



Llywodraeth Cymru
Welsh Government



> Development Plans Manual

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Chapter 1: Introduction

Purpose of the Manual

1.1 The Development Plans Manual, 'The Manual', is an online reference document for practitioners who are responsible for, or contribute to, the preparation and implementation of development plans. It contains practical guidance on how to prepare, monitor and revise a development plan, underpinned by robust evidence to ensure that plans are effective and deliverable and contribute to placemaking, as defined in national policy set out in Planning Policy Wales (PPW).

1.2 Legislation setting the context for Local Development Plans (LDPs), the Planning and Compulsory Purchase Act 2004 (PCPA 2004) has been in place for over a decade with most Local Planning Authorities (LPAs) having an adopted plan and have either commenced, or will shortly commence, a revision of their plan. The Manual has embedded lessons learnt to date with a focus on the practical aspects of achieving more deliverable plans. As plans continue to evolve the Welsh Government is seeking to reinforce the plan-led system, with plans making a real difference on the ground, achieving practical and positive improvements for local communities and businesses.

1.3 This Manual has been written in the context of current national policy (PPW) and legislation, the PCPA 2004, the Planning (Wales) Act (PWA) 2015 and associated Regulations (The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (as amended 2015)). It will be updated to ensure best practice and policy changes are embedded in a timely manner. This will be particularly important to respond effectively to updates to national planning policy set out in PPW, future publication of the National Development Framework (NDF), Strategic Development Plans (SDPs) and related Local Development Plan Lites (LDPLs) as they come forward. However, users should also take account of legislation and policy that is relevant but not specific to planning, such as the Regulations and Statutory National Standards for Sustainable Drainage Systems that came into force from January 2019.

1.4 It is recognised a substantial amount of work and resources are required to undertake a development plan. With increasing pressure on public resources, a key consideration will be how to build on the skills and knowledge gained in order to prepare more effective, efficient and deliverable plans, as well as better outcomes across individual Local Authority (LA) boundaries and functionally linked areas.

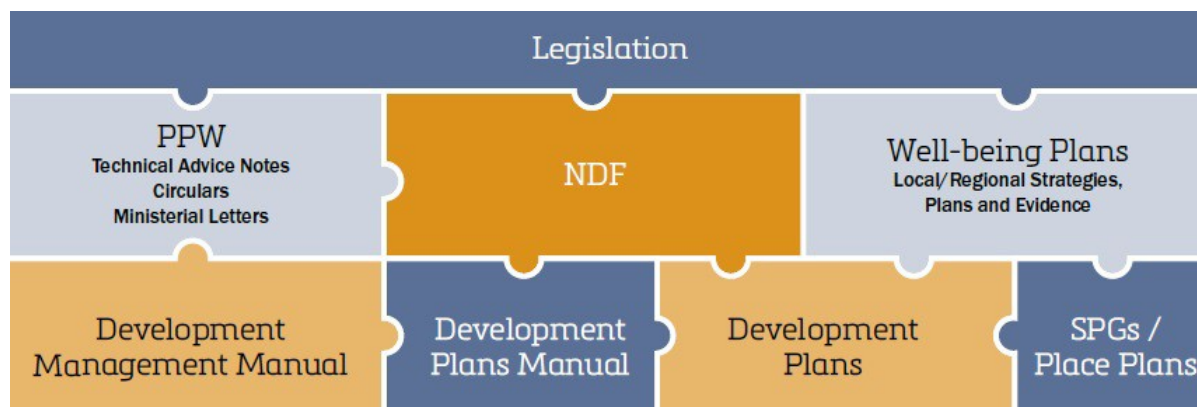
1.5 The Manual incorporates lessons learned to date, best practice in resolving issues and how to 'de-risk' plans through the preparation of a robust and focussed evidence base. The Manual clarifies the expectations of Welsh Government with regard to the plan making process.

Chapter 2: Plan Context

Development Plan Manual and Legislation

2.1 The Manual forms part of a suite of documents that translate our commitment to deliver sustainable development through the planning system (Diagram 1). The Manual should be read in conjunction with PPW and relevant legislation.

Diagram 1: Suite of Documents



2.2 The Manual does not constitute national policy; it is guidance. LPAs must have regard to guidance when preparing an LDP (section 75, PCPA 2004). The Manual states the 'Tests of Soundness' which must be satisfied in order for a development plan to be considered 'sound' and able to be recommended for adoption. Regulations and national policy relating to preparing LDPs have been published separately. **Throughout the Manual references to an LDP include an initial LDP or any subsequent revision to the initial LDP.** The Manual reflects examination guidance issued by the Planning Inspectorate Wales (PINS Wales) which is available on their website. The following legislation and guidance is of particular relevance to LDPs and should be read in conjunction with the Manual:

- The Planning and Compulsory Purchase Act 2004 (PCPA 2004) Part 6
- The Planning (Wales) Act 2015 (PWA 2015)
- The Well-being of Future Generations (Wales) Act 2015 (WBFGA 2015)
- The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (as amended 2015)
- Planning Policy Wales (PPW) *latest edition* (Welsh Government)
- Planning Your Community (Public Guide to Local Development Plans) (2006) (Welsh Government)
- Local Development Plan Examinations: Procedure Guidance (2015) (Planning Inspectorate Wales)
- LDPs: Preparing for submission – Guidance for Local Planning Authorities [2015] (Planning Inspectorate Wales)
- Strategic Environmental Assessment (SEA), Sustainability Appraisal (SA) and Habitats Regulations Assessment (HRA)
- Environment (Wales) Act 2016, including section 6 and Area Statements

- Sustainable Drainage (SuDS) Statutory Guidance and Statutory National Standards for Sustainable Drainage Systems (Welsh Government)

Development Plan Context

National Development Framework (NDF)

2.3 Part 3 of the Planning (Wales) Act 2015 amends section 60 of the PCPA 2004 enabling the Welsh Ministers to prepare and review an NDF for Wales. The NDF will be a development plan, setting out the policies of the Welsh Ministers and will comprise part of the statutory development plan to be used in decision making, when published.

2.4 The NDF is currently being prepared and is anticipated to be published by Welsh Ministers in autumn 2020. When published, it will form part of the statutory development plan hierarchy and replace the Wales Spatial Plan (WSP). All references in legislation to the WSP will, following publication of the NDF, be replaced by references to the NDF. References to the WSP will be superseded by the NDF in the tests of soundness. The NDF will be reviewed on a 5 year cycle, reflecting an Assembly term.

2.5 All SDPs and LDPs prepared in Wales will have to be in general conformity with the NDF, when published. LPAs will need to consider the implications for any LDP when the NDF is published. The Planning (Wales) Act 2015 (section 68A) states that following publication of the NDF an LPA must consider whether to carry out a review of an LDP.

Strategic Development Plan (SDP)

2.6 Part 3 of the Planning (Wales) Act 2015 provides the legislative framework to bring forward an SDP. SDPs have been introduced to deal more effectively with cross boundary issues and achieve better planning outcomes. The relevant provisions to Part 3 facilitating progression of an SDP were commenced in October 2015.

2.7 To initiate the SDP process and establish a Strategic Planning Panel (SPP) to prepare an SDP, an LPA or group of LPAs acting on behalf of all those LPAs wishing to participate in an SDP (the responsible authority(ies)) must approach the Welsh Ministers to express an interest in progressing an SDP. Such an approach would then enable the Welsh Ministers to issue a direction to a responsible authority(ies) who would then coordinate the identification of an appropriate plan area, gain consensus from all relevant LPAs, consult on a draft proposal and submit a finalised proposal to the Welsh Ministers seeking formal establishment of an SPP and progression of an SDP. 'Establishment Regulations' for the SPP and 'Form and

Content Regulations' to prepare the SDP will be progressed when an expression of interest has been received. The relevant legislation and guidance will be in place in advance of the formal establishment of the SPP and formal ability to progress an SDP. The SDP process will largely mirror that of the LDP, accompanied by Regulations setting out procedural requirements. The plan will be evidence based and scrutinised through a public examination, led by an independently appointed Inspector. The Inspector's Report will be binding.

2.8 To assist a responsible authority submit an SDP proposal, the Welsh Government commissioned and published research: 'Exploring Methods for the Identification of Strategic Planning Areas', October 2015. This considered a variety of issues which could assist in determining the geographical extent of the plan and elicit issues to be reconciled.

<https://gov.wales/exploring-methods-identification-strategic-planning-areas-final-report>

2.9 Following an SDP proposal coming forward, Regulations will be laid to establish the SPP and prescribe the Form and Content of the plan. Matters that will be resolved through an SDP will include:

- A coherent, overarching and deliverable vision and strategy, with clearly defined roles for places
- A settlement hierarchy based around the role and function of places
- Establish sustainable development and placemaking as the guiding principles
- Identify an overall housing provision for the plan and for each LPA
- Broad brush viability assessment to demonstrate deliverability
- Identify economic growth opportunities and the scale/location
- Infrastructure linked to growth at places
- A delivery trajectory for homes and jobs aligned to the implementation of infrastructure
- Establish the need for Gypsy and Traveller provision for each LPA
- Finance to support development at the appropriate time
- Identify broad areas of affordable housing need and linkages to viability
- Sustainable transport patterns/modes
- Retail provision linked to role and function
- A coordinated approach to energy, minerals and waste designations
- A coordinated approach to environmental designations, including green belts, taking into account green infrastructure assessments

2.10 Where change happens at a more local scale where an SDP is adopted, LDP Lites (LDPLs) will be the more appropriate way forward. These will be much shorter, focussed plans, essentially an allocations document, accompanied by local policies.

Relationship of an SDP to the NDF

2.11 An SDP must be in 'General Conformity' with the NDF, when published (section 60I(3) PCPA 2004). The Welsh Government will scrutinise an SDP and submit representations considering general conformity at the deposit stage. These representations will be considered through the examination process. It will be for the Inspector to consider whether the SDP is in general conformity with the NDF.

2.12 To demonstrate general conformity, SDP policies and proposals should align broadly with any relevant policies and proposals in the NDF. There cannot be areas of significant difference as this would result in the two plans being in conflict. Any such matters should be resolved before the examination process commences. If this cannot be overcome the SDP will not be able to be adopted.

Local Development Plan Lite (LDPL)

2.13 SDPs will provide strategic guidance to LPAs within the SDP area. SDPs will address the significant issues once, rather than be repeated at each subsequent LDP examination. A key example is the setting of housing requirements on an LPA basis once in an SDP, rather than each time in an individual LDP. This will be a more efficient use of time and resources and reduce costs. SDPs will also set the strategy, settlement hierarchy, strategic policies and proposals/key allocations for LDPLs.

2.14 With the core framework and requirements set by the SDP, LDPLs become more akin to an allocations document; there is no need for them to revisit the scale of growth. LDPLs will be simpler, shorter and more locally focussed, thereby requiring less resources and time to prepare, approximately 2 to 2.5 years. Allocations will be smaller in scale and more local in nature, aligning with the strategy and scale set out in the SDP.

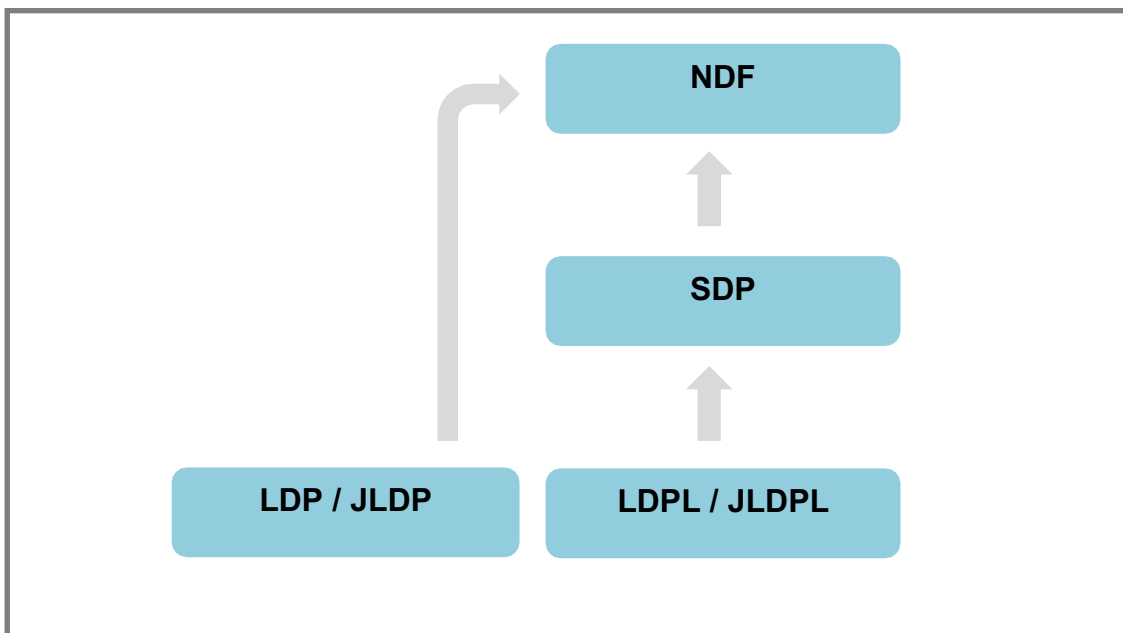
2.15 All policies in an LDPL will have to be in general conformity with the SDP (section 62(3A) PCPA 2004) following the same legal requirement as the SDP to NDF. LDPLs cannot be adopted unless they are in general conformity with the SDP. It will be for the SPP to make representations regarding conformity which will be made when the LDPL is placed on deposit. The submitted plan will then be examined and considered by an Inspector. LDPLs can be prepared on a single LPA basis, or cover more than one LPA, resulting in a Joint LDPL (JLDPL).

General Conformity

2.16 The requirement for a development plan to be in general conformity with the upper tier statutory development plan in Wales is set out in primary legislation:

- Section 6 of the Planning (Wales) Act 2015 inserts section 60I into the PCPA 2004. Sub-section 3A states that an SDP must be in general conformity with the NDF.
- Section 7(1) of the Planning (Wales) Act 2015 inserts section 62(3A) into the PCPA 2004 which states that an LDP must be in general conformity with the NDF and the SDP.

Diagram 2: Hierarchy of General Conformity and Development Plans



Definition of General Conformity

2.17 General conformity is achieved when the lower tier plan supports and upholds the general principles of the most up-to-date higher tier adopted plan(s) (Diagram 2). Only where there is an inconsistency or omission in the lower tier plan that would cause significant harm to the implementation/delivery of the strategy of the upper tier plan(s) would a plan then be considered not to be in general conformity. For example:

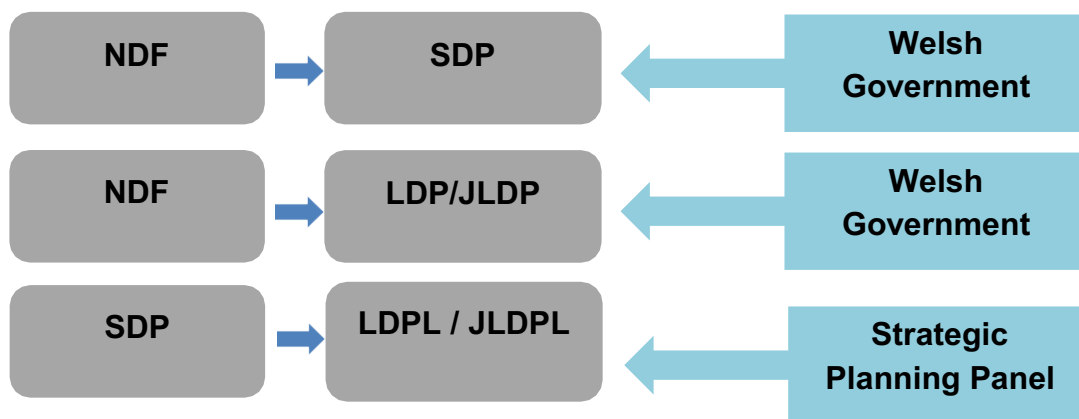
- Substantial change in policy context
- Substantial change in strategy / focus / direction
- Substantial change in spatial distribution / role of function
- Substantial change in levels of growth (e.g. housing / economy)

2.18 The fact that a development plan may be inconsistent with one or more policies in the upper tier plan, either directly or through the omission of a policy/proposal,

does not, by itself, mean that the plan is not in general conformity. Rather, the fundamental point is how significant the inconsistency is from the point of view of delivery of the upper tier plan.

2.19 Whilst it would be acceptable for the lower tier plan to provide further detail in relation to making it more locally distinctive, it fundamentally must not undermine the overarching strategy, policies or proposals in the upper tier plan(s).

Diagram 3: Responsibility for Making Representations on General Conformity



2.20 In respect of the NDF, the Welsh Government is the plan making authority and it will make representations regarding general conformity issues for an SDP. In those areas without an SDP it will make representations on general conformity issues for LDPs and/or JLDPs. Similarly, the SPP is the plan making authority with regard to an SDP and will make representations on general conformity issues relating to LDPLs and/or JLDPLs (Diagram 3).

When is General Conformity Determined?

2.21 A representation on general conformity should be made on the deposit plan and submitted to the Inspector appointed to examine the plan. It is not until this time in the development plan preparation and consultation process that there is certainty on the content of the submitted plan. This is the plan the plan making authority considers to be 'sound' and therefore submitted for examination. Early and ongoing dialogue between the plan making authority and the body responsible for determining general conformity will be essential to ensure that there are no late disagreements regarding general conformity.

Joint Local Development Plans (JLDPs)

2.22 Two or more LPAs may agree to prepare a Joint LDP (JLDP) for their combined areas (Section 72 PCPA 2004 and LDP Regulation 36). The Welsh Government considers there will be circumstances where joint working and plan preparation offer significant advantages in terms of the quality of the plans and also effectively tackling cross boundary issues. The ability to prepare a more holistic and consistent policy approach, following a single administrative process, should make a more effective and efficient use of resources and provide better planning outcomes across the wider area. A JLDP could be two or more LPAs, with no maximum number.

2.23 Where a JLDP is prepared, each LPA would use its existing decision making structures as they do not have decision making capabilities to act as a collective body, except where there is a Joint Planning Board (JPB) in existence. Approval would be required from each individual LPA before a JLDP can be submitted for examination and adopted. Where two or more LPAs agree to prepare or revise a JLDP, each LPA must comply with the procedures for the preparation of the JLDP or revision as if preparing an LDP or revision individually. All participating LPAs must work together to prepare or revise the plan; it cannot be done on a unilateral basis by a single LPA.

Collaborative Working

2.24 For LDP reviews, LPAs should consider and demonstrate they have exhausted all opportunities for joint working and collaboration on both plan preparation and the evidence base, maximising the opportunities and efficiencies of evidence gathering, consultation and co-operation in tandem, or through joint working arrangements. This will be particularly relevant for LDPs on similar preparation timescales and have strong geographical and/or functional linkages. Considering issues on a wider basis will place LPAs in a much stronger position to resolve planning issues and better reflect how people and businesses operate on a daily basis, in line with the five ways of working. This will in turn demonstrate a key test of soundness 'Does the Plan Fit? - Is it compatible with the plans of neighbouring authorities?' The Delivery Agreement (DA) should clearly articulate from the outset how an LPA can demonstrate maximising collaborative working. The tests of 'soundness' have been amended to reflect this principle (see Table 27, paragraph 6.27).

Welsh Government Role

2.25 The role of the Welsh Government in the development plan process has been and will continue to be one of active stewardship. However, going forward this will be on a more focussed basis, reflecting the fact that most LPAs will have an adopted LDP. The implementation, delivery and provision of sufficient infrastructure to

support development grounded in a robust delivery and viability analysis will be the focus going forward. Future engagement with LPAs will be on a more collective/ regional basis to discuss key issues. LPAs are encouraged to disseminate knowledge to each other.

Chapter 3: LDP Preparation Process

Delivering Sustainable Development - An Integrated and Inclusive LDP Preparation Process

3.1 The Planning (Wales) Act 2015 (section 2) introduced a statutory purpose for the planning system. A statutory body carrying out a planning function (limited to functions under Part 6 PCPA 2004 and Part 3 TCPA 1990) must exercise those functions as part of carrying out sustainable development in accordance with The Well-being of Future Generations (Wales) Act 2015 (WBFGA 2015). The WBFGA 2015 places a duty on public bodies to carry out sustainable development and requires them to set objectives designed to maximise their contribution to achieving economic, social, environmental and cultural well-being.

3.2 PPW, underpinned by the Well-being goals, confirms the presumption in favour of sustainable development and LPAs should ensure the plan and its proposals deliver sustainable development. PPW sets out the policy framework to achieve these goals. The overarching aim is to embed the Placemaking approach in the development plan process to ensure the creation of sustainable places.

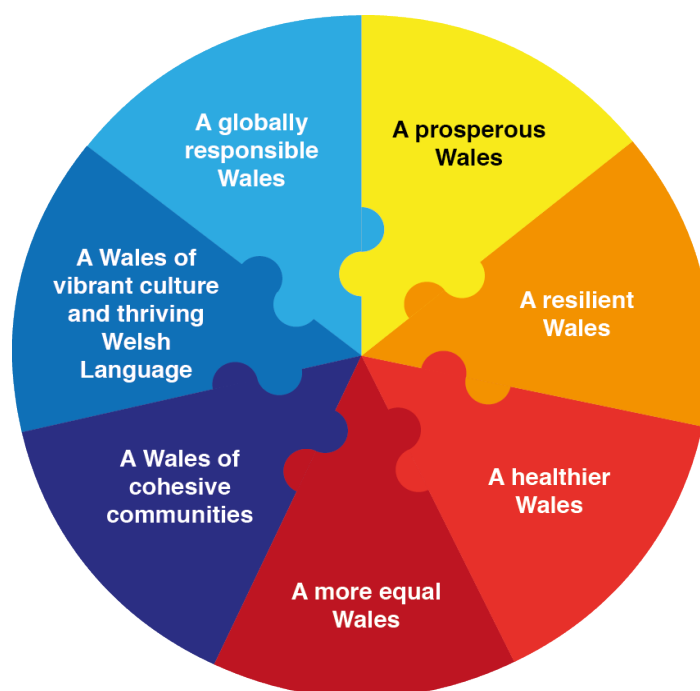
3.3 Each LPA is required by the PCPA 2004 (section 62(6)) to undertake a Sustainability Appraisal (SA) of the LDP. For the purposes of this Manual the SA incorporates the requirements of the Strategic Environmental Assessment (SEA) Regulations (Directive 2001/42/EC, the Environmental Assessment of Plans and Programmes (Wales) Regulations 2004) and a Habitats Regulations Assessment (HRA). The LDP system integrates the SA, SEA and HRA process and requirements which are an integral element of every stage of plan preparation including evidence gathering, identifying issues, setting objectives, evaluating options and consultation (see chapter 4 for detailed guidance).

3.4 The PCPA 2004 as amended by the PWA 2015 (section 11) confirms the requirement for the SA to include an assessment of the likely impacts of the plan on the use of the Welsh language in the plan area. The purpose of this is to ensure that the scale and location of change set out in the plan supports the Welsh language and ensure appropriate mitigation measures are in place, if required.

3.5 The WBFGA 2015 put in place seven well-being goals to help ensure that public bodies are all working towards the same vision of a sustainable Wales and establishes the 'Five Ways of Working' which public bodies need to demonstrate they have carried out in undertaking their sustainable development duty. The WBFGA 2015 also requires LPAs to set Well-being objectives and have regard to Well-being Plans (WBPs).

A key message is one of involvement rather than consultation.

Diagram 4: Well-being Goals



3.6 Public bodies must demonstrate how they are using the principle of sustainable development to shape their work. Giving consideration to the five ways of working is an intrinsic part of the development plan system (Diagram 4).

Long term	- Taking account of how what we do now may affect communities and services in the future
Prevention	- Acting to prevent problems occurring or getting worse
Integration	- Considering how the well-being objectives contribute to each of the well-being goals, affect other objectives, or those of other public bodies
Collaboration	- Working with others to meet the well-being objective
Involvement	- Involving people in achieving the well-being goals and ensuring that those people reflect the diversity of local communities

3.7 The five ways of working should underpin the LDP preparation process and be considered from the outset. Well-being Plans (WBPs) will form a key part of the evidence, shaping and influencing the vision, strategy and objectives of the LDP.

3.8 The Delivery Agreement (DA) incorporating the Community Involvement Scheme (CIS) is the mechanism setting out how and when communities can be involved in the LDP process so they can effectively shape and influence their area.

Compliance and integration with the well-being goals and ways of working will play an important part in demonstrating the LDP is sound. It should not be a tick box exercise or bolted on at the end of the process, but embedded throughout plan preparation.

3.9 Chapter 4 of the Manual (Impact Assessments and Opportunities for Integration) clarifies how to integrate these legislative requirements, including health and equality impact assessments into the plan making and SA process. It also summarises how the involvement process can be integrated to cover both the LDP and associated SA/SEA, in conjunction with the well-being goals and 'ways of working'.

Key Outcomes of the LDP System

3.10 The LDP system aims to achieve the following key outcomes. Plans should:

- 1) Support sustainable development and quality places based around the National Sustainable Placemaking Outcomes, aligned with national policy (set out in PPW) integrated with an SA/SEA/HRA, including Welsh language and the requirements of the WBF GA 2015.
- 2) Be based on and underpinned by early, effective and meaningful community involvement in order to understand and consider a wide range of views, with the aim of building a broad consensus on the spatial strategy, policies and proposals.
- 3) Be based on a robust understanding of the role and function of an area(s) including the functional linkages to areas beyond administrative boundaries.
- 4) Be distinctive by having plans setting out clearly how their area will develop and change, giving certainty for communities, developers and business.
- 5) Be resilient to climate change (using the latest UK Climate Projections, flood risk and vulnerability assessment data) and support the transition to a low carbon society in line with the latest carbon reduction targets and budgets as set out in the Environment (Wales) Act (Part 2). The principles of Placemaking, the Sustainable Transport Hierarchy and the Energy Hierarchy as set out in PPW must be adhered to.
- 6) Ensure the sustainable management of natural resources in accordance with the Environment (Wales) Act 2016 and other relevant legislation.
- 7) Deliver what is intended through deliverable and viable plans, taking into account necessary infrastructure requirements, financial viability and other market factors.

8) Be proactive and responsive with plans, kept up-to-date and flexible to accommodate change.

Form and Structure of an LDP

3.11 The key components making up the form and structure of an LDP are set out in:

- 1) Legislation (section 62, PCPA 2004 and LDP Regulations 11 and 12)
- 2) National planning policy (PPW)
- 3) The LDP Manual

An LDP should be focussed, succinct and relevant to the key issues it is seeking to address. An LDP should not repeat national policy. Plans should not be a compendium of policies to cover every eventuality. Succinct LDPs should use plain language, avoid jargon, be accessible to the reader and enable effective plan review and revision.

A plan will contain the strategy, policies and allocations to address the key issues, based on robust evidence. It will shape and guide development proposals to sustainable locations, delivering the scale and type of growth and well-being required over the plan period. A plan will demonstrate how it delivers the National Sustainable Placemaking Outcomes, that development is deliverable, financially viable, phased and supported by infrastructure. LDPs will support consistent decision making across Wales.

An LDP which is repetitive and complex is likely to result in more lengthy consultation and examination processes, adding unnecessary cost and delay.

An LDP should be succinct and clear

3.12 The LDP must cover the full administrative area of the LPA preparing the plan, address the issues identified and contain the following:

Table 1: Content of an LDP

Title	The name of the area for which the LDP is being prepared.
Plan Period	The plan period (e.g. 2020 – 2035).
Sub-title	The LDP adoption date and the expiry date of the period of which it is to have effect, expressed in date, month and year, i.e. 31 December 2035. Where it is an 'emerging LDP' (i.e. prior to the deposit stage) the plan should set out the stage reached and the publication date.
Summary and Contents page	A succinct summary of the plan and list of contents will make the plan more coherent and accessible.

Introduction	A clear and succinct explanation of the contextual issues and strategies, including the well-being objectives and well-being plan that have informed the plan and the key issues to be addressed. Data sources should be clearly cross referenced.
Strategy	<p>The strategy is comprised of:</p> <ul style="list-style-type: none"> • An overarching vision, strategic issues, key aims/objectives, including the relationship to the National Sustainable Placemaking Outcomes and integrating the LAs well-being objectives. • A settlement hierarchy. • Key strategic policies – area and site specific, Placemaking principles, broad locations for delivering sustainable development, settlement boundaries and designated areas of growth/constraint, housing targets (including sub-areas) type and tenure, an overarching affordable housing policy, economic development, retail needs, Welsh language considerations, infrastructure to support the required level of development and natural resources to be protected, managed or used. • Proposed level of change / growth levels – spatial distribution and control mechanisms. • Policies should be supported by detailed site specific information such as scale of growth, phasing and location. • The strategy should be illustrated on a key diagram summarising the main elements (e.g. generalised symbols and arrows – Not O.S. based).
Development Management Policies	<ul style="list-style-type: none"> • A limited number of succinct area wide policies, focussing on locally specific issues, Welsh language, affordable housing including targets, local affordable housing policies, settlement boundaries, Gypsy and Travellers, transport, renewable energy, s106 planning obligations, design, tourism, minerals, waste, retail, green infrastructure, flood risk, ground conditions including mine gas, as appropriate. • Policies should set out any relevant mitigation/compensation requirements, based on viability assessments/legislation parameters, not within the reasoned justification. • Policies should avoid the repetition of national policies, although cross referencing can be beneficial. • Policies should be clearly linked to the LDP objectives with references to national policy and supporting background information included where relevant. This will avoid repetition and make the document more coherent and user friendly.

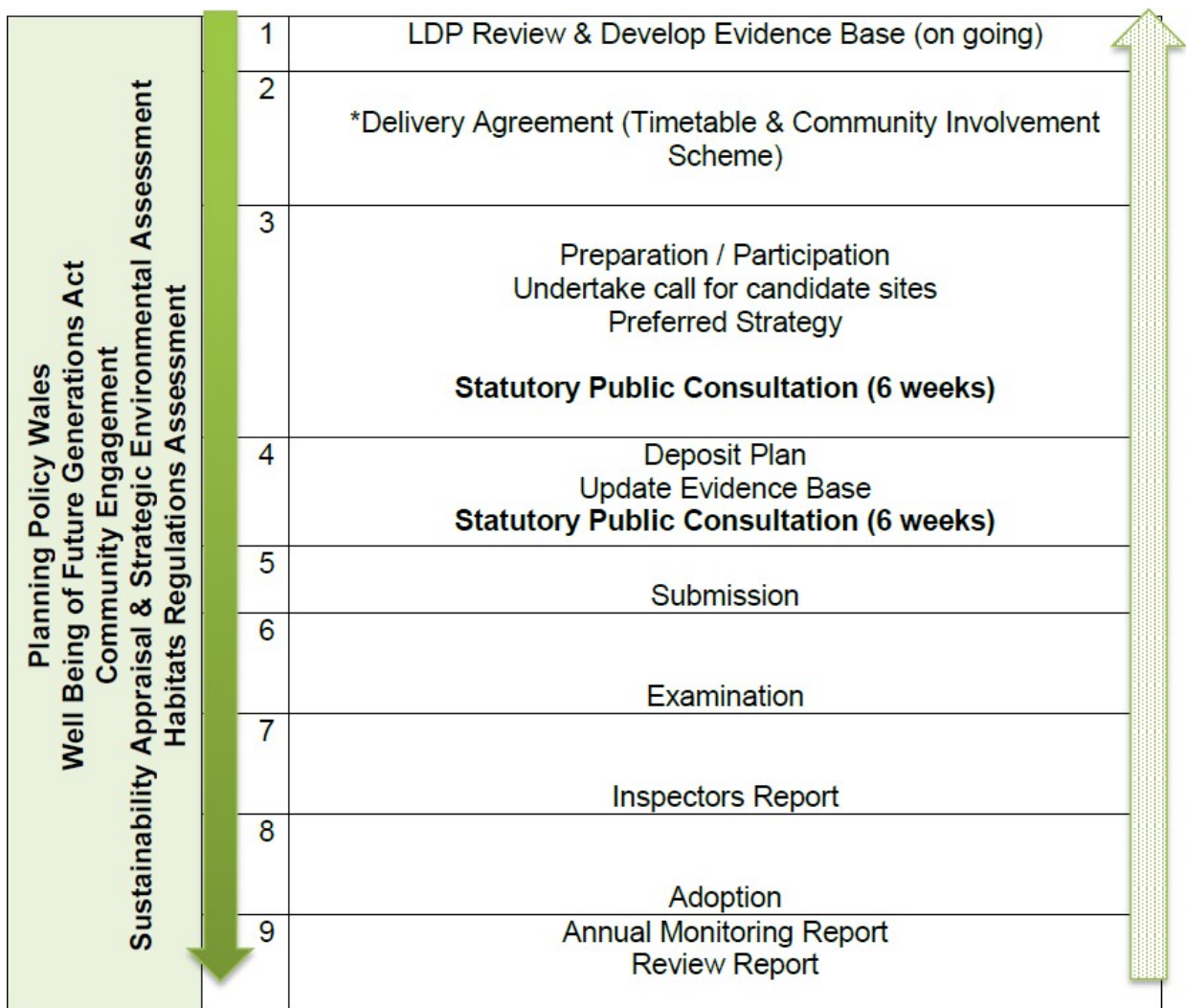
	<ul style="list-style-type: none"> • Be clear about designated areas for protection, conservation and constraint. (AONB, biodiversity, heritage). • Plans should not duplicate provisions in other legislative regimes for example, environmental health, building regulations and health and safety legislation. • Policies should not include statements of intent or descriptions of administrative arrangements.
A succinct Reasoned Justification	<ul style="list-style-type: none"> • To justify and explain how policies will be implemented, supplemented by key references to national policies and Supplementary Planning Guidance (SPG). • Policies should be readily distinguishable from the Reasoned Justification (RJ). The RJ must not introduce new policy, or contradict the policy.
Site/Area Specific Policies and Allocations	<ul style="list-style-type: none"> • Sites for development and policies related to their delivery and implementation. • Master planning principles / schematic frameworks.
Monitoring Framework	<ul style="list-style-type: none"> • Set out how the strategy, objectives, policies and proposals in the plan will be monitored against appropriate indicators and trigger points for action and linked to plan review/revision.
Housing Trajectory (Appendix)	<ul style="list-style-type: none"> • Include a housing trajectory in an Appendix to the plan to demonstrate the phasing and delivery of housing over the lifetime of the plan, supported by tables, demonstrating delivery of the anticipated annual build rate.
Implementation and Delivery (Appendix)	<ul style="list-style-type: none"> • An Implementation and Delivery Appendix setting out key issues, constraints, phasing and mitigation measures required to deliver proposals in the LDP from which key monitoring indicators and triggers can be derived. It should comprise brief descriptions of the key sites, together with an overview of site specific delivery and implementation issues, including site constraints, necessary mitigation / compensation measures and s106 planning obligations / infrastructure requirements.
Appendices	<ul style="list-style-type: none"> • The use of appendices to contain detailed site information, phasing requirements, maps, designations, can be a useful addition, where necessary, to aid the clarity of the plan.
Technical Terms and Glossary	<ul style="list-style-type: none"> • Jargon should be avoided with terms clearly explained.
Proposals Map and Inset Maps (where appropriate)	<ul style="list-style-type: none"> • An O.S. base map clearly illustrating the plan's policies and proposals which have a spatial component (site/area allocations, settlement boundaries, safeguarding areas) including defining areas to which specific development management policies will be applied. • Where sites are phased beyond the plan period, but have commenced within the plan period, it may be appropriate to

	include the entire site boundary to allow effective and comprehensive development. LPAs will need to consider this matter in light of the Blight provisions (see paragraph 7.18).
Constraints Map	<ul style="list-style-type: none"> Not formally part of an LDP but is extremely useful to identify those spatial areas determined by other bodies/processes e.g. flood risk maps, statutory landscape designations, air quality management zones.

Key Stages of Plan Preparation

3.13 Diagram 5 below sets out the key stages of the plan preparation process. The LDP Regulations set out legal requirements that must be followed to ensure procedural compliance can be demonstrated through the examination, an essential test of soundness. Diagram 6 then gives further detail on the relationship between plan preparation, the SA process and WBFGA 2015. References to the different chapters of the Manual are highlighted where further detail can be found.

Diagram 5: LDP Process



*See Chapter 8 for the Short Form Revision procedure

Diagram 6: Involvement and Key Tasks in the LDP Process

Engagement and Consultation	Key Tasks and the Integrated Sustainability Appraisal (ISA)	Manual Chapter Reference
1. LDP Review / Develop Evidence Base		
	LDP Review - Develop Evidence Base (on going)	Chapter 8: Monitoring, Review & Revision
	Establish the baseline (SA/SEA) / Re-consider the validity of the adopted SA Framework	Chapter 4: Impact Assessments & Opportunities for Integration
2. Delivery Agreement (Timetable & Community Involvement Scheme)		
The LPA should informally consult with communities and key stakeholders on the scope and content of the CIS. LPA must consult Welsh Government on the Draft timetable before submitting final version	Delivery Agreement (Timetable & Community Involvement Scheme)	Chapter 3: LDP Process – Key Stages Overview
3. Pre Deposit Proposals / Preparation & Participation		
Consensus building / identify and test strategic options / key issues with key stakeholders and communities Consult formally on Preferred Strategy for 6 weeks Consider and discuss consultation results Prepare the initial consultation report	Call for Candidate Sites - prepare register SA of options / prepare Initial SA Report Prepare Pre Deposit Proposals Preparation / Participation Statutory Public Consultation (6 weeks)	Chapter 3: LDP Process – Key Stages Overview Chapter 4: Impact Assessments & Opportunities for Integration
4. Deposit		
Engagement with key stakeholders and communities and the emerging proposals Consult formally on Deposit Documents for 6 weeks Statements of Common Ground Consider representations made and update the Consultation Report	Finalise the Deposit Plan and supporting evidence base Review SA on new options / Update SA Report Submit Deposit Documents for Statutory Public Consultation (6 weeks) Untested sites proposed should be tested through the SA	Chapter 3: LDP Process – Key Stages Overview Chapter 4: Impact Assessments & Opportunities for Integration Chapter 5 – Preparing an LDP: Core Issues
5. Submission		
Liaise with Welsh Government and the PINS in respect to submission document requirements	Submission	Chapter 5 – Preparing an LDP: Core Issues Chapter 6: Overview of

		Submission, Examination & Adoption Requirements PINS Examination Guidance
6. Examination		
Update / prepare Statements of Common Ground on key issues and sites.	Examination	Chapter 6: Overview of Submission, Examination & Adoption Requirements PINS Examination Guidance
7. Inspector's Report		
Publish the Inspector's Report before the plan is adopted	Inspector's Report	Chapter 6: Overview of Submission, Examination & Adoption Requirements PINS Examination Guidance.
8. Adoption		
Adopt the plan and publish the plan, SA Report and post adoption statement	Adoption of the LDP within 8 weeks of the receipt of the Inspector's Report by formal Council resolution Publicise where the adopted plan can be inspected Amend and publish SA Report and SA Post Adoption Statement	Chapter 6: Overview of Submission, Examination & Adoption Requirements Chapter 4: Impact Assessments & Opportunities for Integration
9. Annual Monitoring Report and Review		
The LPA should consult and engage communities and key stakeholders on the AMR and the Review Report.	LDP Review - Develop Evidence Base (on going) Annual Monitoring Reports Review Report (Concluding on a full or short form revision procedure) Monitoring of significant effects and mitigations measures through the AMR process. Establish the baseline (SA/SEA) / Re-consider the validity of the adopted SA Framework	Chapter 8: Monitoring, Review & Revision Chapter 4: Impact Assessments & Opportunities for Integration

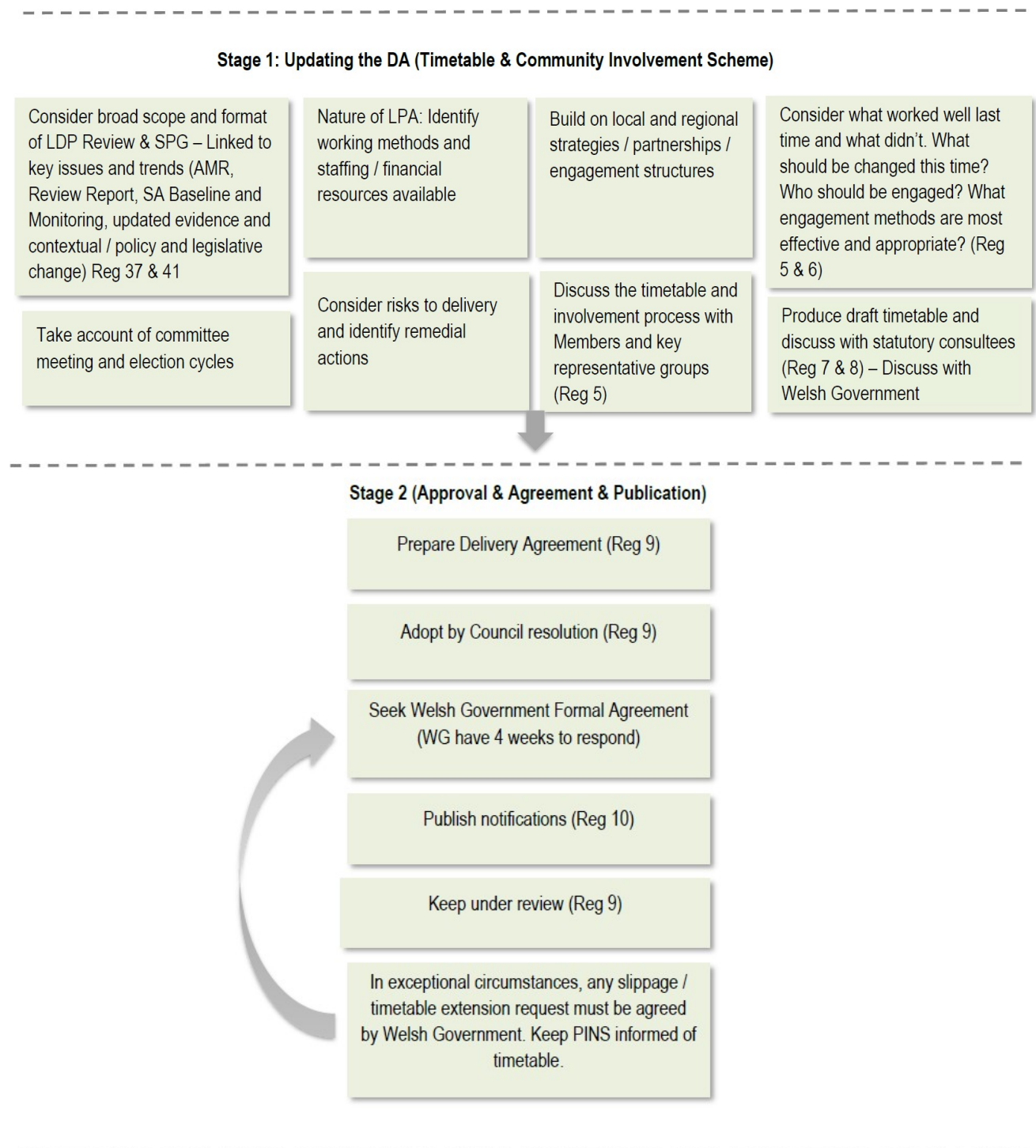
**See Chapter 4 for guidance on the ISA process and the relationship to the key stages and Chapter 8 for Short Form Revision Procedure*

Delivery Agreement and Community Involvement Scheme

Overview

3.14 The Delivery Agreement (DA) is a succinct public statement that contains the Community Involvement Scheme (CIS) setting out how and **when stakeholders and the community can become involved** in the plan making process and a **timetable** for preparing/revising an LDP. The process is summarised in Diagram 7:

Diagram 7: The Delivery Agreement Process



Delivery Agreement

3.15 The DA is an essential **project management tool** which:

- Reinforces the importance of the LDP as a corporate tool within the LPA
- Alerts the community to the process of preparing a plan, when they can be involved and states how they can contribute
- Sets out the realistic limit of what the LPA can reasonably do within time resources and expectations
- Secures budget and commits staff resources
- Clarifies the scope and influence of the plan
- Allows co-ordination with the preparation of other strategies and documents

The DA (including the CIS and timetable) must be approved by resolution of the LPA (or National Park Authority (NPA) equivalent) in accordance with LDP Regulation 9 before submission to Welsh Government. The Welsh Government's role is to ensure the DA is robust, realistic and covers the main plan preparation requirements.

