial Viability Reports for their administrative areas – based on findings of the above and using skills/capabilities developed in the training.
30. **National Growth Area Refinement Study** – using EARTH programme funding (WEFO European Social Fund), the authorities across South West Wales (Neath Port Talbot, Carmarthenshire, Pembrokeshire and Swansea) appointed Turleys to refine the boundary / spatial extent of the Swansea Bay and Llanelli National Growth Area (SBLNGA) to inform the preparation of each Replacement LDP prior to the final delineation of the boundary by the CJC SDP Team.
31. The study presented a refined spatial extent of the geographical area defined in Future Wales for the SBLNGA in a spatial description and illustrated using a non-defined/fuzzy boundary. This recognises that the development of the SDP evidence base will build upon this research and apply any refinements necessary to accommodate additional detail around the definition of local growth areas, opportunity sites and potential constraints.
32. **South West Wales – Stage 1 Strategic Flood Consequence Assessment (SFCA) (November 2022)** – the South West Wales region's Planning Authorities (Carmarthenshire Council, Neath Port Talbot Council, Swansea Council, Pembrokeshire Council, Brecon Beacons National Park Authority and Pembrokeshire Coast National Park Authority) commissioned JBA Consulting to undertake a broad assessment of potential flood risks across the entire study area from all sources of flooding.
33. The study identifies areas at potential high risk from flooding as well as providing details of historical flood events and any details of any flood risk management structures or procedures present.
34. The SFCA also provides information on the opportunities to slow and store water as part of natural flood management schemes as well as guidance on implementing TAN 15 and managing flood risk in a development site.
35. **Nutrient Credit Trading Scheme & Toolkit Feasibility Study** – was commissioned by the South West Wales region (Carmarthenshire, NPT, Swansea and Pembrokeshire Councils) funded through the EARTH programme.
36. In January, 2021 Natural Resources Wales (NRW) published new targets to reduce river phosphate levels in Special Areas of Conservation (SACs) across Wales. In South West Wales the Afon Teifi, Afon Gwy, Afon Tywi, and Afon Cleddau are designated as SACs and are affected by these guidelines. Development in proximity to these rivers will be unable to connect to the public sewerage system and alternative solutions must

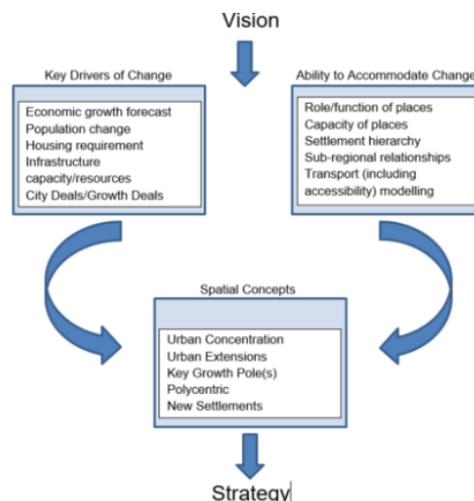
be found which comply with the new targets being phosphate neutral or bettering phosphate levels.

37. Arup, Wheatley Young Partners and the University of Exeter were therefore commissioned to undertake the study to outline the requirements of successfully implementing a Nutrient Credit Trading system that would facilitate transference of mitigation benefit to developers in a simple and effective way, and to create a 'toolkit' to be implementable throughout Wales.
38. **Joint Economic & Housing Growth Assessment for Swansea and Neath Port Talbot** – has recently been commissioned by Neath Port Talbot and Swansea Councils. Turley, SQW and Edge Analytics were tasked with undertaking an assessment of future household growth and levels of housing need, accounting for demographic trends, and the scale of labour force change required to support the presented forecasts of job growth.
39. Due to other Authorities within the South West Wales region being at different stages of their plan preparation it was not feasible to widen the study, however the methodology used can be applied at a regional scale for future SDP work.

Developing an integrated approach to CJC functions

40. Whilst this report has focused on the CJC's regional land use planning function, there are clear and strong linkages across both the 'regional transport' and 'economic development and energy' functions too.
41. The SDP will be both shaped by (*refer to Diagram 3.1 below*) and will influence all functions of the CJC. Building an integrated approach to the CJC's 'mandated functions', regional plans and programmes will be key to maximising the ability to deliver on the joint ambition. The embedding of the importance of the delivery of the SDP from a cross cutting and integrated perspective is reflected in its eminence within the CJC's Corporate Plan 2023-2028. Appendix 1 of this report captures the action/steps measures for well-being objective 3 (i.e. the delivery of the SDP) as set out within the Corporate Plan.