Agreement of the DA marks the formal start of the plan preparation/revision process. The LPA is committed to the stated timescales and consultation processes.

The DA must be publicised with copies made available for inspection at the principal offices of the LPA and on its website in accordance with LDP Regulation 10.

Consultation and Involvement

3.16 The LDP Regulations outline the requirement for engaging stakeholders in the formulation of the DA. LDP Regulation 2 defines specific consultation bodies and general consultation bodies, which are referred to as key stakeholders and stakeholders respectively in the Manual. Throughout preparation of the DA it is recommended that on-going discussions are held with the Welsh Government and other statutory consultees so that roles and responsibilities are understood and realistic timetables are developed. LPAs should consider the most appropriate level and form of involvement for their DA to suit the local context and in particular, ensure the WBFGA 2015 collaboration and involvement ways of working are duly addressed. An LPA may choose to consult on its draft DA with adjacent LPAs and local or national interest groups. The requirement is for such local interests to be involved in its preparation as the LPA considers appropriate (LDP Regulation 5).

Content and Format of a Community Involvement Scheme

3.17 It is essential when preparing the plan an LPA involves the right people at the right time seeking greater consensus and strengthen community involvement in the plan making process. The LPA should also ensure alignment with the WBFGA 2015

and five ways of working when preparing its CIS and involvement of stakeholders. When preparing the CIS LPAs should:

- Create the conditions for early involvement and feedback at a stage when people can shape and influence the plan, based on the 5 ways of working, as set out in the WBFGA 2015
- Encourage the commitment from all participants to an open and honest debate on realistic development alternatives in search of broad consensus
- Recognise the need to adopt approaches/techniques for involving all elements of the community (age groups, local community action groups, hard to reach groups and protected characteristic groups) including business, which seeks to involve those not normally involved
- A one size fits all approach will not be appropriate

3.18 The LPA must consider the aims, scope and priorities for the LDP and use the most effective and efficient forms of involvement.

3.19 The Welsh Government does not prescribe how or what methods to use when involving the community and stakeholders. This is a matter for each LPA to consider, reflecting on their local knowledge.

3.20 The CIS should identify the principles of the LDP participation strategy and list all those general and specific consultation bodies to be involved in LDP preparation (LDP Regulation 2). The LPA should ensure that it involves those key consultation bodies that are relevant to its area and the range of issues and proposals that are being considered, or will need to be addressed in the plan. For example, the LPA should ensure it involves the Fire and Rescue Services and Police to ensure principles of safety and design are considered from the outset. It is also essential that members of the community and stakeholders are proactive to ensure they involved and contact details are provided on the LPA's stakeholder list. The LPA should involve the key groups at the right time. There is no longer a requirement to give notice by local advertisement in a local newspaper. However, an LPA may decide that this is an appropriate method for its particular circumstances to increase involvement.

Preparing the Community Involvement Scheme

The content of the CIS is prescribed in LDP Regulation 6.

3.21 LPAs should address the following points when preparing or reviewing the CIS:

- Were lessons learned from the previous plan preparation process and does the CIS need to be revised?

- What documentation is available when seeking community involvement? This should be proportionate and relevant to the documents being prepared at the specific plan making stage reached
- Set out a detailed involvement programme to facilitate early dialogue, aimed at seeking consensus on the evidence, ensuring involvement is focussed when the plan can be influenced in order to develop a sound plan
- Who will be involved? Profiling the community and identifying the most appropriate range of interests, particularly hard to reach groups who do not usually participate in plan preparation, including those with protected characteristics
- Means and timings of securing the involvement of stakeholders at different stages of plan preparation
- Formal consultation provisions for the other plan stages
- Identify the available resources
- The scale of elected Member involvement, links to community groups, committee cycles and elections
- Identify reporting mechanisms and the dissemination of information, informally and also compliance with the legislative requirements
- Transparent mechanism for considering output and using outcomes to inform the draft plan, policies and guidance

Requirements and Considerations for the Content of the CIS are as follows:

- The CIS must cover the matters listed in LDP Regulation 6 and identify the principles of the LPA's involvement strategy
- Any LPA corporate standards, standing community involvement arrangements e.g. citizens panels, Well-being Plans (WBPs) or National Park Management Plan (NPMP) involvement arrangements, other LPA strategy/plan involvement exercises that overlap or are relevant
- Role of the LPA, officers, Executive and elected Members
- Statement on the approach to building consensus and access to the process by hard-to-reach groups and those with protected characteristics
- Expectations of statutory consultees, agencies and third parties/participants
- Potential for joint working, use of existing/previous LPA involvement exercise
- Use of the Welsh language in communications

Annexes to the CIS could include:

- Standard publicity arrangements including the LPA's website
- Report of any consultation on proposed CIS
- List of involvement arrangements with stakeholder bodies/groups
- List of partnerships relevant to the LPA
- Profile and characteristics of the local community

- An overview of risks and contingencies

Compliance Considerations

3.22 The DA commits the LPA to produce its LDP, or revision, according to the stated timescales and consultation processes. LDP Regulation 9(6) stipulates the ground under which an LPA need not comply with a particular requirement of its CIS; i.e. if the LPA has reasonable grounds to believe that it is not likely to prejudice any person's opportunity to be involved in the exercise of the LPA's functions under Part 6 of the PCPA 2004 if it does not comply with that requirement.

3.23 Any significant deviations from the agreed timetable and CIS (not agreed previously by the Welsh Government and published) will potentially be examined by the Inspector as this could have adverse procedural implications regarding the tests of soundness. This is a risk that should be avoided by ensuring the timetable and CIS are adhered to. If there is slippage in the timetable Welsh Government approval is necessary.

The Content of the Timetable

LDP Regulation 8 sets out the requirements of the content of the timetable

3.24 The timetable must set out a timeline for the plan preparation process made up of the various stages, including key stages of public consultation, both **definitive** up to deposit, and **indicative** dates up to adoption. It must also set out the key dates for publication of the SA Report and the Annual Monitoring Report (AMR). The DA should set out the staff resources available to prepare the plan.

Timescales for Plan Preparation

3.25 With LPAs having an adopted LDP and plans being reviewed, the preparation process for plan reviews should be much quicker than previously. This reflects the scope, range and relevance of evidence available to support the adopted plan, familiarity with the system and experience gained by LPAs. Plan preparation should not take longer than 3.75 years.

The Welsh Government expects plans being reviewed **to be prepared in 3.5 years from formal agreement of the DA, with a single additional slippage period of 3 months**. This slippage period will apply to the entire plan process and is not cumulative.

3.26 The slippage period will build in a small amount of flexibility before a formal change to the timetable is required, but this should only be necessary in exceptional circumstances. This is in recognition that LPAs will not be starting from scratch. The

combination of the evidence base only requiring updating where there have been changes in circumstances and the skills and knowledge gained from adoption of the previous plan, will enable reviews of plans to be expedited more quickly.

Setting a Realistic Timetable

3.27 Throughout preparation of the DA timetable, LPAs should consult with the Welsh Government on early drafts prior to resolution of the LPA and formal submission. This will avoid any unnecessary re-drafts and delay.

Timescales for the key stages must be clear, setting out definitive time periods when consultations will happen (e.g. Deposit July-August 2019, Submission – August 2020). This should be the timing of the actual consultation period, not the whole stage. Post submission dates will be indicative.

Timetables that have wide date ranges for Regulation 15 (Preferred Strategy) Regulation 17 (Deposit) and Regulation 22 (Submission) are not appropriate.

3.28 Key factors to consider when setting a realistic and achievable timetable are:

Table 2: Factors in Setting a Realistic Timetable

Member decision making	The timing of Member decisions (and elections) is important when setting the timetable. All DAs should make appropriate provision for Committee and Council cycles as well as special meetings taking into account election periods and Member training where necessary.
Timings between statutory stages	The length of time between key statutory stages and the level of work involved at each stage will directly inform the timetable. LPAs should make an allowance for the preparation of technical studies, involvement, survey work and joint working.
Staff resources and budgets	To ensure the effective implementation of the timetable there must be an appropriate level of staff resources established and committed in the DA. This must be incorporated into LPA budgets, including the cost of commissioning technical studies and the running of the examination.
Consult the Planning Inspectorate	PINS procedural guidance should inform the plan timetable and refinement of the indicative stages when

	the examination timetable is known. This also allows a check to be made on the likely availability of an Inspector to examine the LDP and allows the Planning Inspectorate to plan their workload.
Focussed Changes	Is a non-statutory stage and should only be used in 'exceptional' circumstances and should not be included in the DA timetable from the outset.

Table 3: DA 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 1.5 years
Stage 3	Preferred Strategy Public consultation	
Stage 4	Deposit plan Public consultation	Approximately 1 year
Indicative		Timescales
Stage 5	Submission	Approximately 11 months in accordance with PINS Procedural Guidance
Stage 6	Examination	
Stage 7	Inspector's Report	
Stage 8	Adoption	
		Total plan preparation time 3 ½ years (Plus one 3 month slippage period)

Revising the Delivery Agreement

The LPA must keep the DA under regular review and any revision must be approved by resolution of the LPA and agreed by Welsh Government within 4 weeks of the initial request, unless the Welsh Government has requested additional time to

consider the document (LDP Regulation 9). The DA should be publicised and made available for inspection in line with LDP Regulation 10. **Only exceptionally should a revised timetable be considered** during plan preparation.

Candidate Sites

3.29 Following publication of the DA, the call for candidate sites is the first formal stage of preparing an LDP. This enables all parties to submit potential sites for inclusion in the plan to the LPA. It will then be for the LPA to assess each site and determine if they are suitable, or not, for inclusion in the plan.

3.30 To maximise involvement and the effectiveness of all stages of plan preparation, as much evidence as possible should be provided at the candidate site stage, including a financial viability assessment. This applies to all candidate sites. The greater the degree of certainty and clarity expressed in the preferred strategy will result in more meaningful involvement and higher quality responses, thereby improving the effectiveness of the plan making process. To achieve this goal requires a greater depth of information emitted and evidence received through the call for candidate sites. Diagram 8 summarises the candidate site process and the key elements of this chapter.

FRONTLOADING: Detailed evidence upfront and early in the plan making process is essential to inform the delivery of the preferred strategy and subsequent plan stages. A greater depth of evidence at the candidate site stage is essential.

Where inadequate evidence is provided upfront this leads to further evidence being sought later in the process, incurring time delays. A more detailed preferred strategy will not only provide more meaningful consultation responses, but it will provide greater evidence to influence and shape the deposit plan. **Front loading of the evidence base is critical to this approach.** An inadequate level of information to demonstrate delivery can be a reason for discounting sites.

Legislation and Procedural Requirements – The Call for Candidate Sites

3.31 LDP Regulation 14(2) requires all LPAs to ‘request nominations for sites proposed to be included in the LDP’. The request for site nominations, called candidate sites for the purpose of this Manual, is a core component of plan making. The call for candidate sites **must be undertaken before an LPA complies with LDP Regulation 15**, consultation on the preferred strategy.

3.32 The call for candidate sites is required to be undertaken at an early stage of plan preparation, in advance of any formal element of the plan. Candidate sites and the integrated SA process form the building blocks of plan making and give stakeholders an opportunity to propose sites for a range of uses (not exhaustive), such as:

Housing	Gypsy and travellers
Employment	Retail
Community facilities	Recreation
Tourism	Renewable energy
Green infrastructure	Biodiversity
Waste	Transport infrastructure
Health, Education and Social care	Minerals

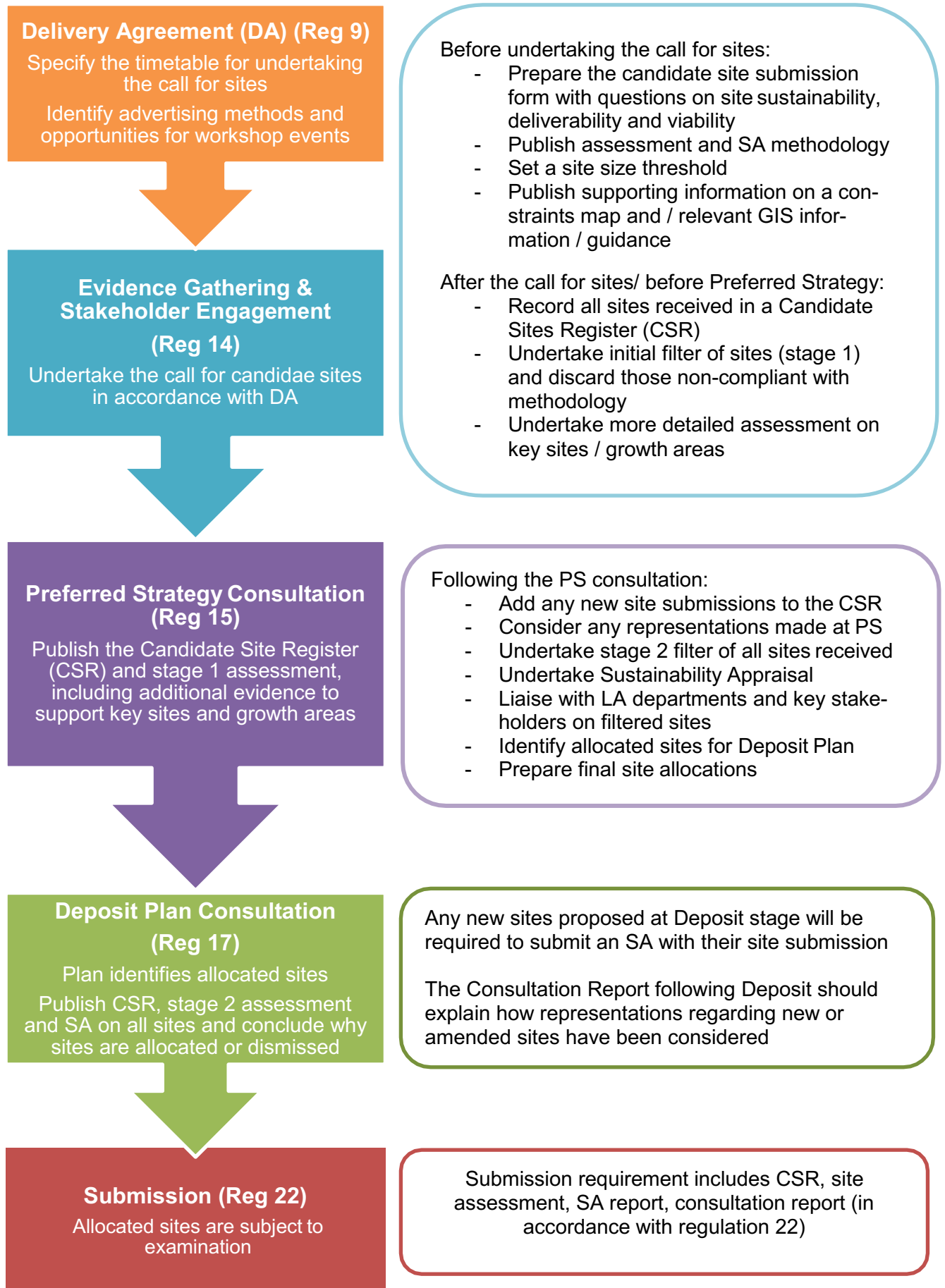
3.33 The method and timescale, to 'call for sites' is not prescribed in regulations; this is a matter for each LPA to determine reflecting their local area. An LPA should:

- Publish the request for site nominations on its website and by other such means as it considers appropriate; and
- State the date by which such site nominations must be received by the LPA (LDP Regulation 14(3)).

3.34 The DA must specify the timetable for undertaking the call for candidate sites; there is no specified legal time period for the candidate site submission period. An LPA must state the date by which site nominations (candidate sites) must be received (LDP Regulation 14(3) and 26A(7(b))) in advance of reaching LDP Regulation 15 stage. The Welsh Government suggests a **minimum consultation period of six weeks**, mirroring other statutory plan consultation stages, although an LPA can extend this consultation period up to a point in time before the preferred strategy is made public. The precise timings/methods will be for the LPA to determine, taking into account the relevant legislation.

3.35 When undertaking a call for candidate sites an LPA must consider and undertake an appropriate level/type of advertisement as set out in the CIS, contained within the DA. It is for each LPA to determine a suitable and appropriate advertising method, reflecting the circumstances in their area. LPAs must ensure that appropriate resources and involvement methods are used in order to generate interest with a range of stakeholders, communities and landowners, as the failure of appropriate candidate sites coming forward early on in the process can cause significant and unnecessary delay of plan preparation.

Diagram 8: Summary of Candidate Site Stage and Assessment



Key Principles - The Call for Candidate Sites

3.36 An LPA must use the candidate site process to gather suitable evidence from site promoters to robustly demonstrate the sustainability, deliverability and financial viability of sites. The evidence must enable the LPA to assess the following:

- Is the site in a **sustainable** location and can it be freed from all constraints?
- Is the site capable of being **delivered**?
- Is the site **viable**?

3.37 LPAs should make clear the submission of candidate sites for consideration does not imply a site is suitable or otherwise for development. This will avoid unduly raising expectations, either for inclusion or exclusion from the plan. Being clear on the broad parameters of where development will be acceptable, or where not, will assist in this process. For example, the relevance of the spatial strategy in the adopted plan, the search sequence (set out in PPW) and the relationship to the National Sustainable Placemaking Outcomes and identify sustainable settlements, based on their role/function.

3.38 To ensure effective front loading of the LDP process, it is vital site promoters and wider members of the community are made aware of their role and what is expected of them. **It should be made clear, the call for candidate sites is the appropriate time to submit sites for potential inclusion in the plan.** All interested parties should appreciate bringing sites forward after the preferred strategy stage will mean it is unlikely they can be considered for inclusion in the plan. It should also be made clear not submitting sufficiently detailed information at the appropriate stage may result in the site not being taken forward.

3.39 Prior to the 'Call for Sites' the LPA should consider what information it can to publish to assist in this process (see also relevant sections of this Chapter in respect of candidate site form content, thresholds, and supporting information/resources). **The LPA should make available as much information as possible to assist site promoters through the candidate site process.** For example, technical information in relation to flood risk areas, environmental designations, best and most versatile agricultural land quality, archaeological designations or mineral safeguarding zones can be provided by the LPA. **The Welsh Government strongly advocates LPAs provide a Constraints Map to assist the candidate site process.** A Constraints Map and signposting to other Geographical Information System (GIS) resources, such as <http://lle.gov.wales/home> will give a steer to site promoters of appropriate development locations and likely constraints.

3.40 To ensure all sections of society can be involved in the candidate site process, reference and signposting to other relevant guidance documents would be beneficial. For example, Planning Aid Wales has published guidance for Gypsies and

Travellers, including Travelling Showpeople, on how to engage in the planning process in order to appropriately plan for their needs.

(<http://www.planningaidwales.org.uk/gtguide> which provides a link to the guidance and accompanying video). Planning Aid Wales (PAW) has also published guidance on the use and preparation of Place Plans which may provide a useful resource for communities and Town Councils <http://www.placeplans.org.uk/>

3.41 An LPA should ensure that assistance is available to help and enable site promoters to access all necessary information. A landowner, developer, community workshop session could be held as a method of involvement and enable the clear dissemination of information. The LPA should clearly state that the submission of sites is only part of the information gathering exercise and this is not a commitment from the LPA that sites will be taken forward into the LDP.

3.42 The SA process should be an integral part of every stage of LDP preparation. **The SA assessment criteria and methodology should be published alongside the call for sites**, ensuring transparency for assessing candidate sites. This will ensure that potential impacts on the Welsh language are considered.

3.43 Sites should not be purposefully excluded from an assessment, but general planning principles should be articulated through criteria to express where less favourable consideration will be given to taking sites forward. If no information is received from site promoters by the LPA, sites should not be discounted automatically, but filtered accordingly through an initial sifting process (Stage 1 site assessment, paragraph 3.66). **All parties need to cooperate to ensure the best information can come forward to assist decision making.**

Demonstrating Delivery and Financial Viability of Candidate Sites

The key objective an LPA should establish is whether a site promoter has a serious intention to develop the site and can do so within the timeframe of the plan. This links directly to the test of soundness, 'Will the plan deliver?'

A site that is deliverable may not be financially viable, and vice versa. At the candidate site stage these two elements must be considered in the round, in a broad and proportionate manner, alongside the principles of sustainable development. Candidate sites should be sustainable, deliverable and financially viable in order to be considered for inclusion in the plan by an LPA. All sites should satisfy the broad parameters and information emitted by the LPA and have sufficient financial headroom to accommodate all of the plan's policy requirements. **For the purposes of this Manual ensuring sites in plans are deliverable means both in terms of deliverability and financial viability.**

3.44 PPW sets out the policy approach to considering housing delivery in the development plan process. A key element of this is ensuring financial viability is assessed at the candidate site stage. The site promoter (LPA, land owner and/or developer) must carry out an **initial** site viability assessment and provide evidence that sites can be delivered. **As required by national policy, all candidate sites are subject to a viability assessment. However, the level of detail and information required for this assessment should be meaningful and proportionate to the site's significance in the development plan.**

3.45 Due to the differing characteristics within a plan area, i.e. ranging from urban areas with larger/strategic allocations, to rural authorities with smaller allocations, the development threshold and market context/issues will be different. The size of sites allocated will not be consistent across all plans in Wales. The LPA will need to consider the threshold for candidate sites sought and the threshold for allocations (where different) carefully in the context of the plan area and the type and scale of sites sought. This is a matter for the LPA to determine. This should be a key consideration for LPAs in the call for sites when applying a proportionate approach to financial and wider information/evidence sought. Key considerations for an LPA to consider include:

A small site (e.g. under 5 or 10 units) allowance in a development plan (see also Table 18 and para 5.62) will usually be based on historic completion trends having regard to the context of the adopted/emerging plan, discounting previous anomalies. Historic trends can demonstrate small sites have been consistently delivered over previous years; viability evidence for such sites, while important, does not need to be expansive.

Allocations in a plan are sites above a set threshold(s) determined by the LPA. Sites below the threshold are defined as **windfall sites** (see Table 18 and para 5.62). An allowance can be made for windfall sites in a development plan. Windfall sites will require more evidence than small sites, e.g. information submitted as part of the candidate site stage, high level viability study and urban capacity study (where prepared).

LPAs will need to consider the proportionate level of viability information required to demonstrate the delivery of all **allocations**. For example, is the information submitted as part of the candidate site stage and the preparation of a high level viability study sufficient in itself to demonstrate the delivery of allocated sites? Will some allocations need specific viability work? Are alternative funding mechanisms required to bring them forward?

Key site / strategic allocations are critical to the delivery of the plan's strategy and must be supported by a detailed site specific viability appraisal.

3.46 Chapter 5 of the Manual contains detailed guidance on how to undertake an evidence base for both high level and site specific viability appraisals and the hierarchy of viability diagram (5.86) is clear what is expected at each stage.

Development costs submitted by site promoters on all sites can be a useful resource to inform the viability inputs of the high level viability study and ensure infrastructure and affordable housing policies are robust (Table 24).

Viability assessments submitted to support LDPs can be used as a basis for development management discussions.

3.47 The deliverability and viability assessment submitted at the candidate site stage should address the points set out below which **must** be reflected on the Candidate Site Form. (This is different to the more detailed viability appraisal, see paragraphs 5.86 – 5.108).

What is a Deliverable Candidate Site?

- The site is in a sustainable location (in accordance with the site search sequence set out in PPW which should inform the Council's candidate site methodology) the broad parameters of which will be set out by the LPA to accompany the call for candidate sites
- The site is available now, or will be available at an appropriate point within the plan period,
- The site is generally free from physical constraints, such as land ownership, infrastructure, access, ground conditions, biodiversity, landscape, heritage, flood risk issues and pollution
- If the site is in public ownership it is identified in a published disposal strategy and/or through Council resolution if the land is to be retained/or sold by the Council. There should be a clear commitment to bring the site forward at a point in time within the plan period, including where relevant, identified/committed funding streams
- What is the planning history and/or does it benefit from an extant planning permission, or is it identified as an allocation? Sites with a positive planning history may be relevant and could be considered suitable for development, although it will be necessary to assess whether circumstances have changed which would alter their suitability (see PPW)
- Where appropriate, a clear explanation and justification of how and when any barriers to delivery can be overcome

What is a Financially Viable Candidate Site?

- There is development potential for the proposed use. The site is generally attractive to the market (both private and/or public sector) for development at the proposed location

- The site can accommodate the **broad levels** of affordable housing, other policy/s106 requirements and infrastructure costs set out by the LPA; the broad parameters of which will be articulated by the LPA in the call for candidate sites
- Where there are financial shortfalls inhibiting development from coming forward, funding mechanisms are, or can be secured, to make the site financially viable
- A candidate site can be considered viable if, after considering the broad known costs, the value/return on the development is sufficient to provide both an adequate profit margin for the developer and a meaningful uplift in value for the land owner

3.48 It is recognised that certainty on the deliverability of a site may not always be definitive until more detailed viability information is known as the plan progresses. The LPA may request further information **proportionate** to the nature and scale of the development proposed, where necessary, to enable the LPA to assess in detail the suitability of the site for allocation in the deposit LDP.

3.49 However, this should be one of refinement as the majority of evidence will have been identified early on through the candidate site process. Only in exceptional circumstances should new candidate sites be sought after the preferred strategy stage where insufficient sites have come forward earlier in the process. The evidence of deliverability of individual sites will be tested through the examination process.

Financial Viability Information

3.50 In order for a site promoter to provide sufficient evidence necessary to demonstrate delivery and viability issues have been addressed at the candidate site stage, the LPA should publish a range of information to assist this process. This should be based around the following:

- Making available the adopted LDP affordable housing policies (where fit for purpose) including specific policies, area based or ranges
- Where adopted plan policies are outdated, or have been superseded by changing circumstances, the LPA should indicate what alternative levels of affordable housing have been sought. Recent site negotiations over the previous 12 to 18 months can provide a more up-to-date evidence base
- Average s106 costs (specific, area or ranges) based upon up-to-date actual s106 negotiations over the previous 12 to 18 months. The relevant time period will be for the LPA to determine based on current circumstances. This could also be informed by LPA infrastructure requirements in relation to existing known deficiencies
- Other policy requirements anticipated to have a financial cost implication

- Any relevant and up-to-date SPG
- Current or updated/emerging Infrastructure Plan / Community Infrastructure Levy (CIL) requirements
- Core assumptions used in any current or updated technical information/study or an LPA viability model, i.e. benchmark land values, development profit and other relevant and up to date core assumptions (see Chapter 5)

3.51 An LPA should include a caveat in the submission form that viability information will be required during the site assessment process **and failure to submit viability information when requested may result in a proposed site not being allocated**. Further viability testing at the planning application stage should only be required on an exceptional basis.

Sites Key to Delivering the Plan

3.52 To support delivery of the plan, **site specific testing in the form of a viability appraisal** should be undertaken for sites which are key to delivering the plan, demonstrating they are deliverable in principle. The size threshold of what constitutes a key site will vary between LPAs and it will be for each LPA to determine. This would be best undertaken as early as possible, ideally at the candidate site stage, but no later than deposit (LDP Regulation 17) stage. This will enable key statutory consultees to provide a meaningful contribution to the plan making process.

3.53 A Strategic Flood Consequence Assessment (SFCA) should accompany a proposal where there may be flood risk issues. An SFCA is usually made up of three stages, with more detailed assessments required as candidate sites are progressed through the plan making process. The evidence will need to demonstrate how flood risk issues do not impact on the delivery of the site, particularly if a residential use (Class C3 or C4) is proposed, which, if in a C2 flood risk category, would be contrary to national policy.

3.54 The LPA and site promoter should involve relevant consultees to identify the scope of any technical assessment **needed to establish if the site is suitable for the proposed land use, viable and can be delivered in the appropriate timescale**.

3.55 **A plan-wide financial viability appraisal should also be undertaken as early as possible, ideally at the candidate site stage, but no later than deposit.** Chapter five of the Manual sets out detailed guidance in respect of plan-wide and site specific viability appraisals. The LPA may wish to commission evidence undertaken by an independent advisor, independently reviewed and agreed by both the LPA and site promoter/developer, or by the LPA itself.

Candidate Site Form

3.56 LPAs should invite the submission of candidate sites on a standard form, specifying the information required to ensure it is gathered in a consistent and comprehensive manner. The LPA should specify the call for sites is not restricted just to potential housing sites, but should invite land owners and agents to submit proposals for a wide range of land uses and specify them. Different land uses will require different questions and levels of information. The information sought should be reasonable and proportionate to the size and use of the site.

3.57 An LPA can set a fee to provide assistance to site proposers when completing candidate site forms. This would be a discretionary service. The Local Government Act 2000 (section 2) and Local Government Act 2003 (section 93) provide the powers for such a fee to be set. However, any fee should be set at a level to only recover costs. If such an approach is taken the LPA must be able to identify the legal authority for charging the fee and have an audit trail demonstrating how such powers have been used to justify this approach.

Site Threshold

3.58 To keep the exercise practical, LPAs should set a size threshold for candidate sites in line with the characteristics and scale of places in their administrative area. For residential (Class C3 and C4) candidate sites it may be prudent to align with the definition of 'major development' in The Town and Country Planning (Development Management Procedure) (Wales) Order 2012: a site threshold of 10 or more residential units, or above 0.5 hectare for urban authorities. For rural authorities a lower threshold of 5 residential units and above may be appropriate. The threshold should take account of the predominately rural or urban characteristics of the LPA, including maximising opportunities for Small and Medium Enterprises (SMEs).

3.59 If the LPA receives sites below the threshold, they must still be recorded on the candidate site register. However, these sites can be discarded through the Stage 1 assessment (see paragraphs 3.66-3.67). The submission of small sites can provide useful evidence to support a small/windfall site allowance in the plan. PPW states that LPAs should maintain a register of sustainable sites which fall below the allocation threshold in their development plan. The candidate sites process will assist in delivering this policy approach.

Core Candidate Site Form Content

3.60 This will be a matter for each LPA to consider, tailored to local circumstances. However, in order to achieve more effective and deliverable plans the following core elements should be sought at the initial candidate stage to inform the preferred strategy (LDP Regulation 15) along with responses provided by a site proposer.

Table 4: Candidate Site Form Content

Personal Details	<ul style="list-style-type: none"> • Name • Address • Contact details
Site Location	<ul style="list-style-type: none"> • Site address / post code • Red line boundary and/or grid ref. if known
Site Type	<ul style="list-style-type: none"> • Existing use • Greenfield or brownfield?
Proposed Uses	<ul style="list-style-type: none"> • Proposed use (indication of number of dwellings, tenure split, floor space, Mw (energy) pitches etc.)
Land Ownership	<ul style="list-style-type: none"> • Ownership details (sole or multiple ownership) • Is the landowner willing to sell the land? Is there a meaningful uplift in land value sufficient to encourage the land owner to sell for the proposed use? • If the site is in public ownership it should be included in a published Disposal Strategy
Planning Status / Site Surveys	<ul style="list-style-type: none"> • Current planning status (if known) • Is the site allocated in the current development plan either partly, or in its entirety? • Site planning history (including any reasons for refusal) • Have there been pre-application discussions? Are there any layout plans? • What surveys are required or have been undertaken to date?
Site Suitability and Delivery Physical constraints and assets National/local designations Utilities Contamination Other constraints (Linked to Constraints Map)	<ul style="list-style-type: none"> • How does the site promote sustainable development and assist in achieving the requirements of the WBF GA 2015? • How does the site align with the search sequence and Placemaking approach set out in PPW? • How does the site support the locational criteria identified by the LPA? • Physical constraints and assets (topography, best and most versatile land (BMV) access, vegetation, flood zones) • Impact on European/national designations and species (e.g. Ramsar, SSSI, etc.) National Parks, AONB and heritage assets • Utilities (water, sewerage, gas, electricity, phone/broadband) • Contamination constraints, ground stability and coal mining high risk areas • Other known constraints, demolition, gas pipelines, sewers, power lines etc.

<p>Infrastructure Requirements and Delivery</p>	<ul style="list-style-type: none"> • Infrastructure requirements from the proposed development where known (education, leisure, health, transport etc.) • How would this be delivered (s106 obligations/CIL on or off site etc.)? • Is there funding / finance to deliver the necessary infrastructure requirements? • Green Infrastructure requirements, key natural resources or areas of habitat connectivity (both current and potential)
<p>Site Deliverability and Viability (Proportionate to the scale and use of the proposal)</p> <p>Financial viability</p>	<ul style="list-style-type: none"> • What is the proposed timescale for bringing the site forward in the plan period? Include annual rates where relevant and achievable • Is there developer interest? Is a developer on board via an option agreement or another contractual agreement? If not, at what point will a developer be on board • Can the site accommodate the broad policy, infrastructure and s106 obligations required by the LPA? • Is the site viable when assessed against the viability assumptions set out by the LPA? (benchmark land values, developer profit, build costs etc.) • How do the specific circumstances of the site differ to the broad level assumptions and how does this impact on site viability? • Where the land owner is not the developer, are there any binding or non-binding land agreements (options, etc.)? Are they realistic and deliverable? • For housing sites, what level of affordable housing will be provided? • Details of restrictive covenants / legal / claw back values / constraints, i.e. is the site constrained by a legal agreement restricting the future use of the land?
<p>Broad caveats / considerations to include on the form:</p> <ul style="list-style-type: none"> • All the above should be proportionate to the scale of development proposed • You are encouraged to provide a viability assessment with a candidate site, in accordance with the broad parameters set by the LPA • The LPA may seek a detailed viability appraisal on your site prior to deposit in order to demonstrate whether it is financially viable. A viability appraisal should be undertaken as early as possible. Failure to submit a viability appraisal may result in your site not being included in the deposit LDP 	

- It is the duty of site promoters to engage positively in the plan preparation process at all stages, working with the LPA to ensure that the relevant information is available at the appropriate stage
- The responsibility of undertaking relevant technical work to support a sites inclusion in the plan, including financial costs, resides with the site promoter.

Summary Checklist when Undertaking a Call for Candidate Sites

✓	Decide and undertake forms of advertising, including publication on the LPA's website, in conformity with the DA
✓	Set a deadline when seeking candidate sites prior to LDP Regulation 15
✓	Publish the candidate site form, including questions on deliverability
✓	LPA to publish broad policy, infrastructure and s106 obligations required
✓	LPA to publish relevant information to assist the process, setting out the key planning constraints against which sites will be assessed, i.e. identify sustainable settlements and hierarchy; proximity criteria to services and facilities; planning history (where appropriate). Set out the remit and expectations going forward
✓	LPA to provide a constraints map, or any known information
✓	Set out the SA methodology and scoring system
✓	Organise workshop events

The Candidate Site Register (CSR)

3.61 Following the call for candidate sites an LPA must prepare a Candidate Site Register (CSR) LDP Regulations 14(4) and 26A (7). The CSR must record **all** the sites received during the call for candidate sites and be published.

3.62 At preferred strategy (LDP Regulation 15) the LPA must publish the CSR (see LDP Regulation 2, definition of pre-deposit proposal documents). The preferred strategy should identify and spatially illustrate the broad scale and distribution of growth and **identify those sites key to delivering the overall strategy**, evidencing how the growth can be delivered. The statutory consultation will invite comments on both these key sites and the CSR in totality. It should be made clear in the CSR, the status of each site and the remaining assessment process. The LPA must clearly state that where sites are not proposed for allocation at this stage, they could be introduced later in the plan making or examination processes, if the need arises.

Stakeholders should be advised that this is the appropriate time to make representations on any of the sites identified in the CSR, or identify new sites.

3.63 Before undertaking consultation on the deposit plan, ‘the LPA must consider any sites nominated before determining the content of the LDP deposited in accordance with regulation 17’ (LDP Regulation 14(5)). Where appropriate, the LPA should explain and justify what changes have been made following the preferred strategy, and why. **When the plan is placed on deposit, the CSR (including / incorporating the candidate site assessment) and SA should clearly document the LPA’s evidence and conclude why sites have been included, or excluded.** A clear audit trail explaining the rationale is imperative.

3.64 Candidate sites should be recorded in a consistent manner. There should be a clear audit trail between the CSR and the evidence to support sites included, or excluded from the plan. It is a matter for the LPA to determine whether to record all site assessments in the CSR, or separately. The key requirement is for all information to be clear and easily accessible for all plan users. This will improve the understanding, justification, efficiency and consistency and ensure it is a ‘one stop shop’ for interested parties. In addition to the information provided at preferred strategy stage the CSR should include:

✓	Planning history
✓	Comments from key stakeholders
✓	Preferred strategy consultation responses and the LPA’s response
✓	Outcome of the detailed site assessment contained in the SA
✓	Relationship to the Well-being Assessment, Area Statements and HRA
✓	Assessments relevant to PPW, e.g. Strategic Flood Consequences Assessment (SFCA), Green Infrastructure Assessment
✓	Clear conclusion on whether the site is allocated, or not in the plan and why

Assessing Candidate Sites

3.65 The Welsh Government does not prescribe a standard candidate site assessment methodology. As stated previously, the candidate site register must be published at the Preferred Strategy consultation (Regulation 15). The LPA must then consider any sites nominated before determining the content of the Deposit LDP (Reg. 14(5)). It is reasonable and practical for the LPA to undertake a phased assessment methodology, consisting of an initial filtering and detailed assessment process. However, in order to support the front loading principle, the Welsh Government advocates a two stage filtering process to assess candidate sites.

Stage 1 – Initial Site Filtering

3.66 A desk based assessment of all the submitted sites, identifying and discarding sites that do not meet the initial filtering assessment criteria is appropriate. This should use known information, such as a Constraints Map, settlement strategy and national planning policy, i.e. no Class C3 or C4 residential development in C2 flood risk. Examples of discard criteria include where sites are:

X	Below the site size threshold
X	Contains fundamental constraints that cannot be mitigated, e.g. sites in the open countryside unrelated to any settlement identified in the settlement hierarchy, or residential uses (Class C3 and C4) in a C2 flood risk
X	Raise deliverability issues, or when the site will not be brought forward during the plan period, or where there is no evidence the site is financially viable

3.67 Publishing the initial stage 1 assessment alongside the candidate site register at preferred strategy consultation, will communicate clearly which sites have been discarded due to a high level filtering process (summarised above). This will enable stakeholders and communities to engage more effectively and meaningfully, earlier in the process. This clarity should result in a reduced number and more focussed and representations.

Stage 2 – Assess Site Suitability and Compliance with LDP Preferred Strategy

3.68 A more detailed site analysis should be undertaken for all sites which have passed through Stage 1, assessing them against the LPA's SA objectives. The LPA must develop a comprehensive and systematic assessment methodology to fully assess the potential effects of all sites. This should be undertaken following the preferred strategy consultation and take account of any representations received.

To achieve a legally compliant SA, the SA site assessment criteria must:

1. Address each of the SEA environmental topics prescribed within Schedule 2 of the SEA Regulations
2. Relate to each of the SA objectives defined specifically for the LPA
3. Allow for the identification of likely significant (and thus not significant) effects
4. To comply with the SEA Regulations it is essential that the SA scoring system distinguishes between significant and less significant effects

3.69 To demonstrate the plan is sound at examination, LPAs will need to justify their criteria and associated site assessments. The criteria must be in accordance with the principles of sustainable development and placemaking as set out in PPW. **The SA**

must document the assessment and provide a reasoned justification for the site status (rejected, reasonable alternative or preferred). Candidate sites should only be rejected outright if they have no potential to be either a proposed site, or a reasonable alternative. This can then inform the plan allocations needed to deliver the strategy. This must be a transparent process clearly documented in the final SA Report for the deposit plan.

Table 5: Illustrative Site Assessment Criteria

Location and accessibility	Relationship to settlements and community facilities (schools, shops, medical, recreational etc.) including capacity of local facilities to support growth.
Site context and character	Brownfield / greenfield, topography, views/vistas, adjoining land uses, contamination and existing use. Scale/significance of abnormal costs of contamination, remediation, demolition, access etc.
Accessibility and highway capacity	Suitability of vehicular access to and from site and the impact on the highway, public transport routes and frequency of service, accessibility by foot or bicycle to a range of services and facilities. (Both construction and use).
Landscape and environmental impact	Landscape features/value and impacts on European, national and local designations, such as; National Parks; Areas of Outstanding Natural Beauty (AONB); Special Area of Conservation (SAC); Special Protection Area (SPA); Ramsar sites, Site of Special Scientific Interest (SSSI); National Nature Reserves (NNRs); local, non-statutory designations; historic assets; greenfield/brownfield site; agricultural land classification system (ALC) and air quality.
Flood risk	Identification and location of flood zones (C1 and C2). Application of justification tests in accordance with TAN 15.
Mineral Safeguarding Areas/Buffer Zones	Identification of site and impact on safeguarding areas or buffer zones.
Infrastructure capacity	Water, drainage, sewerage, electric, gas and telecommunications connections and capacity.
Delivery and viability	Does the site pass the broad tests of delivery and viability? Landowner intentions and realistic prospect of coming forward over the plan period. Planning history. Genuinely available for development and financially viable in principle.
Planning history	Previous planning history and any current lapsed or refused permissions on site.

3.70 LPAs should clearly set out all relevant criteria against which sites will be assessed. Any scoring system or value judgement should be expressed overtly. This

will ensure there is a clear audit trail of how candidate sites have progressed through to the preferred strategy, and why. Such matters may be discussed in the 'Alternative Sites' examination hearing sessions where this evidence will be pertinent, if the Inspector considers it necessary. It will also assist the LPA justify its conclusions through its own processes.

Consultation with Key and Statutory Stakeholders on Candidate Sites

3.71 Only those sites filtered through Stage 2 should be consulted on with relevant LA departments, such as highways and education, together with specific consultation bodies, in particular Natural Resources Wales (NRW) Dwr Cymru Welsh Water (including equivalent operators in Wales and England) and Health Boards (in respect of the Tests of Soundness). This should ensure such bodies are only commenting on sites which have a reasonable chance of inclusion in the LDP. An LPA should maintain communication on the likely timings of consultation to ensure that such bodies have the capacity to respond in a timely manner.

Infrastructure providers and other consultees will be expected to respond in a timely manner, offering meaningful advice on candidate sites, costs, delivery and timing. They should not be presented with exhaustive lists of candidate sites, rather such sites should be prioritised so the list comprises only those sites with a reasonable potential for allocation in line with the evolving strategy.

Sites Received in response to the Preferred Strategy and Deposit Plan

3.72 The preferred strategy and deposit stages of LDP preparation provide an opportunity for all stakeholders to comment on both the policies and sites proposed; submitting representations requesting an amendment of allocation boundaries, or propose the deletion or addition, of new sites. All representations made should be supported by a planning rationale and accord with the LPA's SA framework. Sites submitted in response to the preferred strategy (Regulation 15) stage should be added to the CSR and appropriately assessed by the LPA. It is at the discretion of the LPA how to deal with candidate sites submitted after the close of the preferred strategy consultation.

3.73 Any new sites proposed in response to the deposit stage (LDP Regulation 17) will be required to submit an SA based on the LPA's framework, to ensure that such sites can be considered through the examination process, ensuring compliance with the SEA Regulations. The appropriateness or otherwise of any new sites will be considered by the LPA within the Consultation Report (CR). The relevant environmental consultation bodies should be informed of this evidence and have the opportunity to comment on it. A site not subject to SA is unlikely to be considered suitable for allocation in the plan.

3.74 The LPA must consider all duly made deposit representations, including any new sites proposed and conclude whether any amendments to the plan are necessary. The LPA must undertake an appropriate level of assessment to enable them to respond accurately and effectively to any potential questions at examination from the appointed Inspector. The CR (LDP Regulation 22) will need to make clear how deposit representations have been considered, this would also include representations regarding new, or amended sites.

As a minimum it will need to be made clear in the Consultation Report what the LPA's formal view is on any additional sites representations when the report is submitted.

3.75 Any person who has submitted a duly made representation to the deposit plan has a right to appear at the examination, although it will be for the Inspector to consider the value added by allowing an appearance, as opposed to relying on written evidence previously submitted through the process, i.e. is there anything new to be heard. The two avenues for including new sites post deposit stage are Focussed Changes (FCs) at submission or Matters Arising Changes (MACs) post submission proposed through the examination process. Both options provide opportunities for stakeholders to comment on proposed amendments before the Inspector considers whether a plan can be adopted. **FCs should be considered as exceptions, not a normal course of action.**

3.76 In preparation for the examination the LPA should have a prioritised list of potential reserve sites which it considers could be substituted as alternatives and added to the plan, should additional sites be required following consideration of the plan through the formal hearing sessions.

3.77 Reserve sites are not allocations, they are sites that the LPA considers suitable and deliverable in relation to the strategy, but are not required at this point in time. There is no requirement to identify them as such. It is essential that all relevant key stakeholders are informed of any reserve sites and have the opportunity to make comments.

3.78 The SA should demonstrate how reserve sites would fit with the plan's strategy, if they were considered necessary. Such sites are not promoted by the LPA for inclusion in the plan, they would only be included in the plan if the Inspector, through the examination process concludes there is a shortfall of sites and additional or alternative allocations for different land-uses are necessary.

Developing an Evidence Base

3.79 The foundation of a development plan is the evidence base. **A robust evidence base that is relevant, proportionate to the issues the plan is seeking to address and focussed on key issues and sites is critical.** This is important as more rigour becomes embedded in the process, specifically demonstrating delivery.

3.80 Most LPAs now benefit from an adopted LDP, or are in the later stages of working towards adoption. When commencing preparation of a revised plan LPAs will not be starting the process afresh in the absence of any evidence. Understanding if, or where there are gaps in the existing evidence and what needs to be updated rather than starting from afresh, will be essential.

3.81 LPAs are required to keep under review matters affecting development in their area (section 61, PCPA 2004). This should be an ongoing process, both before and post plan adoption. Once an LDP is adopted much of this information can be derived from the Annual Monitoring Report (AMR). Following the publication of several AMRs key trends and issues can be identified, analysed and reflected in the conclusions of the Review Report (RR). The RR and evidence to support the adopted LDP will provide the baseline evidence.

3.82 For LDP reviews it should be clear what the key issues are and what policies are, or are not working and why. This will give a clear indication which components of the evidence base require updating, or where new evidence is required. LPAs should consider the benefits of joint working in order to pool resources to reduce costs and plan more effectively across borders, improving planning outcomes for communities. Account should also be taken of trends that have implications beyond individual administrative boundaries at a sub-region and regional scale, such as housing/employment markets, infrastructure, transport capacity and commuting patterns. National, regional and local strategies/plans will have a bearing on the evidence to support and influence plan outcomes.

3.83 LPAs should also take into account changes to national policy, as expressed in PPW, which may require new evidence to be undertaken and reflected through new policies in a revised plan. This will apply equally to revisions of existing policy areas. Updates to nationally published data, such as household and population projections may also provide a contextual change which should be taken into account.

3.84 LPAs will need to consider all of the above when preparing an evidence base to justify their LDP. Evidence gathering should be provided on all aspects of plan preparation and align with the following three aspects:

Relevant

- Timing
- Complete the evidence base and fill gaps to support the plan/policy conclusions in advance; evidence should not be sought after a policy choice has been made.
 - Different types of evidence can be undertaken in different ways, i.e. in parallel or sequential, through plan preparation. The appropriate detail of evidence should be available at the relevant time in the process.
 - Evidence should be kept up-to-date throughout the process. Updates should be clearly identified along with the implications arising from any changes, clearly documenting how they have shaped the plan/policies.
- To the issue
- Ensure the evidence relates to the delivery of the issue/plan.

Proportionate

- Degree of detail
- The scale/detail of the evidence base should relate to the significance of the issue being addressed. The more significant the issue is to the plan, i.e. fundamental or peripheral, the greater the impact on the level of detailed evidenced required. The more complex the issue, the more expansive and detailed the evidence base will need to be.
- Specific to area
- The evidence can either be generic (across wide ranging geographical areas) or much more specific (based on local circumstances). Either, or both, can be appropriate. A combination of the two can be used to maximise policy gains, such as capturing affordable housing 'hot spots' within a much broader low value geographical area. Local data, potentially from actual site negotiations, could indicate higher policy targets rather than accepting a more generic, lower value approach. All data/evidence needs to be robust.

Focussed

- On key issues
- Evidence should be focussed on delivering the outcomes of the plan. It does not have to cover everything; proportionate to the significance. Focus the evidence on what is required.
- Update and 'Gaps'
- With the majority of LPAs benefiting from an adopted LDP, there is no need to start afresh on gathering evidence. Careful consideration should be given to what is still appropriate to take forward, where updates are necessary and where 'gaps' exist and require further evidence, such as responding to changes in national policy.

Preferred Strategy

When formulating and consulting on the preferred strategy LPAs must comply with legislation and procedural elements as set out in LDP Regulations 14, 15, 16 and 16A, the SEA Regulations and SA requirements to ensure reasonable and realistic alternatives have been considered.

For those plans subject to revision, the preferred strategy will be more detailed than previous plans, identifying the key places and scale of change, sites key to the delivery of the plan, identify infrastructure requirements and demonstrate implementation and delivery.

Preparing a Preferred Strategy

3.85 The preferred strategy is the first statutory consultation stage in the LDP preparation process. It sets out the broad approach to the scale and location of growth and ensures development is planned in a sustainable manner. It provides the strategic framework for more detailed policies, proposals and specific land use allocations, which will subsequently be included in the deposit LDP (Diagram 9).

3.86 Effective public involvement at the preferred strategy stage is essential for meaningful community and stakeholder involvement. Early discussion on the evidence base, strategic options, strategy and related proposals, including candidate sites, will be critical for consensus building and ensure there are no major impediments to the delivery of the preferred strategy. Consultation with specific and general consultation bodies as required by LDP Regulation 14(1)(a) and (1)(b) is essential.

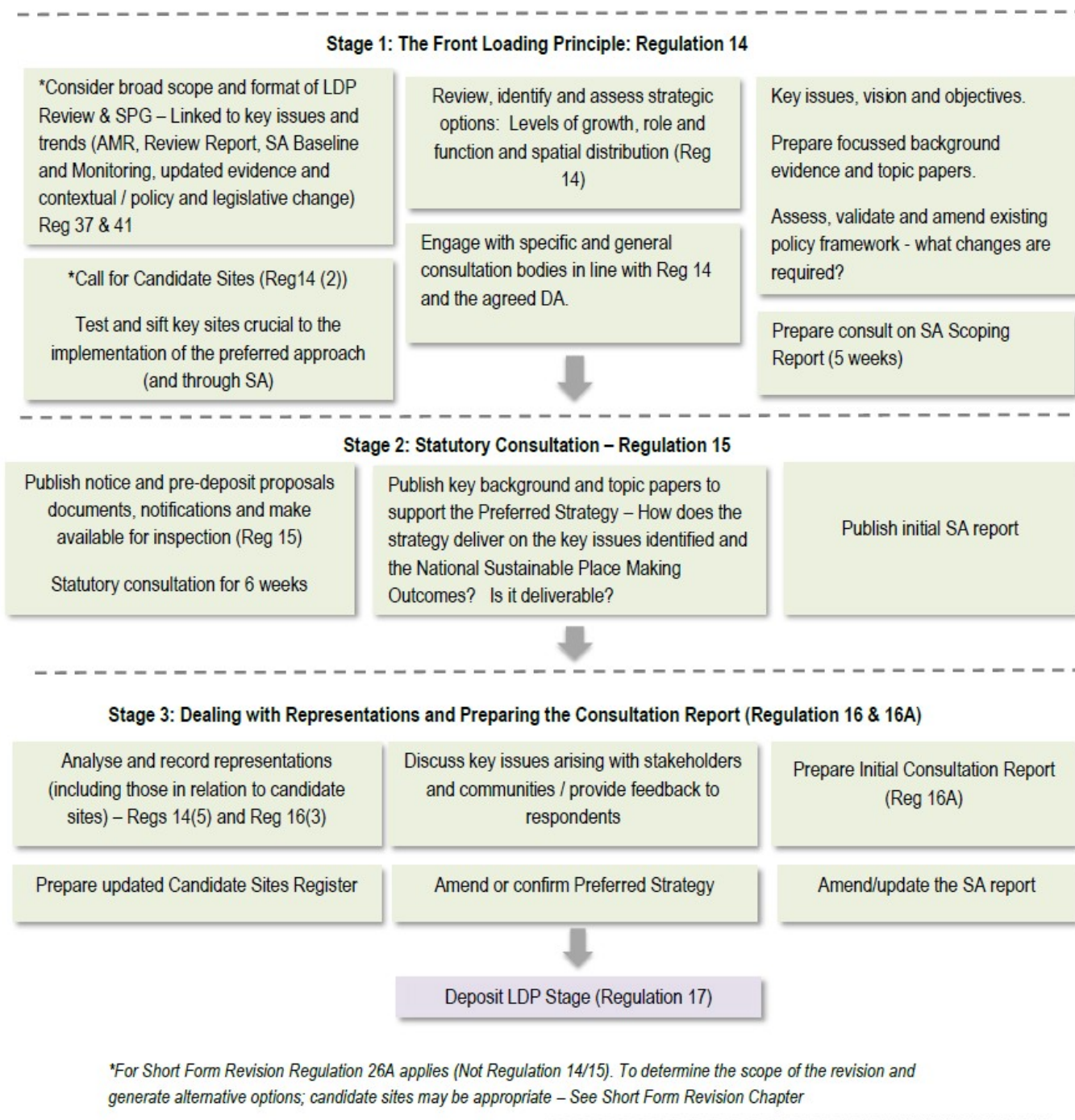
3.87 Compliance with the participation and public consultation requirements of the LDP Regulations (14 and 15) must also meet the requirements of the SEA Regulations to ensure reasonable alternatives to the plan are identified and evaluated. Specific and general consultation bodies must also be involved (LDP Regulation 14(1)(a) and (1)(b) before the LPA consults on the preferred strategy.

Realistic options should be: genuine, reasonable, reflect the evidence and the plan's issues/objectives, meet the evidenced needs of the area, are deliverable within the plan period, conform to national policy, complement regional or local initiatives and are flexible and sustainable. **LPAs should consider the appropriateness of options previously considered, including new alternatives.** The revision process is about the re-use and validation of existing evidence, alongside filling evidence gaps, rather than starting afresh, in conjunction with any new options.

3.88 LPAs will not be starting from a blank sheet of paper; there will already be an adopted LDP in place with supporting evidence, including AMRs, policies, SA

methodology and Review Report (RR). The key point is to consider the current context and to assess what has changed since the previous plan's evidence was compiled, what options were tested and what needs to be updated for both the SA/SEA work and the plan itself. For example, have there been any legislative changes, or changes to national policy that need to be reflected? Which policies have not proved / have proved effective and should either be removed, or modified?

Diagram 9: Summary of Options and Preferred Strategy



Scope of the Preferred Strategy

3.89 The preferred strategy needs to be meaningful, detailed, and underpinned by the frontloading principle. This will include a more thorough and detailed candidate sites stage, identify overall growth levels, show the growth split between settlement hierarchy, key sites necessary to deliver the plan (including a viability assessment) and a robust consideration of delivery, phasing and infrastructure capacity. Too little detail will result in stakeholders and the community lacking vital information,

impairing the usefulness of the exercise. **Leaving these core elements, including evidence base documents to the deposit stage is not an effective approach to LDP preparation.** More detailed evidence can come forward at a later stage in the plan preparation process; but this should be refinement, not generating new evidence.

3.90 It should be clear from the preferred strategy what the strategy is, why it has been chosen as the most appropriate way to deal with the range of issues, how it will be achieved and delivered. This will include articulating growth levels spatially, how that level will be delivered in broad terms (candidate sites, urban capacity, land bank analysis, new allocations) with key sites being defined. The strategy must be in accordance with the principles of sustainable development and placemaking as set out in PPW.

3.91 The LPA will need to demonstrate there is interest in bringing forward key development sites in the areas identified, in conjunction with the policy requirements of the plan. The views of key stakeholders such as Natural Resources Wales (NRW) and Dwr Cymru Welsh Water (DCWW) will also need to be expressed to ensure there are no fundamental barriers to deliver the key sites, or the capacity to deliver at the places identified. The strategy should be supported by evidence based topic papers that support, explain and justify the approach taken. The plan and evidence should be informed by the views of key stakeholders.

Preferred Strategy (LDP Regulation 15) – Key Principles/Outcomes

Identify the key issues, challenges and drivers for the area (economic, environmental, social and cultural aspects) including the requirements of national, regional and local strategies. Evaluate if the key issues for the adopted plan are still relevant, to what degree and have new issues arisen.

Set out a vision for the plan, unique to local circumstances, with overarching objectives that respond to the key Issues.

The Preferred Strategy must pass the gateway test set out in PPW incorporating the Placemaking approach and site search sequence, a clearly expressed spatial strategy and settlement hierarchy, based on the role and function of places, the Sustainable Transport Hierarchy, need and supply factors and sustainable development.

Define the proposed scale of future growth in population, housing and employment, based on an analysis of various growth options and express how it will be delivered, e.g. broad ranges of components (commitments/windfall/small sites/allocations etc.)

Express housing and economic growth levels in the settlement hierarchy and places.

Key sites/growth areas to deliver the plan spatially identified on a Proposals Map, supported by master planning principles, concept diagrams and a Constraints Map.

The broad timing/phasing for housing and economic growth, including infrastructure.

Key strategic policies to deliver the vision, objectives and strategy.

Development management policies (retained/amended from the adopted plan).
Viability assessments for all sites, with detailed appraisals for key sites.
List of SPG to be prepared, prioritised.

Consultation Requirements (LDP Regulation 15)

3.92 LDP Regulation 15 explains the necessary publication, notification and inspection procedures. The pre-deposit proposals (preferred strategy) must be publicised over a minimum six week period, with an allowance for public holidays. The documents must be made available at the principal office of an LPA and other key locations. The documentation must contain:

- DA/CIS
- CSR (clarifying what sites accord with the strategy and those which do not)
- Details of consultation arrangements in line with the CIS
- Information on how to respond
- Response form for objectors
- Reference to supporting technical and background papers
- Review report
- Initial SA report and HRA screening report

Responding to Representations on the Preferred Strategy

3.93 Following public consultation on the preferred strategy if there has been a material change in circumstances affecting a previously rejected site, or a completely new site is put forward, it is the responsibility of the promoter to test the effects of their site using the LPA's SA framework. LPAs should provide guidance on what would be required for an SA which the promoter would be expected to follow.

3.94 LPAs should make available a copy of the baseline information, evidence and SA report and should encourage them to use a consistent methodology considering SEA effects within the SA framework. Those who object to the inclusion of a site should be provided with a copy of any relevant SA work, either by the promoter or by the LPA. The results of the assessment may be considered at the examination.

3.95 There will be no vetting process to ensure that submissions are satisfactory in terms of SA: any vetting will take place as part of the examination before the Inspector since the SA is part of the evidence base that should support the policies and proposals in the deposit plan. If a new or alternative site has not been subject to any SA, it is unlikely that the Inspector will recommend inclusion in the LDP.

LPA's must consider all representations made in accordance with LDP Regulation 16(2) at the pre-deposit public consultation stage before determining the content of the deposit LDP.

3.96 Representations made at the pre-deposit stage will not constitute representations to be considered at the independent examination. LPA's should discuss with key stakeholders issues arising which questions the preferred strategy, or particular sites/policies included in the plan. An explanation of how these comments have influenced, or not, the policies and proposals of the LDP should be fed back to respondents and stakeholders and made publicly available.

Appraising Significant Strategy Changes

3.97 If the results of public consultation largely support the preferred strategy, the amount of further assessment work may not be substantial. Refinements made to the preferred strategy should be reflected in the background papers and SA Report.

3.98 If on the other hand the LPA pursues a strategy which is different to the preferred strategy, it must appraise it against the SA assessment framework. The final SA report would then need to be more extensively supplemented, or even rewritten. If a new strategy or proposals come from representations made, those respondents should provide relevant and available information on its effects. Where new sites are considered, the cumulative effects must also be taken into account. The LPA should also consider consultation comments on the SA Report and make adjustments where deemed necessary. The statutory consultation bodies should be kept informed of changes to the assessments and SA Report.

Initial Consultation Report

3.99 In preparation for the deposit stage the LPA should begin drafting its initial CR (LDP Regulation 16A full procedure and LDP Regulation 26A, short form). This will form the basis for the subsequent CR required when the LDP is submitted for independent examination. The report should identify the bodies involved, notified or consulted at the pre-deposit stage, including sites, the main issues raised and how they have influenced the deposit LDP; it should include a general summary of comments, the LPA's response and steps taken to publicise plan preparation. **Any deviation from the CIS should be exceptional and fully justified (LDP Regulation 9(6)).** There should also be a schedule of individual site related comments or suggestions for new site allocations. This report should be made publicly available on the LPA's website as soon reasonably practicable after pre-deposit consultation / involvement.

Deposit Plan

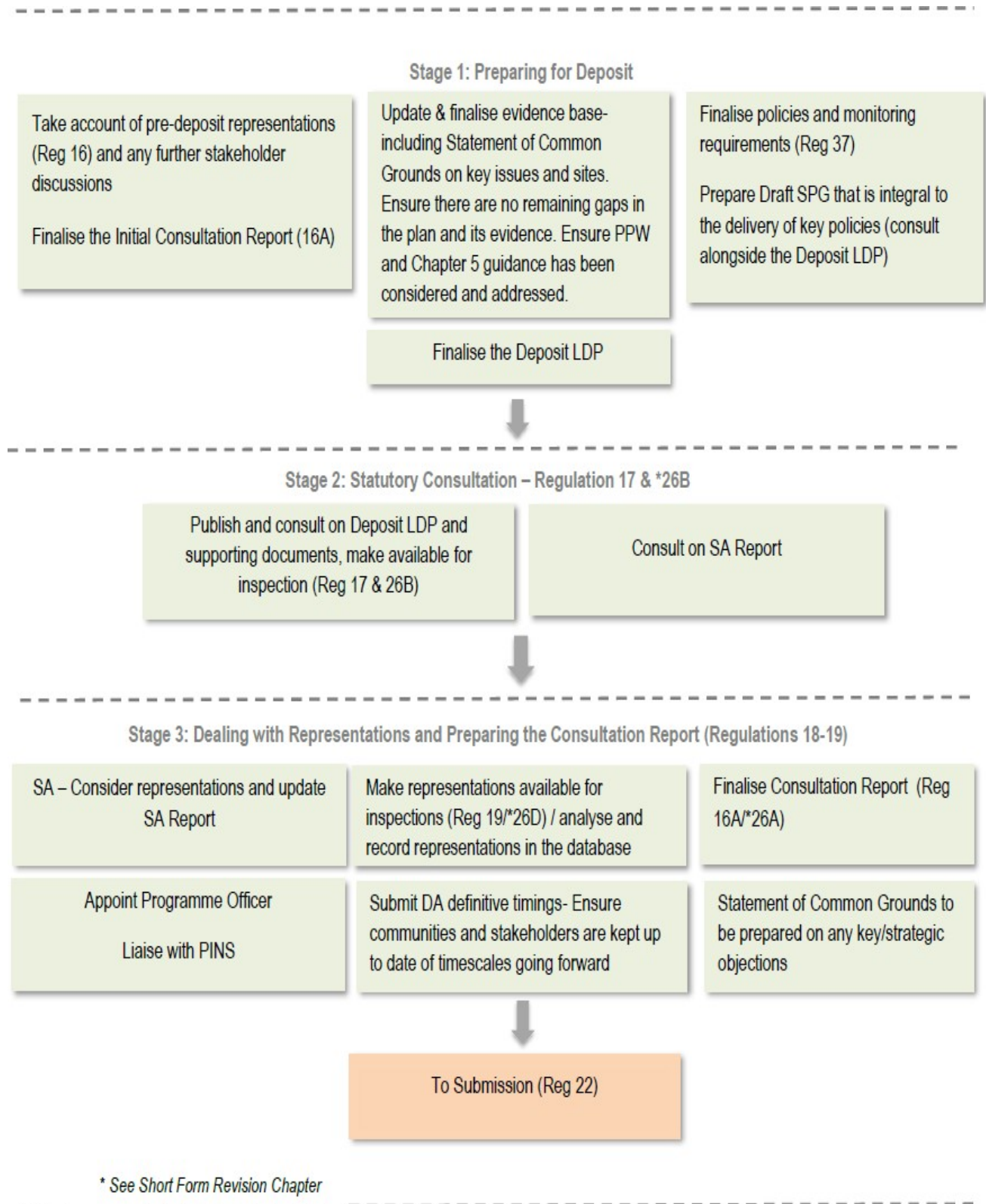
The deposit plan is the plan the LPA considers is sound and able to be adopted. The Deposit Plan must be consulted on for a minimum of six weeks (including an allowance for public holidays where necessary). LDP Regulations 17, 18, and 19 set out the procedural requirements of this stage. **The plan should make clear that it should be read as a whole.**

The deposit plan contains the strategy, policies and allocations, based on the key issues, objectives and supporting evidence base for the plan. The deposit plan will be supported by relevant background evidence, SA report, CSR and initial consultation report setting out how representations have influenced the plan.

The deposit plan will shape and guide development proposals to sustainable locations to deliver the scale and type of growth necessary for local community well-being over the plan period. The plan will demonstrate development is financially viable, deliverable over a specified timeline and is supported by funded infrastructure.

3.100 Chapters 3 and 4 of the Manual set out the LDP process, content requirements, key outcomes and guidance for compliance with the SA, SEA and HRA procedures for the LDP system. Chapter 5 sets out technical and practical guidance on how to prepare a robust evidence base on the core issues and sets out key elements that should be included in the plan. Chapters 8 and 9 set out guidance on the monitoring framework and the use of SPG. **The LPA should demonstrate all relevant elements of the Manual have been adhered to.** The deposit plan is the plan the LPA considers to be sound and intends to submit for examination and adopt. It should thus be drafted in a manner which ensures that it does not contain any unnecessary information. Diagram 10 gives an overview of the deposit plan process.

Diagram 10: Deposit Plan Process



Finalising the SA Report

3.101 Most of the technical work will have been completed in preparing the initial SA report at pre-deposit stage. This will have described the appraisal of the main strategic options and reasons for selecting the preferred strategy. At this stage, the SA report should include the results of assessing any revised or new options resulting from public consultation, updated if necessary. It will also need to take account of relevant representations on the SA report at pre-deposit stage and document such changes. In preparing the deposit plan a number of additional policies and small sites may have been added. The SA report should describe how these perform against the integrated assessment framework including any cumulative effects. The statutory consultation bodies should be notified and given the opportunity to comment. In total, it should include a description of the economic, social, environmental and cultural effects of the plan policies or where this material can be found. The non-technical summary and any other background material should also be updated.

Placing the LDP on Deposit - Consultation and Documentation Requirements

3.102 When an LPA is ready to place the LDP on deposit for public inspection it must advertise this in accordance with LDP Regulation 17. Together with other specified documents, it must be sent to the Welsh Government and to the consultation bodies referred to in LDP Regulation 14, namely the statutory consultees and any others specified in the CIS, **allowing a minimum of six weeks (with an allowance for public holidays where appropriate) for the making of representations (LDP Regulation 18)**. The consultation should meet the requirements of the SEA Regulations. For a partial revision using the short form procedure the appropriate LDP Regulations are 26B and C (see paragraphs 8.20 – 8.38).

3.103 The LPA should contact Welsh Government and the specific consultation bodies to ascertain how many copies (paper and/or electronic) of the documents in the published statement are required. All documents, including any summary of the LDP, should be made available on the LPA's website and in paper form for inspection at specified LPA offices (including times and places) and available to purchase in paper (at reasonable cost):

- Statement of deposit matters (title of the LDP, the period within which representations must be made, the address and contact point of where and how (electronic or otherwise) to send comments (representations can state a contact address for further communication)
- The Deposit LDP
- The SA Report and HRA

- A list of supporting documents relevant to the preparation of the LDP. This comprises the evidence base on which the LDP is founded (it is important that respondents have access to this to inform their representations).
- Candidate Sites Register
- Review Report
- The initial Consultation Report
- Details of alternative sites proposed by those making representations at pre-deposit stage and any representations made regarding proposed allocations or sites listed in the candidate sites register. The LPA can record its own views as to why it is not currently proposing alternative sites to include in the plan, but it must make clear there is the potential for this to change and stakeholders need to express their views on alternative sites now.

Standard Form for Representations

3.104 Everyone making representations (LDP Regulations 18 and 26C) should be encouraged to use a standard form setting out clearly any supporting representation or objection, i.e. a representation seeking to change an LDP (section 64(6) PCPA 2004). Although not necessary, objectors should be given the opportunity to indicate which of the tests of soundness they consider the plan fails. Objectors should be asked to indicate how they consider the plan should be changed. A model representation form provided by the PINS Wales is available on their website, which has been produced in consultation with Planning Aid Wales (PAW) using experience from previous examinations. The form encourages that support for the plan be recorded.

3.105 In all cases, respondents should specify the particular part of the plan to which their representation relates by paragraph, policy number, or proposals map. In the case of a perceived omission, respondents should indicate the proposed new policy, supporting text, or location of a new or amended site. Respondents should identify how their representation fits with the overall strategy and the integrated SA assessment appraisal. This will be essential where the representation seeks the inclusion of a new or amended site. PINS Wales guidance provides further explanation of the procedural requirements. The Manual sets out the soundness tests and related questions (Table 27, paragraph 6.27).

Handling Representations

3.106 LPAs must register all 'duly made' representations (i.e. representations made in accordance with the published notice) relating to planning considerations, not just those explicitly concerned with soundness. An LPA does have discretion to accept **late representations** but this should only be considered in exceptional circumstances which should be set out in the LPA's CIS. An LPA should inform those who have a statutory right to appear before and heard at the examination by

the Inspector (i.e. objectors, those who seek a change to the plan under s64(6) of the PCPA 2004) that they can also pursue their objections using written representations if they do not wish to appear at the examination. Objections pursued in this way carry equal weight with the Inspector as those made orally at examination.

3.107 The procedure for making representations available for inspection is set out in LDP Regulations 19 and 26D. All representations should be made available for the public to view as soon as reasonably practicable. It is recommended that a summary list of these is posted on the LPA's website with details of where they can be viewed.

3.108 It is recommended that the LPA sets up a **consultation database** as a tool to process the representations if they have not already done so. Information should include the following fields, as a minimum:

- Respondent details
- The specific part of the plan to which their representation relates
- Whether they support or object
- Any suggested changes to the plan, including relating to sites
- Any pre-examination contact with respondents

3.109 The database should be capable of being interrogated such that similar representations are capable of being identified, allowing the Inspector to group objectors at the examination, where appropriate.

3.110 Where statutory processes have not been undertaken for sites submitted late in the preparation process, the Inspector's report would not be able to recommend their inclusion in the LDP. Furthermore, if such a change would make the LDP unsound, the Inspector would not be able to recommend in its favour. It is therefore the responsibility of those promoting such changes to show that the proper procedures have been undertaken and provide the necessary evidence to demonstrate that the plan would be sound if the site were to be included. This would include the site's compatibility with the SA. Any changes to the plan are a matter for the Inspector who will examine the plan to determine whether it is 'sound'.

Submission

3.111 When the LDP is submitted for independent examination this is the plan the LPA considers to be 'sound' and appropriate to be adopted. If necessary, although they are non-statutory, FCs can be made following the deposit consultation in response to representations made. Such responses should only be made to those elements of the plan the LPA considers require amendment, in order to ensure the plan can be found 'sound'.

3.112 Chapter 6 of the Manual (paragraphs 6.3 and 6.13 - 6.22) give further guidance on the use of FCs. However, **it is important to remember FCs should only be used in exceptional circumstances.** They should not be automatically factored into the plan preparation timetable, specifically for replacement LDPs. AMRs should highlight inconsistencies in policy effectiveness which can be addressed through plan review. Likewise, the evolution of national planning policy can also be addressed through plan review.

3.113 The LPA must publicise the submission and make available the relevant documentation (LDP Regulation 22). LPAs should have regard to the PINS examination guidance which sets out the process and issues to consider regarding submission and examination. Detailed guidance on preparing for submission and examination submitting the plan for examination is contained in chapter 6.

Chapter 4: Impact Assessments and Opportunities for Integration

Chapter 4 - Sustainability Appraisal (SA) incorporating Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA)

Introduction

4.1 At the heart of sustainable development is the idea of ensuring a better quality of life for everyone, both now and for future generations. **Sustainable development is at the heart of the development plan process.** All development plans must ensure they contribute to achieving the economic, social, environmental and cultural well-being goals of Wales, as required by The Well-being of Future Generations (Wales) Act (WBFGA 2015). This includes LDPs, SDPs and the NDF.

4.2 Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) are both statutory requirements (s39 (2) PCPA 2004 and SEA Regulations 5(2) and 5(4) respectively). The statutory requirement to undertake an SA, incorporating SEA, provides evidence and rationale for spatial and policy choices, and should invite community and stakeholder involvement at each stage of the plan process.

4.3 The scope of SEA is limited to environmental effects¹ of plans, whereas the remit of an SA is broader and covers the effects of social, economic and cultural well-being, as well as environmental effects. The requirements of the SEA Regulations are best incorporated into an SA to avoid unnecessary repetition.

4.4 To be effective an SA should be fully integrated into the plan making process from the outset and provide input at each stage. It should be clear from the process why growth options, objectives, policies and proposals in the plan have been chosen. The SA will play an important part in demonstrating the development plan is sound, by ensuring that it reflects the legislative requirements and achieves sustainable development. In this Manual, all references to an SA must be taken to include the requirements of the SEA regulations. The plan making authority must ensure all legal requirements of an SA and SEA are satisfied when preparing a development plan.

The Welsh Government is the plan making authority responsible for preparing the NDF; an SPP is the plan making authority responsible for preparing an SDP; and an LPA is the plan making authority responsible for preparing an LDP and/or an LDPL.

¹ “the likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors” (SEA Directive 2001/42/EC, Annex I (f))

Integrated Assessment Approach: An Effective and Holistic Approach to Plan Making

4.5 When undertaking an SA, LPAs should consider the value and opportunities for an integrated assessment approach to preparing a development plan. The integration of statutory and key elements such as WBFGA 2015 requirements, Equalities Act, Welsh language, Health Impact Assessment (HIA) and the Environment Act (section 6) (where relevant) into a single Integrated Sustainability Appraisal (ISA) will enable a more transparent, holistic and rounded assessment of the sustainability implications of growth options, objectives, policies and proposals.

4.6 An ISA can maximise efficiencies, avoid duplication, and provide a clear audit trail to communities and plan users on how the range of issues have been considered, and how they have influenced the plan. An ISA approach provides a robust and thorough mechanism to identify issues, assess effects and assist with monitoring in a holistic manner. It will be for each plan making authority to determine whether to integrate the assessments discussed below (not exhaustive) as part of their SA, having regard to legislative requirements and the key issues of the plan area. **Plan making authorities will need to be clear up front about what elements are being screened into the ISA; i.e. those elements that are relevant and can be considered by the development plan. The ISA should use signposting to clearly reference and highlight the specific legal requirement they are addressing.** The development plan system should not be used to secure objectives which are more appropriately achieved through other legislation or mechanisms.

4.7 A Habitats Regulations Assessment (HRA) should not be integrated with the SA as it uses a different precautionary testing mechanism which is discussed later in this chapter (paragraphs 4.37 – 4.55). The SA should summarise the HRA findings as part of its assessment of effects on biodiversity.

The Well-being of Future Generations (Wales) Act 2015

4.8 The Planning (Wales) Act 2015 sets out the definition of sustainable development for the planning system in Wales, mirroring the definition in The Well-being of Future Generations (Wales) Act (WBFGA) 2015.

“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.

4.9 The WBFGA 2015 sets seven well-being goals which all public bodies are required to achieve:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

4.10 The LDP must demonstrate how it contributes to achieving the well-being goals. The approach taken to appraise the plan through the SA can enable LPAs to understand where the plan can maximise its contribution. The well-being goals should be integral to the preparation of the SA Scoping Report and used to inform the review of evidence, identify issues and structure the SA framework which will assess the plan's growth options, objectives, policies and proposals.

4.11 The WBFGA 2015 also identifies five ways of working which public bodies need to demonstrate they have carried out when undertaking their duty to achieve sustainable development. These are:

- Looking to the **long term** so that we do no compromise the ability of future generations to meet their own needs;
- Understanding the root causes of issues to **prevent** them from occurring or getting worse;
- Taking an **integrated** approach so that public bodies look at all the well-being goals in deciding on their well-being objectives;
- **Involving** a diversity of the population in the decisions that affect them; and
- Working with others in a **collaborative** way to find shared sustainable solutions.

4.12 The well-being goals, objectives and the five ways of working should be integral to the development of the SA framework. It will be for each decision making body to demonstrate compliance with the requirements of WBFGA 2015.

Welsh Language

4.13 The Welsh Government is committed to supporting the Welsh language so that it can thrive and grow across Wales. The Welsh language must be considered from the outset of the development plan process. It is now a legislative requirement that the SA must include an assessment of the likely effects of the plan on the use of Welsh language (section 62(6A) PCPA 2004 as inserted by section 11, PWA2015).

4.14 PPW sets the policy requirements for Welsh language. Technical Advice Note 20 (TAN20): 'Planning and the Welsh Language' provides guidance on the consideration of Welsh language as part of the development plan and SA processes. In summary, LPAs must consider the likely effects of their development plan as part of the SA process and include a statement within the deposit plan on how this has been considered and/or addressed within the development plan. The SA process is the mechanism for considering how the scale and location of growth, the vision, objectives, policies and proposals individually and in combination, impact on the Welsh language. Where evidence indicates a detrimental impact on the use of the Welsh language the LPA can assess whether the strategy should be amended or mitigation measures should be identified.

Equality Impact Assessment

4.15 The equality duty (Equality Act 2010, section 149) requires public bodies to assess the impact of policies on different population groups to ensure discrimination does not take place, and where possible, to promote equality of opportunity. The authority should screen the nine protected characteristic groups² in the Equalities Act 2010 to identify and justify which characteristics the plan can influence. Those characteristics which can be influenced should be integrated into the assessment framework; those that cannot be influenced should be screened out and justified.

Health Impact Assessment

4.16 The Public Health (Wales) Act 2017 on physical and mental health and well-being, requires a Health Impact Assessment (HIA) to be carried out by public bodies. The Public Health (Wales) Act defines a HIA as "...an assessment of the likely effect, both in the short term and in the long term, of a proposed action or decision on the physical and mental health of the people of Wales or of some of the people of Wales." HIA is used in Wales in a variety of contexts and assists policy makers both to maximise potential benefits and identify/mitigate against potential negative effects on health and well-being. Regulations will be produced (yet to be published) to specify when an HIA is required to be carried out by public bodies and how it should be undertaken. LPAs will need to have regard to any further legislation (Regulations) and guidance in this respect.

4.17 The HIA process provides a systematic, yet flexible and practical framework that can be used to consider the wider effects of local and national policies or initiatives and how they, in turn, may affect people's health. The HIA process can be integrated into the SA from the start (see examples on the Wales HIA Support Unit website (www.whiasu.wales.nhs.uk). The SEA Directive (Annex I (f)) requires human

² Age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation

health to be considered as part of the assessment of environmental effects. The health component of an SEA can be broadened to include both physical and mental health objectives of an HIA. Public Health Wales has published 'Creating healthier places and spaces for our present and future generations' (2018) which focuses on six priority areas³ of the built and natural environment that can positively impact on health and well-being, and support delivery of the well-being goals. Further guidance is also available in 'Health Impact Assessment: A Practical Guide' (Wales Health Impact Assessment Support Unit, WHIASU, 2012).

Development Plan Hierarchy

4.18 Undertaking an SA of a plan is a statutory requirement for all tiers of development plan, including the NDF, SDP, LDPs and LDPLs. When preparing a lower tier plan the plan making authority must have regard to any upper tier plan, including the accompanying SA. Whilst regards must be had to the SA of an upper tier plan, it is not appropriate to simply duplicate the SA. The lower tier plan must undertake all the stages of SA alongside plan preparation and develop an assessment framework that is relevant and appropriate for the scale of plan. It is likely the assessment framework for each lower tier plan would become progressively more detailed as spatial areas for development become refined and identified in the accompanying development plan. For example, a higher level plan is more likely to focus on strategic issues such as broad locations for homes and jobs ('Areas of Search') and infrastructure provision. The SA tasks as outlined in Diagram 11 apply to all tiers of development plan and the plan making authority must ensure these are satisfied.

Public Involvement – Legislative Requirements and Best Practice

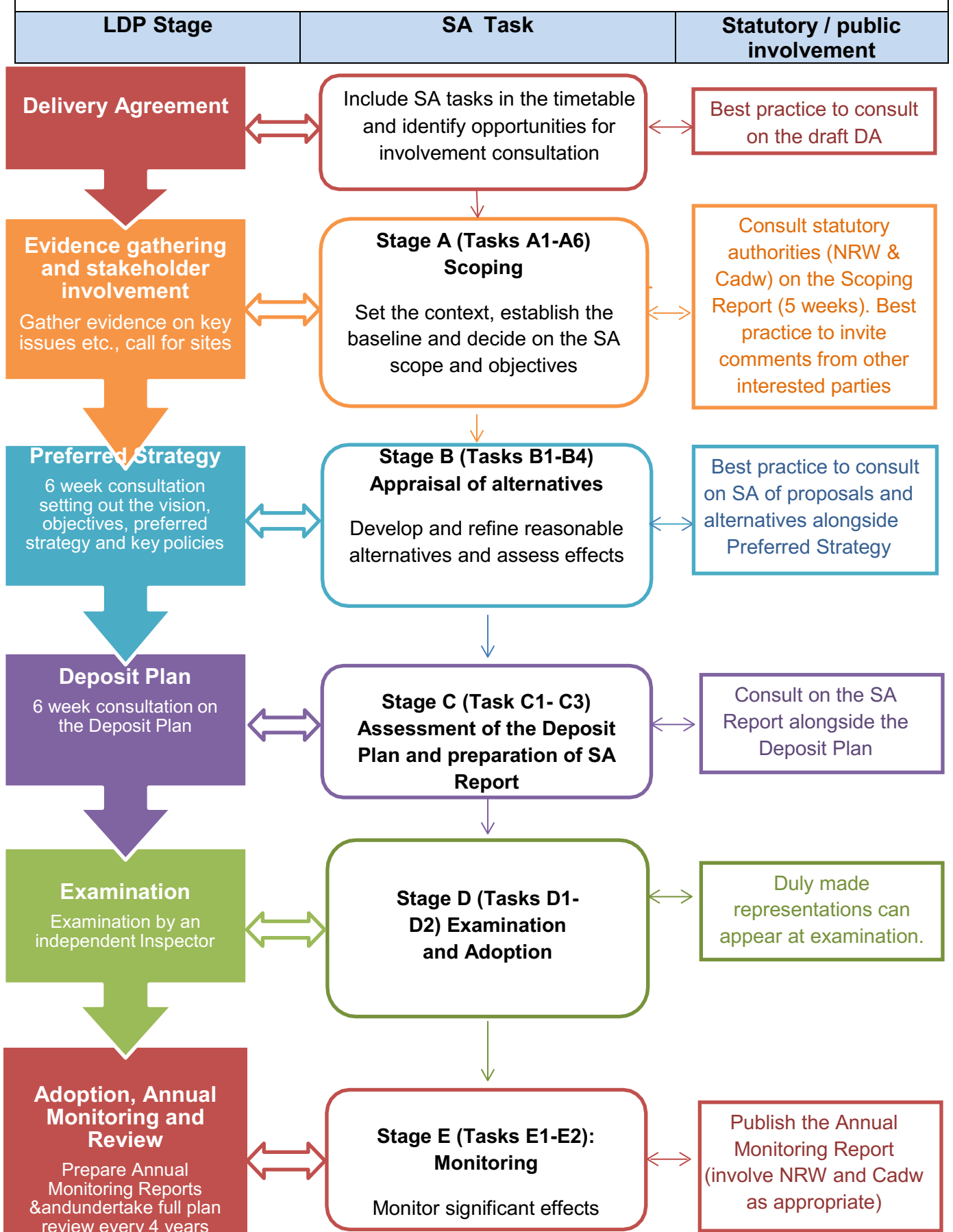
4.19 The SA process is an integral element of each stage of plan preparation. It should start when preparation of a plan commences and provide an input at each stage when decisions are taken. Chapter 3 of the Manual sets out the key outcomes of the LDP system including the importance of early, effective and meaningful involvement. It is imperative people and organisations that can contribute specialist and relevant knowledge are engaged. There are statutory requirements for consultation in both the SEA legislation and the LDP regulations. Diagram 11 explains the key stages of plan preparation and how this aligns with the SA process, together with the opportunities and requirements for community and stakeholder involvement. There are two main stages where consultation is a legislative requirement:

³ The walking and cycling infrastructure; open green/blue spaces and green infrastructure; the food growing and food retail environment; community, health and social care services provided from local facilities; low levels of air pollution; building design that promotes health and well-being.

- Stage A – Consult statutory bodies (NRW and Cadw) on the Scoping Report. It is considered best practice to make the scoping report publicly available
- Stage D – Consult statutory bodies and public on deposit plan and SA Report.

4.20 It is also recommended consulting and involving statutory bodies and the public on the SA at all key LDP stages as outlined in Diagram 11 (see following page). This should avoid issues arising later which might delay the preparation of the plan.

Diagram 11: Main Stages of the LDP Process and Integration with SA Requirements



Stages of SA Preparation

4.21 There are five main stages of conducting the SA which should be integrated into development plan preparation. These are outlined and explained in detail below.