Diagram 3.1: Key Aspects Shaping an SDP



Timescales

42. This report sets out an overview of the activity across the region, all of which offer the potential to align and contribute to the Corporate Objectives of the CJC as outlined within its Corporate Plan 2023-2028.

Financial Impacts

43. There are no new financial impacts related to this report. The main activity scheduled for 2023/24 will be to engage with Welsh Government to ensure a comprehensive and 'fit for purpose' SDP Manual is prepared and published. A budget of £20,000 has been allocated to the strategic planning sub-committee. Also, a sum of £140,000 is allocated to a planning and programme management budget – this is seen as a suitable means of ensuring that the CJC is in a position to respond to any requirements emerging during the year – e.g. publication of the Regional Transport Plan (RTP) and/or SDP guidance. It should be noted in this regard that the RTP guidance has been published already and as such it is likely that a notable level of the planning and programme management budget will be allocated to the RTP in 2023/2024 as opposed to the SDP.
44. There will be continued discussions between the SWW CJC and Welsh Government regarding the need for additional resources to be agreed to fund the necessary staff and associated costs to advance the SDP. Members should note that in the absence of sufficient resources being agreed, there is unlikely to be any substantive work undertaken to progress key stages of the South West Wales SDP.

Integrated Impact Assessment

45. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage.
 - Consider opportunities for people to use the Welsh language.
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
46. It is not considered that an Integrated Impact Assessment (IIA) is required for this report as it does not seek a substantive policy decision from Members. The CJC approved its Corporate Plan 2023-2028 in March 2023 and this includes an equality objective. This is set out below for ease of reference:

‘To deliver a more equal South West Wales by 2035 by contributing towards:

(a) The achievement of the Welsh Government’s long-term equality aim of eliminating inequality caused by poverty;

(b) The achievement of the Equality statement set out in Llwybr Newydd which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport; and

(c) The achievement of the Welsh Government’s long-term equality aims of cohesive communities that are resilient, fair and equal and where everyone is able to participate in political, public and everyday life. There will be no room for racism and / or discrimination of any kind.

Well-being of Future Generations (Wales) Act 2015 (and CJC Corporate Plan and its identified well-being objectives)

Alignment with CJC Corporate Plan 2023-2028 and the identified CJC Well-being objectives:

47. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.
48. The CJC approved its Corporate Plan 2023-2028 in March 2023. Members will note that the formulation of the Corporate Plan has allowed for the identification of well-being objectives for the CJC. It is considered that this report aligns to the corporate policy framework of the CJC, most notably in terms of Well-being Objective 3 which is outlined below for Members ease of reference:

‘To produce a sound, deliverable, co-ordinated and locally distinctive Strategic Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations’.

Workforce Impacts

49. There are no new workforce impacts for Members to be concerned with in relation to this report.

Legal Impacts

50. There are no specific legal impacts for Members to be concerned with in relation to this report.

Risk Management Impacts

51. There are no specific risk management impacts for Members to be concerned with in relation to this report.

Consultation

52. There is no requirement for consultation in respect of this report.

Recommendation – For Noting

53. To ensure that the Committee is fully aware of the current position in respect of the issues, risks and progress made in respect of the South West Wales SDP.

Appendices

54. Appendix 1 – SDP Action steps as set out in Corporate Plan 2023-2028.

List of Background Papers

55. There are none.

Appendix 1 – SDP Action steps as set out in Corporate Plan 2023-2028

Priority	Actions	Impact Measures
Engage with Welsh Government	<p>Engage with Welsh Government Officers on the draft SDP Manual to ensure the final version of that guidance serves to help facilitate an SDP that can deliver on CJC, Council and National Parks corporate objectives.</p> <p>Further engage with Welsh Government regarding the resource requirements to develop the SDP.</p>	Any issues addressed in final guidance
Prepare Delivery Agreement	Work collaboratively across the region to undertake key studies that will form an evidence base for the SDP.	Ensures early key stage work benefit from alignment with latest underpinning evidence and is aligned with replacement LDPs being produced.
Develop SDP	Deliver a number of SDP key stages with engagement and consultation of stakeholders – (including Community Involvement Scheme, the ‘Call for’ Strategic Locations and Sites/Areas, Preferred Strategy.	Compliant SDP.