Stage A: Scoping

4.22 Overview: The initial ‘scoping’ stage of the SA process is largely an evidence gathering stage. It is important to gain a thorough understanding of the current economic, social, environmental and cultural well-being context and gather baseline data to identify and focus on the significant issues in the area. This will assist and enable a concise and relevant set of objectives to be developed and form the framework to assess the effects of the plan policies and proposals. It will also provide a basis for future monitoring of effects. **The output of this stage is the publication and statutory consultation on the ‘Scoping Report’.**

Table 6: Scoping Stage

Task	Purpose	Advice
<p>A1: Outline the contents and main objectives of the plan.</p> <p>Required by SEA Directive 2001/42/EC Annex I (a)</p>	<p>To inform consultees about the essentials of the plan being appraised.</p>	<ul style="list-style-type: none"> ✓ Include a map showing the plan area in the wider context of other local authorities, built-up areas and major transport infrastructure. ✓ Include information about the type of plan (e.g. land use), its spatial scale and timescale (e.g. 15 years). ✓ As the plan gets developed, list its objectives and include its table of contents.
<p>A2: Identify and review other relevant plans, programmes and sustainability objectives that will inform the plan.</p> <p>Required by SEA Directive 2001/42/EC, Annex I (a) and I (e)</p>	<p>To help set the context for the SA by identifying potential synergies, understanding how constraints can be overcome, and identifying appropriate SA targets and objectives.</p>	<ul style="list-style-type: none"> ✓ Keep focussed and identify only those plans, programmes and environmental objectives that are ‘relevant’ to your plan. For example, those at the same spatial scale are likely to be more relevant and will have incorporated the requirements of higher tier international or national plans. ✓ Ensure you have reviewed the LAs Well-Being Assessment and Area Statements produced by NRW. ✓ Ensure the plans reviewed are the most up to date. ✓ Summarise information stating the name of the plan, a brief outline of its objectives, requirements and implications for the plan.
<p>A3: Collect baseline information on the current and likely future social,</p>	<p>To;</p> <ul style="list-style-type: none"> • Identify opportunities, as well as 	<ul style="list-style-type: none"> ✓ Identify the data source so it can easily be updated. ✓ Identify any data gaps. ✓ Include maps and diagrams to usefully show the spatial location of identified

Task	Purpose	Advice
<p>economic, cultural well-being and environmental conditions at the relevant spatial scale for the plan.</p> <p>The SEA Directive requires the baseline data to cover; 'the likely evolution thereof without implementation of the plan' (Annex I(b)); and 'Characteristics of areas likely to be significantly affected' (Annex I (c))</p>	<p>issues and problems</p> <ul style="list-style-type: none"> • Support the prediction and evaluation of impacts • Set a baseline for future monitoring of the plan's effects 	<p>environmental designations, areas of flood risk, index of multiple deprivation etc.</p> <ul style="list-style-type: none"> ✓ Ensure you have met the requirements of the SEA Directive and established; <ul style="list-style-type: none"> - What is the situation now? - What the situation will be without the plan? ✓ The 'situation without the plan' should assume there is no adopted development plan, but take account of any anticipated projects and trends factored in where possible. ✓ Where relevant, compare the local situation with a comparator or target (possibly linked to an all Wales average). ✓ Ensure all of the environmental criteria as outlined in Annex I(f) of the SEA Directive are covered or scoped out with an explanation; "biodiversity, population, human health, fauna, flora, soil, water, air climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors." ✓ Also include Welsh language, health/ mental health, well-being and equalities. ✓ Identify any uncertainty or limitations in information.
<p>A4: Identify sustainability issues and problems which are relevant to the plan.</p> <p>Required by SEA Directive, Annex I (d).</p>	<p>To focus the SA and help develop sustainability objectives and options.</p>	<ul style="list-style-type: none"> ✓ Identify existing problems identified as part of the baseline, giving particular attention to identifying the existing environmental problems relating to European designations – Special Areas of Conservation for Habitats and Species (SACs), Special Protection Areas for Birds (SPAs), Ramsar sites and other areas of environmental importance. ✓ Identify any problems in achieving targets set out in other plans, programmes and environmental objectives. ✓ Consider publishing an index of multiple deprivation map and an environmental constraints map.
<p>A5: Develop SA framework against which the plan can be appraised.</p>	<p>Develop SA criteria and objectives and detailed appraisal questions to</p>	<ul style="list-style-type: none"> ✓ The key planning and sustainability issues identified should be used to develop sustainability objectives. ✓ Keep focussed and identify approximately 12-20 objectives. ✓ Ensure Welsh language is incorporated.

Task	Purpose	Advice
	<p>assess, analyse and compare effects of the policies and proposals, including alternatives of the plan.</p>	<ul style="list-style-type: none"> ✓ For each objective, identify relevant indicators and targets. Targets should be linked to legal standards or policy requirements where appropriate. ✓ Ensure the SA framework broadly balances social, economic, cultural and environmental issues. ✓ Include a table to show how each of the environmental issues in the SEA Directive (Annex I (f)) have been covered or scoped out with an explanation. ✓ Provide a brief commentary on each objective and what it intends to promote. ✓ Develop sub-objectives (criteria or questions) for each objective as prompts to help identify impacts. ✓ Develop and include separate – more spatially specific and quantitative - criteria for assessing candidate sites to include specific locational criteria (see Stage B).
<p>A6: Prepare and consult on the SA Scoping Report</p> <p>Required by SEA Directive, Article 5, (4) and 6(3).</p>	<p>To gain views on the evidence base, sustainability issues identified and SA objectives to ensure the likely significant effects of the plan are identified.</p>	<ul style="list-style-type: none"> ✓ As a minimum, undertake a 5 week consultation with Natural Resources Wales (NRW) and Cadw on the Scoping Report. ✓ It is considered best practice to engage other key stakeholders and the community. ✓ The Scoping Report should include: the description of the plan to the extent possible at this stage, the policy context, baseline information, sustainability issues and problems, and the SA framework. ✓ Following consultation and involvement, consider and prepare a report, documenting the consultees' responses and the authority's response. ✓ Update the evidence base towards the end of the plan-making process.

Stage B: Assessment of Alternatives

4.23 Overview: The assessment stage is an iterative process where the plan options are developed, assessed, refined and chosen. This stage should inform the key elements of the development plan, such as the overall level of housing and employment growth, its spatial distribution and individual site allocations. The authority must appraise the following aspects of the plan to identify, describe and evaluate the likely significant effects of the plan:

- Vision
- Objectives

- Options (e.g. levels of growth, spatial strategy options/distribution, topic policy)
- Draft policies and identify development sites

4.24 The preparation of the development plan involves the consideration and evaluation of a number of ‘options’ (also known as ‘alternatives’) to establish a preferred growth level, spatial distribution of growth and identify development sites and policy options. All options must be considered ‘reasonable’. With regard to the assessment of candidate sites, authorities may filter and reject candidate sites that are not considered ‘reasonable’ e.g. those below a site size threshold, those with fundamental constraints such as being in open countryside or residential sites in C2 flood plain, or if they raise significant deliverability issues. The assessment of sites in particular is likely to attract a higher level scrutiny, so a robust process should be documented to ensure each site is assessed consistently and in a transparent manner.

4.25 It would be best practice to develop a separate framework for assessing sites to include more location specific criteria, for example, to measure and assess distances to services and facilities. The assessment should take place against a scoring matrix (see example below) where likely impacts of the proposals are scored on a scale, and supplemented by commentary explaining the rationale for the score. The use of traffic light colours (red, amber and green) together with symbols for positive and negative are recommended.

Suggested SA/SEA Scoring Matrix

Symbol	Predicted effect	Suggested action
++	Very positive effects compared to the current situation	Consider any further enhancement measures
+	Positive effect compared to the current situation	Consider any further enhancement measures
0	Neutral effect compared to the current situation	Consider whether intervention could bring positive effects
-	Negative effect compared to the current situation	Consider mitigation measures: first avoidance of the impact, then reduction of impact, and finally compensation for the impact. Reconsider policy/proposed use.
--	Very negative effect compared to the current situation	Consider mitigation measures to reduce the severity of the effect, but these are likely to be difficult and/or expensive. Reconsider the policy or proposed use.
I	Effect depends on how the policy and allocation are implemented	Suggestions for implementation
?	Uncertain	More information is required. Consider where the information could be sourced? How and when it could be collected.

4.26 A reasoned justification should be prepared for each option detailing why it is either the preferred option, or has been discarded. If a preferred option is a hybrid of elements from different options, it is recommended this option is also assessed against the SA framework.

4.27 Where significant negative effects are predicted, the assessment should make recommendations for how each of the options could be improved through mitigation measures. The identification of mitigation measures is a key stage of SA which has a direct influence on the outcome of the plan. The authority should follow a mitigation hierarchy of; first avoidance of the impact, then reduction of impact and finally compensation for the impact. It must ensure that all mitigation measures are reasonable and deliverable. Mitigation measures may include;

- Changes to the plan by adding or deleting policies
- Amending policies to improve likely benefits and minimise adverse effects, e.g. by strengthening policy criteria
- Technical measures to be applied during implementation e.g. buffer zones, design principles, substitution or offsetting
- Requirements or terms of reference for Environmental Impact Assessments (EIAs) accompanying planning applications

Table 7: Alternatives Stage

Task	Purpose	Advice
B1: Assess and mitigate the effects of the plan objectives using the SA framework.	To ensure the plan's objectives reflect sustainability principles.	✓ Where any inconsistency or conflict is identified, the authority should consider alternative objectives or justify the preferred objective(s).
B2: Develop reasonable alternatives. Required by SEA Directive article 5(1) and Annex I (h).	To identify reasonable alternatives to deal with sustainability problems identified in Task A4, and to achieve the plan's objectives.	<ul style="list-style-type: none"> ✓ Alternatives = options ✓ The alternatives should be developed from an understanding of the main issues identified in the scoping stage. ✓ The alternatives must be 'reasonable'. ✓ Alternatives should not be 'made up' or retrofitted. ✓ Main areas where alternatives could be considered include; <ul style="list-style-type: none"> - Levels of growth - Spatial strategy and distribution of development - Identification of sites - Topic based policies, which may contain numerical guidelines (e.g. density), or targets (e.g. renewable energy)

Task	Purpose	Advice
		<ul style="list-style-type: none"> - Topic based policies settling out broader principles and criteria for development, protection and mitigation ✓ The identification (Task B2) and choice (Task B4) of alternatives are amongst the most important stages in SA.
<p>B3: Assess and mitigate the effects of the alternatives using the SA framework.</p> <p>Required by SEA Directive, Annex 1(f) and (g).</p>	<p>To assess and compare the sustainability impacts of the reasonable alternatives.</p>	<ul style="list-style-type: none"> ✓ Compare the potential effects of each alternative, compared to the current situation ✓ Focus on 'significant effects', both positive and negative. ✓ Where an alternative has negative impacts, consider whether/how it could be improved through mitigation measures (see text above). ✓ Any 'new' or 'hybrid' options emerging as a result of the assessment process should be assessed and evaluated against the SA framework.
<p>B4: Choose the preferred alternatives and provide an outline of reasons for selecting the preferred alternatives.</p> <p>Required by SEA Directive, Annex 1(h).</p>	<p>To ensure that the choice of alternatives reflects sustainability principles.</p> <p>To justify the choice of preferred alternatives.</p>	<ul style="list-style-type: none"> ✓ Document the reasons for choosing the preferred option and discarding other options. ✓ It is considered best practice to undertake consultation on the assessment of alternatives alongside the Preferred Strategy consultation.

Stage C: Assessment of the Deposit Plan and Preparation of the Sustainability Report

4.28 Overview: Following the assessment stage (Stage B) the LPA should have made clear decisions to inform the development of the deposit plan. The Sustainability or SA Report (referred to as the Environmental Report in the SEA Directive) should document and tell a clear story about why decisions have been made and why sites and policies have been included or disregarded from the deposit plan. Article 5(1) of the SEA Directive requires the report to cover all the information referred to in Annex I of the Directive. **The plan making authority must clearly show that the requirements of the SEA Directive and the requirements set out in Annex I have been met.** A brief summary of the requirements is outlined below. However, reference to and signposting to the exact wording in Annex I must be made to ensure compliance.

- ✓ An outline of the contents and main objectives of the plan
- ✓ The plan's relationship to other relevant plans and programmes (which should be kept up-to-date) and the environmental protection objectives
- ✓ The current baseline situation and likely situation without the plan, including the environmental characteristics likely to be significantly affected by the plan
- ✓ Key issues or existing problems, including any existing environmental problems in relation to European protected sites which include Special Protection Areas (SPAs) and Special Areas of Conservation (SACs)
- ✓ Alternatives considered, how they were assessed and details of any difficulties encountered
- ✓ Likely significant effects of the plan
- ✓ Details of any mitigation measures
- ✓ Monitoring measures
- ✓ Non-technical summary of information under each of the above areas
- ✓ Details of how consultation responses have been taken into account

4.29 When preparing the report the plan making authority should ensure it has complied with all the legal requirements (SEA Directive, SA Regulations, Welsh language, Equalities and Health) and demonstrated compliance through the use of 'signposting' to specifically reference the legal requirement being addressed. To aid a variety of users, and accord with the SEA Directive, a non-technical summary must be produced and cover the main issues of the report.

Table 8: Assessment of the Plan

Task	Purpose	Advice
<p>C1: Assess and mitigate the effects of the Deposit plan using the SA framework.</p> <p style="color: purple;">Required by SEA Directive, Annex I (f) and (g).</p>	<p>To assess the sustainability impacts of the Deposit plan.</p> <p>To identify measures to prevent/avoid, reduce or offset any significant adverse effects of implementing the plan, or maximise positive effects.</p> <p>To ensure the Deposit plan reflects sustainability principles.</p>	<ul style="list-style-type: none"> ✓ Scope out from detailed assessment any plan policies and development sites that are unlikely to have significant sustainability impacts: explain why they have been scoped out. ✓ Assess each remaining plan policy and development sites using the appropriate SA framework. ✓ Focus on 'significant effects', both positive and negative. ✓ Where a policy or site has negative impacts, consider whether/how it could be improved through mitigation measures (see text above). This is one of the most important stages of SA. ✓ After this process, describe the entire plan in terms of its: <ul style="list-style-type: none"> - Indirect / Secondary impacts – caused by the action, but the effects are later in time or further in distance e.g. growth

	To document the sustainability of the Deposit plan.	<p>inducing effects related to air and water quality.</p> <ul style="list-style-type: none"> - Cumulative impacts – the combination of impact from the plan’s action plus other plans and projects which are reasonably foreseeable and would occur in the future without the plan. - Synergistic – impacts which interact to produce a total effect greater than the sum of the individual effects (i.e. the multiplier effect). - Short, medium and long term impacts. - Permanent and temporary impacts. - Contribution to the well-being goals and objectives.. ✓ Where the assessment of indirect etc. impacts identifies new impacts, consider whether/how they could be improved through mitigation measures (see text above). ✓ Document mitigation measures to demonstrate how the SA has influenced changes. ✓ Identify any uncertainty or limitations in information.
C2: Propose measures to monitor the significant effects of implementing the plan. Required by SEA Directive, Article 9(c), Article 10, Annex I (i).	To propose measures to test the actual significant effects of plan implementation.	<ul style="list-style-type: none"> ✓ Consider monitoring early on and use existing monitoring systems as a starting point for refinement. ✓ Identify appropriate indicators, targets, triggers and actions in the monitoring framework. ✓ Concentrate on monitoring ‘significant environmental effects’ to accord with the SEA Directive. ✓ See Task E Monitoring for further information.
C3: Consult on the Deposit Plan and SA Report. Required by SEA Directive, Article 6.	To provide statutory bodies and the public the opportunity to consider the plan and submit comments on the findings of the SA report.	<ul style="list-style-type: none"> ✓ Ensure the submitted SA Report has met all the requirements of the SEA Directive, SA Regulations and the Planning (Wales) Act 2015 which requires the SA to include Welsh language. ✓ An integrated assessment must also satisfy the provisions of the WBFGA, Equality Act 2010 and the Public Health (Wales) Act 2017 (if required).

Stage D: Consultation, Examination and Adoption of the Plan

4.30 The Sustainability or SA Report must be made available to the statutory bodies (NRW and Cadw) and the public during the 6 week consultation on the deposit plan. The plan making authority must consider any representations made during the consultation period and prepare a report summarising any representations and their response.

4.31 Once the plan making authority considers the plan to be 'sound' they must submit it to the Welsh Ministers for examination by an independent Inspector, accompanied by the SA Report, HRA Report and consultation statement, together with supporting evidence documents. The appointed Inspector will examine the soundness of the plan, including whether the requirements of the SA have been met and the plan can be adopted. If the plan requires changes before it can be adopted, any amendments to the SA must also be made to ensure such changes are acceptable. Following receipt of a binding report from the Inspector, the plan making authority must adopt their development plan and publish a post adoption statement.

Table 9: Examination Stage

Task	Purpose	Advice
D1: Assess the effects of significant changes made to the deposit plan by the SA framework. Required by SEA Directive, Article 5(2)	To ensure any changes made to the deposit plan are sustainable.	<ul style="list-style-type: none"> ✓ To ensure compliance with the SEA Directive and minimise risk of legal challenge, any changes made post deposit (Focussed Changes, Matters Arising Changes during examination, or those required by the Inspector) must be subject to assessment and made available for consultation.
D2: After the plan is adopted, the plan making authority must publish a Post Adoption Statement. Required by SEA Directive, Article 9(1).	To document how the SA process has influenced the plan-making process.	<ul style="list-style-type: none"> ✓ An independent inspector will examine the soundness of the plan and whether the requirements for SA have been met. ✓ Following adoption of the development plan, the authority must publish a 'post adoption statement' (SEA Directive (Article 9(1))). It is good practice to publish the post-adoption statement within 6 weeks of plan adoption. The statement must summarise; <ul style="list-style-type: none"> ✓ How environmental considerations have been integrated into the plan (Task C1). ✓ How the SA report and consultation responses have been taken into account (Task C3). ✓ The reasons for choosing the preferred alternatives in the adopted plan, with reference to the reasonable alternatives considered (Task B4).

Stage E: Monitoring

4.32 The SEA Directive requires the monitoring framework to focus on the 'significant environmental effects' of implementing the plan. It is not a requirement to monitor all effects. A key purpose of monitoring is to identify unforeseen adverse effects and, if necessary, to identify and take appropriate remedial action. The LDP Regulations require LPAs to produce Annual Monitoring Reports (AMRs) which allows for the SA monitoring framework to be integrated to the plan monitoring. A similar approach will be in place for SDPs, when adopted. The collation of monitoring data provides an opportunity to update baseline information (Stage A3) and will provide a useful source of baseline information to inform plan review and subsequent plan revision or replacement.

Table 10: Monitoring Stage

Task	Purpose	Advice
<p>E1: Develop aims and methods for monitoring.</p> <p>Required by SEA Directive, Article 9(1) (c), Article 10, Annex I (if).</p>	<p>To monitor significant environmental effects of the plan and identify any unforeseen adverse effects and enable appropriate remedial action to be taken.</p>	<ul style="list-style-type: none"> ✓ Utilise an adopted monitoring system as a starting point. ✓ To accord with the SEA Directive, monitor the 'significant environmental effects' of the plan. There is no need to monitor all effects. ✓ If 'significant effects' have mitigation measures, the monitoring indicator could focus on the implementation of the mitigation measure. ✓ Monitor against identified targets which could be legal standards, thresholds or national averages. ✓ Include appropriate indicators, triggers and actions in the monitoring framework to be assessed and reported in each AMR. ✓ The triggers and actions should ensure that adverse effects are identified early on and remedial action is taken. ✓ Compare the effects predicted in the assessment and the actual effects measured during policy implementation.
<p>E2: Respond to adverse effects.</p> <p>Required by SEA Directive, Article 10 (1).</p>	<p>To take remedial action, if necessary.</p>	<ul style="list-style-type: none"> ✓ Remedial action can include the production of Supplementary Planning Guidance or member training. ✓ Any changes to the plan by amending, adding or deleting policies must be made through a revision to the plan (short form or full replacement plan). The authority should be alerted to any required changes through the AMRs and Review Report (required every 4 years).

LDP Review

4.33 An SA is required when a full plan revision or a short form revision is undertaken. When undertaking a revision or replacement to the plan the starting point would be to update the baseline situation. The majority of plans and programmes should remain relevant. However, the plan making authority should be aware of key legislative changes made, in particular the WBFGA 2015 which will impact the assessment framework. The monitoring carried out as part of stage E of the previous plan should provide a basis for updating the scoping report which the LPA must produce and consult on (stage A).

4.34 Regarding the assessment (stages B and C) the alternatives to be considered will need to be revisited. It is likely that some elements of the plan, such as the spatial options and development management policies will remain largely unchanged, whereas the scale of growth is likely to have changed and need a full re-assessment of alternatives. New topic-based policies are also likely to require assessment.

4.35 The procedural requirements of the consultation and reporting stages (stage D) will apply in the same manner. The plan making authority must ensure all consultation and legal requirements for the SA report to cover are satisfied.

4.36 The monitoring stage (stage E) will provide an opportunity for the plan making authority to learn from their previous AMRs and refine the monitoring framework to ensure it is focussed on 'significant effects'.

Summary Checklist

✓	Ensure you have prepared and consulted on; <ul style="list-style-type: none">- an SA /SEA (incorporating an assessment on Welsh language)- Equalities Impact Assessment- Health Impact Assessment
✓	Ensure compliance with The Well-being of Future Generations (Wales) Act 2015 and incorporate the four pillars of sustainable development; social, environmental, economic and cultural well-being and ways of working
✓	Ensure the consultation requirements are satisfied and, where possible, maximise opportunities for public and stakeholder involvement
✓	Ensure you have complied with the requirements of the SEA Directive and include direct signposts to the Directive to demonstrate compliance. Take particular care with the identification and choice of reasonable alternatives, and mitigation of impacts, as this is where the SA is most likely to improve the plan
✓	Produce a non-technical summary



Publish a post adoption statement

Key Documents/ Further Guidance

- EU Directive 2001/42/EC (SEA Directive)
- Environmental Assessment of Plans and Programmes (Wales) Regulations (SI 2004/1656)
- A Practical Guide to the Strategic Environmental Assessment Directive (Office of the Deputy Prime Minister, developed jointly with the Welsh Assembly Government, the Scottish Executive and the Department of the Environment in Northern Ireland, 2005)
- Strategic Environmental Assessment: Improving the effectiveness and efficiency of SEA/SA for land use plans, Commissioned by Royal Town Planning Institute (RTPI) South East, written by Levett-Therivel (January 2018)
- Health Impact Assessment, A Practical Guide (Wales Health Impact Assessment Support Unit WHIASU)
- Creating healthier places and spaces for our present and future generations' (Public Health Wales) (2018)

Habitats Regulation Assessment

Background

4.37 The Habitats Regulation Assessment (HRA) is a legal requirement under The Conservation of Habitats and Species Regulations 2017 (the 'Habitats Regulations'). The plan making authority (LPA as the identified 'competent authority' for a LDP/LDPL, the SPP for a SDP) must undertake a Habitats Regulation Assessment (HRA) of their development plan to determine whether the policies and proposals in the plan are likely to have significant effects on the integrity of any European designated site, as listed below:

- **Special Areas of Conservation (SAC)** as designated in the EC Directive on the Conservation of Natural Habitats of Wild Fauna and Flora (92/43/EEC).
- **Special Protection Areas (SPA)** as designated in the EC Directive on the Conservation of Wild Birds (2009/147/EC). These sites are protected to safeguard the habitats of migratory birds and certain particularly threatened birds.
- **European offshore marine sites** as defined in regulation 15 of the Offshore Marine Nature Conservation (Natural Habitats, &c.) Regulations 2007 (S.I. 2007/1842).
- **NB: The HRA procedure should also be applied to listed Ramsar (wetland) sites, potential SPAs and candidate SACs even though these are not European sites as a matter of law.**

4.38 Specifically, the HRA must consider the potential effects of the plan on the qualifying features for which the designation was made (see NRW's website for details on SACs, SPAs and Ramsar sites and the Joint Nature Conservation Committee's (JNCC) website for information on offshore marine sites).

Integration of HRA with SA/SEA

4.39 It is not appropriate to integrate HRA with SA as they are derived from different legislative requirements; and the precautionary approach used in HRA is quite different from SA. The findings should be published separately and clearly documented. However, it is good practice to summarise the findings of the HRA in the SA as part of its assessment of the impact on biodiversity.

When to Undertake HRA

4.40 As with the SA process, HRA should be embedded in the plan making process, with the potential significant effects assessed or updated at every relevant stage of the process. Early screening at the outset of the plan should be undertaken to identify European sites and alert plan makers to the constraints they may have upon the plan. It may be appropriate to revisit this stage at preferred strategy when sufficient detail is available to enable a meaningful assessment to be made. If an Appropriate Assessment (AA) is required, this should be done alongside the plan making process to inform the choice of alternatives and mitigation measure. It should be made available during the deposit consultation and must be updated at any subsequent stages if changes are proposed as part of FCs or the examination process (MACs) to confirm its continuing relevance and accuracy. It is important the competent authority maintains a thorough audit trail throughout all of the stages to ensure transparency of decision making.

Consultation and Involvement

4.41 **Consultation and involvement of NRW throughout the HRA process is essential.** At appropriate assessment stage (to be undertaken before deposit plan consultation) the competent authority is required to consult NRW (and Natural England or JNCC, if appropriate) and must have regard to any representations made by the statutory body('s). It is also considered best practice to undertake public consultation at appropriate assessment stage alongside the deposit plan and SA Report. It is a matter for the competent authority to determine any additional publicity or consultation they consider appropriate.

HRA – Key Stages

Stage 1: Screening for Likely Significant Effect

4.42 The first stage of the HRA process is a 'screening' exercise to consider when the policies and proposals in the plan may be likely to have a significant effect on the qualifying features of a European site. The plan making authority should ensure the screening exercise is not limited to the authority's area, but also identify all European sites within a reasonable distance of the plan making authority boundary, or where there is a pathway that could result in an impact (i.e. watercourses). For each European site the authority should identify;

- the site's qualifying feature(s), and
- what impacts the qualifying feature(s) could be sensitive to (e.g. air pollution, recreational disturbance)

What is a likely significant effect?

Likely:

Appropriate Assessment should be undertaken *“if it cannot be excluded, on the basis of objective information, that it will have a significant effect on the site....”*

Waddenzee case (European Court of Justice C-127/02)

“The question is simply whether the plan or project concerned is capable of having an effect. It is in that sense that the English ‘likely to’ should be understood.”

Sweetman case (European Court of Justice C-258/11).

Significant:

“Where a plan or project has an effect on that site, but is not likely to undermine its conservation objectives, it cannot be considered likely to have a significant effect on that site” Waddenzee case (European Court of Justice C-127/02)

An effect will be ‘*significant*’ in this context if it could undermine the site’s conservation objectives. The assessment of that risk must be made in the light of factors such as the characteristics and specific environmental conditions of the site in question.

NB: Each policy or proposal in the plan should be judged on its own merits.

What is considered significant for one European site (or its qualifying interest) may not be significant for another.

4.43 The plan making authority should adopt a **precautionary approach** to screening. The screening procedure should assess each policy and proposal in the plan to consider its likely effect, both on its own and ‘in combination’ with the effects of other plans and projects affecting the same European site. It is important for the likelihood of a significant effect to be assessed for each qualifying feature for which the designation was made, and for each designation where a site is designated, classified or listed under more than one international obligation. The plan making authority may find it helpful to identify an appropriate screening category (see The HRA Handbook published by David Tyldesley and Associates Publications) and provide a reasoned conclusion against each policy/proposal to identify the likely significant effect and focus the appropriate assessment (if required).

4.44 The outcome of the screening stage should be a clear statement of whether the plan alone or in combination with other plans or projects, is likely to have a significant effect on the qualifying feature of any European site or not. **If a significant effect cannot be ruled out, the HRA can stop at the screening stage. If it could have a significant effect, or it is uncertain, the HRA must continue to the appropriate assessment stage.**

NB: Recent case law (People Over Wind and Sweetman V Coillte, C-323/17) has established that it is no longer acceptable to take account of ‘mitigation measures’ during the screening process. It is therefore necessary to distinguish between ‘features and characteristics of the plan’ and disregard ‘measures intended to avoid or reduce harm’ (mitigation measures) at the screening stage.

4.45 Whilst it is not a statutory requirement, it is considered best practice to consult the statutory body (NRW) on the outcome of the screening exercise. Natural England should also be consulted where the European site affected lies wholly or partly in England. The JNCC should be consulted for offshore marine sites.

Stage 2: Appropriate Assessment and the Integrity Test

4.46 The purpose of the appropriate assessment is to establish whether the plan, by itself or in combination with other plans and projects, will adversely affect the conservation objectives of the site’s qualifying features, based on best scientific knowledge. The scope and content of an appropriate assessment will depend on the nature, location, duration and scale of the proposed plan and the qualifying features of the European site. This will involve testing whether the plan alone, or ‘in combination’, will affect the environmental factors needed to maintain site integrity, i.e. whether the plan increases air pollution, increases recreational disturbance etc. The competent authority must contact NRW for further information and advice.

Integrity Test

4.47 Taking account of the conclusions of the appropriate assessment of the plan’s effects on the conservation objectives and having sought and had regard to the advice of the statutory consultees (NRW, Natural England, JNCC, as appropriate), the competent authority must determine whether the plan will adversely affect the *integrity* of the European site.

What is site integrity?

“The integrity of a site is the coherence of its ecological structure and function, across its whole area, that enables it to sustain the habitat, complex of habitats and /or the levels of populations for which it was classified or listed.”

(Technical Advice Note 5, Annex 3, paragraph 19)

4.48 The plan making authority must therefore consider the plan’s likely and reasonably foreseeable effects to conclude whether it will have an adverse effect on the integrity of the European site. In doing so, account can be taken of the way in which the proposal or policy is intended to be carried out and whether conditions or other legally enforceable restrictions can be put in place to ensure site integrity will

not be adversely affected. **The decision must be definite that the plan would not have an adverse effect. There are certain circumstances where it can be more appropriate to delay some aspects of HRA to a lower tier plan or project level assessment, although the plan level assessment must have entered the appropriate assessment stage before this can happen. To ascertain that there would be no adverse effect on the integrity of a European site, a plan-making body may only rely on mitigation measures in a lower tier plan or project if the following three criteria are all met:**

- a) The higher-level plan assessment cannot reasonably predict the effect on a European site in a meaningful way; whereas**
- b) the lower tier plan or project level, which will identify more precisely the nature, timing, duration, scale or location of development, and thus its potential effects, will have the necessary flexibility over the exact nature, timing, duration, scale and location of the proposal to enable an adverse effect on site integrity to be avoided; and**
- c) the HRA of the lower tier plan or project is required as a matter of law or Government policy.**

4.49 Consultation with NRW (and Natural England and JNCC if appropriate) on the outcome of the appropriate assessment stage must be undertaken and Stages 3 and 4 must not be embarked on without advice from NRW. LAs may choose to consult more widely on the Appropriate Assessment if it considers it to be appropriate.

Stage 3: Alternative Solutions

4.50 Where the assessment has been unable to rule out adverse effects, they will need to be addressed by either of the following options:

- Changes made to the plan (delete policy/proposal, relocate proposals beyond a zone of influence, change the scale, timing, duration or nature of the proposal, keep proposal below significance/thresholds or limits).
- Incorporate 'mitigation measures'. The detail of proposed mitigation measures should be included in a site specific policy.

4.51 If it can be demonstrated there are no alternative solutions, the competent authority may consider whether there are any imperative reasons of overriding public interest (IROPI) to justify why the plan must proceed despite the likely negative effect on site integrity (see TAN 5, Annex 4, paragraph 34 for further details on guiding principles to deciding whether IROPI are demonstrated).

4.52 Stage 3 is only reached where an appropriate assessment cannot rule out an adverse effect on the integrity of a European site and the LPA has decided not to amend and re-assess the proposal. In this situation it is not legal to enact or adopt

the proposal unless three conditions are all met, namely that there are no alternative solutions, that there are imperative reasons of over-riding public interest (IROPI), and compensatory measures are secured. The first test is a consideration of alternative solutions (that still deliver the objective of the proposal) and whether any of these have a lesser impact on European sites. Only where it can be demonstrated that these alternative solutions do not have a lesser impact can the proposal progress to the second test of IROPI.

Stage 4: Imperative Reasons of Overriding Public Interest and Compensatory Measures

4.53 The plan should only be adopted if the proposal or policy has to be carried out for IROPI. As stated in TAN 5, in general projects of national importance are most likely to support IROPI, whilst projects of a local significance are less likely to be considered to override the potential harm to the European site. Where the importance of development is judged to be of IROPI, compensatory measures must be secured to protect the overall coherence of the European sites network (for further information see TAN 5).

HRA in the Development Plan Hierarchy

4.54 Each development plan within the hierarchy - the NDF, SDPs and LDPs/LDPLs - must be screened to determine whether policies and proposals in the plan are likely to have significant effects on a European designated site. An appraisal of a higher tier plan will not remove the need for an HRA of a lower tier plan, and vice versa. However, it is recognised that effects must be assessed “to the extent possible on the basis of the precision of the plan” (Advocate General, *Commission v UK C6/04*).

4.55 To avoid unnecessary duplication, where a development plan has previously been subject to HRA, the competent authority may ‘adopt’ elements of the earlier HRA assessment. The “reasoning, conclusion or assessment of another competent authority” can be adopted, provided the authority is satisfied with the following:

- No material information has emerged which means the HRA is out of date, and
- The analysis underpinning the HRA is rigorous and robust.

Key Documents/ Further Guidance:

- The Conservation of Habitats and Species Regulations 2017 (the ‘Habitats Regulations’)
- Technical Advice Note 5: Nature Conservation and Planning
- The HRA Handbook (David Tyldesley and Associates Publications)

Chapter 5: Preparing an LDP– Core Issues

Creating Sustainable Places - Demonstrating Delivery and Implementation of a Development Plan

5.1 Development plans should set out a vision and strategy for an area in the context of a thorough understanding of local need and well-being, demand and supply factors, economic and market conditions. Plans should be based on robust evidence so they can be delivered and achieve the key objective of Placemaking, fundamental to a successful planning system. Understanding viability and the different strands required to prepare the core elements of a plan and build a robust evidence base will be critical. Implementation of a plan will, to a significant extent, be dependent on the actions of others. Building consensus with key stakeholders and communities is essential. To meet the tests of soundness (Table 27, paragraph 6.27) LPAs must be able to demonstrate, in broad terms; the plan is deliverable with no significant impediments to implementation. The Manual sets out practical guidance on the core elements of plan making as summarised below:

Diagram 12: Creating Sustainable Places



De-risking Plan Checklist

✓	Is the plan in general conformity with the NDF and SDP (when adopted)?
✓	Involve key stakeholders at the right time.
✓	A detailed candidate site process. Ensure that delivery and viability is embedded in the candidate site process from the outset.
✓	Achieving the right development in the right place. Ensure the strategy is based on a robust assessment of the role and function of places in line with the gateway test, search sequence and National Sustainable Placemaking Outcomes, as set out in PPW.
✓	A more meaningful and deliverable preferred strategy.
✓	Effective use of placemaking tools.
✓	Plan for realistic housing and economic growth levels based on a robust consideration of need and supply factors, taking into account affordable housing need, viability and deliverability.
✓	Include an appropriate level of flexibility within the housing and job provision to allow for unforeseen circumstances.
✓	Allocate a range and choice of deliverable sites in appropriate locations to ensure the plan' strategy can be delivered. .
✓	Consider the availability of specific interventions (e.g. funding streams, compulsory purchase) from the public and/or private sector that can assist site delivery to unlock sustainable brownfield sites.
✓	Consider the reality of the land bank to be delivered. Sites unlikely to be delivered should be de-allocated and not 'rolled forward' from the previous plan. It could be prudent to identify such sites separately as regeneration sites which do not count towards the housing requirement.
✓	Plan for realistic windfall rates, based on robust evidence of past delivery rates and the small sites register.
✓	Prepare a housing trajectory. Plan for realistic phasing and delivery rates: An appreciation of the time it will take to bring all elements of the provision forward to ensure the anticipated annual build rate can be achieved.
✓	Ensure the plan is supported by a viability appraisal that is underpinned by relevant and robust assumptions. This should remove the need for further assessments at the planning application stage, only in exceptional circumstances (as set out in PPW)
✓	Assumptions underpinning the financial viability assessment include an appropriate contingency to ensure development can come forward.
✓	Prepare an Infrastructure Plan: Identify necessary infrastructure.
✓	Understanding constraints and infrastructure requirements, including the timing and how they are funded will be critical to demonstrate how they can be delivered and/or mitigated.
✓	Know developers and their capacity to deliver in the future. Maximise opportunities for a range and choice of sites/developers.
✓	The affordable housing policy should have percentage targets and thresholds that relate to viability study evidence base. Where they differ, e.g. for locally specific circumstances. This should be clearly justified and explained.
✓	Gypsy and Traveller Provision: Ensure an up-to-date evidence base for the plan period and where there is a need, the identification of deliverable allocation(s).

✓	Consider effective mechanisms for monitoring, review, and implementation.
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Placemaking in the Development Plan Process

5.2 A key national priority is to deliver high quality, sustainable places, through a Placemaking approach which must be at the forefront of plan making. Plans must be prepared in line with the gateway test and search sequence set out in PPW. The National Sustainable Placemaking Outcomes must be used to inform the preparation of development plans. This will ensure development is located in the right place and places are planned comprehensively and achieve quality outcomes for communities. Understanding how places function at both a strategic and local level should influence how plans are prepared and implemented.

5.3 At a **strategic level**, design informs the spatial vision for places and ensures that sustainability sits at the heart of a plan, whilst also creating a framework to help deliver wider objectives through an integrated Placemaking approach. This can include LA strategies such as well-being objectives and plan's, regeneration areas, site allocations, town centre strategies and the promotion of sustainable transport modes and the delivery of infrastructure. The plan making process should consider how Placemaking principles and good design influence the scale and location of development. At a **local level**, the plan and policy framework should ensure the creation of well designed, quality places where people will want to live, work and visit.

Placemaking Tools as an Evidence Base – Master Planning Approach

Placemaking 'tools' can be a useful mechanism when prepared in parallel with the plan to inform development proposals and policies and ensure effective implementation and delivery.

5.4 The value of a Placemaking approach in the preparation of plans is to identify key design parameters and cumulative infrastructure requirements of development across the wider area to inform policy and site specific allocations. This approach will ensure LPAs are in the driving seat and have sufficient 'teeth' to implement the key design and infrastructure requirements of sites, particularly where there are large sites in multiple phases and ownership, programmed over many years.

5.5 The most appropriate 'Placemaking tool' for a development plan will be for the LPA to determine, based on the scale of site(s) and where sites are in the development process. Table 11 shows how Placemaking tools should be used as part of the plan's evidence base. Where possible, this work should be undertaken collaboratively between the LPA and key stakeholders responsible for the delivery of the site, as well as the local community. Early consultation with the Design

Commission for Wales (DCfW) through the design review service in the development of masterplans or other Placemaking ‘tools’ can add value to the process, establish important early Placemaking considerations and set the standard for design quality. It will be essential for statutory bodies to comment on key issues such as flooding, sewerage infrastructure, natural environment, culture and health. This will give the plan a legitimate base, highlight key issues, requirements and constraints that can be taken account in the master planning process, achieving high quality places.

Development Plans Should Contain:

- A strategic and locally distinctive Placemaking vision for the plan area (informed by Council strategies, well-being objectives and plans) supported by appropriate design policy(ies) / master planning principles / green infrastructure and access. Where there are specific issues SPG can be prepared.
- Concept/schematic frameworks, design principles and infrastructure requirements for key sites (set out in policies) that are core to delivery of the plan. Key sites and Placemaking and infrastructure requirements should be considered in detail from the early stages of plan making, prepared in collaboration with developers and the community. They can provide a key starting point for further design collaboration and inform detailed site specific master planning and viability work.

Table 11: Placemaking Tools as an Evidence Base

Master planning approach	How to embed in the development plan
<p>Concept / Schematic Framework</p> <p>Flexible conceptual vision setting out the key elements of a site (access, physical infrastructure, green infrastructure networks, development areas/uses, landscape, key features, key opportunities and constraints)</p> <p>Set out area/site specific planning issues and constraints and relevant surveys.</p> <p>Set out the key vision and high level design principles of a site and how it should be developed.</p>	<p>Can be embedded as part of site specific policies, a broad mechanism for assessing and influencing proposals as they come forward.</p> <p>Useful for key/strategic sites that are core to the delivery of the plan.</p> <p>Green Infrastructure Assessments / Area Statements should inform the master planning approach for site allocations to support ecosystem resilience and identify nature based solutions.</p>

<p>Can provide a broad mechanism for assessing and influencing proposals as they come forward.</p>	<p>The information should be used to inform infrastructure requirements / viability of sites. They can be made explicit in the plan.</p> <p>Prepared as SPG (including Place Plans).</p>
<p>A Detailed Master Plan Approach</p> <p>Can be universal or site specific. Can identify key design principles that are definitive and vital to the creation of sustainable places and those where more flexibility can be applied.</p> <p>High level framework covering key parameters / master planning requirements for a larger area or site specific:</p> <ul style="list-style-type: none"> • Land uses, particularly those core to determining layout • Density and house types (where known) • Scale and massing • Key access, movement corridors and the street hierarchy • Transport / movement (all modes) • Green infrastructure • Physical infrastructure • Biodiversity • Renewable energy / energy efficiency opportunities • Phasing and infrastructure requirements • Social and community assets 	<p>Can be embedded within the plan as a general design policy / overarching policy requirements – set out in a policy and or graphical format.</p> <p>Can be embedded as part of site specific or a general design policy.</p> <p>Design principles and infrastructure requirements in broad terms or site specific.</p> <p>Useful for key/strategic sites that are core to the delivery of the plan.</p> <p>The information should be used to inform infrastructure requirements / site specific viability work. They can be made explicit in the plan.</p> <p>Prepared as SPG (i.e. Place Plan)</p>

Place Plans

5.6 Place Plans provide an opportunity for communities to engage in the plan making process at a local level, with LPAs supporting Placemaking initiatives in local communities. Place Plans are about delivering local outcomes, helping build consensus and buy-in within the wider development plan process. They can add the fine grain detail to an adopted LDP. They can be produced by Town and/or Community Councils, or the LPA in conjunction with local communities. It is essential all parties involved have an appreciation of the resources required to prepare a Place Plan and early involvement of all parties will be essential.

Status of Place Plans

5.7 Place Plans should be in conformity with the development plan and adopted by the LA as SPG to the plan (chapter 9). They can inform an LDP review, be prepared in parallel with an LDP, or following adoption, providing there is a sufficient 'policy hook' within the plan. They cannot duplicate or introduce new policy, nor can they de-allocate sites identified in the adopted development plan. Place Plans are not part of the statutory development plan; instead they add detail to the adopted plan.

Scope of a Place Plan

5.8 The content of a Place Plan will depend on various factors, including what is included in the LDP, the nature and scale of the area/site, the issues it is seeking to address and community aspirations. Essentially, it is about elaborating further on the detail contained in the statutory development plan. This could be expressed through development briefs/master plans for allocated sites or a town/village strategy that addresses community scale issues such as design, community facilities and open space. Alternatively, sites could be identified in a Place Plan which are not allocated in the LDP, albeit they would have to align with the framework set out in the LDP. This could include identifying small scale windfall sites within a settlement boundary. This reinforces the approach of utilising local knowledge and involvement to deliver on the detail of the plan. This also reduces the burden of the plan being too precise.

5.9 Place Plans can also provide a steer to distribute and spend funding collected from s106 planning obligations/commuted sums and where relevant, the Community Infrastructure Levy (CIL). Place Plans should state which relevant site allocation policy in the LDP it relates to and/or state how it expands on other generic related policies, such as, design, commercial centres and green spaces. Planning Aid Wales (PAW) has published guidance on the use and preparation of Place Plans and LPAs can make interested parties aware of this resource as a key reference point when considering whether to progress a Place Plan. (<http://www.placeplans.org.uk/>)

Spatial Strategy

The spatial strategy underpins all elements of the plan and must demonstrate compliance with the gateway test, search sequence and National Sustainable Placemaking Outcomes in PPW.

The spatial strategy must clearly communicate where future development will be located, why and how it will deliver the vision, key issues and objectives.

In order to develop and create sustainable places, each LPA must involve its stakeholders and community to develop a thorough understanding of its area, including strengths, opportunities and constraints, justified by an up-to-date evidence base. **A robust understanding of the role and function of places**, supply and demand factors, both within and beyond its administrative boundary is fundamental to achieving an effective strategy and quality planning outcomes. This must be clearly articulated in the plan and evidence base.

5.10 The LPA must consider and assess a number of realistic options for the spatial distribution of development across their area. However, for revisions to adopted plans there will already be a large degree of contextual evidence and testing of options which, rather than start from scratch, would benefit from validating to understand if and/or where any new evidence for alternative options is required. The strategy should be clearly expressed and underpinned by robust evidence ensuring it is realistic. LPAs must take account of a number of factors when assessing spatial strategic options. Examples include the following:

✓	Aspirations of the plan (areas for regeneration, wider regional context etc.)
✓	Availability and suitability of brownfield land in preference to greenfield land and land of high agricultural, ecological or landscape value
	Minimise the need to travel, especially by private vehicles, through the Sustainable Transport Hierarchy and Active Travel Plans
✓	Capacity of existing and potential infrastructure
✓	Scale and location of market and affordable housing required
✓	Scale and location of employment opportunities
✓	Environmental implications, e.g. energy consumption, greenhouse gas emissions, flood risk, biodiversity, green infrastructure, mineral resources and ground conditions, including mine gas

✓	Social and cultural factors, including consideration of the Welsh language
✓	Accessibility to jobs, shops and services
✓	Understand how different market areas can affect the viability of delivering private and affordable housing as well as associated infrastructure to support the level of development proposed
✓	Deliverability of key sites and overall strategy
✓	National strategies and priorities, such as decarbonisation and health

Vision

5.11 Each LDP must contain a vision articulating the overall aim of the plan and how places will change over the plan period. The vision should:

✓	Be a concise, focused and positive statement
✓	Include a spatial, land-use emphasis and articulate how places are planned to develop, change or be protected
✓	Be specific and appropriate, based on a clear understanding of the economic, social, environmental and cultural issues
✓	Be consistent with the well-being objectives and plan and other local strategies, including Area Statements, National Park and AONB Management Plans
✓	Reflect varying geographical differences within the broader LPA area

Objectives

5.12 The plan's objectives should be developed from the key economic, social, environmental and cultural issues identified in the area, be deliverable and add detail to the vision. When read collectively, the vision and objectives should set a clear context for the LDP's strategy. The objectives should flow through the plan and be linked to the National Sustainable Placemaking Outcomes, LDP policies and monitoring framework. Following the introduction of the WBFGA 2015, the LDP's objectives must align with the well-being goals and objectives. The LPA must therefore demonstrate the alignment of each LDP objective against the well-being goals and objectives.

✓	Focussed statements which seek to address the main social, environmental, economic and cultural issues identified in the area
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✓	Demonstrate delivery of the National Sustainable Placemaking Outcomes
✓	Align with the national well-being goals of The Well-being of Future Generations (Wales) Act 2015
✓	Link to the vision, LDP policies and the monitoring framework

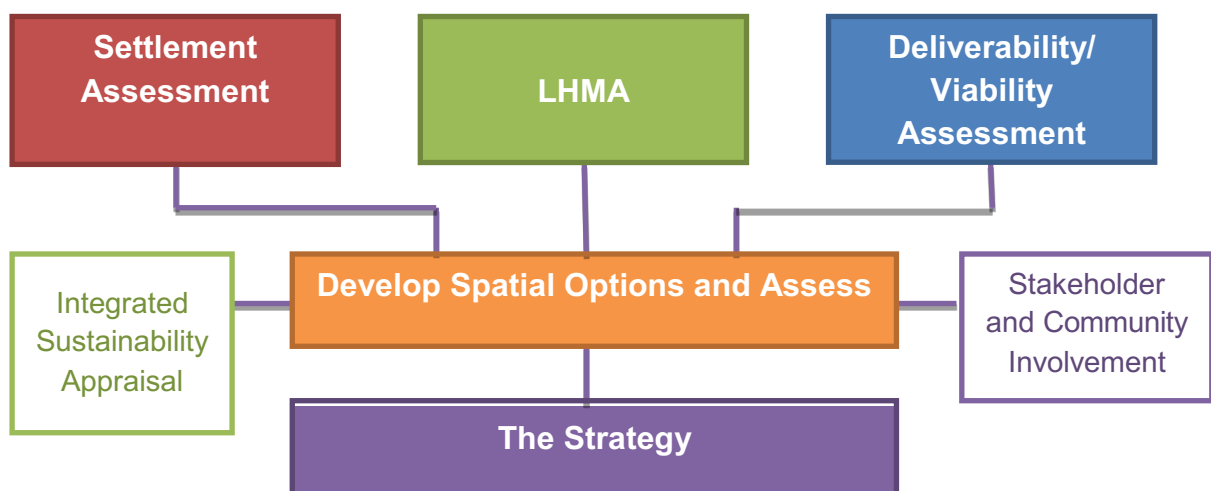
Key Diagram

5.13 A key diagram must be included to spatially identify the key sites, main transport networks and strategic infrastructure requirements. It should be expressed diagrammatically, rather than on an O.S. base map, to articulate the principal elements of the LDP strategy.

✓	Spatially articulate the key elements of the strategy – key sites, main transport routes, strategic infrastructure requirements, key green infrastructure assets including protected sites
✓	Diagrammatic map (not O.S. base)

5.14 The spatial strategy should be informed by a range of supply and demand factors, explained later in this chapter. The spatial strategy will draw upon a number of key pieces of evidence, such as a settlement assessment, Local Housing Market Assessment (LHMA) and viability assessment, to make informed policy decisions on where to locate development. The strategy must be clearly communicated to all plan users, so it can be delivered in a positive manner. The key elements are summarised in Diagram 13.

Diagram 13: Developing and Assessing Spatial Options for Growth



Undertaking a Settlement Assessment to Inform the Distribution of Growth

5.15 The LPA should undertake a settlement assessment to inform decisions regarding where development should be spatially located to achieve a sustainable pattern of growth, minimise unsustainable patterns regarding the movement of people and support local services and facilities. The LPA must identify areas of linguistic sensitivity or importance to ensure growth is suitably directed to areas where impact on the Welsh language can be positive. The assessment should not be confined to the geographical boundaries of its administrative boundary, but take account of the relationship settlements have with neighbouring areas. Examples of topics to be considered as part of the settlement assessment are highlighted in Diagram 14.

Diagram 14: Settlement Assessment



The LPA must formulate a methodology for assessing the role and function of settlements which is clearly set out in the evidence base. It should be transparent regarding how settlements are being assessed, the key assessment components and how this has been applied in a consistent manner across the area. Where

possible, the community can be involved in the process to add further detail and knowledge regarding local settlement services and facilities.

5.16 Where housing markets and travel to work areas cross administrative boundaries, there are benefits for LPAs to work collaboratively with neighbouring authorities. The aim is to identify the most sustainable settlements for growth. LPAs should aim to achieve a balance between homes and jobs to reduce the need for commuting. This will be tested at the LDP examination.

5.17 LPAs should consider the most practicable way of presenting the results of the assessments, such as scoring system, or RAG (Red, Amber or Green) analysis. This assessment should form the basis for the settlement hierarchy, identifying which settlements are most sustainable and have capacity to deliver growth.

5.18 The evidence base should clearly communicate how the role and function of places, together with any constraints and opportunities have been assessed and influenced the spatial strategy. Alongside the settlement hierarchy assessment, the policy options for the spatial distribution of growth should be influenced by the findings of the LHMA and viability. The LHMA identifies spatial areas of housing need which should be a key consideration in determining the location of housing growth in the plan. The LPA should also consider viability when considering how housing growth is directed to areas which can deliver both market and affordable housing, reflecting areas of need. These elements are covered in more detail in subsequent sections.

Delivering the Spatial Strategy – Clear and Consistent Policy Framework

5.19 The plan must clearly articulate how the spatial strategy will be delivered. A settlement hierarchy must be clearly articulated in a policy with specific levels of growth attributed to each tier (Table 12: Spatial Distribution of Housing and Employment). Each component of housing supply (completions, units with planning permission, new housing allocations, large windfall sites and small windfall sites) must be numerically attributed to each tier of the settlement hierarchy.

The LPA must ensure it has assessed the opportunities for growth in each settlement to ensure an appropriate level of growth has been attributed and is capable of being delivered.

5.20 In accordance with national policy, the use of settlement boundaries on the Proposals Map makes a clear distinction for plan users as to where development is acceptable, or not. The settlement boundary must be appropriately drawn; taking into account the aims of the overall strategy and the amount and type of development that is attributed to each tier of the settlement hierarchy. For example, if large quantities of windfalls are attributed to a particular tier, settlement boundaries must

be drawn appropriately to enable such windfall opportunities to be delivered. However, a reliance on large scale windfalls for the plan may not be prudent.

5.21 Tightly drawn boundaries will not allow for windfall opportunities within identified settlements. Conversely, if growth should be constrained in a particular tier or settlement, then settlement boundaries must be tightly drawn to limit opportunities.

The policy framework must reflect and support delivery of the spatial strategy, ensuring development is directed to the appropriate tier of settlement.

5.22 A strategic policy must clearly articulate where and why settlement boundaries have been drawn and which types of development are acceptable or not within each settlement tier.

The key outcome is that it should be clear from reading the plan what types of development will be allowed throughout the settlement hierarchy. For example:

Type of housing (private, affordable, local needs)

Allocations (employment and housing)

Regeneration opportunities

Windfall (housing and employment opportunities)

Rounding off/infilling

Development adjacent to settlements (affordable housing exception sites)

5.23 The LPA must ensure the policy framework is clear what type of development is acceptable at each tier of the settlement hierarchy so the overall strategy is delivered. Ambiguous terms/language such as; close to, visually related etc. should not be used to ensure that growth is delivered in line with the strategy. The clearer the policy: the more certain the outcome.

5.24 There should be broad alignment in the settlement hierarchy between the scale and distribution of housing and employment in the plan, taking into account factors such as past performance of homes built, or land for employment and jobs created. This will ensure the development of sustainable places and reinforce existing placemaking principles in all plan strategies. To evidence this alignment, the evidence base should include a table as set out below.

Table 12: Spatial Distribution of Housing and Employment

Settlement Hierarchy	Housing (Units)	Percentage	Employment (Hectares/Jobs)	Percentage
Tier X				
Total				

Planning for Housing and Economic Growth

5.25 Planning for well-being, economic growth, housing and associated infrastructure to support change is the core element of any development plan. While there is not always a direct correlation between jobs and homes, they need to be considered collectively when assessing growth levels and developing a sustainable strategy; the aim being to achieve a balance between homes and jobs thereby reducing the need for commuting. The scale of economic growth to be delivered in a plan will be strongly influenced by the available labour force, skills, net migration levels, commuting patterns, housing provision and infrastructure. Links to the regional and sub-regional context should also be considered, taking account of functional linkages and geographical synergies between places to achieve better planning outcomes.

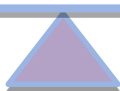
5.26 This section of the Manual gives practical guidance on how to develop an evidence base to justify the level and distribution of economic growth and housing. It sets out the key issues the evidence base needs to address; with a focus on demonstrating that growth levels and sites underpinning it are appropriate and deliverable. It also stipulates what the plan should contain and how to ensure an effective and clear policy framework is achieved. In summary, this chapter:

- Describes how to assess/quantify the need for jobs and homes
- Translates need into plan requirement
- How to consider different growth levels
- Significance of the LHMA and demographic forecasting for housing
- Significance of the Employment Land Review (ELR) and economic forecasting
- Links between housing and economic forecasting
- Incorporating alternative growth scenarios
- Past build rates as a benchmark
- Plan outcomes for housing and employment
- Working with neighbouring authorities

Assessing the Need and Requirement of Jobs and Homes

5.27 The scale of economic growth and housing expressed in the plan should be a judgement between the need/demand aspects, the **unconstrained need** balanced against **supply factors** which constrain the ability of the plan to deliver, resulting in adjusted growth levels and the **requirement** of the plan.

UNCONSTRAINED NEED Vs SUPPLY FACTORS = PLAN REQUIREMENT



5.28 The level of **unconstrained need** is based on current levels of need/demand at a point in time, i.e. the current/baseline situation (homes and jobs). Evidence will be required to demonstrate the baseline position of the plan. Trend based forecasts quantify a variety of outcomes, based on a series of assumptions, extrapolating the level of need forward to cover the whole plan period. The forecasts used should relate directly to the range of issues and land uses the plan is seeking to address, for example changes in population and the need for additional homes to accommodate this change. All sources of evidence, including the latest Welsh Government Household Projections, should be used when preparing a plan.

5.29 Once the total need, unhindered by any constraint has been determined, the unconstrained need, LPAs will then have to consider what constraints may apply that would influence the level of need, **supply factors**. Policy considerations could increase, or reduce growth for a range of reasons. Conversely, it could be delivery factors, such as lead in times when bringing developments forward which have a bearing on the ability to deliver a scale of growth, at the appropriate time. LPAs will need to identify and evidence all those supply factors which they consider would influence the scale of growth able to be accommodated in the plan, including timing.

5.30 It is crucial how these two elements are considered, balanced and evidenced to identify the plan **requirement**. There should be a strong link between the scale of growth set out in the requirement, the overall vision of the plan and delivering on the key objectives. It would not be prudent for an LPA to consider maximising economic prosperity but reducing the supply of housing to a level which will not generate a sufficient labour force to fulfil the employment needs. Similarly, there should not be housing without jobs; a balance needs to be achieved within the development plan strategy.

Diagram 15: Need and Supply Factors



Table 13: Housing and Economic Need and Supply

HOUSING			
Demographic and Need Based Assessments	Trends Based Considerations	Delivery/Constraint Considerations	Policy Based Considerations
NEED & DEMAND FACTORS		SUPPLY FACTORS	
<p>Latest Population and Household Projections (Welsh Government) including latest mid-year estimates</p> <p>Baseline Scenarios:</p> <ul style="list-style-type: none"> • Zero net migration (natural change only) • 5 and 10 year migration • Low/medium/high growth variants • Principal Projection <p>Housing Market / Local Need Assessments</p> <ul style="list-style-type: none"> • Tenure mix and size by area / sub area • Need for affordable housing • Need for local needs housing • Specialised housing need (old people, etc.) <p>Community strategies / social factors / Well-being Plan</p> <ul style="list-style-type: none"> • Well-being Plans provide overarching framework for all local authority plans and strategies • Need for community based infrastructure and services • Aligning service provision and facilities with demographic changes such as health, education, and leisure <p>Gypsy and Traveller Accommodation Assessment</p> <ul style="list-style-type: none"> • Covering plan period 	<p>LDP - AMRs</p> <p>Internal and international migration rates</p> <p>Housing market areas - local and sub-regional</p> <p>Viability Areas</p> <p>Past build rates - What are the past trends over different periods, e.g. 5, 10, 25 and 20 years?</p> <p>Small and large site delivery rates</p> <p>Commuting patterns</p> <p>Welsh language - % Welsh Speakers</p> <p>Current facilities at places – role and function</p>	<p>Capacity (social, physical, environmental and cultural issues)</p> <p>Role and function – capacity (physical, social, environmental) at places to accommodate growth</p> <p>Developer type/ capacity/potential to deliver growth levels – market competitors and impacts on delivery? Lead in times for development (large/volume, SMEs, small builders)</p> <p>Land values (plan wide and sub market)</p> <p>Infrastructure accessibility, capacity and costs</p> <p>National environmental, ecological constraints – e.g. flooding, contamination, designations</p> <p>Overage/claw back (e.g. payment of a financial sum upon commencement of development)</p>	<p>Alternative demographic scenarios:</p> <ul style="list-style-type: none"> • Changes to household size (higher or lower) • Changes to migration assumptions (UK , International) and periods • Changes to age profiles (i.e. working age, 65+) • Conversion factor / vacancy rates / second homes / churn in the market <p>Spatial outcomes - Scale and location of homes and infrastructure</p> <p>Settlement hierarchy and boundaries</p> <p>Affordable housing targets and thresholds</p> <p>Local designations –e.g. green wedges</p> <p>Social factors – e.g. Welsh language sensitive areas/policies</p> <p>Timing and phasing of development</p> <p>Relationship to economic growth</p>

ECONOMY

Demographic and Need Based Considerations	Trends Based Considerations	Delivery Considerations and Constraints	Policy Based Considerations
NEED AND DEMAND FACTORS		SUPPLY FACTORS	
<p>Latest Population and Household Projections (Welsh Government Latest)</p> <p>In addition to the above:</p> <ul style="list-style-type: none"> Working age profile Economically active Migration rates Age profile <p>Employment Land Review</p> <ul style="list-style-type: none"> Identification of existing employment sites Identification of existing employment land/jobs by use class, broken down into SIC code Job growth (if appropriate) Forecast growth or decline in Class B and other employment land uses Need for a buffer to act as a flexibility allowance <p>National and regional economic growth strategies</p> <p>Generate growth forecasts for non-Class B employment uses</p>	<p>LDP - AMRs</p> <p>Unemployment rates (comparison to local, national and UK averages)</p> <p>Commuting patterns and rates</p> <p>Level of self-employment and home based working, plus potential trends</p> <p>‘Churn’ and replacement of existing employment units</p> <p>Vacancy rates and surplus of sites/premises by type and sector</p> <p>Delivery of employment land / take up linked to past build rates - What is employment take up over different periods, e.g. 5, 10, 20 & 25 years?</p> <p>Current & future demand for employment sites by type / sectors including rural economic growth</p> <p>Development on Enterprise Zones</p>	<p>Role and function – capacity (physical, social and environmental) at places to accommodate growth</p> <p>Site availability and deliverability including phasing</p> <p>Infrastructure capacity and costs</p> <p>National environmental constraints – e.g. flooding, contamination and European designations</p> <p>Developer type/ capacity/potential to deliver growth levels – e.g. competition between sites with similar market offers in neighbouring LPAs</p> <p>Access to markets and end users</p> <p>Skill set of local workforce</p> <p>Land values</p> <p>Overage / claw back clauses (e.g. payment of a financial sum upon commencement of development)</p>	<p>Alternative demographic scenarios:</p> <ul style="list-style-type: none"> Target increase in working age profile and economically active Changes to migration assumptions – e.g. rates of in/out migration linked to economically active <p>Settlement hierarchy and boundaries</p> <p>Number and level of jobs proposed – e.g. specialist and local</p> <p>Scale and location of new employment sites (key / local) - B1, B2, B8 including</p> <p>Identification of Enterprise Zones</p> <p>Safeguarding of key existing employment sites</p> <p>Loss of employment land to alternative uses</p> <p>Relationship to housing growth</p>

Assessing Housing and Economic Growth

Local Housing Market Assessments (LHMAs)

5.31 All LDPs should be supported by an LHMA and other local needs studies as appropriate (e.g. older persons, local needs housing assessments). The value of an LHMA is that it identifies a level of housing need, both market and affordable, per annum, both numerically and spatially, as well as the type of need in an area, e.g. tenure mix and house types. This is a core piece of baseline evidence influencing the scale, type and location of growth in a plan. Where housing markets cross administrative boundaries the assessment should cover the whole market area.

5.32 The LHMA will identify the total affordable housing need extrapolated over the plan period, spatial implications and the predominant tenure mix required. This should be clearly stated in the reasoned justification to the plan. The scale of affordable housing need will be a key consideration when determining the overall level and location of housing in the plan, as well as the allocation of affordable housing led sites where at least 50% of the homes are affordable, in line with the definition set out in TAN2. The sub-market areas identified in the LHMA should be spatially reflected in subsequent viability testing, thus ensuring clarity for policy formulation, spatial expression and application. The evidence base should also be clear how the sub market areas reflected in the LHMA and viability work aligns with the settlement hierarchy and affordable housing policy targets in the plan.

Table 14: The Local Housing Market Assessment (LHMA)

Why is the LHMA important?	Key considerations / links to other evidence base documents.
It identifies the level of affordable housing need on an annual basis. This should be extrapolated for the whole plan period.	The level of need will be a key consideration when determining the level of housing growth for a plan, in the context of deliverability.
Local Market Areas - It can set out the level of need by area, ward or sub-area.	<p>This will be a key consideration in devising a spatial strategy. The evidence base should be clear how the market assessment has influenced growth at places.</p> <p>Ensure there is alignment and/or a clear explanation of how market areas align with the viability areas / settlement hierarchy. The interrelationship should be clear.</p>

It sets out the type and tenure of homes. (social rented, intermediate, house types 1-2 bedroom, 3-4 bedroom, 5+ bedroom homes)	This should be used to inform the high level / site specific viability work, where appropriate. Reference to the tenure / house types sought should be included in the reasoned justification to the affordable housing policy to assist LPAs to negotiate s106 obligations.
Why are local needs assessments important?	Linkages to other evidence base documents
They are generally more suited to rural areas and will only be applicable to a small proportion of the plan area (both spatially and numerically) where there are specific local issues such as second homes, and/or affordability issues at specific places that may require a specific policy response i.e. homes are only sold to those who meet a specific definition.	The policy response must be proportionate to the issue and link clearly to the evidence base. Local needs housing have specific issues regarding finance, deliverability and mortgage availability that will need careful consideration. It must be clear where these policies apply and why. AMRs may well be a key piece of evidence in this respect.

Housing – Demographic Scenarios

5.33 Trend based projections inform plan preparation by extrapolating existing trends over the plan period, based on a series of assumptions. They provide a context within which a plan can be prepared. They are not a definitive statement about what will precisely happen, but illustrate what may happen, dependent on the assumption used. Key to any projections will be the assumptions themselves. With regard to housing and employment provision, varying assumptions for household formation rates, migration levels and job growth will have a bearing on the level of provision considered appropriate for both.

5.34 In terms of considering the level of housing provision for a plan, the most up-to-date suite of Welsh Government Population and Household Projections are a fundamental part of the evidence base. This includes both the principal and variant projections, as set out below:

Principal	Higher variant	Lower variant	Ten-year migration	Zero migration
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<https://statswales.gov.wales/Catalogue/Housing/Households/Projections>

5.35 These statistics are available on the Welsh Government’s website and can be exported to Excel, or specific software for analysis. All LPAs should use these

projections and the resultant household numbers when considering the level of housing provision for a plan period. A summary analysis of each variant projection and the implications this has for population, households and job growth for an area needs to be included in the evidence base. It will be necessary to incorporate data from the Welsh Government's Mid-Year Estimates (where available) as they give a more up-to-date position on population levels, births and deaths.

5.36 LPAs retain the ability to alter some assumptions within the standardised modelling. This could be a result of localised factors which better reflect their specific circumstances. The degree of variation in any of the assumptions, which ones and why, will need to be clearly evidenced and explained.

5.37 LPAs must use a household conversion factor when translating households to dwellings. The Welsh Government's Census data includes a 'vacancy rate' for all LPAs in Wales. This can be adjusted based on local circumstances. Failure to include a robust conversion rate from the outset is a high risk strategy and can result in the need for additional sites being required later in the process. An effective housing market does not operate on a 1:1 basis, i.e. there must be vacancies in the stock to allow for 'churn'.

Total household growth over plan period x 1.04 = Total Dwellings Required

5.38 A conversion factor should be clearly referenced and be applied consistently throughout the evidence base. A conversion ratio of 1.04 dwellings per household can be appropriate as a broad benchmark. This enables 'churn' in the housing market and an element of 'hidden' households to be accommodated. In practice this ratio has varied from 1.03% to 1.13% across Wales, reflecting local circumstances, empty homes strategies and the impact of second homes. The conversion ratio will be for the LPA to consider and evidence. It is also pertinent for LPAs to consider alternative growth scenarios (see paragraph 5.51 – 5.54) beyond those set out in the Welsh Government's projections. The alternative growth scenarios section highlights other potential scenarios which could be utilised. Where other potential scenarios have been used LPAs should provide a clear rationale and evidence base to support such an approach.

Economic Baseline

5.39 LPAs must have a robust economic evidence base underpinning the LDP. The LDP must contain, an economic vision, a broad assessment of expected employment change by sector and land use, include quantitative targets for Class B employment use (land and jobs) as well as allocate and safeguard those sites necessary to deliver the economic vision embedded into the plan.

5.40 Employment activities are often not constrained by individual LPA boundaries. The strategies and policies of neighbouring authorities, as well those at a national and regional scale, have a significant impact across LPA boundaries influencing the type of employment activity, labour skills and commuting patterns over a wide geographical area. LPAs should work strategically and co-operatively to understand and scope such relationships, gaining clarity on the degree to which external influences may have on their emerging LDP. Such co-operation will have the benefit of maximising efficiencies both in skills, resources and finance for individual LPAs, as well as resulting in a more robust evidence base. This larger than local evidence will influence the scale and location of growth identified in the LDP. The overall objective should be to locate homes and jobs as close as possible to each other to reduce the need for commuting.

5.41 To assist LPAs in understanding the baseline of economic evidence within their plan area, as well as forecasting over the plan period, the Welsh Government published 'Practice Guidance – Building an Economic Development Evidence Base to Support an LDP' (August 2015) to assist LPAs complete an Employment Land Review (ELR). ELRs can:

- Identify where demand and opportunities exist
- Identify where existing employment land is no longer required
- Establish property market profiles for Class B employment uses
- Establish a quantitative site inventory
- Generate qualitative site appraisals

5.42 An ELR provides a robust baseline assessment against which future forecasts can be made. LPAs should follow the approach set out in the ELR, proportionate to their local circumstances, to provide an economic baseline upon which future forecasts can be undertaken. It is envisaged that in more rural areas a light touch approach may be appropriate.

Economic Forecasting

5.43 To understand the demand for the scale and type of employment growth over the plan period, LPAs must undertake a more refined economic forecasting approach. This should comprise an analysis of job growth across different industrial sectors, broken down into the Standard Industrial Classification (SIC) codes. Various assumptions can be made regarding growth levels for each SIC code, taking into account national and regional factors. Future policy choices can also be factored in, such as the identification of a growth focus on specific sectors through the establishment of an Enterprise Zone (EZ) or City Deal. This will generate a job growth figure for each SIC code, which can then be amalgamated into Class B uses and then land requirement in hectares.

5.44 It is important to note that in order to achieve this outcome it will be necessary to have a thorough understanding of the baseline position. The ELR enables this to be achieved. It is recommended that an ELR is undertaken to facilitate this further modelling. Failure to understand the baseline position will not provide sufficient grounds on which to base any forecast.

5.45 Economic forecasting will provide LPAs with a job number which will include jobs beyond Class B land use, such as retail, education and health. It is important the ELR specifies Class B jobs, as this relates to the policies in the plan.

5.46 Once the numerical increase in job growth has been quantified by SIC code sector, this can then be translated in Class B growth requirements, B1, B2 and B8. Due to the different land-take ratios of jobs per m² or hectare, using an appropriate conversion ratio between jobs and land-take for the different sectors will generate an overall land-take requirement for Class B employment, expressed in the plan.

5.47 The plan will be expected to express a land-take value (hectares) for Class B employment uses. However, it would be prudent to add some degree of flexibility, a buffer to a land requirement value, as any forecasting is not an exact science. This aligns with the approach taken for housing. This will be for the LPA to determine, reflecting on the nature of their administrative area and historic data, adapting the approach accordingly.

5.48 A key point with this approach is the nature of the assumptions used in the forecast. Whether this is absolute economic growth levels, policy choices, constraints, national and/or regional influences, they should all generate different outcomes. This is the same principle when considering housing projections. A range of job numbers and subsequent land requirements will be dependent on these assumptions.

Link between Economic and Housing Forecasts

5.49 LPAs should not consider employment forecasts in isolation, but the relationship between economic and demographic/population projections. Demographic and population projections will be a key consideration in understanding the potential of a future population to accommodate economic growth options (and vice versa). What is the relationship between the number of jobs generated and the economically active element of the projected population? Will a population provide sufficient homes so as not to import labour and hence increase in-commuting? Is there sufficient employment land/jobs available for the projected increase in population?

5.50 The critical point is ensuring that both economic and housing growth are broadly aligned, accepting there is no direct mathematical relationship. Both

forecasts and the scale of growth should be similar, supporting each other. This is a symbiotic relationship; it is important to evidence how the assumptions underpinning forecasting for jobs and homes broadly align, to reduce the need for commuting.

Alternative Growth Scenarios

5.51 The evidence base should consider a variety of options, based on a series of assumptions, both for jobs and homes. Different factors can be built into a forecast, such as migration levels, or different SIC code growth levels for employment. Understanding the implications arising from different assumptions and the resulting alignment between jobs and homes is crucial.

5.52 Key variables within the housing and economic projections can be adjusted to provide alternative scenarios when considering housing and economic growth. Undertaking alternative scenarios is useful to test the impacts of different assumptions. The consideration of alternative scenarios will assist LPAs arrive at a more robust evidence base that aligns with, informs and delivers on the strategy and key issues. Examples of alternative scenarios include the following:

Table 15: Alternative Scenarios

Demographic led:	Changes in household size
Demographic led:	Changes in household formation rates
Demographic led:	Changes in migration rates (internal and international) age profile of migrants (retirement age, economically active)
Affordable Housing led:	The level of housing provision necessary to deliver the total affordable housing need identified over the plan period
Jobs led:	Changes to labour force / economically active profile
Jobs led:	Plan for various economic growth outcomes (i.e. increases in labour force/working age, migration levels)
Dwelling led:	Plan for a set number of homes to achieve demographic outcomes (i.e. housing need / population and migration levels)
Dwelling led:	Past build rate scenarios (e.g. 5, 10, 15 and 20 years) – implication of replicating past trends (considered against the plan and economic context at that time, have regard to the developers operating in the area)
Policy led:	Policy choice – consider the impact of regional growth levels, City Deal bids, Enterprise Zones , growth levels, containment and commuting factors

5.53 The evidence should be clear and relate to the different growth scenario tested, with implications for the demographic profile and level of homes and jobs in the plan explained. It is important that the contextual and economic conditions underpinning any projection are carefully considered as this may have a bearing on whether it is realistic or appropriate to plan for those levels going forward. For example, is it appropriate to project forward unusually negative trends, periods of high growth, or unrealistic assumptions about future housing or employment growth?

5.54 LPAs can chose to plan for a specific demographic, dwelling, job led strategy, or alternatively a hybrid approach may be appropriate. There may be commonalities between different scenarios in terms of the homes and jobs generated indicating more than one scenario, or a combination of several will deliver the LDP strategy. The evidence base should set out clearly why a growth level is preferred and demonstrate how it aligns with the evidence base and how it will deliver the key issues the plan is seeking to address, whilst minimising the need to commute.

A significant misalignment between aspiration and delivery, the evidence and the level of growth proposed will have adverse consequences for a plan. The level of homes and jobs proposed should be set to deliver the plan's vision, objectives and address the key issues.

Past Build Rates Comparison

5.55 Extrapolating forward past take-up rates for both jobs and homes over various time periods gives a factual representation of what has been delivered in the past. This approach can provide a useful benchmark against which to compare future employment and household growth, assuming previous conditions remained constant. However, this may have been constrained by contextual influences applicable at a previous point in time, for example global economic markets, or have led to undesirable outcomes which should not be repeated, such as a mismatch between the number of homes and jobs.

5.56 It will be important to understand the relationship between the past and the future direction of the plan, including such contextual circumstances. If there are/were limitations that hindered the ability to deliver growth previously, then until mechanisms are in place to address such matters this could have a bearing on future growth levels. Understanding the context within which delivery was/can be achieved will be important, particularly when considering a housing trajectory as this could influence the speed and increase delivery rates, or conversely result in a delivery cap until such matters are resolved.

5.57 Just relying on past build rates as the sole evidence base to quantify future employment and housing land requirements is not sufficient on its own. Additional evidence will be required to identify the scale of new jobs and homes necessary and

the related land requirement. Tables 13 and 15 give examples of alternative scenarios to give a broad range of potential outcomes, rather than just relying on past build rates.

Housing Provision and Supply Components

Housing Supply

5.58 Housing supply is the total housing provision set out in the plan, comprising the housing requirement plus a flexibility allowance.

Housing Requirement + Flexibility Allowance = Housing Provision

Flexibility Allowance

5.59 It will be extremely rare that all sites identified in a plan will come forward in the timescale anticipated. Whilst there is a need to improve certainty through frontloading, as described earlier in the Manual, there may be instances where site specific circumstances, unknown at the plan making stage, delay the delivery of sites. A development plan will not be effective if it cannot accommodate changing circumstances. **This means that a flexibility allowance must be embedded into the plan.** The plan will need to evidence there is sufficient flexibility above the requirement to account for non-delivery and unforeseen issues, demonstrating delivery of the Anticipated Annual Build Rate (AABR) throughout the plan period. A housing trajectory will be an important tool to evidence this (see paragraph 5.64 – 5.74). The level of flexibility will be for each LPA to determine based on local issues; the starting point for such considerations could be 10% flexibility with any variation robustly evidenced. The policy framework in the plan should be clear regarding the housing requirement, provision, and flexibility allowance. The level of flexibility chosen by the LPA when the plan goes on deposit is broadly maintained upon adoption of the plan. The key housing policy should be formulated around the following approach:

Housing Policy X:

The plan makes provision for x homes to deliver a housing requirement of y, of which z homes are affordable.

(Note: $X - Y = \text{Flexibility Allowance}$)

Spatial Distribution of Housing

5.60 The plan should clearly identify the components of housing supply by settlement/settlement category to support the housing policy framework. This will demonstrate how the different components of supply make up the total plan provision and crucially, how they will be spatially distributed. Table 16 should be included in the plan. This is particularly important when linking the actual provision of

sites to the strategy and objectives, giving clarity to the plan and ensuring effective monitoring of the spatial strategy.

Table 16: Summary of Spatial Distribution of Housing

	Components of Housing Supply	Settlement / Growth Zone Tier 1	Settlement / Growth Zone Tier 2	Settlement / Growth Zone Tier 3	Settlement / Growth Zone Tier 4
A	Total completions (small and large)				
B	Units under construction				
C	*Units with planning permission				
D	New Housing Allocations				
E	Large windfall sites (+5/10)				
F	Small windfall sites (-5/10)				
G	Total Housing Provision				

*This should only include large site planning permissions in relation to the LPA threshold (urban/rural area). Small sites are based on past trends and rolled forward. However, this will be for the LPA to determine, ensuring there is no double counting.

Allocations

5.61 The overarching housing policy will set out the total provision, which should then be broken down spatially by settlement category. This should be supplemented by further policies linked to specific site allocations. The site allocations policy should set out clearly the site name, settlement, number of units (private and affordable) and broad phasing tranches. Site capacity should take into account densities and relationship to sustainable locations. (Table 17)

Table 17: Site Allocations Policy Table

Site Ref	Site Name	Settlement / Growth Zone	Total Units in plan period	Total Affordable Units in plan period	Delivery timescale		
					Year 1-5	Year 6-10	Year 11-15

Demonstrating Delivery

5.62 To enable Tables 16 and 17 to be completed, there needs to be a clear and consistent approach to the terminology for each housing component. Whilst the specific numerical values will vary considerably, having a common and consistent approach to definitions is essential (Table 18). This is particularly important as these definitions will be used to demonstrate the supply of housing across the plan period, for all LPAs in Wales. Tables 16 and 17 should be included in the plan under the housing allocations policy.

Definition of Components

- All components must have the same base date, which may require updating as the plan moves through the preparation process. LPAs should consider the relationship between the period of housing monitoring data (i.e. 31st March) and the end of the plan period (i.e. 31st December). The simplest approach is to align the plan period with the monitoring period to avoid difficulties in the phasing and housing trajectory as this may cause practical difficulties in the final year of phasing in the plan period. Alternatively, the last year of the trajectory could reflect 9 months of supply. This is for the LPA to consider.
- Allocations, commitments and windfall sites (small and large) should be separated to aid clarity of the plan and avoid double counting.
- Each housing component should be clearly defined, robustly justified, related to the settlement hierarchy and consistent in terminology.

Table 18: The Components of Housing Supply

Housing component	Key considerations / links to other evidence base documents.
<p>Land bank ‘commitments’</p> <p>Comprising housing completions since the start of the LDP period, units under construction and those with planning permission at a ‘point in time’ – the base date.</p>	<p>Dealing with allocations that have gained a planning permission - The land bank comprises commitments only, those sites with a planning permission at the base date. Allocated sites gaining planning permission after the base date will need to be identified and quantified for the examination.</p> <p>Completions to date – Should be split by large and small sites for clarity of presentation and analysis (this will depend on whether 5 or 10 units are chosen as the threshold).</p> <p>Evidencing delivery of the land bank - The ‘land bank’ will be derived from the latest Housing Stakeholder Group, resulting in a relative degree of certainty for those sites and their phasing.</p> <p>Including the entire land bank in numerical terms in a housing provision can be a high risk strategy. If sites do not come forward as anticipated, or issues arise as part of the examination process, a lack of delivery can result in a potential shortfall of homes. Having a non-delivery allowance in the plan can help avoid this scenario.</p> <p>A ‘non-delivery allowance’ is factored into the land bank; discounting a proportion of the land bank based on local evidence. This may not be appropriate for all LPAs, but relevant for LPAs with a large number of land bank sites, not those with just a few sites, or in areas where the land bank is made up of numerous small sites which take a long time to complete. To be clear, a land bank non-delivery allowance is separate to the flexibility allowance (i.e. 10%) which is applied to the plan as a whole.</p> <p>Understanding the proportion of sites that did not come forward in the past can be a useful tool in this respect. Sites can be discounted individually, or applied as a percentage across the overall land bank. The latter is the simplest approach. Non-delivery allowances have ranged from 20-50% to date, dependent on local circumstances.</p>

<p>Large windfall sites (>5 or >10)</p> <p>Small windfall sites (< 5 or <10)</p> <p>Sites that are not allocated or a commitment in the plan.</p>	<p>Analysis of past trends- The evidence should set out small and large sites windfall rates as separate components. It will be for the LPA to determine the threshold (5 or 10 units). Reviewing windfall delivery rates for both small and large sites, over different time periods, will shape the consideration of a future extrapolation rate. Contextual commentary on those rates in relation to the plan may be helpful. Periods of abnormally high or low completion rates are inappropriate to include in a future extrapolation rate. The evidence should be clear as to what period has been chosen and the rationale for doing so. The time period chosen should be sufficient to rule out anomalies in specific years and be of a reasonable duration. Sites received from the candidate site process work and the Urban Capacity Study (UCS) will assist this process. Large windfall sites should not be included in the first two years of supply to avoid issues of double counting (see trajectory guidance),</p> <p>Settlement boundaries should be drawn in a manner to match an extrapolation rate to come forward, in line with the plan’s strategy. This will also allow opportunities for small builders.</p> <p>Consideration of contextual changes, for example, a change in the settlement strategy and approach to boundaries, may result in a greater or lower opportunity for windfall site delivery. An UCS can assist in evidencing a windfall allowance. Only the net gain of residential units should be included. Some large sites may be more appropriate to take forward as specific allocations in the plan, not windfall sites.</p>
<p>New Housing Allocations</p>	<p>New housing allocations - These should come forward through the candidate site process. They will need to be supported by robust evidence on delivery, phasing, infrastructure requirements and viability. Allocations should comply with the National Sustainable Placemaking Outcomes, the Gateway Test applied to the site search sequence and the Sustainable Transport Hierarchy (PPW). The Manual gives specific guidance on Placemaking, how to consider the delivery and viability of allocations. PPW sets the policy tone to consider new allocations, supplemented by an SA/SEA analysis. The Manual also includes detailed sections on how to demonstrate delivery of key sites in the plan.</p>

Rolling forward allocations - Allocations rolled forward from a previous plan will require careful justification for inclusion in a revised plan, aligning with PPW. There will need to be a substantial change in circumstances to demonstrate sites can be delivered and justify being included again. Clear evidence will be required that such sites can be delivered. The sites should be subject to the same candidate site process requirements as new sites i.e. they must be demonstrated to be sustainable and deliverable. If an LPA wishes to retain such sites but cannot evidence they will be delivered, i.e. for aspirational or regeneration purposes, they can still be allocated in the plan but not relied upon as contributing to the provision. It will not be appropriate to include such sites in the windfall allowance. They should be treated as 'bonus sites'.

Key Sites – Sites key to the delivery of the plan will require greater evidence to support their delivery including schematic frameworks, phasing details, key transport corridors, critical access requirements, design parameters (in order to support SPG/Development Briefs/Master plans), s106 requirements, infrastructure and costs. Requirements essential to deliver these key sites should be elevated into the policy, supported by a schematic framework. These principles should be set out in Statements of Common Ground (SoCG).

Viability appraisals - Viability appraisals should be prepared by the LPA in conjunction with developers and site promoters for key sites prior to their allocation. SoCG will be prepared to show where there is agreement/ disagreement.

Phasing of key sites – The following should be factored into a phasing schedule:

- Land acquisition
- Pre-application discussions
- Statutory pre-application consultation (PAC) process
- Determination of planning application by LPA and associated S106 agreement
- SAB approval timescales
- Discharge of planning conditions

The complexity of a site can elongate the delivery timeline. The evidence base should be clear as to where sites are in the process. The phasing of sites should be based on a

	robust assessment of these key elements. SoCG with developers can assist in this process. The timing and phasing of key sites should be realistic.
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Potential Scope of an Urban Capacity Study

5.63 PPW states that LPAs should maintain a register of suitable sites which fall below the threshold for allocation in the LDP. The candidate site process will assist in delivering this objective. Below is a list of what could be considered within an UCS, however, this will be for the LPA to determine based on local circumstances. An UCS can inform the identification of site allocations and assist to demonstrate delivery of the windfall allowance in the plan. It can be a useful resource to developers and SME's identifying potential development opportunities not specifically allocated in the plan.

- Vacant land within a settlement boundary
- Subdivision of existing housing
- Flats over shops
- Empty homes
- Previously developed vacant and derelict land and buildings (non-housing) i.e. underused/derelict employment sites, petrol stations, public houses, hotels, community buildings
- School closure programme / public body disposal strategy
- Open space surplus to requirements
- Intensification of existing housing areas
- Redevelopment of car parks
- Conversion of commercial buildings

Preparing a Housing Trajectory

5.64 A housing trajectory forms part of the development plan. It is a summary of site specific phasing information for all sites within the plan, including windfall development, articulated on an annual basis. It demonstrates how sites contained in the plan are anticipated to be delivered, aiding effective monitoring of the plan. **A housing trajectory is the key mechanism to demonstrate how all sites will be delivered in the identified timescales, throughout the whole plan period, to meet the dwelling requirement.**

5.65 Lead-in times to bring forward larger sites, the inter-relationship between sites, the relationship to potential constraints, the timing and sourcing of infrastructure/funding and assumptions for small/large windfall sites should all be considered when preparing a housing trajectory. A thorough understanding of the overall timing of development from pre-application discussions, obtaining a planning permission, surveys required, discharge of conditions and on-site phasing is essential when considering the delivery of housing.

A housing trajectory **must** be prepared to support the Deposit Plan **and embedded in the plan as an Appendix, clearly articulating** the anticipated annual and cumulative build rate. **Housing trajectories should include a steady flow of housing sites through the plan period, and not be unduly loaded towards the end of the plan period.**

The trajectory should be prepared through effective collaboration and involvement with the relevant stakeholders. Failure to do so may result in increased objections/delay at LDP examination.

It is only following the examination of the plan when there is certainty on the delivery trajectory of sites allocated, linkages to supporting infrastructure, assumptions around windfall sites and which land bank sites it is considered prudent to include in the plan, all of which would have been subject to thorough scrutiny through the examination process. This trajectory in the plan will be the basis for monitoring purposes.

Chapter 8 sets out guidance on how the trajectory should be updated following plan adoption through the AMR process.

Engaging with Stakeholders to Prepare the Housing Trajectory – Housing Stakeholder Group

5.66 A housing trajectory must be prepared to support the Deposit Plan. In order to generate a housing trajectory and associated phasing tables **it will be necessary for LPAs to engage with stakeholders through a Housing Stakeholder Group.** This will ensure that the timing and phasing of sites is robust and based on up to

date information. This approach seeks to achieve consensus and minimise further discussion to those areas/sites where there is disagreement when the plan is submitted for examination. As stated in previous chapters, more detailed SoCGs will be necessary to support key and strategic sites.

5.67 It will for the LPA to invite relevant stakeholders to the Housing Stakeholder Group prior to finalising the evidence for the Deposit Plan. Membership of the group is a matter for each LPA to determine, but should ideally consist of relevant LPA departments, home builders, land owners (and agents where appropriate), Registered Social Landlords, statutory undertakers, infrastructure providers and other bodies as appropriate.

5.68 The purpose of the stakeholder group will be to discuss the timing and phasing of all sites with a planning permission or an allocation in the plan, as set out in Table 19 and 20 overleaf. **Initially the LPA will prepare a draft of each table (annual phasing rate) based on the information submitted by site promoters through the candidate site and plan preparation process to date, in addition to internal monitoring mechanisms in respect of completions and planning applications.** It will be for the LPA to consider what information is collected and how this is communicated to the stakeholder group in advance of a meeting to assist deliberations.

5.69 The purpose of the stakeholder group will be to consider and refine/update (where appropriate and justified by evidence) the timing and phasing of actual sites in the plan. Key parameters for the group are as follows:

- Ensure **completion figures** are up to date and recorded correctly for large and small sites
- Consider the anticipated annual delivery rates for **sites with planning permission** (note: sites subject to S106 agreements may be included but only where there is clear evidence the S106 will be signed and there is a realistic chance the site will be delivered in the short term)
- Consider the anticipated annual delivery rates for **housing allocations** (informed by SoCG on key sites where available)

5.70 Small and large windfall site rates/assumptions are not within the remit of the stakeholder group. The LPA should evidence assumptions used to determine these average rates which will form part of the discussion at the examination of the plan. This is the appropriate stage of plan preparation process to challenge such assumptions through representations to the plan, if appropriate. (See Table 18)

5.71 When Tables 19 and 20 are completed, in conjunction with robust assumptions on small and large windfall rates, this information will be used to populate Table 21 and the Trajectory Graph (Diagram 16).

5.72 Meetings of the Stakeholder Group will be chaired by the LPA. The Deposit plan is the plan the LPA considers to be sound. On this basis, where there is disagreement on the timing and phasing of sites, it will be for LPA to make a judgement/conclusion on that basis. However, where there are outstanding areas of dispute/disagreement, which should be limited in number, this should be recorded within the Council's evidence base which will enable a more focussed discussion when the plan is submitted for examination on key areas of disagreement. The stakeholder group should adopt a collaborative approach to build as much consensus as possible. **Every effort should be made by the Group to agree the timing and phasing of sites in the plan period.**

How to Construct a Housing Trajectory

5.73 In devising the LDP evidence base **the housing trajectory is made up of three elements:**

Note, the annual build rate collectively encompasses both market and affordable homes and does not need to be separated for the purposes of the trajectory.

- **An appreciation of the timing and phasing of all components of housing supply over the plan period** (units with planning permission, allocations and windfall development). Tables 19 and 20 should be completed to inform this process. Windfall rates will usually be (*LPAs can chose to undertake a more refined analysis*) an annualised flat rate over the plan period. There is no double counting issue regarding small windfall sites and sites with planning permission (below the threshold).

LPAs should ensure there is no double counting in the early years of the plan between large windfall sites and those with planning permission. **In practice, it is not recommended to include a large windfall allowance rate within the first 2 years of projected supply to avoid issues of double counting.** The total of all these elements must align with the housing provision.

- A summary table setting out the timing and phasing of anticipated completions for all housing components throughout the plan period (Table 21) to arrive at an anticipated annual build rate (minus flexibility). **The anticipated annual build rate (AABR) will form the benchmark against which housing delivery is measured through the AMR process** (See Chapter 8).
- A trajectory graph illustrating all the components of housing supply that collectively form the housing provision, phased over the plan period to deliver the anticipated annual build rate. **The graph will also demonstrate the scale and timing of flexibility over the plan period** (Diagram 16).

5.74 In respect of Table 21 please note the following principles:

- **Row C** - Insert the total housing provision for the plan period as a flat rate in each column (not annualised).
- **Row D** - Insert the total plan requirement for the plan period as a flat rate in each column (not annualised).
- **Row K** - Total completions (Row E+F+G+H+I+J).
- **Row L** - A housing trajectory will have been prepared by completing Tables 19, 20 and 21, resulting in Diagram 16, a Housing Development Trajectory. This trajectory sets out how the overall housing provision is anticipated to be delivered on an annual basis, based on a series of assumptions, across the whole of the plan period (the bars set out on Diagram 16).

It should be noted that the assumptions used to generate the Housing Development Trajectory (relating to provision) will include the timing, phasing and delivery of sites. This will vary between sites due to a multitude of factors, including the scale of site, lead in times, regeneration sites, contamination etc. The effect of this will mean that the Housing Development Trajectory (relating to provision) will be a curve, reflecting varying annual delivery rates.

The level of housing provision will be greater than the housing requirement, as the housing provision incorporates the flexibility allowance, expressed as a percentage (see paragraph 5.58). It will therefore be necessary to determine the **Annual Anticipated Build Rate (AABR)** for the plan period, based on what the plan is required to build (the black line on Diagram 16).

However, during the plan preparation process it may be that the phasing and delivery assumptions of sites over the remaining plan period changes. Sites could be delivered earlier, or later, or in greater or fewer quantities in future years. In addition, actual completions from the start of the plan period may not have matched those initially considered appropriate. The combination of these factors will result in a subtly different Housing Development Trajectory (relating to provision) for the remaining plan period, a subtly different shaped curve.

It will therefore be necessary to determine an amended **AABR**, the number of houses required to be delivered each year over the remaining plan period, at varying stages before the plan is adopted. This will mirror the updated Housing Development Trajectory, albeit based on the remaining plan housing requirement, not provision.

To determine the AABR, Row K should be multiplied by the Adjustment Factor for each year following the last known actual completion year. Amending Row K is essential to reflect both actual housing completions from the beginning of the plan period, as well as how assumptions regarding the future delivery of

sites evolves. This process of amending the AABR can be undertaken throughout the plan preparation process.

It will be critical to undertake a final, amended AABR prior to adoption of the LDP. This AABR is key as it is the annual housing delivery requirement against which the plan will be monitored (see paragraphs 8.14 to 8.17).

By the end of the plan period (year 15) the cumulative AABR completions should total the plan housing requirement. There could be a small margin of error, if applicable, due to rounding up/down issues. The formula to calculate the Adjustment Factor is set out below.

	$\text{Adjustment Factor (AF)} = \frac{\text{Requirement} - \text{Completions}}{\text{Provision} - \text{Completions}}$
<p>Example as per Diagram 16: 12,000 Provision, 10,435 Requirement, 874 Completions</p>	
	$\text{Adjustment Factor (AF)} = \frac{10,435 - 874}{12,000 - 874}$
	$\text{AF} = \frac{9,561}{11,126}$
	$\text{AF} = 0.8593$

To be clear, the formula does not change the overall flexibility in the plan; its purpose is to adjust the AABR to take account of actual completions and any amendments to the requirement and/or provision arising from the examination of the plan. Applying the adjustment factor to Row K will then ensure there are no inconsistencies in the numerical calculations over the remainder of the plan period. This table will form the baseline against which AMRs with indicators on housing delivery will be based.

- **Row M** - Projected cumulative completions by year. For example, the cumulative completions in the final year of the plan would add up the housing requirement, allowing a small adjustment for rounding up/down issues, where appropriate.

- **Row N** – Remaining housing completions (housing requirement minus projected completions by year). The remaining housing completions in the final year of the plan would be zero.

Table 19: The Timing & Phasing of New Allocations

Table 20: The Timing & Phasing of Sites with Planning Permission

The timing and phasing of allocations (2018-2033)

Settlement Tier / Growth Zone	Allocated Site Name	*Total site capacity	Time lag to construction start in months			Phasing of Development (2018-2033)																				
			Time period for pre-application discussions / PAC consultation	Time between submission of planning application and determination	Time taken from planning consent to the discharge of relevant conditions to enable site construction	Completions	U/C	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Units beyond the plan period			
South Zone	Site A																									
Settlement A	Site B																									
Settlement B	Site C																									
Settlement C	Site D																									

* sites capable of delivering a greater number of homes beyond the plan period

The timing and phasing of sites with planning permission (2018-2033)

Settlement Tier / Growth Zone	Site name	*Total site capacity	Time lag to construction start in months			Phasing of Development (2018-2033)																					
			Time period for pre-application discussions / PAC consultation	Time between submission of planning application and determination	Time taken from planning consent to the discharge of relevant conditions to enable site construction	Completions	U/C	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Units beyond the plan period				
South Zone	Site A																										
Settlement A	Site B																										
Settlement B	Site C																										
Settlement C	Site D																										

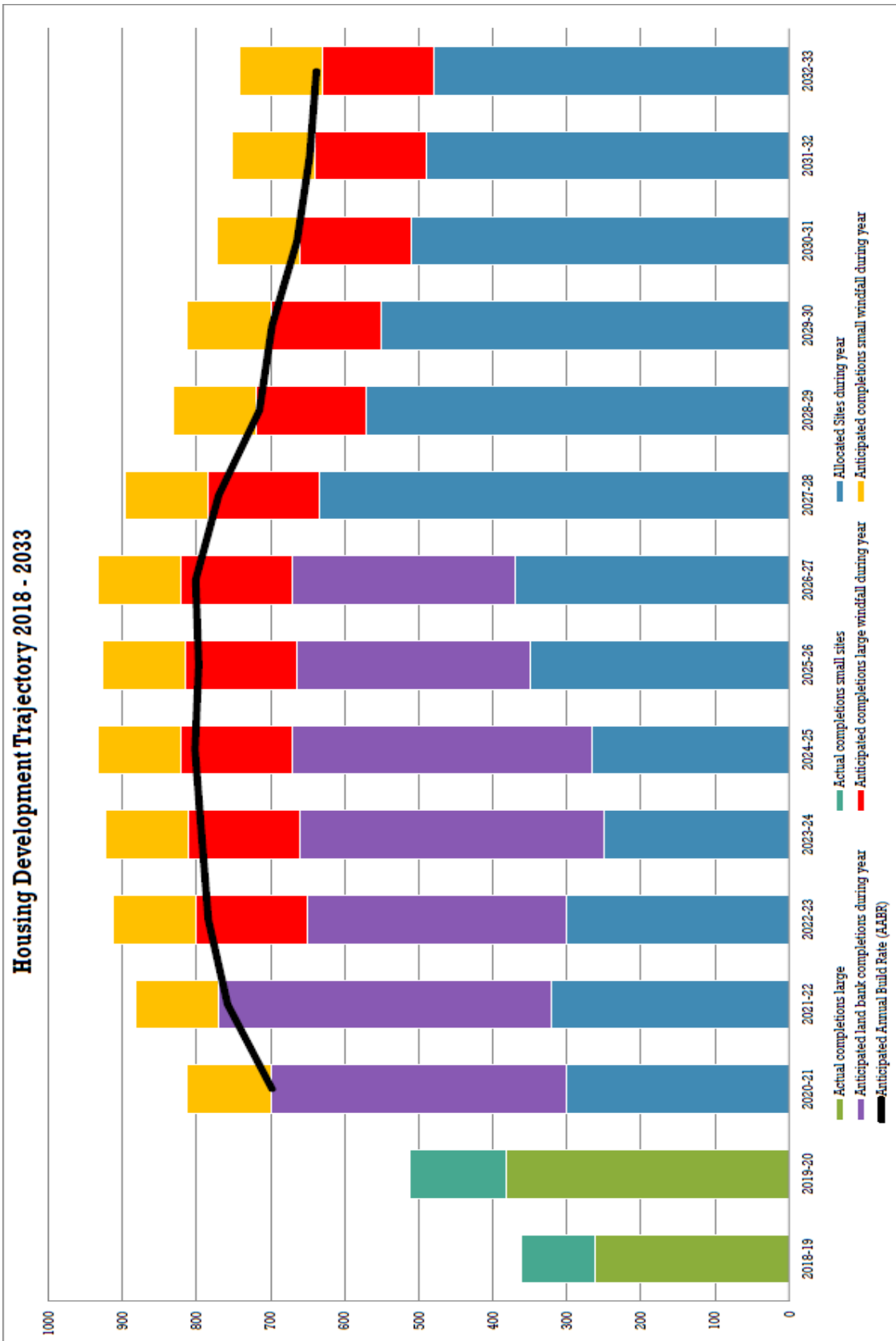
* sites capable of delivering a greater number of homes beyond the plan period

Table 21: Calculating the Anticipated Annual Build Rate

LDP Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-2033
B Remaining years	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
C Total housing provision															
D Total LDP housing requirement															
E Actual recorded completions on large sites during year															
F Actual recorded completions on small sites during year															
G Anticipated completions on allocated sites during year															
H Anticipated land bank completions during year															
I *Anticipated completions large windfall during year															
J Anticipated completions small windfall sites during year															
K Total completions (E+F+G+H+I+J)															
L Anticipated Annual Build Rate - Total anticipated annual completions (G+H+I+J) adjusted with X% adjustment factor to future completions. The adjustment factor is not applied to any actual completions recorded in row E & F.															
M Total projected cumulative completions															
N Remaining housing completions (housing requirement minus projected completions by year)															

* No double counting of large windfalls within the first two years of supply

Diagram 16: Housing Development Trajectory



Housing Summary Checklist

✓	Ensure the policies of the plan are clear in respect of the housing provision, requirement and flexibility element.
✓	Ensure the plan clearly sets out the spatial distribution of housing by settlement category and housing supply component.
✓	Ensure the housing components are clearly defined, used consistently and underpinned by robust evidence.
✓	Set out clearly and evidence the phasing and delivery of all housing components over the whole plan period, on an annual basis.
✓	LPAs should consider the relationship between densities and the location of allocations in order to maximise opportunities provided by development located around public/mass transit hubs,
✓	Be realistic about when sites will come forward over the plan period. The trajectory should be based on a cumulative analysis of realistic build rates, the capacity to deliver growth levels, phasing and timing of key sites, infrastructure requirements and delivery and viability work.
✓	Engage with key stakeholders. The housing trajectory should reflect key stakeholders requirements/working assumptions including those of developers, NRW, and DCWW. SoCG can be prepared with key partners to support the phasing assumptions of growth levels and detailed phasing information within the plan.
✓	A reflection of the whole process from the commencement of planning to the delivery of units should be considered. The phasing of sites should encompass pre-application discussions, time to grant permission, discharge of conditions and build-out rate of the industry/market demand. This should give as much certainty as possible.
✓	A robust trajectory will demonstrate the timing and phasing of all sites over the plan period is realistic and deliverable.
✓	A robust trajectory should demonstrate flexibility above the required annual build rate for the majority of the plan period, accepting that there will be variations in the build rate.

Employment - Components of Supply and Policy Framework

Provision

5.75 The level of Class B employment provision (hectares) identified in the plan is the employment requirement, including a buffer. Due to uncertainties in the economic climate and changing market demands it is essential that plan deals with unforeseen circumstances and provide flexibility and choice on a range of employment sites. A strategy is unlikely to be effective if it cannot deal with changing circumstances. This means that a buffer should be embedded in the plan.

$$\text{Employment Requirement (ha) + Buffer (ha) = Employment Provision (ha)}$$

Buffer

5.76 ELRs calculate the buffer based on past build rates per annum and this is articulated through additional years supply. The scale of the buffer set out in the ELR should be proportionate and relative to the requirement and degree of risk in delivering employment allocations. An oversupply of employment land above the provision can adversely impact on the development of employment allocations as it risks confusing the market, lowering land values, reinforcing vacancy rates and frustrating development for alternative uses. A buffer should be realistic. The policy framework in the plan should be clear on the employment provision:

Employment Policy X:

Land is provided for x ha of Class B employment land

Table 22: Economic Components

Employment Policies	Key considerations / links to other evidence base documents.
Employment allocations	<p>Mixed-use allocations – Part of a wider mixed-use scheme including Class B uses. On mixed-use allocations, Placemaking principles and schematic frameworks should be embedded in the plan clearly identifying the type, scale (ha), location and phasing of the employment element.</p> <p>Phasing of key sites – Broad phasing of employment sites should be set out within the implementation and delivery appendix. SoCG can be advantageous.</p>

	<p>Enterprise Zones – Enterprise Zones (EZs) where designated, will contribute towards the employment provision. The boundary of the EZ will need to fully align with the Welsh Government’s designation.</p> <p>‘Rolling forward’ allocations – Before allocations in previous plans can be rolled forward they need to be evidenced they can be delivered. If not, they should be de-allocated. However, they could be retained and allocated in the plan for aspirational or regeneration purposes, but they should not be relied upon numerically to count towards the provision.</p> <p>Ancillary Uses – Ancillary services and facilities can support the wider role and function of allocated and safeguarded employment sites. Plan policies should enable the development of ancillary services, providing they do not undermine the integrity of the employment site. They should be ancillary, not dominate.</p> <p>Waste Uses - General employment allocations and safeguarded sites (Class B2) are suitable locations for waste facilities, provided there are no flood risk issues with specific types of waste processing, i.e. waste food (see Technical Advice Note 15 ‘Development and Flood Risk’). Preferred sites for waste uses should be clearly identified in policy.</p>
<p>Safeguarded employment sites</p>	<p>ELRs identify existing Class B employment sites for retention for employment use. Sites should be listed in a separate safeguarding policy and spatially identified on the Proposals Map.</p> <p>Safeguarded sites should maintain the site as a key employment and economic driver in the area. They should be protected for a range of Class B uses.</p>
<p>Loss of employment land/premises to alternative uses</p>	<p>Plans should include a criteria based policy to control a specified range of alternative, non-Class B uses on employment sites.</p> <p>The loss of existing employment sites and premises should be subject to stringent policy criteria as proposals are likely to come forward on land utilised by older and more traditional employment industries with lower land values. In some</p>

	<p>instances, this land will be important to maintain for smaller firms and new incubator units setting up in an area.</p> <p>A key consideration in policy criteria should include evidence on the marketing of existing employment land and premises, including robust evidence on the length of the marketing period, the range of methods employed and any responses received.</p>
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Gypsy and Traveller Provision

Assessing the Need for Gypsy and Travellers

5.77 PPW requires Local Authorities (LAs) to assess the accommodation needs of Gypsy and Traveller families and have policies for the provision of Gypsy and Traveller sites in the LDP. The Planning for Gypsy, Traveller and Show people sites Circular 005/2018 reinforces this position. The Gypsy and Traveller Accommodation Assessment (GTAA) will form part of the evidence base that will be subject to public scrutiny through the plan preparation process and public examination.

5.78 The Housing (Wales) Act 2014 places a legal duty on LAs to ensure the accommodation needs of Gypsies and Travellers are properly assessed and the identified need for additional pitches is met. In order to be able to properly assess the accommodation needs of Gypsies and Travellers, section 101 of the Housing (Wales) Act 2014 introduced a requirement for LAs to carry out an assessment of the accommodation needs of Gypsies and Travellers. Assessments have to be carried out at least every five years after the adoption of the initial assessment in 2016. They must be subject to consultation and submitted to Welsh Ministers for approval.

5.79 Detailed Welsh Government guidance has been published which LAs must have regard to when preparing assessments, titled 'Undertaking Gypsy and Traveller Accommodation Assessments (GTAAs) guidance'. **The guidance requires the identification of current need, future need at year 5 and future need over the current LDP period.**

LPAs must ensure the GTAA is up to date and identifies a need for the entire plan period. This work will need to be completed, in addition to the provision of appropriate site allocations (where relevant) prior to the statutory deposit stage. LPAs must ensure the GTAA has had formal sign off by the relevant Welsh Minister. The status of the GTAA supporting the plan must be clear.

Where LPAs are undertaking a plan review, GTAAs that do not currently include a need figure for the entire replacement LDP plan period must be updated and agreed by Welsh Ministers, as set out in the Housing (Wales) Act 2014.

The LDP must be clear of the results of the GTAA in terms of the total and type of need over the plan period and the required timescales for meeting the need in line with the evidence.

5.80 A table clearly setting out the different categories of need over the relevant time period should be included in the plan (Table 23). It will aid the clarity of the plan,

especially where there is a need for a variety and type of sites. It will also ensure that effective monitoring indicators can be formed.

Table 23: Gypsy and Traveller Need over the Plan Period

Type / Location of Need	2016-2021	2021 – 2025	Total Need LDP Plan Period	Allocation Required in LDP?
e.g. Residential	X pitches	X pitches	X pitches	Yes / No Land is allocated at x for y pitches / No – planning permission granted for x pitches
Travelling Show People	X pitches	X pitches	X pitches	Yes / No Land is allocated at x for y pitches
Transit site	X pitches	X pitches	X pitches	Yes / No Land is allocated at x for y pitches
Total Pitches LDP Plan Period	X pitches_ <u>immediate need</u>	X pitches (2021-2025)	xx pitches <i>x – Residential</i> <i>x– Travelling Show People</i> <i>x Transit</i>	

5.81 The plan should be clear if the situation has changed since the GTAA was published. For example; sites that have been granted planning permission since the GTAA was published will impact on the level of remaining need to be delivered through the plan. Where the need has changed from the GTAA this must be clearly expressed and justified.

5.82 LAs should consider the benefits of working collaboratively on GTAAs in order to maximise efficiencies and resources to ensure effective planning outcomes on a regional basis. This could result in a common approach and consistency in identifying need and allocating Gypsy and Travellers sites in LDPs.

Site Allocations – Suitable and Deliverable

Where there is a need for site allocations, LPAs should include a specific policy identifying the Gypsy and Traveller allocation(s) making clear the location and total number of pitches to be accommodated.

Failure to identify suitable and deliverable sites to meet the identified need is a high risk strategy and will increase the risk of the LDP being found unsound.

5.83 The LPA will need to justify through the evidence that any proposed allocation is sufficient in scale to meet the need within the timescales specified and there are no impediments to delivery. The evidence base should be clear on the site

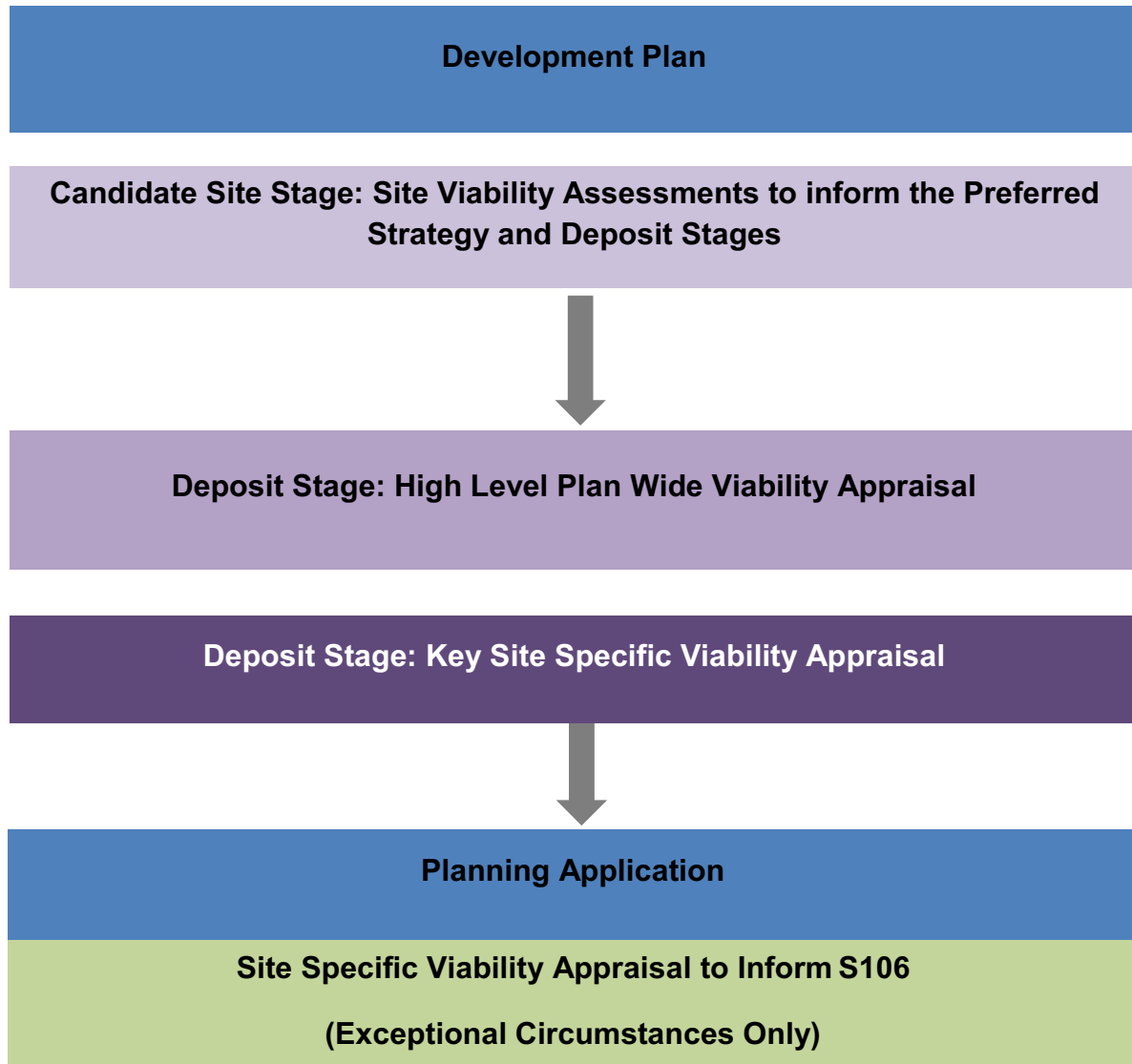
assessment process undertaken. Sites must be suitable and deliverable and comply with the requirements of national policy. The evidence base to support the delivery of any allocation(s) must be available at the deposit stage. The views of statutory bodies such as NRW, DCWW, relevant Council Departments (e.g. highways, drainage, SuDS Approving Bodies) must be considered and be shown to demonstrate that sites comply with national policy and there are no impediments to delivery.

5.84 Where a proposed site may be subject to a C1 flooding constraint, while the principle of development may be appropriate in national policy terms, the key consideration for the LPA is to demonstrate that the proposed allocation(s) are suitable and deliverable in line with any mitigation measures that may be required in order to meet the requirement of national policy.

5.85 The LPA will need to undertake a sufficiently detailed Flood Consequence Assessment (FCA) and seek advice from the statutory body, NRW prior to deposit. **An allocation that has an outstanding objection from a statutory body that cannot be overcome is a high risk strategy.**

Viability Testing for a Development Plan

5.86 One of the key tests of 'soundness' of a plan is to demonstrate it is deliverable and viable. The **hierarchy of viability** is set out below.



What is Viability?

Development can be considered viable if, after taking account of all known costs including: Government policy/regulations, all construction and infrastructure costs, the cost of and availability of finance, other costs such as fees and a contingency sum, the value of the development will generate a surplus sufficient to provide both an adequate profit margin for the developer and a land value sufficient to encourage a land owner to sell for the proposed use. Development can also be made viable through the availability of Government grants.

5.87 Viability and deliverability starts at the candidate stage where all submitted sites should be accompanied by a viability assessment. The Candidate Site section sets out the detail of what is required at this stage. Information gathered at this stage will provide a useful basis to inform the plan preparation process and inform the high level and site specific viability studies.

5.88 The LPA must undertake a **high level viability appraisal** to assess the broad levels of development viability at housing market areas. Broad housing market areas should identify the contribution sites can make to the delivery of infrastructure, affordable housing and any other policy requirements. The LPA should identify whether there are likely to be any site specific issues or abnormal costs which could affect the viability of sites. This could result in a range of affordable housing percentages being sought across the LPA area.

5.89 To support delivery of the plan, **site specific viability appraisals** should be undertaken for those sites which are key to delivering the plan (the size threshold can vary between LPAs). An appraisal will enable more detailed information to be taken into account having regard to the site specific details. The preferred approach is for this to be done in conjunction with a site promoter who has access to the detail, or conversely through more detailed modelling with site specific assumptions. Much more insight can be gained which can result in refined affordable housing targets, as opposed to the broader area identified in the high level appraisal. The two are not contradictory, rather the site specific being a refinement of the high level appraisal. This should be undertaken as early as possible.

5.90 High level testing is generally based on a methodology that produces a residual land value (after allowing for a percentage profit margin for the developer) which is then compared with the benchmark land value (or values) for a geographical area. Site specific appraisals commonly include an assumed benchmark value; the test then being whether the residual profit will provide an appropriate return for a developer in the context of prevailing market conditions. For the development plan high level testing is required to give certainty that the plan and policies can be delivered in principle, taking into account affordable housing targets, infrastructure and other policy requirements. For those sites key to delivering the plan's strategy they will need to demonstrate they can be delivered through the consideration of more detailed costs, constraints and site specific requirements. (See also sections on infrastructure and delivery in Chapter 5). **Only in exceptional circumstances should further viability appraisals be undertaken at the planning application stage.**

Core Assumptions of Viability Testing

5.91 There are several viability models. Some of these models focus on a notional site area approach, while others are based on a selection of specific sites. Both have

merit, albeit focusing on subtly different components, with similar outcomes. The specific approach chosen to evidence viability is a matter for each LPA to consider.

5.92 The Manual does not specify a set model, but the following key components need to be addressed and expressed clearly in the plan’s evidence base, with a clear articulation of how the conclusions of the viability work has informed plan policies and allocations to demonstrate they can be delivered. The key components are:

Diagram 17: Viability Components

Development mix (density and house types)	Land owner expectations / Land Value Bench Mark
House Prices	Abnormal costs (where relevant)
Contingency	Notional / Actual Sites
Fees	Cumulative impacts of plan policies (s106 obligations/CIL)
Build Costs	Affordable Housing % and Tenure Split (intermediate, social rented)
Development profit	ACG Bands

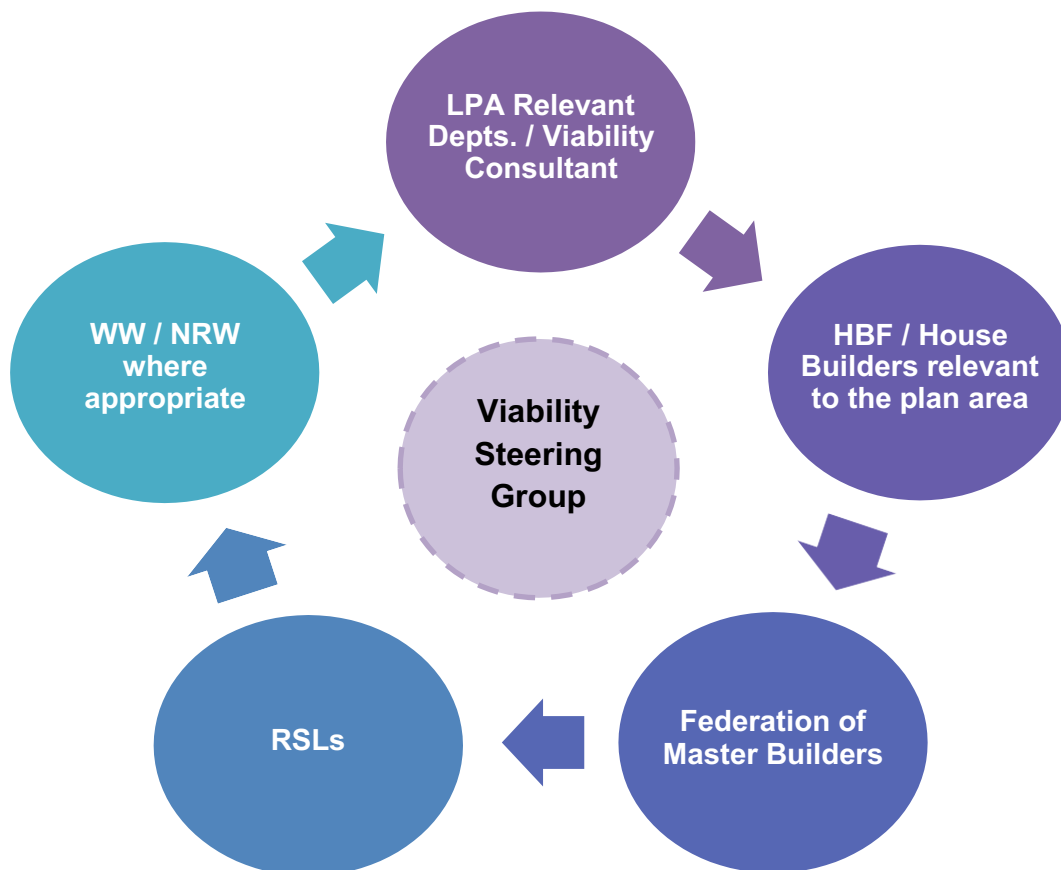


Collaboration with Key Stakeholders

5.93 Involvement of the business community, developers, land owners and other interested parties from the early stages of plan making is essential to ensure there is broad consensus on the key viability inputs. It is good practice for LPAs to involve the industry to achieve consensus wherever possible prior to viability studies being undertaken. This will provide greater agreement on the outcomes, whilst also narrowing down those areas of disagreement. Statements of Common Ground (SoCG) can be used to demonstrate where there is either consensus, or areas of disagreement on the viability components.

5.94 To achieve the greatest degree of consensus a Viability Steering Group (VSG) should be formed (Diagram 18) bringing together key partners to agree the specific costs for all the components. Agreement on the costs for the various viability components (Diagram 17) minutes of meetings and notes of agreement or disagreement, as reflected in SoCG, should be retained, attached and embedded into the viability modelling to support the policies and allocations of the plan. Only in exceptional circumstances should variations to the key outputs of the VSG be made later in the process; these will need to be fully justified.

Diagram 18: Viability Study Group Model



5.95 An ‘open book’ approach should be applied to this process wherever and whenever possible. Transparency of evidence is essential to ensure a realistic understanding of the costs and value of development in the local area, providing the appropriate evidence that will enable an LPA to determine whether a site is deliverable, respecting commercial sensitivity (where relevant). **Land owners and developers promoting sites through the development plan must ensure they are involved fully and meaningfully in the process.** The failure of landowners and developers to provide the necessary evidence to demonstrate delivery of sites in identified timescales should result in them not being allocated in the plan. LPAs should avoid introducing any additional costs on developers over and above that identified in the viability model associated with the plan. Where LPAs and government agencies are site promoters, any sites promoted must demonstrate delivery through inclusion in a disposal strategy. All promoters of land should be treated equally.

5.96 It is recognised that some information necessary to demonstrate viability may be commercially sensitive. However, this is not a sufficient reason to avoid providing the appropriate evidence. The LPA can discuss with the development industry how the evidence can be presented in a format that informs the process but retains

commercial sensitivity. For example, aggregated figures, rather than a more detailed cost breakdown, could be used.

5.97 It is essential that viability work, based on the outputs of the VSG, is kept up-to-date throughout the statutory preparation process. **The evidence needs to remain relevant, up-to-date and proportionate to the stage reached.**

Core Inputs (High Level Testing)

5.98 The core modelling considerations which should be taken into account when progressing high level viability testing are set out in Table 24.

Table 24: Viability Modelling Considerations

<p>Notional Sites / Actual Sites</p>	<p>Decide whether to test a notional size site, or actual sites of a tenure and density reflecting those sites the plan is reliant upon. Detailed considerations, such as whether the sites tested are gross site area or net developable land should be decided. Although gross area will be relevant (especially on large sites) to inform a land owner’s expectations on site value, comparisons between sites through ‘benchmarking’ should always be based around net developable area.</p> <p>A sufficient number of sites should be tested to give confidence the results are not reliant on anomalies arising from a small sample size. The VSG is an appropriate group to confirm these points. Some financial analysis of recent developments, even only in broad terms, will also help support an LPA’s evidence base.</p> <p>If the plan strategy is predominantly brownfield in nature, it will be important to ensure the sites tested and viability assumptions/costs align as brownfield sites may have more constraints/costs which need to be considered in the model. Conversely greenfield sites may have ‘opening up’ costs. It will also be necessary to test sites across the various sub markets within a plan area as it is unlikely that values will be the same across an entire LPA area.</p> <p>The viability of small sites (<5 or <10) should also be considered in order to set appropriate thresholds for affordable housing.</p>
<p>Market Areas: Strategy and settlement hierarchy alignment</p>	<p>Housing market areas tested in Affordable Housing Viability Studies (AHVS) may not always align with the strategy, settlement, or housing areas. It should be made clear how the policy targets chosen relate to the evidence base.</p>

<p>Development Mix / Tenure Mix / ACG Values</p>	<p>House type and tenure mix of a site can impact significantly on viability; tenure neutral being the ‘worst case scenario’. For example, a higher proportion of intermediate housing can substantially improve viability. The LHMA will be a core piece of evidence setting out the house types/tenure mix required in the plan. It is important the minimum tested is indicative of what is required (as set out in LHMA).</p> <p>It is also important the proposed type/tenure mix is realistic. Discussions with Registered Social Landlords (RSLs) will be essential to ensure the tenure mix proposed is indicative of what can be delivered in practice. It would be inappropriate to include in the model a large element of intermediate homes if there is no track record of delivering them. It may be appropriate to test a tenure neutral scenario as this could embed more flexibility into the plan. Testing and policy formation will ultimately need to strike a balance between (a) achieving as much affordable housing as one can achieve (given it will rarely match demand) with (b) matching as far as possible and reasonable the latest LHMA findings regarding tenure split.</p> <p>In respect of house type, liaising with RSLs will be essential, and expertise in local market demand is likely to be needed to inform the assumed mix of house types. The mix could be informed by recent approved / completed developments.</p> <p>It is also important the correct Acceptable Cost Guidance (ACG) band is used in respect of affordable housing values per unit in the viability model; this will need to be discussed with the industry from the outset.</p>
<p>Funding Streams</p>	<p>Where public funding has been secured to assist the delivery of sites, on a generic basis, this should be factored into financial assumptions to determine if the broad viability parameters have improved to facilitate development.</p>
<p>Land Owner Sale Value / Benchmarking</p>	<p>The evidence should be clear as to what financial return (or benchmark land value) would realistically entice a land owner to sell for the proposed use in an area or sub-market area.</p> <p>Evidence of prices paid for comparable land will be a suitable starting point, adjusted where necessary to take account of any difference between past and proposed planning policy and / or infrastructure requirements. It is expected that land values may vary across an LPA’s administrative area, reflecting amongst other things, residential values between housing markets.</p>

<p>Build Costs and known legislative change that could impact on build costs over the plan period</p>	<p>Information through the site viability assessment process will provide useful information regarding development costs within an area. The best evidence, where available, would be an open book account of costs recently incurred on a comparable development(s) in an area or sub market area.</p> <p>Where this is not available, build costs derived from the Building Cost Information Service (BCIS) can be used. The BCIS is updated annually and the costs are informed by small/medium size development sites and the general costs associated with them.</p> <p>While there may be economies of scale for larger sites, as far as basic construction costs are concerned, larger sites may have greater infrastructure requirements and ‘abnormal’ costs (e.g. contamination) which may not adequately be covered by the BCIS. Where such costs are known they should be dealt with separately. The LPA in conjunction with the industry will need to consider whether adjustments to the model should be made to take account of any increased costs, or undertake site specific testing on key sites. Future changes to regulations (e.g. building regulations) will eventually be captured by the BCIS costs. However, there may be a time lag where legislation has yet to come into force but will do over the plan period, where the viability work pre-dates the inclusion of such costs, or where costs have not yet been accommodated by the BCIS figures. It is important the viability work includes all known costs in order to ensure that the work is relevant, up-to-date and robust.</p>
<p>S106/CIL Cumulative impact of direct mitigation and policy requirements</p>	<p>The average value attributed to policy requirements/s106 obligations/CIL charge per dwelling should be set at a level to ensure appropriate mitigation, necessary infrastructure and cumulative policy requirements of the plan (such as affordable housing, open space, sustainable drainage and education) are delivered. Their cumulative cost should not cause development to become unviable. Emerging policy requirements may need to be adjusted to ensure that the plan is able to deliver development.</p> <p>Discussions with developers and key infrastructure providers will be necessary to inform the policy/s106 obligations/CIL charge to ensure that infrastructure and policy requirements are viable and can be delivered. Past financial contributions should give an indication / starting point.</p>

<p>Developer Profit</p>	<p>The model will need to include an average profit margin to ensure a realistic developer profit is embedded within the model. The normal range of profit expected by developers and necessary to meet most lenders' requirements is between 15% and 20% of Gross Development Value (GDV) for developments that will be let or sold on the open market. A lower profit margin, based on 6% of cost is normally applied to the provision of affordable housing.</p> <p>It is important to understand the types of developers operating in an area and how land is brought forward. In rural areas smaller developers work on a different model to large, volume house builders. Larger sites can carry more risk where they take a long time to build out and an increased profit margin may be required, whereas smaller sites being developed quickly may not. Developer profit margin is also linked to interest rates charged for finance.</p>
<p>Contingency</p>	<p>Plan makers should not plan to the margin of viability but should allow for a contingency to respond to changing markets and avoid the need for frequent plan updating. Including a contingency within the viability study will de-risk the plan in that there is room to accommodate a change in economic circumstances / site specific issues. The evidence base should be clear what percentage has been applied and where within the model.</p>
<p>Fees</p>	<p>A percentage allowance for professional fees and marketing costs is normally applied. This will be influenced by the size of developers operating in the area and site size and nature. Different size developers will have access to varying degrees of economies of scale, and /or may build from a stock of standard designs and house types, rather than designing individual houses for each site.</p>
<p>Sensitivity Testing</p>	<p>Sensitivity testing on core elements of the model to examine potential variations in the individual components should be undertaken, i.e. BCIS costs, profit margins. This will provide some degree of flexibility to address differences of opinion through the plan preparation process. The sensitivity testing can be used to inform the level of contingency and or any additional buffer applied within the high level study.</p>

Site Specific Viability Appraisals

5.99 Viability appraisals for key sites in the plan will provide more detail and certainty than a high level testing approach. They offer the opportunity to better reflect local

circumstances within the broader market/sub-market area as well as some known costs, rather than a notional approach.

5.100 The viability inputs set out above will need to be amended and/or refined as part of the site viability appraisals. Site viability appraisals can be requested by the LPA as part of the plan making process, advanced by site promoters, or prepared in collaboration between both parties where costs can be shared. It will be mutually beneficial to follow a collaborative approach.

5.101 It is likely this work may take several months to complete depending on the number of sites; LPAs should ensure it is completed prior to the deposit stage. It should be integral to the plan making process and not an 'add-on' at the end. Table 25 sets out the level of detail required. This is not intended to be an exhaustive list, but gives guidance on the level of detail/certainty required.

5.102 It is recognised the level of information provided may be variable and dependent on where the site is in the development management process and the willingness of the landowner/developer to engage. **It is imperative that as much information as possible is provided by all relevant parties to ensure sites can be delivered and included in the development plan.** Where it has not been possible to obtain the necessary information it may be appropriate to exclude them.

- All information should be assessed through an open book approach. Where certain information cannot be provided, it may be appropriate for general costs and principles to be substituted. For example, using a land value benchmark instead of actual land sale price or margin above EUV.
- Costs including normal infrastructure costs can be based on actual known construction costs and/or the BCIS (amended to be more 'site appropriate' if relevant).
- Abnormal costs should be factored in to a relevant and useful degree.
- If specific house types / dwelling numbers /mix are not yet known, an appraisal can be based on sites of a comparable size, having regard to the requirements of the development plan in terms of design and density policies.

5.103 Sites will be at different stages in the planning/planning application process, some well advanced in the pre-application stage, with more detail known in respect of costs, infrastructure requirements and constraints.

Table 25: Core Inputs: Site Appraisals

Input	Information Requirements
Open Market Dwellings	<ul style="list-style-type: none"> • Number of homes and house type (to include gross internal floor areas (GIAs) and the number of stories for each house type, where available) • Estimated sale price of homes at the time of the viability assessment
Affordable Dwellings	<ul style="list-style-type: none"> • Number of homes and house type (to include gross internal floor areas (GIAs) and the number of stories for each house type, where available) • Estimated sale price of homes / ACG band • RSL information / grant availability, if known
Site Layout Plan	<ul style="list-style-type: none"> • Based on latest information available (i.e. outline or full application stage, or broad design principles) • Phasing plan / broad development areas • Gross and net developable area after key constraints and layout principles have been taken into account
Timing and Phasing	<ul style="list-style-type: none"> • Timing and phasing of construction of units • Where is the site in the development process? • How advanced are discussions?
Land Ownership Details	<ul style="list-style-type: none"> • Who owns the land, the developer, if not when will the developer purchase the land? • Price paid / agreed for the land.
Planning Costs	<ul style="list-style-type: none"> • Costs/fees in progressing to planning application stage.
Build Costs	<ul style="list-style-type: none"> • Construction costs including regulatory requirements that will impact now and in the immediate future
Physical Infrastructure Costs	<ul style="list-style-type: none"> • Drainage (including required hydraulic modelling assessments/feasibility studies and associated development costs) • Highways • Opening up and general external costs such as road access to dwellings and landscaping) • Abnormal Costs (where relevant) e.g. contamination
Profession Fees	<ul style="list-style-type: none"> • All relevant professional fees
Contingency	<ul style="list-style-type: none"> • Percentage allowance or sum
S106 / CIL / Policy	<ul style="list-style-type: none"> • Specific S106 obligations/CIL Requirements • Incorporating known costs and cumulative policy requirements
Sales and Marketing	<ul style="list-style-type: none"> • Fees associated with sales and marketing
Finance Costs	<ul style="list-style-type: none"> • Fees influencing borrowing capacity and return

It is important that the methodology for undertaking site appraisals is clearly set out and applied consistently.

5.104 This will ensure that viability components are clear and can be compared against other sites. This also allows for comparison with a high level study. If there is disagreement on specific elements this can be set out clearly to allow for more focused discussions later in the process. The methodology should be clearly set out in the evidence base, including an explanation of how the two models relate.

LPA's should consider collecting data on viability/costs via a database approach across the plan area which can aid plan making, monitoring and development management process.

Setting Affordable Housing Targets

5.105 The delivery of affordable housing is a key national priority. LPA's should maximise the delivery of affordable housing in their LDP, based on the viability evidence of allocations/sites in their plan. Sites for affordable housing led schemes can be allocated. Policies must be based on this evidence, unless supplementary local evidence or site specific work indicates otherwise.

5.106 The outcome of the viability testing will demonstrate where there is a competitive return from development. This will account for all associated costs, receipts and assumptions on land owner expectations. This positive 'headroom' will determine the scale of affordable housing that can be delivered across either the whole of a plan area, or on individual sites. This will then be translated into a proportion (%) of affordable housing to be sought, reflecting the viability evidence.

5.107 If an affordable housing target is set too high it is unlikely that those levels will be delivered and may impact on the delivery of sites and elongate the development management process. The targets chosen must be realistic and align with the evidence base and the assumptions within it. The viability inputs discussed in this section will determine what level of affordable housing is realistic and viable. However, sites can still come forward where the landowner is unwilling to accept the return with regards to uplift in land values through other mechanisms, such as compulsory purchase powers. If this is the case evidence will need to demonstrate how this other mechanism can be delivered.

The overarching aim of a high level viability study is to ensure the key inputs within it are clear, realistic, and relevant and the affordable housing targets and thresholds selected are viable for the majority of cases.

5.108 It may be necessary to have separate targets for key sites if the evidence base suggests this is more appropriate. It is essential that an LPA knows their area and the type of developers operating in order to produce robust evidence. **There will be differences between large and small operators in terms of business models, operating costs, ability to borrow finance, different cost base etc. which should be taken into account by an LPA when modelling viability.**

Affordable Housing Policy Framework- Checklist

✓	The total affordable housing units the plan delivers should be set out in the policy, not the reasoned justification. This can be supplemented by a table setting out the components of supply that underpin it in the reasoned justification. This will aid clarity of the plan and effective monitoring.
✓	The level of need from the current LHMA should be included in the reasoned justification along with the requirements for tenure split (intermediate and social rented). This will aid the clarity of the plan ensuring it is flexible, fit for purpose and is supported by evidence to secure affordable housing,
✓	The affordable housing policy should have percentage targets and thresholds that relate to the viability evidence base. Where they differ, i.e. for locally specific circumstances, this should be clearly justified and explained.
✓	The affordable housing targets (%) should clearly relate to spatial areas and viability evidence. If the viability work is tested on market areas/postcode that does not align with the plan's settlement strategy, this relationship should be explained. It should be clear where spatially the percentage targets apply.
✓	The evidence base should clarify what site thresholds are viable to seek the percentage targets; these should be set out clearly in the policy.
✓	The policy should include a reference to allowing viability negotiations on a site by site basis. This should be on an exceptional basis only.
✓	The policy should set out clearly what happens if the target results in a partial unit being secured and in what circumstances commuted sums, where relevant, will be sought (SPG can always elaborate on detailed calculations).

Implementation and Delivery

Infrastructure Provision

5.109 National planning policy (PPW) states the provision of adequate and efficient infrastructure to deliver the plan is essential. Infrastructure can be broken down into two elements: public utility infrastructure provided by statutory bodies, and on/off site policy requirements/mitigation measures required to make development acceptable. Both elements should be combined to provide an overall assessment of infrastructure necessary for the implementation and delivery of sites and the plan. Where there are costs associated with infrastructure requirements, for example, access improvements or the provision of affordable housing, these should be factored into a viability assessment.

The LDP should clearly indicate when proposals and allocations are expected to come forward, links to any required infrastructure, identify necessary infrastructure improvements and clearly state who will be responsible to fund such improvements at what point in the plan period to facilitate development.

5.110 The provision of public utility infrastructure, including water supply, sewerage, broadband, electricity and gas, is an important part of creating sustainable communities. Development should be located and implementation planned in a way which allows for the most sustainable use of existing and future infrastructure improvements. When preparing a plan it will be critical to utilise the five ways of working to:

- **Involve** the specific consultation bodies responsible for the provision of public utility infrastructure as early as possible in the plan making process to shape future locations for development
- Understand the **capacity** of the existing infrastructure network by infrastructure type
- Explain where **improvements** to the network are going to be made and the capacity increase they will bring
- Know the **timing** of when improvements will be made, linked to a forward funding programme, i.e. Welsh Water's Asset Management Plan (AMP) five year investment programme
- Identify the **interrelationship** between capacity increases and future growth
- Understand if there is a need to fund any **shortfall/deficiencies** in infrastructure provision in advance of future funding programmes and factor this into the financial viability modelling of development
- Prepare an **Infrastructure Plan** utilising the five ways of working. The Infrastructure Plan will form part of the LDP evidence base to demonstrate

how the plan can deliver the necessary infrastructure, in the right place, by the right body, at an appropriate time

Who to Involve?

5.111 The LDP Regulations identify specific consultation bodies (LDP Regulation 2). LPAs must consult these bodies to ensure compliance with the Regulations. These bodies are responsible for critical elements of physical, social and environmental infrastructure, vital when demonstrating the delivery of the plan.

Example of Specific Consultation Bodies – Regulation 2 (LDP Regulations)
Welsh Government (comprising all relevant Departments (not exhaustive) – Cadw, transport (as the Highway Agency for the trunk road network), Best and Most Versatile Agricultural Land (BMVAL) flood and water management, equalities, marine, economy and Welsh language)
Natural Resource Wales (NRW) (advising on flood risk, drainage and sustainable drainage (SuDS), biodiversity, SA/SEA and HRA)
Local Health Boards (the need for health facilities including primary health care)
Dwr Cymru Welsh Water (sewerage and water infrastructure)
Communication providers (telecommunications and broadband)
Electricity and gas undertakers (grid/network capacity and requirements)
Adjoining LPAs

5.112 Specific consultation bodies have a key role in the development plan process as they are responsible for providing the statutory advice in terms of whether the strategy and proposals of a plan:

- Are acceptable at a plan making level
- Can be mitigated in line with relevant legislation and policy requirements
- Can be served by appropriate infrastructure at the appropriate time

5.113 It is essential the specific consultation bodies are involved as early as possible in the plan making process to shape/influence the selection of sites and the plan's strategy. Involvement should be undertaken in a focussed approach to maximise resources and efficiencies, ensuring the right information is available, at the right time.

5.114 The initial stage of involvement will commence once the call for candidate sites has been completed. LPAs should not present a specific consultation body with long lists of candidate sites for comment. Candidate sites should be sieved and prioritised so the focus is on those sites with a reasonable possibility of being allocated, in line with the evolving strategy and assessment methodology. Infrastructure providers are expected to respond positively and in a timely manner

offering advice on development proposals, infrastructure capacity/opportunities and timing of upgrades/requirements. Agreement between both parties through the preparation of SoCG, refined as work on the plan progresses, can be a useful tool to evidence the delivery/timing of infrastructure necessary to support the plan. This should be clearly articulated in the evidence base with core elements/requirements necessary to be delivered made clear in the plan. The specific consultation bodies may have guidance notes in this respect and LPAs should have regard to those in their involvement programme.

Capacity of Existing Network

5.115 LPAs should have a clear understanding of capacity issues within the existing infrastructure network. Knowing where no further capacity exists at specific locations, potential limitations in the network (which through investment or changes to operational practices could free up capacity) or where there are areas of additional capacity, should be key factors in determining the location of future development.

5.116 From an infrastructure perspective, utilising capacity within the existing network will result in the lowest additional cost to the network provider. **The important point is to consider the capacity of the infrastructure network from the outset when preparing a plan.**

Where are Improvements going to be made?

5.117 Infrastructure providers will have a forward funding programme explaining how and when future improvements in the capacity of the infrastructure network will be delivered. For example, Welsh Water has AMPs for five year investment programmes. Co-locating future development at places where investment is planned will maximise efficiencies. It will also reduce development costs, increasing the financial viability of sites, enabling the delivery of other plan policies, such as affordable housing.

5.118 In addition to the location of new and/or improvements to infrastructure, an understanding of the need to increase capacity is necessary, both in the immediate vicinity and wider network. Resolving an existing infrastructure limitation can enable additional capacity already in the system, but unable to be accessed, to service development. Plans need to ensure future demand from development can be supported by improvements in the network. Improvements to existing, or new infrastructure does not always mean physical upgrades; sometimes it can be delivered through technological advances.

When will Investment Happen?

5.119 New development must bring with it the timely provision of infrastructure. The development plan strategy should identify the phasing of development throughout the plan period, linked directly to the delivery of infrastructure. Evidence needs to be in place to demonstrate how infrastructure supports the housing trajectory.

5.120 Specific consultation bodies will have their own forward investment programmes. These will state time periods within which new and/or upgraded infrastructure will be implemented. The connection between the timing of future investment and how it is linked to the phasing of development will need to be evidenced.

Interrelationship of Infrastructure

5.121 Plans need to demonstrate all the above elements of infrastructure come together collectively. Any infrastructure that development is reliant upon will need to be delivered in the right place, through the appropriate funding regime, matching the phasing of development.

Shortfall/Deficiencies

5.122 There may be instances where sites included in a plan are appropriate, but cannot be supported by infrastructure at the time required to deliver the strategy. If such sites are to be included in the plan evidence will be required that alternative funding sources can deliver the necessary infrastructure, i.e. the development itself can finance the shortfall/deficiency.

5.123 Where there is an infrastructure constraint on development at a particular location, the LPA should assess, in conjunction with the relevant statutory body, whether it can be overcome through a section 106 planning obligation or, if one is in place, the Community Infrastructure Levy (CIL). In essence, this will be the developer/land owner funding the infrastructure themselves in advance of funding from a specific consultation body.

5.124 Where practicable, the cost of any infrastructure necessary will need to be factored into the financial viability calculations to ensure development can come forward. Consideration will also need to be given to ensuring any s106 planning obligation aligns with the relevant tests (in essence, direct mitigation for the development) or if being sought from CIL complies with the relevant regulations, particularly the 'pooling' aspect (The Community Infrastructure Levy Regulations 2010, Regulations 122 and 123 refer). The involvement of the LPA, developer and specific consultation body is essential to align these elements.

Infrastructure Plan

5.125 LPAs should prepare an Infrastructure plan as a background document to clearly evidence how infrastructure of the appropriate capacity, location, funding and timing, will be in place to support the implementation and delivery of the LDP. It should take into account all of the above points and should be regularly updated as work on key sites progress. The Infrastructure Plan will form a key piece of information and should also be used for effective monitoring in the AMR and plan review. It could also inform work on CIL, where appropriate.

An Infrastructure Plan is an essential tool to evidence and summarise infrastructure requirements as follows:

Existing contextual issues and provision (e.g. identify the existing capacity of the infrastructure network, sewerage, water supply, transport, communications, broadband, education, green infrastructure, cultural and health facilities).

Infrastructure type/location required to deliver the allocations in the plan – Transport (walking and cycling, road and rail), Education (nursery, primary, secondary), Health (hospitals, health centres, dentists, care of the elderly), Environmental Management (green infrastructure, biodiversity assets, flood risk and surface water management), Utilities (Water and waste water, gas, electricity and telecommunications).

Funding mechanism/ phasing – Delivery lead/body, potential funding sources, delivery period, estimated costs, status).

Deliverability – Other Factors

5.126 In addition to infrastructure provided by specific consultation bodies, or required and delivered by others, there are other types of mitigation that need to be satisfied in order for development to fulfil the requirements of Placemaking and sustainable communities and considered acceptable. Mitigation requirements are often delivered through s106 obligations, or planning conditions, direct mitigation to make development acceptable. Examples include: the provision of open space, mitigation/compensation regarding ecological assets, or local highway improvements. Involvement of the relevant LA departments and/or external agencies will be critical in this respect. Mitigation measures should be brought together on a site basis through an Implementation and Delivery Appendix which should be included within the plan.

Implementation Appendix

5.127 The purpose of an Implementation and Delivery Appendix is to set out the key issues, constraints, phasing and mitigation measures which are required to deliver proposals in the LDP, from which monitoring indicators and triggers can be derived. It will comprise brief descriptions of the key sites, together with an overview of site specific delivery and implementation issues, including site constraints, necessary mitigation / compensation measures and policy/ s106 obligations/ infrastructure requirements. This information will clarify the infrastructure requirements of key sites and alert potential developers in respect of expectations when bringing forward sites at the planning application stage with all relevant information known. All parties will know, in advance, what will be expected and consequently should be factored into the costs of bringing sites forward from the outset. Table 26 sets out the type of information to be contained in an Implementation and Delivery Appendix.

5.128 Key sites integral to the delivery of the plan may require their own specific policies setting out key issues and constraints, master planning principles, concept frameworks and infrastructure requirements where appropriate.

Table 26: Implementation and Delivery Appendix

Site Allocation Name / Ref	Site Size	Allocation Type	Total Units	Phasing Tranche
Land at W Road	x.x ha	(Housing, Employment, Mixed Use)	(Private and Affordable) P and A units	2018-2022 2023-2027 2028-2033
<p>Site Description</p> <p>This x.x hectare brownfield/greenfield site is located to the east of y village/town on a former sports ground adjacent to river z.</p>				
<p>Key Site Issues and Constraints</p> <ul style="list-style-type: none"> • Are there access and highway improvements? Highways comments? • Is the site subject to flood risk issues? Has the statutory body (NRW) responded highlighting issues that will need to be addressed? Is a FCA or other mitigation measures required? • Are there land ownership constraints? • Are there protected environmental/ecological species/designations on, or within a specified vicinity of the site which require redress? Are there opportunities to improve ecological assets? Have the specific consultation 				

bodies made any comments regarding issues that need to be addressed?
HRA findings?

- Is the site appropriately served by utilities (i.e. broadband, sewerage, water)? See Infrastructure Plan summarising specific consultation body's responses.
- Is the site located in a Welsh language sensitive area? Are mitigation measures necessary?
- Are there archaeological issues? Does the site impact on heritage designations? Has Cadw highlighted any issues that will need to be addressed?
- Are there contamination/remediation issues?

Key Infrastructure and Policy Requirements (including broad costs or formulae set out in SPG where known) For example:

Access – Highway improvements
Education – No of children school places
Affordable Housing - X% in line with policy y
Open Space – Hectares / unit/type of unit
Utilities – Link to Infrastructure Plan

Key Supporting Information Requirements. For example:

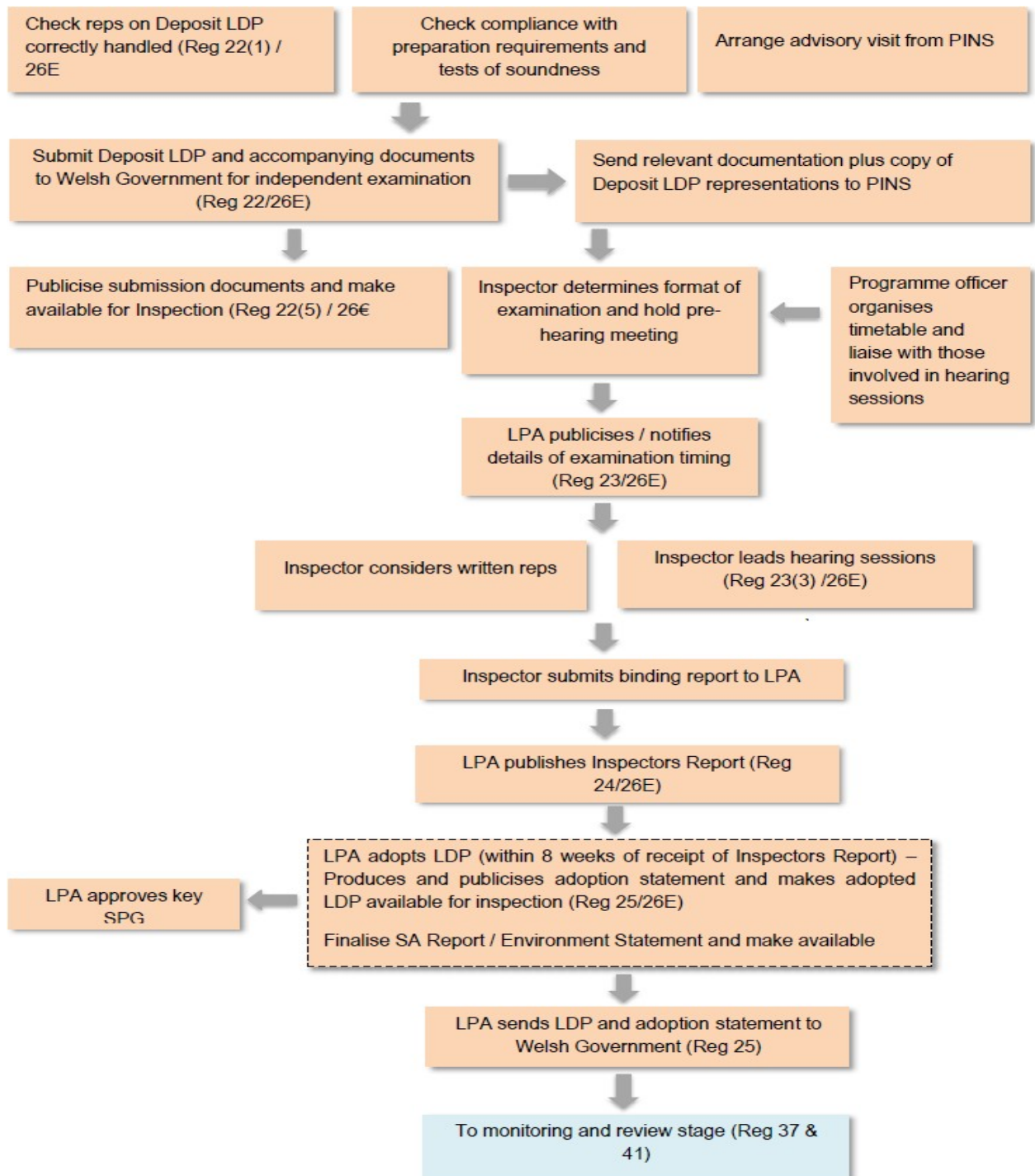
Detailed Site/Area Specific Master plan
Welsh Language Assessment
Flood Consequence Assessment
Environmental enhancements / nature based solutions (sought by the LPA) in response to the evidence base
Landscape Study
Transport Statement
Ecological Assessment
Archaeological Evaluation
Heritage
Energy Assessment

Chapter 6: Overview of Submission, Examination and Adoption Requirements

Introduction

6.1 This chapter provides an overview on the key tasks involved in preparing and submitting the LDP to Welsh Ministers. It sets out the role of the Inspector through the examination and what will be expected of the LPA and other participants, reflecting the latest PINS examination guidance. It also covers adoption of the LDP after receipt of the Inspector’s binding report. The process is summarised as follows.

Diagram 19: Submission, Examination and Adoption Process



Preparing for Submission

6.2 Following closure of the statutory consultation period on the deposit plan and prior to submission of the plan the LPA should undertake the following key tasks:

- Ensure all relevant evidence documents to justify the plan have been prepared. Any updates to existing documents / additional evidence / SoCG should be publicised, making explicitly clear their status, relationship to previous versions and implications for the plan (see paragraphs on Focussed Changes, 6.3 and 6.13 – 6.22.)
- Consider how representations on the deposit LDP do, or do not, require a response, implications for the plan and the impact of any new information
- Prepare the updated Consultation Report
- Update the SA and HRA Reports, where necessary
- Liaise with PINS regarding the examination, procedural requirements, timescales etc. - Service Level Agreement (SLA)
- Reconsider the DA timetable: Ensure the plan will be submitted in line with the DA and update the timetable with definitive timings for the remaining plan stages
- Appoint a Programme Officer
- Ensure the consultation database is up-to-date and make a list of all parties to be informed of the examination, publication of the Inspector's Report and adoption of the LDP

6.3 Where an LPA is utilising the Short Form Revision (SFR) Procedure not all stages will be relevant (see paragraphs 8.20 to 8.38).

Focussed Changes – Exceptional Circumstances

- **FCs should only be used in exceptional circumstances, not automatically factored in from the outset.** Timing implications for the DA timetable will need to be considered and amended if necessary
- Prepare, publish and consult on the FCs and any relevant supporting documentation for a minimum period of 6 weeks, including an updated SA and HRA
- Prepare a summary of FC Representations for the Inspector
- There is no necessity to report the FC responses to the Council/NPA

Providing Updated/Additional Evidence

6.4 LPAs should avoid making changes to the plan prior to submission which is not a FC. Whilst it may appear prudent to make subtle amendments to either policy wording or the reasoned justification, potentially to aid clarity, amendments can have wider ramifications. If this were to be the case such changes would have been made without being consulted upon, potentially disadvantaging stakeholders. It may also result in the issue not being identified through the examination process, potentially resulting in a legal challenge to the plan.

6.5 If an LPA wish to make minor changes, which they consider are not FCs, this needs to be discussed with the Inspector as to the appropriate course of action to follow. It may be that such amendments could be proposed through hearing statements, resulting in MACs as part of the examination process, consulted on in combination with FCs, or separately in advance of the relevant hearing session. This will be for the Inspector to determine in liaison with the LPA, in order to avoid any stakeholder being disadvantaged.

6.6 Any updates and/or additional evidence should not change the content of the plan. If necessary, such updates/additional evidence should justify the existing content of the plan, or bring forward the evidence in time, i.e. it may be prudent to update the housing background paper to factually demonstrate how many completions have occurred since the original background paper. This will not change the policy. Where SoCG have been prepared to support the demonstration of delivery, this could assist the examination process; it should not alter the fundamental elements of the proposal/plan.

6.7 In all circumstances, early liaison with the Inspector, clearly explaining the rationale for any update/additional evidence, will assist in determining what action to take and the appropriate mechanism to follow in publicising any change. Adhering to the DA timetable will be essential to reduce the risk of circumstances changing and the need to produce additional or updated evidence for the examination.

Updating the Consultation Report

6.8 The legislative requirements in relation to the content of the Consultation Report (CR) are set out in LDP Regulation 22(2). The CR is a key document that sets out the audit trail and summary of the key issues raised by objectors throughout the process and should be updated following the deposit stage. The CR should set out clearly who has been involved in key stages of the process, a summary of the main issues and representations made and include recommendations as to how the LPA considers each representation should be addressed. The CR should also set out if

there has been any deviation from the CIS including an explanation why and the implications.

6.9 The CR should include a list of any changes to the deposit plan suggested by respondents with which the LPA agrees. Where there are strategic and/or substantial objections to the deposit plan or ones from statutory consultees, the LPA may wish to discuss further with the respondent(s) whether they will reconsider their objection, and which aspects can be agreed in order to narrow down any disagreement, address key issues and ensure a more efficient examination process. Areas of agreement/disagreement with substantive objectors, which may include a compromise position, can be set out in a SoCG for the Inspector at this stage. The magnitude of any proposed changes and how they should be dealt with in the process will be a key consideration. (See sections on Updated/Additional evidence, FCs and MACs.)

Considering Alternative Proposals Submitted at the Deposit Consultation

6.10 At the deposit stage all stakeholders have the ability to comment on both the policies and sites proposed. In relation to site allocations, objectors could agree a site is appropriate, has the correct boundary, i.e. support the plan, or indicate the site boundary requires amending; parts deleted or enlarged, or could indicate sites have not been included in the plan, i.e. omitted or should be removed entirely. If sites omitted from the plan are considered necessary by objectors for the reasons specified, it will be for the LPA to consider and conclude whether they should be included in the plan and consider any implications. It will be a matter for the Inspector to consider how, or if, these sites are considered through the examination process, as is the case with all representations.

Notifying Stakeholders

6.11 The LPA should make a list of all parties to be informed of the forthcoming examination hearing, the publication of the Inspector's Report (IR) and the adoption of the LDP. This should be drawn from existing lists of statutory consultees and all those who asked to be notified at the pre-deposit stage and deposit LDP (LDP Regulations 24 and 25). Beyond an acknowledgement of receipt, LPAs are not required to respond to individual representations, although they may choose to do so. LPAs are however required to notify all respondents of the forthcoming examination hearing sessions (LDP Regulation 23.).

Updating the SA and HRA Report

6.12 The LPA should consider all representations made at deposit stage on the SA and HRA Report (where relevant) and consider the need for any changes. This might include for example additional baseline information, amendments or new allocations,

or new effects at the local area that had not previously been identified. Any resulting changes (to the SA and/or HRA) should be fully documented.

Focussed Changes (FCs)

Focussed Changes are exceptional in nature. The need for FCs on reviews of plans should be minimal and not factored into the plan preparation timeline from the outset.

6.13 The FC stage is a non-statutory part of the plan preparation process and should only be used in exceptional circumstances. The LPA must only place a plan on deposit if it considers it is sound and must consider carefully the extent to which proposing changes after deposit will throw into doubt the overall soundness of the deposit plan and erode the position at examination.

6.14 Changes proposed after the deposit stage should be avoided wherever possible through the involvement of stakeholders and the community, grounded on robust evidence. Formal changes to the plan proposed prior to examination should not be required if the process of continuous community involvement has been effective, all realistic alternatives were properly considered during the preparation stage and the plan is founded on an up-to-date and robust evidence base.

Exceptionally, it may prove necessary to consider proposing changes to ensure the plan is sound, for example, where there has been a significant change in national planning policy. Significant changes in local circumstances or representations identifying an unforeseen soundness issue should not arise through the review of plans if the preparation process has been effective and should therefore not warrant the need for FCs.

6.15 FCs should be limited in number to reflect key pieces of evidence, but not go to the heart of the plan. An LPA must consider carefully the impact at this stage of any changes on the soundness of the plan in its totality, its strategy, as well as the HRA and integrated SA assessment process (including any cumulative effects). Consultation on FCs should take place at the earliest opportunity to avoid delaying submission of the plan. Where FCs are considered necessary, they should be consulted on prior to submission of the LDP for examination, but not hinder submission of the plan.

6.16 The LPA should not wait until the close of the consultation period to submit the plan for examination, but submit the plan as soon as practicable after the LPA resolution has been made. The LPA will need to liaise closely with the appointed Inspector to determine any timing implications this may have on the examination timetable.

6.17 The LPA should follow the same consultation process as it did for the deposit plan, i.e. advertise, through the same media and time periods, the forthcoming public consultation (minimum 6-week period) as well as the locations where documentation can be found, including updating the website. FCs should be clearly labelled as an 'Addendum' to the deposit plan, setting out the changes it wishes to make, any new / revised policies and text, supported by clear reasoning and robust evidence to justify why the changes are necessary. The documentation should make clear that representations can only be made on the FCs and that this is not an opportunity to add to original representations. **It is important that the addendum comprising the FCs is clear about what the LPA is seeking to change and why, to ensure the Inspector is in a position to incorporate them into their binding report, if considered appropriate.**

The LPA must indicate any implications arising from the FCs in terms of the soundness of the plan having regard to the following:

How do the FCs relate to the plan's strategy. Will the strategy be altered as a result of the change(s)? FCs should be considered both individually and collectively in terms of impacts on the plan.

How will the FCs relate to Well-Being Plans (WBPs) well-being objectives, or a National Park Management Plan (NPMP) for the area?

Do the FCs align with the Wales Spatial Plan (NDF when approved)? Will this raise issues of general conformity?

Do the FCs have regard to other relevant plans and strategies which will affect the delivery of the policies in the plan, e.g. Local Transport Plans?

Do the FCs have any economic, environmental, social or cultural implications leading to a revision of the SA or HRA? What further consultation has, or is being undertaken on the SA or HRA by the LPA? All impacts should be incorporated into an amended SA report which should be publicised and the consultation bodies should be notified.

6.18 The addendum (containing the FCs) will, in combination with the deposit plan and supporting evidence, comprise the LDP submitted to the Welsh Ministers for examination. Provided the addendum has been subject to public consultation and the SA has been revised (if necessary) it can be accepted by the Inspector as part of the submitted LDP; it will be the submitted LDP as amended by the FCs that will be the starting point for the consideration of soundness through the examination.

6.19 The LPA should collate responses received on the FCs and forward them as soon as practicable, together with a summary, directly to the Inspector so they have

all the information necessary to commence the examination; this is purely procedural and does not require any further resolution of the LPA at this point. There is no need for the LPA to formally respond to the responses received.

6.20 If the LPA is considering making fundamental changes that affect the strategy and are of such a significant nature and scale as to go to the heart of the plan, it will need to give careful consideration as to how the plan can be taken forward. Such fundamental changes would have implications regarding the 'soundness' of the plan. The LPA will need to consider the extent to which the need for such fundamental change throws into doubt the overall soundness of the deposit plan.

6.21 Minor editing changes for factual correction (typos and grammatical errors) do not require public consultation and should not be included in the advertised addendum as the Inspector has sufficient authority to make editing changes. These changes should be listed as an attached schedule to accompany the LDP when submitted for examination. However, going beyond this very limited scope could inadvertently result in changes to the emphasis or outcomes of policies which could have a bearing on procedural matters where stakeholders who may have objected to such could be disadvantaged (see section on Updates/Additional evidence). This scenario should be avoided.

6.22 There should be no need for the LPA to amend the LDP timetable. FCs should not delay submission, nor lead to an overall delay to the examination process. However, depending on the scope and significance of the changes, it will be for the Inspector to consider when to schedule the pre-hearing meeting (if appropriate) and hearing sessions. The SLA between PINS and the LPA will reflect any post submission time implications.

Submission

6.23 When the LDP is submitted for independent examination, the LPA must publicise the submission and publicise and make available the relevant documentation (LDP Regulation 22). LPAs should have regard to PINS examination guidance which sets out the process and issues to consider regarding submission and examination. A summary of submission tasks are as follows:

- Submit the following documentation to the Welsh Government and PINS – Deposit LDP, as amended exceptionally by FCs (Addendum) SA and HRA Reports
- DA/CIS, Review Report, Consultation Report, CSR, copy of any Deposit/FC representations and supporting documents and background papers (Please contact the Welsh Government to confirm which documents can be submitted in paper copy and/or electronically)

- Submit SA and HRA Report including an assessment of any FCs, SA and HRA reports submitted by alternative site promoters (not previously assessed by the LPA).

6.24 Where the Short Form Revision (SFR) procedure is deemed appropriate not all LDP preparation stages may be relevant (see paragraphs 8.20 – 8.38).

Submission Documents

6.25 In accordance with LDP Regulation 22 an LPA must publicise and advertise the submission and both publish and make available the relevant documentation. It must send simultaneously to the Planning Inspectorate and the Welsh Government (Planning Directorate) paper copies and an electronic copy of the following documents (please contact the Welsh Government to ascertain the precise range/scope of documentation required).

- the Deposit LDP
- the Addendum: schedule of Focussed Changes (FCs) (where applicable)
- the SA report
- the Review Report (for LDP revision)
- the Candidate Sites Register (CSR) (where applicable)
- all other supporting evidence-base material and technical documents such as the HRA and issue/topic based evidence/technical documents
- the DA incorporating the CIS
- the Consultation Report (which should update and expand upon the initial consultation report, see previous section)
- Any Statements of Common Ground (SoCG)
- A copy of all representations made to the deposit plan and FCs where relevant (*required only for PINS*)

Soundness Tests and Checks

6.26 Section 64(2) of the 2004 Act specifically provides that an LPA must not submit an LDP unless it considers the plan is ready for examination. This means that 'unsound' plans should not be submitted for examination. The LPA will need to demonstrate that the plan meets the three tests of soundness set out in Table 27. The questions listed under each test are intended to assist in indicating the matters that may be relevant for each test. The list is not exhaustive and may not apply in every case. LPAs should have regard to the PINS examination guidance which sets out the process and issues to consider regarding submission and examination.

6.27 The Welsh Government will monitor consistency with national policy throughout the LDP preparation process, and is likely to discourage submission if there is a fundamental conflict. If a plan is considered to be fundamentally unsound this will be

drawn to the attention of the LPA so that any necessary action (i.e. withdrawal) is taken before submission. If the Welsh Government makes an objection based on soundness in the normal way, it will be considered at the examination.

Table 27 Tests of Soundness

<p>Preparation Requirements:</p> <ul style="list-style-type: none"> ▪ Has preparation of the plan complied with legal and regulatory procedural requirements? (LDP Regulations, CIS, SEA Regulations, SA, HRA etc.?) ▪ Is the plan in general conformity with the NDF and/or SDP? (when published or adopted respectively)
<p>Test 1: Does the plan fit? (Is it clear that the LDP is consistent with other plans?)</p> <p>Questions</p> <ul style="list-style-type: none"> • Does it have regard to national policy (PPW) and the WSP (NDF when published)? • Does it have regard to the Well-being Goals? • Does it have regard the Welsh National Marine Plan? • Does it have regard to the relevant Area Statement? • Is the plan in general conformity with the NDF (when published)? • Is the plan in general conformity with relevant SDP (when adopted)? • Is it consistent with regional plans, strategies and utility provider programmes? • Is it compatible with the plans of neighbouring LPAs? • Does it regard the Well-being Plan or the National Park Management Plan? • Has the LPA demonstrated it has exhausted all opportunities for joint working and collaboration on both plan preparation and the evidence base?
<p>Test 2: Is the plan appropriate? (Is the plan appropriate for the area in the light of the evidence?)</p> <p>Questions</p> <ul style="list-style-type: none"> • Is it locally specific? • Does it address the key issues? • Is it supported by robust, proportionate and credible evidence? • Can the rationale behind the plan's policies be demonstrated? • Does it seek to meet assessed needs and contribute to the achievement of sustainable development? • Are the vision and the strategy positive and sufficiently aspirational? • Have the 'real' alternatives been properly considered? • Is it logical, reasonable and balanced? • Is it coherent and consistent? • Is it clear and focused?

Test 3: Will the plan deliver? (Is it likely to be effective?)

Questions

- Will it be effective?
- Can it be implemented?
- Is there support from the relevant infrastructure providers both financially and in terms of meeting relevant timescales?
- Will development be viable?
- Can the sites allocated be delivered?
- Is the plan sufficiently flexible? Are there appropriate contingency provisions?
- Is it monitored effectively?

Examination

6.28 A summary of the key tasks at this stage are:

- Examination by an Inspector(s) with hearing sessions as appropriate
- Provide venue and appoint Programme Officer
- Publicise and notify stakeholders concerning examination process and hearing sessions
- Pre-hearing meeting to identify issues and format for the examination
- Agree and submit any SoCG
- Prepare and submit statements for hearing sessions
- Consider any requirements for MACs publicise and consult as appropriate

Function and Timescales

6.29 The function of the examination is to assess whether preparation requirements have been followed and whether the submitted LDP meets the tests of soundness. The Inspector will consider individual objections on the basis of how these address the LDP's overall soundness.

6.30 The examination should be a quick and efficient part of the overall process of preparing an LDP. The period of time from formal submission of the LDP the Inspector's report being issued should be no more than 11 months, less for Short Form Revisions to the plan.

6.31 The Planning Inspectorate, on behalf of the Welsh Ministers, will appoint an Inspector to carry out an independent examination. Where the issues are complex or there are a large number of objections, it may be necessary to appoint one or more assistant Inspectors in order to avoid delay; planning officers may also support the Inspector.

6.32 Early discussions with the Planning Inspectorate are useful to clarify the timetable and procedural aspects for the examination, including any need for the LPA to assist the Inspector(s) with Welsh language representations. LPAs should request an advisory visit by the Planning Inspectorate to discuss the appointment and role of a Programme Officer and the handling of the examination.

6.33 The LPA should appoint a Programme Officer with suitable administrative experience. It is important that the Programme Officer is appointed early in the process, preferably at the deposit stage. The Planning Inspectorate will not commence an examination until a Programme Officer is in place. The Programme Officer is responsible for:

- Managing the day-to-day arrangements of the programme before and during the proceedings
- Recording all documents and plans submitted during the course of the proceedings
- Arranging for the inspection of sites by the Inspector
- Dealing with correspondence with objectors and the LPA on behalf of the Inspector, including requests for and exchanges of all statements

6.34 The most likely source of an experienced Programme Officer is from a pool of independent officers, for which the Planning Inspectorate holds a list. Programme Officers should be appointed once deposit representations have been received (see PINS LDP Procedural Guidance).

6.35 The efficiency of the examination will be heavily dependent on the maintenance of a comprehensive website where all the examination documents must be publicly available. It is essential the LPA makes provision for adequate web space and provides the resources for the site to be updated rapidly especially during the hearing sessions. Provision should also be made for the translation of documents.

6.36 Accommodation for the formal proceedings is provided by the LPA. Adequate arrangements must be made for accommodating participants, the general public and the press, as well as the Inspector and Programme Officer. The accommodation should be accessible both in terms of public transport and in terms of suitability for disabled people. The Inspector will determine whether translation facilities will be required but will normally adopt the approach taken by the LPA.

6.37 The LPA must give the requisite notification of the examination hearings (LDP Regulation 23) outlining how, where, and when the proceedings are to take place, their purpose, and the name of the Inspector. The LPA must also inform those that are entitled to participate in the examination.

Participation in the Examination and Format

6.38 Detailed guidance on the examination process is provided in PINS' "Local Development Plan Examinations: Procedure Guidance".

6.39 The Inspector's role is proactive. Depending on the nature and complexity of the examination the Inspector will usually hold a pre-hearing meeting to identify the issues to be discussed, the format for the examination and may hold subsequent programming and agenda setting meetings.

6.40 At the start of the opening session of the examination, the Inspector will explain:

- The nature and purpose of the examination
- That a resulting report (binding) will be made to the LPA
- The role of any assistant Inspectors or planning officers
- What was agreed at the pre-hearing meeting
- The timetable for the examination
- Details of the arrangements for any site visits

6.41 The Inspector may require brief written statements for hearing sessions from participants in response to specified questions, or proofs of evidence to be submitted by a particular date. If so arrangements will be put in place for this material to be made available to all participants in the sessions.

6.42 All representations should be focused and avoid repeating contextual material readily available to the Inspector. Objectors, including those who are to be heard at the examination, should rely on their original representation unless they have additional or new information that would assist the Inspector. Substantive new material should not be brought to the examination unless it is essential to substantiate an objection. The Inspector will consider how any substantive new information is taken into account through the examination. **Written representations are given no less consideration by the Inspector than those dealt with orally at the examination.**

6.43 The oral hearing sessions will take the form of a public discussion where the issues identified in advance by the Inspector are discussed and participants invited to contribute. Inspectors are able to invite anyone to attend the examination, including supporters and, where necessary, those who made no representations, or have not asked to be heard, if this would be essential to determine the soundness of the plan. However, supporters of the plan do not have a right to be heard.

6.44 The Inspector will ensure that those who have exercised their right to be heard, have the opportunity to participate in the examination in the most efficient and effective manner. 'The right to be heard' essentially means the right to make representations to the Inspector and to appear in person at the examination. The way in which they are heard is a matter for the Inspector. The Inspector can group objectors together to ensure the most efficient use of examination time, for example if they relate to the same site or group of sites, the same settlement or policy.

6.45 The Inspector will determine the procedures to be used to hear representations orally, with the presumption that they will be informal. Most will be heard by round table discussion, which has particular applicability for assessing the strategy, or hearings which may, in some circumstances, be more appropriate for the detail of assessing specific site allocations.

6.46 Formal hearings may be used if the Inspector considers this necessary and appropriate, usually where the evidence needs to be tested in a more inquisitorial manner with the assistance of advocates. Even then the examination will be led by the Inspector, adopting the most efficient procedure to enable them to determine whether the LDP is sound.

6.47 The sequence in which matters are examined is determined by the Inspector, depending on the nature of the issues chosen for debate. Generally, there are benefits in examining the strategy in advance of site allocations, especially where the strategy is controversial and the Inspector may issue interim findings.

6.48 There is the ability for concurrent sessions within an examination led by different members of the Inspectors' team where issues chosen for debate are not interrelated. Dependent on the timing reached in the plan making stage and geographical relationship, there is the ability to run joint examinations, or partial joint examinations. This could utilise the same Inspector, or team of Inspectors, examining more than one plan at once. Where adjoining LPAs have both submitted their respective LDPs for examination, housing matters could be examined jointly, particularly where the LHMA crosses administrative boundaries. As long as it was clear how stakeholders could participate and the topic for discussion in the respective plan was clear, this could maximise resources at times when several plans were submitted simultaneously.

There may be scope for joint examinations, or partial joint examinations, where adjoining authorities have similar issues to address and their LDPs have reached similar stages.

6.49 The Inspector will visit those parts of the area covered by the plan that are of most relevance, only visiting sites where it will assist in arriving at a conclusion. Site visits will be unaccompanied unless the Inspector needs to enter private land or buildings. On accompanied visits, the Inspector is concerned only with observing physical and environmental characteristics and will not discuss the merits of objections or proposals. The Inspector may seek confirmation or clarification of certain features that can be seen on the site during an accompanied visit.

Before or during the hearing sessions the Inspector may identify the need for revisions to the plan to ensure it meets the soundness tests and ask the LPAs to propose appropriate Matters Arising Changes (MACs). A schedule of these changes should be maintained and made available on the examination website.

Consideration of the SA

6.50 It is for the LPA to satisfy itself that it has carried out the SA work correctly. The role of the Inspector at examination is to consider the soundness of the LDP using the SA as part of the evidence base and reasoned justification.

6.51 There may be circumstances in which the Inspector considers the evidence in the SA Report is either insufficient to come to a satisfactory conclusion on the soundness of the LDP, or that the integrated assessment is actually deficient and does not give the necessary support for the LDP. In such cases the Inspector may have to adjourn the examination for the necessary SA evidence to be made available, or to recommend the LDP cannot be adopted until the necessary evidence has been gathered and the integrated assessment is revised and the environmental report is amended.

6.52 If an objector proposes an alternative site which has already been assessed as part of the LPA's work in preparing the plan, the Inspector can consider the merits of the objector's case. However, the starting point of the examination is that the strategy and the allocations in the LDP are sound and the Inspector will not look beyond them unless it is concluded to be otherwise. Where a new or alternative site is suggested by an objector it is important the SA information is also available.

6.53 An Inspector would not be able to recommend a change to the deposit plan unless there is sufficient SA information to be able to understand what the effects of the change would be. The Inspector would need to be satisfied that the inclusion of the site would result in a sound plan. Any such change has to be based on evidence that shows how the change would affect the plan in terms of its sustainability. The Inspector does have the ability to propose changes to the plan, Inspector Matters Arising Changes (IMACs) although this must align with all the relevant legislative

requirements. These would require consultation and follow the process as per MACs. Such changes (IMACs) are anticipated to be extremely limited in number.

Inspector's Report and Adoption

6.54 Key tasks relating to the Inspector's Report are as follows:

- Publication of the binding Inspector's Report
- Adoption of the plan within 8 weeks of the receipt of the Inspector's Report
- Publishing / make available the finalised SA report, notifying statutory bodies including how environmental considerations have been taken into account, and measures for monitoring proposals
- Prepare an Adoption Statement, publicise the adoption and notifications

6.55 When assessing the soundness of an LDP, the Inspector will exercise their professional judgement based on the evidence available, representations made, and the particular circumstances of the LDP and the area. The Inspector's overall aim is, wherever possible, to get the LDP to the stage where it is adjudged sound and can be adopted.

6.56 After the hearings the Inspector will produce a report specifying precise recommendations identifying required changes to the LDP (including to the proposals map) together with reasons for the changes (section 64(7) PCPA 2004). The report will not summarise any cases submitted to the examination but will focus on the issue of whether the LDP is sound, which the Inspector's conclusions will address.

6.57 It follows that any changes to the submitted LDP made by the Inspector in their report must themselves be demonstrably sound. Any changes must for example:

- Accord generally with national policy (PPW) and the Wales Spatial Plan (until the NDF is published)
- Be in general conformity with the NDF and or SDP (when published/ adopted)
- Not impact directly on anyone who has not had the opportunity to comment
- Be based on the evidence available at the examination
- Be supported by clear rationale, based on the evidence
- Accord with the strategy of the LDP
- Be realistic and capable of delivery

6.58 An Inspector would not be able to recommend including any new or alternative site in the LDP if this would make the plan unsound. However, the Inspector may

recommend the inclusion of a new or alternative site if it would be sound to do so. If the plan were patently unsound the Inspector might recommend it is withdrawn. **An Inspector who considers that a plan is fundamentally unsound cannot recommend that it be adopted.** However, assuming that soundness checks are made before submission this would be unlikely.

6.59 Otherwise the most likely outcomes from the assessment of soundness undertaken by the Inspector are that:

- The plan (including FCs as set out in the Addendum) is considered sound, subject to MACs agreed by the LPA and/or a small number of additional Inspector changes
- Additional work is needed before the LDP can be examined further

The conclusions reached by the Inspector will be **binding** and **the LPA must accept the changes required by the Inspector and adopt the LDP as amended.**

6.60 The LPA has an opportunity before the Inspector's report is finalised to request the correction of factual errors, 'Fact Checking'. The LPA may not question the Inspector's conclusions, although it may seek clarification on any conclusion considered to be unclear. LPAs should complete the fact check within two weeks of receiving the Inspector's report. Once the fact check has been completed and the Inspector has responded to any points raised (if any are raised) the final report will be submitted to the LPA and to the Welsh Government's Planning Directorate in electronic and paper format. The timetable for the Inspector's report will be agreed between the LPA and the Planning Inspectorate as part of a service level agreement.

6.61 In terms of translation into Welsh, the Planning Inspectorate will accord with its Welsh Language Scheme, as clarified in its published LDP examination procedural guidance. The definitive report will be the original report as written by the Inspector, prior to being translated. The examination will formally close upon delivery of the Inspector's report to the LPA.

Publication of Inspector's Report

6.62 An LPA must publicise and make available the Inspector's report by the day the LDP is adopted; it must also inform those who requested to be notified of its publication (LDP Regulation 24). Copies of the report should be available for

inspection at the locations where the plan was deposited and on the LPA's website, in accordance with LDP Regulation 24.

Adoption Statement and Finalised SA Report

Unless the Welsh Government intervenes, the LPA must adopt the LDP by resolution, within 8 weeks of receipt of the Inspector's report; it must prepare an adoption statement, and as soon as reasonable practicable, publicise the fact that the LDP has been adopted and where it can be inspected (LDP Regulation 25).

6.63 The adoption statement must specify the date of adoption and grounds and period for a High Court challenge. It should also summarise how the LPA has taken the findings of the integrated assessment process into account and how sustainability considerations more generally have been integrated into the LDP. This summary must make clear any changes made to the LDP as a result of the assessment process and responses to consultation, or why no changes were made or options were rejected. The adoption statement cannot duplicate material already in the inspector's report, SA report and the CR, but could use cross-references to these documents. This should be a relatively short statement of no more than 2-3 pages.

LDP Publication / Operative Date

6.64 Copies of the adopted LDP, the adoption statement, the Inspector's report and the final SA report must be made available for inspection at the locations where the plan was deposited and on the LPA's website; copies of the adoption statement must be sent to those who have asked to be notified of the adoption (LDP Regulations 25 and 39).

6.65 These documents should also be available for purchase at a reasonable fee as soon as practicable. Final publication of the LDP should follow as soon as possible and as outlined in the DA. The LPA must send one copy of the adopted LDP and the adoption statement to the Welsh Government.

An LDP becomes operative on the date it is adopted or, if the plan has been called in, the date it is approved by the Welsh Government. A six-week challenge period to the High Court is provided by the PCPA 2004 (section 113).

Chapter 7: Other Procedural Matters and Considerations

Plan Withdrawal

7.1 An LPA may withdraw an emerging LDP at any time before it is submitted for examination, although they have to notify the Welsh Ministers of an intention to withdraw prior to the actual withdrawal (sections 66 and 66A, PCPA 2004).

Once the plan is submitted, it can only be withdrawn if the Inspector carrying out the examination recommends that it is withdrawn (and the Welsh Government does not overrule that recommendation) or the Welsh Government directs that the plan should be withdrawn.

7.2 As soon as reasonably practicable after an LDP is withdrawn, the LPA must advertise the fact and remove all documents relating to the plan from the public domain (LDP regulation 26). The LPA should consider which elements of the evidence may be valid when preparing a further plan, thereby avoiding repetition of evidence gathering and minimising further cost.

High Court Challenge

7.3 Any person can challenge the validity of the LDP, or any revision to it, on the grounds that it is not within the powers conferred by Part 6 of the PCPA 2004, or that there has been a failure to comply with procedural requirements in that Part of the PCPA 2004 or Regulations made under it (The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (as amended 2015)). In such circumstances an application may be made to the High Court.

A six-week challenge period to the High Court is provided by the PCPA 2004 (section 113). Applications to the High Court must be made within six weeks of the adoption of the plan by the LA or approval of the plan by the Welsh Ministers.

Period for which an LDP has Effect

Regulation 11 states that the plan must include the date of the expiry of the period for which the plan has been prepared.

Section 62(9) of the PCPA 2004 (as inserted by section 12 PWA 2015) provides that an LDP ceases to be a LDP on the expiry of the period specified.

7.4 Where the period for which a plan is to have effect is not specified, the expiry of the period is to be treated as the 31st December of the calendar year specified on the plan. Any SPG reliant on a policy in an adopted LDP that ceases to have effect under section 62 of the PCPA 2004 (the plan ceases to be a LDP on the expiry of

the period specified) will also cease to have effect. When a plan is adopted, there should be at least 10 years left of the plan period remaining.

Emerging or Outdated Plans

Section 38(6) of the PCPA 2004 requires that regard is to be had to the development plan unless material considerations indicate otherwise. The weight to be attached to an emerging LDP (as defined in LDP Regulation 2) when determining planning applications will in general depend on the stage it has reached, but does not simply increase as the plan progresses to adoption.

7.5 Following the submission of an LDP to Welsh Ministers for examination, the Inspector is required to consider the soundness of the whole plan in the context of national policy and all other matters which are material to it. Consequently, policies could ultimately be amended or deleted from the plan even though they may not have been the subject of a representation at deposit stage (or be retained, despite generating substantial objection). Certainty regarding the content of the plan will only be achieved when the Inspector delivers their binding report. Thus, in considering what weight to give the specific policies in an emerging LDP that apply to a particular proposal, LPAs will need to consider carefully the underlying evidence and background to the policies. National policy can also be a material consideration in these circumstances.

Where an LDP is in preparation, questions of prematurity may arise. Refusing planning permission on grounds of prematurity will not usually be justified except in cases where a development proposal goes to the heart of a plan and is individually or cumulatively so significant, that to grant planning permission would be to predetermine decisions about the scale, location or phasing of new development which ought to be properly to be taken in the LDP context.

7.6 Where there is a phasing policy in the plan that is critical to the plan structure there may be circumstances in which it is necessary to refuse planning permission on grounds of prematurity if the policy is to have effect. The stage which a plan has reached will also be an important factor and a refusal on prematurity grounds will seldom be justified where a plan is at the pre-deposit plan preparation stage, with no early prospect of reaching deposit, because of the lengthy delay which this would impose in determining the future of the land in question.

7.7 Whether planning permission should be refused on grounds of prematurity requires careful judgement and the LPA will need to indicate clearly how the grant of permission for the development concerned would prejudice the outcome of the LDP process.

7.8 It is for the decision-maker in the first instance, to determine through monitoring and review of the development plan whether policies in an adopted LDP are outdated for the purposes of determining a planning application. Where this is the case, LPAs should give the plan decreasing weight in favour of other material considerations such as national policy.

Availability of Documents

7.9 An LPA is required to publish (including on its website) and make available for public inspection the DA (i.e. the timetable and CIS) (LDP Regulation 10) and the adopted/approved LDP (LDP Regulation 39). Plan documents, including the proposals maps, should be made available for Inspection at the LPA's principal office (and elsewhere in accordance with the DA) and for purchase at a reasonable charge.

7.10 It must also advertise the availability of the plan and the various other documents, reports and statements produced during the procedure leading to its adoption. Copies of these other documents must remain available for public inspection until six weeks after the date of publication of the notice of adoption, the period for legal challenge (LDP Regulation 38). Any direction or notification from the Welsh Government about the plan must also be available for Inspection.

7.11 Throughout the plan preparation process it is important that all the information relating to the plan is kept in a single place. Proposals maps should be available in electronic form, both for accessibility and to enable them to be dynamic and responsive to change, as LDPs are reviewed and policies are revised. Having clear and effective mechanisms for accessing the necessary information will ensure transparency and ensure stakeholders can be involved more effectively in the process.

Notices

7.12 LPAs should satisfy themselves that they comply with all requirements of the LDP and SA/SEA and HRA Regulations etc. for notification and publicity. There is no set statutory format for notices. Notices should be drafted with a view to accessibility in terms of simpler explanation and the use of plain language. Contact details should be provided where an explanation of the process or alternative formats for documents can be obtained and ensure assistance is available to those unable to make representations in writing. This will ensure all parties can be involved in a meaningful and effective way.

Welsh and English Language in the Plan Making Process

7.13 The Welsh Language (Wales) Measure 2011 introduced a duty on organisations including LPAs to comply with standards to do with Welsh language. The standards provide clarity about the services that should be provided in Welsh and require organisations to use the Welsh language in a reasonable and proportionate manner.

7.14 Many of the standards are likely to be relevant to all stages of the LDP process but particularly in the way in which LPAs publicise proposals, consult with the public, communicate with those making representations and make arrangements for the conduct of examination proceedings. Use of the Welsh language in communications should be identified in the CIS. Pre-hearing meetings provide a forum where practical questions relating to the language used at the hearing sessions can be discussed so those who wish to participate through the medium of English or Welsh may do so effectively.

7.15 In respect of the translation of documentation, all LPAs have their own Welsh language standards, which should be the starting point. For example, if Standard 40 applies, the expectation is that everything is translated, unless there is a robust reason not to. Issues around the technical nature of documents, the audience, size and permanence of documents will be key considerations. There is no one size fits all approach and it will be a matter for each LPA to comply with the standards as relevant to them. The advice of Compliance Officers in LPAs should be sought.

Welsh Government's Powers in the Plan Preparation Process

7.16 The Welsh Government has wide ranging powers of direction as well as default powers in relation to LDPs. Welsh Ministers also have powers under the PCPA 2004 (as amended) to intervene in the plan making process. The uses of intervention powers are extremely rare.

The Welsh Government will only consider using these powers and intervene in the plan making process as a last resort when dialogue has failed and where an LDP:

- 1) Raises issues of national importance, or
- 2) Could have wide effects beyond the area of the plan making authority.

7.17 Relevant powers under the PCPA 2004 are:

S63 (5) – to direct the terms of the Delivery Agreement (DA) where agreement cannot be reached

S65 (1) – to direct an LPA to modify its plan in a specified manner before adoption

S65 (4) – to call-in a plan for determination by the Welsh Ministers

- S66 (1) – to direct in relation to withdrawal of the LDP prior to adoption
- S67 (4) – to direct an LPA not to adopt the plan
- S68 – to revoke an LDP at the request of the authority
- S70 (2) – to direct that a plan is revised
- S71 – step-in powers where an LPA is failing to take necessary steps
- S72 (1) – to direct preparation of a Joint LDP (JLDP)
- S72 (7) – to direct, where an authority withdraws from an agreement to prepare a joint LDP, the resumption of the independent examination and that steps taken for the purpose of the joint plan examination are to have effect in relation to the corresponding individual plan of that authority.

Blight and Avoiding Blight

Publication of a deposit LDP which it proposes to adopt, in accordance with LDP Regulations 17 or 26B, will trigger the planning blight provisions, as will the deposit of proposals to revise or replace an adopted LDP.

7.18 While an LPA should ensure that adequate provision is made for development and infrastructure when preparing its LDP, it is important that proposals are realistic and likely to be implemented over the plan period.

7.19 Where circumstances change so that there are proposals in an adopted LDP which are no longer likely to be implemented, the LPA should take the necessary action to ensure that this is clear to those using or referring to the plan. This is particularly important in cases such as proposals for major development or infrastructure projects (e.g. road proposals) where uncertainty of the likelihood of proposals proceeding can lead to perceived blight to property owners in the vicinity.

7.20 The only way of removing such proposals from the plan is through a formal revision and the AMR is a useful tool to highlight necessary changes. However, it is recognised that decisions not to proceed with proposals may be taken on a timescale that does not match annual monitoring or plan revision. Therefore, where a firm decision has been made not to proceed with a proposal (e.g. through a formal resolution) the LPA should ensure that copies of the resolution (or other appropriate documentation) are made available for public inspection.

7.21 The LPA may also wish to inform directly those whose land or property may have been affected, and others as they think fit. LPAs should be aware that taking this approach does not equate to a formal alteration to the plan. In terms of section 38(6) PCPA 2004, the proposals within the plan will remain unaffected. The record of the decision by the LPA that the proposals will not be taken forward; will however be

a material consideration in respect of any subsequent planning applications or appeal. The LPA should ensure that the decision not to proceed with the proposal is incorporated into the next set of alterations to the plan or its subsequent replacement.

Transitional and Saving Provisions (2005 Provisions)

7.22 Where there is no LDP for an area, transitional and savings provisions apply in relation to the area of any authority in Wales until the LDP for that area has become fully operative. Any existing development plan (i.e. Unitary Development Plan, Structure Plan or Local Plan) will cease to have effect for the area of the appropriate authority when an LDP becomes operative for that area. This provision is made under the PCPA 2004 (Commencement No.6, Transitional Provisions and Savings) Order 2005 – S.I.2005/2847 (C.118).

Chapter 8: Monitoring, Review and Revision

Monitoring, Review and Revision

8.1 Monitoring is a continuous process and does not end once a plan is adopted. It represents an essential feedback loop within the cyclical process of achieving sustainable development. Monitoring and review should be an ongoing function of the plan led system and is a vital aspect of evidence based policy making.

The key legislative requirements in respect of monitoring and review are as follows:

PCPA 2004 (Section 61) states that an LPA must **keep under review** the matters which may be expected to affect the development of their area or the planning of its development.

PCPA 2004 (Section 76) and LDP Regulation 37 states that an LPA must publish and submit to Welsh Government an **Annual Monitoring Report (AMR)** setting out how the objectives of the plan are being achieved, or not (by 31 October each year).

PCPA 2004 (Section 69(1)) and LDP Regulation 41(1) collectively state that an LPA **must review its LDP no longer than 4 years** from the date of adoption.

LDP Regulation 41 states the LPA must approve by resolution a report of a review prepared in accordance with Section 69(1) and before it is submitted to the Welsh Ministers in accordance with Section 69(2). The **'Review Report'** (RR) should be submitted to Welsh Government, within six months of triggering the review process.

Regulation 17 of the **SEA Regulations** require monitoring of certain plans to identify unforeseen adverse effects and enable appropriate remedial action to be taken.

The Monitoring Framework

8.2 **All LDPs must include a monitoring framework.** LPAs already have an adopted monitoring framework in place to inform findings in the Annual Monitoring Report (AMR) and the Review Report (RR). Monitoring is a continuous cycle; it does not end at adoption. For plan revision, LPAs will need to consider what was effective and what can be improved to ensure the monitoring framework remains fit for purpose, linked to the new plan strategy and objectives. LPAs should also consider other adopted frameworks across Wales, where relevant. The following broad principles should be taken into account by all LPAs when devising the framework:

The preparation of the monitoring framework should not be an afterthought

It should be an ongoing consideration from the early stages of plan preparation through to finalising the monitoring framework at examination. LPAs should consider implementation and delivery throughout all stages, not at the end.

Focussed	Not all policies/proposals in the development plan will require monitoring, only those key to delivering the plan strategy and objectives. An LPA should be clear on the type and source of information required early in the plan preparation process. LPAs should have regard to what is practical and reasonable, resources and data availability.
Establish indicators, targets and effective trigger points	Indicators should be concise and clear on what is being monitored and how this relates to the strategy. All indicators should be measurable with clear and appropriate targets and effective trigger points. They should be timely and specific.

Content and Structure of a Monitoring Framework

8.3 The monitoring framework should **consist of the key policies/proposals, indicators, targets and trigger points and actions**, set out in the format indicated by Table 28:

Table 28: Monitoring Framework Structure

Objective:				
Key Policies/proposals	Indicator	Target	Trigger Point	Source of Information

Developing Indicators, Targets, Trigger Points and Actions

Indicators

8.4 The indicators in the monitoring framework should be focussed on those key policies fundamental to delivering the plan. It should not be too onerous or too complex. **All indicators should be specific, measurable and realistic.** LPAs should use the experience gained in implementing existing frameworks and through discussions with other LPAs to refine their indicators at plan review. Indicators required in all monitoring frameworks include those set out in Table 29.

Table 29: Indicators

Indicators Required by Legislation	
Number of net additional affordable and market dwellings built in the LPA area.	LDP Regulation 37. All AMRs must include the annual affordable and market housing completions in the plan area.
Key Indicators Applicable to all Plans	
Spatial distribution of housing development	To monitor housing completions each year in line with the growth strategy and the settlement hierarchy.
The <u>annual</u> level of housing completions monitored against the Anticipated Annual Build Rate (AABR).	<p>Annual housing completions must be monitored against the Anticipated Annual Build Rate (AABR) as specified in the adopted housing trajectory (see Table 21 and Diagram 16). This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</p> <p>For those plans published prior to the publication of the DPM, completions will be measured against the Average Annual Requirement (AAR) set out in the plan. This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</p> <p>The components of housing supply, including site allocations, large and small windfalls should also be monitored separately.</p> <p>See section on updating the housing trajectory through the AMR.</p>
Total <u>cumulative</u> completions monitored against the anticipated cumulative completion rate.	Cumulative housing completions must be monitored against the cumulative completion rate as specified in the adopted housing trajectory (see Table 21 and Diagram 16). This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).

	<p>For those plans published prior to the publication of the DPM, cumulative completions will be measured against the cumulative average annual housing requirement set out in the plan. This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</p> <p>See section on updating the housing trajectory through the AMR.</p>
<p>The level of affordable housing completions monitored against the plan's overarching target.</p> <p>The tenure of affordable housing completions.</p>	<p>To monitor affordable housing completions delivered through the planning system each year against the target set in the plan.</p> <p>A separate indicator should monitor the tenure split (social rented and intermediate) in line with need identified in the LHMA.</p>
<p>Employment land take-up against allocations.</p> <p>Job growth.</p>	<p>To monitor the take-up of employment land in the plan.</p> <p>Indicators monitoring Class B job growth in line with the strategy.</p>
<p>Delivery of the affordable housing policy - thresholds and percentage targets for each sub-market area.</p>	<p>To monitor the delivery of affordable housing in line with policy targets and thresholds in each sub-market area (where relevant) including any deviation above or below the target.</p>
<p>Viability.</p>	<p>LPA should monitor trends (positive and negative) in key determinants of market conditions and viability such as, house prices, land values, build costs.</p>
<p>The rate of development on key allocations (completions linked to phasing trajectories and infrastructure schemes, where appropriate).</p>	<p>To monitor the development of land uses and associated infrastructure on key development sites in the plan. The rate of development will need to be considered against the</p>

	anticipated trajectory, Placemaking principles and delivery appendix.
The delivery of key infrastructure that underpins the plan strategy.	This will monitor the development of new infrastructure, such as road and rail improvements and utility enhancements on which the plan strategy is dependent.
The completion of Gypsy and Traveller sites to meet identified need.	This will monitor the development of allocated gypsy and traveller sites to meet identified need over the full plan period. A separate indicator will also be required to monitor and make provision for any newly arising need outside of the GTAA.
The scale/type of highly vulnerable development permitted within C2 flood risk areas.	To demonstrate the effectiveness of avoiding highly vulnerable development in the areas at most risk.
Locally Specific and Contextual Indicators	
Local Indicators.	Policy/topic specific indicators should be defined by each LPA specific to their area and considered against the importance of monitoring the effectiveness of the plan's strategy.
Contextual Indicators.	These should be defined by each LPA and involve the consideration of influences at a strategic level to describe the economic, social and environmental conditions within which the development plan operates.
Linkages to SA/SEA Monitoring	
SA /SEA.	The plan will need to consider the linkages between the SEA/SA monitoring process and the LDP monitoring process to avoid duplication. Opportunities for joint reporting should be maximised. See also AMR section.

Targets

8.5 All indicators must have a corresponding target, even if this is expressed as a preferred direction of travel. Targets must be specific, measurable and realistic. LDP targets should directly relate to the plan's strategy, objectives and policy outcomes. Essentially what is the plan seeking to achieve? Generally, targets are numerical (homes and jobs) spatial (percentage growth at places, site allocations) or contextual (demographic trends unemployment rates, commuting patterns etc.)

Trigger Points

8.6 Trigger points are the key mechanism for determining how policies are working and whether action is required. They set the parameters against which policies should deliver. They should be specific and measurable to ensure issues can be highlighted. For example, it is not appropriate for LPAs to include wide ranging triggers as this will be ineffective and will limit clear conclusions being drawn where there are trends of under delivery. **Trigger points that have specific numerical outputs (e.g. housing completions / employment land take up) should be measured over two consecutive years (to be clear this means annual delivery rates not the number of AMRs submitted) allowing for trends to develop and become clearly identifiable.**

Actions

8.7 When trigger points are activated, investigation is required to understand why policies and proposals are not being implemented as intended and determine what action will be necessary. LPAs will need to consider the delivery of all indicators collectively, their interrelationships and the magnitude of under delivery. Some indicators will be more significant than others in terms of delivering the development plan strategy. This should be reflected in any subsequent action.

8.8 LPAs must clearly set out how variances of under delivery will be considered through future **actions** and provide clarity on the consequential steps to be taken, depending on the magnitude of any variance. If key indicators are not being met the options could include those set out in Table 30.

Table 30: Monitoring Actions

Continue Monitoring
Development plan policies are being implemented effectively.
Training Required
Development plan policies are not being implemented as intended and officer or Member training is required.
Supplementary Planning Guidance (SPG) Required
Development plan policies are not being implemented as intended and further guidance is required, potentially preparing additional SPG.
Further Investigation/Research Required
Development plan policies are not being implemented as intended and further research and/or investigation is required.
Policy Review Required
Development plan policies are not being implemented and are failing to deliver; a review of the specific policy may be required.
Plan Review
Development plan policies are not being implemented and the plan's strategy is not being delivered, triggering a formal review in advance of the statutory 4-year review.

Annual Monitoring Reports (AMRs)

AMRs are the key mechanism to assess the delivery and implementation of a plan's strategy. They provide transparency in the planning process by keeping stakeholders and the community informed regarding the performance of the plan against the issues it has identified.

All LPAs with an adopted LDP are required to prepare an AMR. The results of the AMR should be recorded in the first full financial year from 1 April to 31 March following adoption. AMRs must be approved by the LPA and submitted to Welsh Government by 31st October of the respective year.

8.9 The first AMR should be submitted by the 31st October in the year following adoption of the LDP, unless less than 12 months would have passed since adoption. In this case it should be submitted by 31st October of the subsequent year.

8.10 The AMR should assess the extent to which the plan’s strategy and key policies, sites and infrastructure requirements are being delivered. **Each AMR will be based on the results and commentary of the preceding year.** This will enable trends to become clear, with more refined commentary and analysis. It will then be clear how policies and proposals are delivering year on year.

8.11 It is not realistic or necessary for all policies to be monitored. This would lead to an unnecessarily large and complicated document. Some key areas will need to be included consistently each year, this will be for the LPA to determine based on those elements crucial to delivering the plan’s strategy. Chapters in all AMRs should include as a minimum, the following set out in Table 31.

Table 31: Content of the AMR

Chapter		Broad Content
1	Executive summary	<p>Identify key findings and conclusions in relation to the delivery of the strategy, setting out clear conclusions on whether a plan review is required. For example:</p> <ul style="list-style-type: none"> • What new issues have occurred in the plan area, or changes to local/national policy? • How relevant, appropriate and up-to-date is the LDP strategy and its key policies and targets? • What sites have been developed or delayed in relation to the plan’s expectations at both places and in the phasing programme (as set out in the trajectory) • What is the degree of variance from the anticipated annual and cumulative build rate? Is there a two year trend of under delivery (annual completions not number of AMRs submitted)? • What has been the effectiveness of delivering policies and preventing inappropriate development?

2	Analysis of significant contextual change / indicators	A summary and review of wider contextual issues within which the LDP operates, i.e. external strategies/policies.
3	Analysis of core/key indicators	A clear assessment on whether the plan is achieving the strategy, including its main objectives and implementing required growth levels (e.g. housing development targets, site delivery, affordable housing, and infrastructure) The AMR must include a housing trajectory update and related commentary and analysis. This must be presented in the format as set out in this Chapter.
4	Analysis of local indicators	An assessment of policies that are not proving effective and how these issues will be addressed.
5	Results of SA indicators	Relating to the SA Report and integrated assessment.
6	Conclusion and recommendations	Identify changes to the plan required at the statutory review period or triggered earlier, if appropriate.

8.12 The broad structure of the AMR should remain the same each year to provide ease of analysis between successive reports and build upon preceding results. The use of illustrative materials such as charts and graphs can make the AMR more accessible for stakeholders, business groups and the community. The results of each indicator should be clearly set out using the broad framework in Table 32

Table 32: Structure of the AMR

Objective:			
Key Policies:		Related Policies:	
Indicator:	Target:	Outcome:	Trigger Point:
		Adoption:	
		AMR No.1:	
		AMR No.2:	
		AMR No.3:	
		AMR No.4:	
Analysis:			
Action:	<i>Insert colour relating to options set out earlier in the chapter</i>		

8.13 The monitoring results should clearly identify if (and how) the strategy is working and if key allocations are being delivered as anticipated over the plan period. The results will also identify any challenges, opportunities and possible ways forward for revising policies and proposals at plan review. It is considered good practice to involve stakeholders and the community through engagement events following publication of the AMR. This will enable the LPA to provide an explanation of the issues and trends, and to allow feedback on key issues.

Moving towards a new housing delivery monitoring system: What primary housing monitoring indicators should each LPA use?

The new housing indicators (those shaded yellow) set out in Table 29 are not currently included within adopted LDP monitoring frameworks. Moving forward they must be added to the monitoring frameworks of ‘emerging plans’ and included within the first AMR published following publication of this DPM.

8.14 It is recognised that ‘early or first generation plans’ could not have been ‘DPM compliant’ in terms of the clarity of housing components sought (Table 16) nor would they necessarily have undertaken detailed phasing information on all sites / components of supply. The majority of early plans did not include a housing trajectory. Later plans subsequently became more refined and detailed on this basis

as LPAs moved towards an increased emphasis on demonstrating delivery through a trajectory approach to demonstrate the timing and phasing of housing sites in the LDP. However, it is recognised that they will not all be consistent in the availability / presentation of information. In addition, housing trajectories were usually prepared to support the deposit and or examination process and were not always updated at the end of the examination as there was no requirement to do so. On this basis, it may be difficult for those LPAs who do have a trajectory to be confident that it reflects the situation and provision in the plan at the close of the examination sessions.

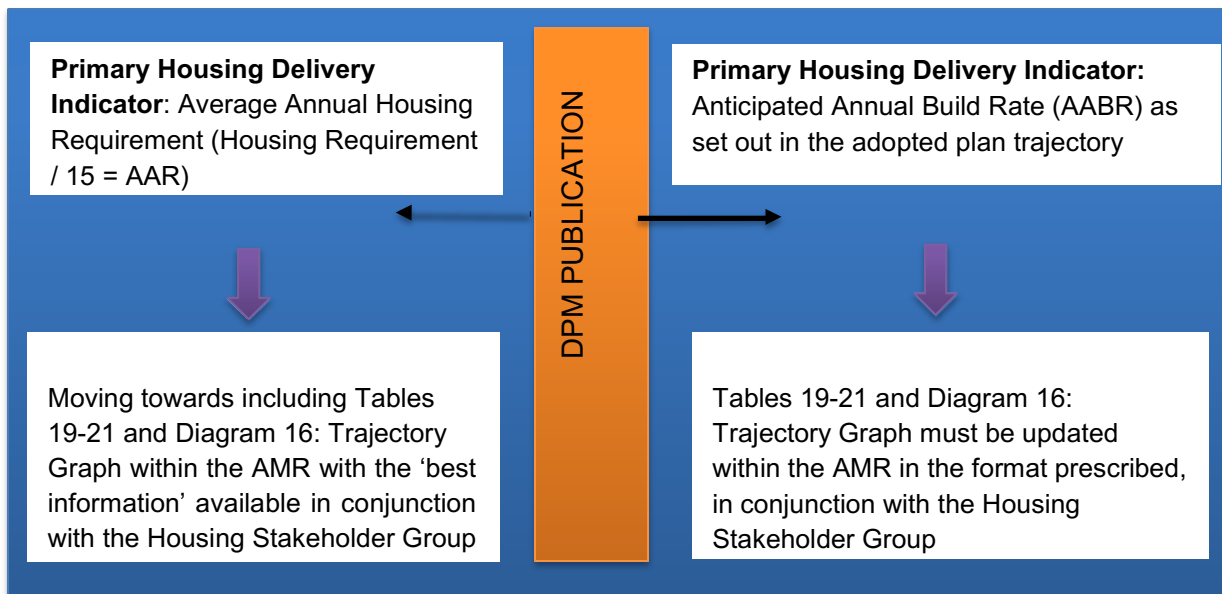
For the avoidance of doubt those LPAs who adopted their LDP prior to the publication of the DPM (Edition 3) should use the AAR method as the primary indicator to measure housing delivery, and include the trajectory approach within AMRs going forward (see 8.15)

LPAs who adopt an LDP following the publication of the DPM (Edition 3) must monitor the delivery of housing through the AABR and the trajectory approach set out in this section. (8.16-8.17)

For those LPAs who have yet to adopt their initial LDP, they should continue to prepare their LDP in line with DPM (Edition 3) guidance and specifically include Tables 19-21 and Diagram 16 within their LDP.

The diagram below illustrates this position.

8.15 Those LPAs with an adopted LDP prior to the publication of the DPM (Edition 3) should add more robust information in AMRs on the timing and phasing of land bank sites and allocations. A housing trajectory should be included within the AMR (supported by Tables 19-21) prepared with the best information available which will place LPAs who have just commenced or are due to commence a plan review in the future in a stronger position moving forward. In this instance actual completions will be plotted on the graph against the 'straight AAR line' as early plans did not have a 'more refined AABR' which is more reflective of the timing and phasing of sites in the plan. **All LPAs who adopted an LDP prior to DPM publication can create a trajectory based on actual completions to date and set out the timing and phasing of sites/supply in the remaining years of the plan period** in the tabular and graphical format set out in this Manual. It is accepted that presentationally, the trajectory may differ from the DPM in that respect, for example early plans that did not clearly articulate the level of windfall development over the plan period may find it difficult to include detailed information on the phasing of windfalls sites in the remaining years of the plan period.



Updating the Housing Trajectory through the AMR Process – Housing Stakeholder Group and Presentation of Analysis within the AMR

Housing trajectories should be included and updated as part of the AMR process and the LPA must explain how it intends to address any shortfall in housing delivery against the trajectory.

To be clear, **the original trajectory included within the adopted plan cannot be amended within the AMR**, rather an update is prepared to compare actual delivery against what was set out in the adopted plan (AABR). The AMR will include two graphs, one from the adopted plan compared against the new updated graph prepared for the AMR. For those LPAs who adopted an LDP prior to DPM publication, a trajectory must be created for inclusion within the AMR where delivery will be compared against the (AAR)

Stakeholder engagement through the involvement of a Housing Stakeholder Group in the AMR process is mandatory. The LPA must reconvene the group in sufficient time to inform the publication of the AMR by 31st October and ensure that the Group's conclusions are included. Publication of the AMR in the timescales specified is a statutory requirement and must not be delayed by the group.

Meetings of the Stakeholder Group will be chaired by the LPA. The AMR is a statutory requirement placed on the LPA. It is the document that makes clear what is not working and why, and what action the LPA will undertake to remedy any issues. On this basis, where there is disagreement on the timing and phasing of sites, it will be for LPA to make a judgement/conclusion on that basis. No group member will have veto on the content of the AMR. However, where there are outstanding areas of dispute/disagreement, which should be limited in number, this

should be recorded within the AMR. Every effort should be made by the Group to achieve consensus the timing and phasing of sites in the plan period.

For the avoidance of doubt, the remit of the group will be to consider the issues set out previously in Chapter 5. In essence, updates of Tables 19, 20 and 21 which will inform a new housing trajectory graph which must be compared in the AMR against that in the adopted plan. In addition, information gained from developers on key sites will also be used to inform any relevant and site specific indicators where applicable.

How should the information be presented – key parameters and principles

8.16 The AMR must include a section that includes the original trajectory graph (Diagram 16 – Housing Development Trajectory Graph) and Table 21 Calculating the Anticipated Annual Build Rate (AABR). The AMR must include an update to both elements. This will allow more refined monitoring, comparison and analysis in the AMR. The key point is that it should be clear to readers what has changed from the adopted plan to the current AMR. The LPA must include commentary on the results, implications, and set out clearly what action (where relevant) is being undertaken to address any shortfall/under delivery on the plan strategy. Updated Tables 19 and 20 must also be included as appendices to the AMR. For those LPAs who adopted an LDP prior to DPM publication will include the equivalent 16B Diagram overleaf, but the black line will be a ‘straight AAR line’.

Diagram 16A - Trajectory Graph as set out in the Adopted LDP

- Illustrative Example:** Plan Provision 12,000 homes, Plan Requirement 10,435 homes – Plan Flexibility 15%. Assumption is there will be two years of actual completion data when the plan is examined. The ‘black line’ is the Anticipated Annual Build Rate (AABR).

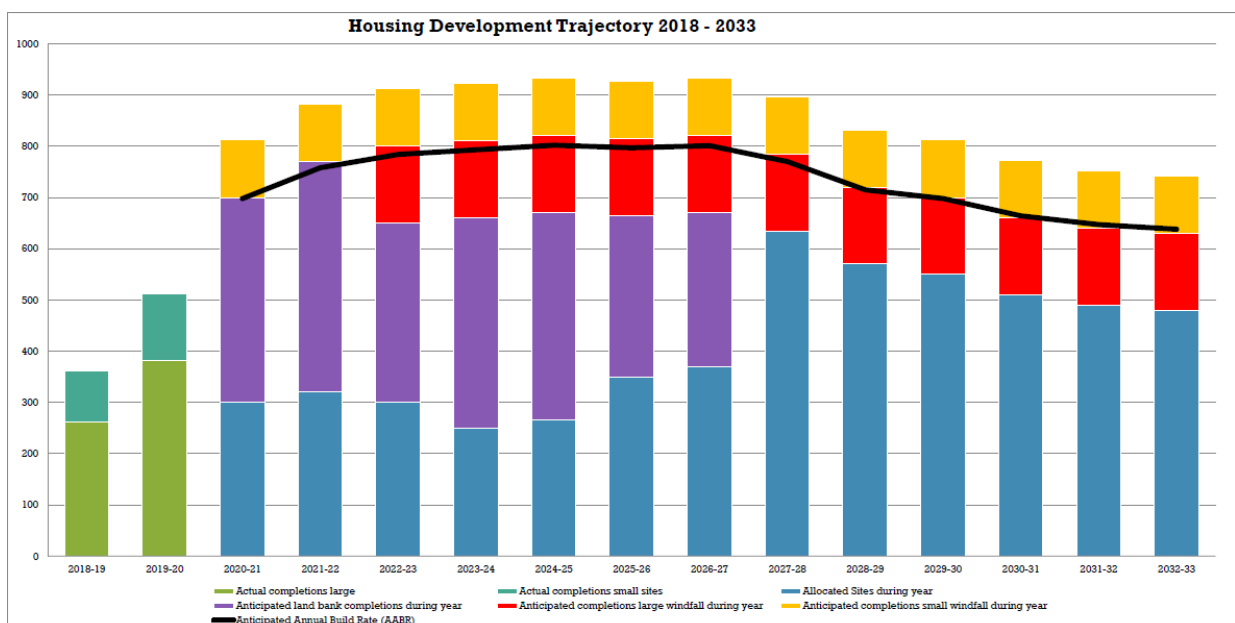
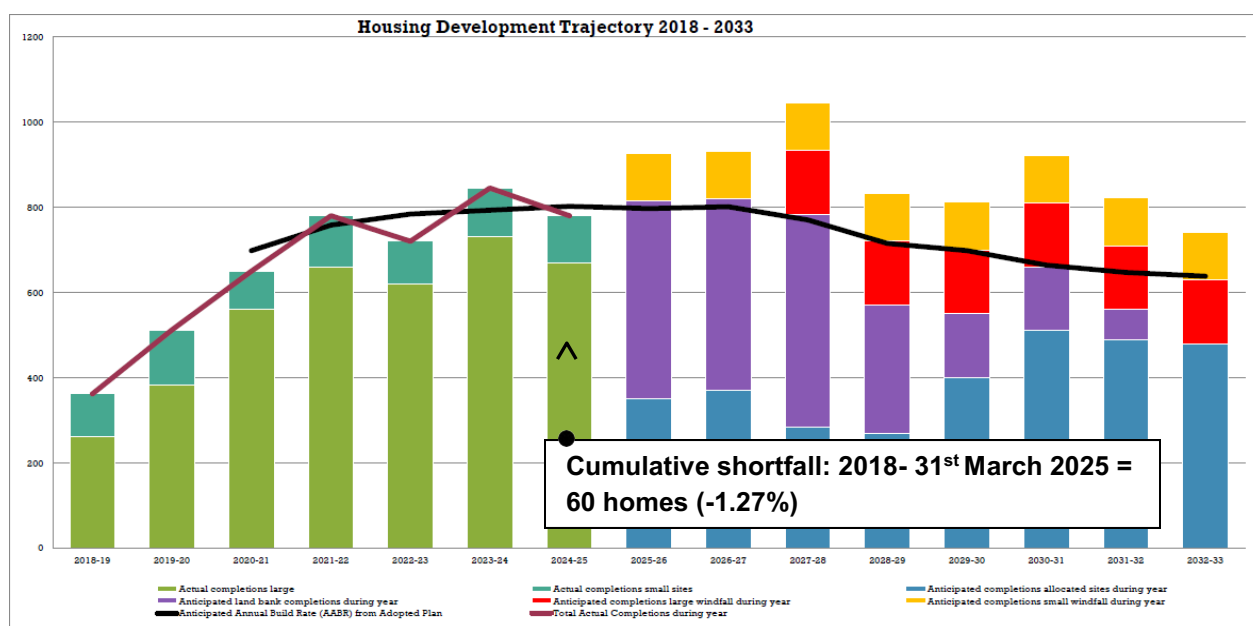


Diagram 16B - Trajectory Graph - as amended through the AMR



- The amended graph shows the plan when it reaches the four year review period following adoption (Regulation 41).
- The graph shows that there is an annual shortfall against the AABR 'black line' in 2024/2025. In this year completions are -22 units below what was anticipated (802 AABR vs 780 actual completions) (- 2.7%)
- The cumulative required build rate from the start of the plan period to 31st March 2025 as set out on the 'black line' (in addition to actual completions prior to adoption) was 4,709 units. Actual completions 'maroon line' have been 4649 units. Representing a 60 unit shortfall in housing delivery over the plan period to date (-1.27 %).
- The amended 'supply bars' in the remaining plan period will be the outcome of the stakeholder group (Table 19, 20 and 21) and shows that supply broadly exceeds what is left to build, cumulatively and annually.
- The graph also shows that as allocations have come on stream and have gained planning permission, this element would generally increase in proportion while the site allocation element would decrease.
- In respect of housing completions only, **the plan is broadly delivering what is intended**. It will be for the LPA, utilising all indicators in the AMR to include commentary on the results / figures and what this means going forward.

Where there is a shortfall of cumulative housing completions against the Anticipated Annual Build Rate (AABR) or Annual Average Requirement (AAR) for 2 consecutive years (annual completions, not number of AMRs published) the LPA must consider the scale of any deficiency and set out its conclusion/monitoring action in terms of implications for delivering the requirement level homes/strategy. Failure to deliver against the AABR/AAR can itself be a reason to trigger an early review of the plan. This will be a matter for the LPA to determine.

Other considerations

8.17 Where an LPA has applied a ‘% discount factor’ (Table 18) to sites with planning permission when the LDP was adopted, it is both practically difficult and inappropriate to apply the same principle to a monitoring process. This is because as the plan moves forward in time allocated sites and windfall assumptions gain planning permission. It would not be appropriate to apply a discount factor to these sites as it was not applied to them when the plan was first adopted. In essence, the discount factor was applied at a point in time on the land bank only and not to other components of supply. Where LPAs discounted actual sites through the LDP process, i.e. a site with planning permission was being used as a car park, then only if circumstances have substantially changed (and they have a planning permission) should these sites be added back into the supply. Finally, in respect of large windfall sites, they should not be added to the first two years of supply to avoid double counting. Note that Table 21 will be different to that in the adopted plan. Each AMR will include a revised Table 21A to reflect the actual annual completions compared against the AABR/AAR, as set out in the adopted plan and should be presented as follows.

Table 21A

LDP Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Actual completions large	262	382	560	660	620	730	670								
Actual completions small sites	100	130	90	120	100	115	110								
Anticipated completions allocated sites during year								350	370	284	270	400	510	490	480
Anticipated land bank completions during year								465	450	500	300	150	150	70	
Anticipated completions large windfall during year								*0	*0	150	150	150	150	150	150
Anticipated completions small windfall during year								112	112	112	112	112	112	112	112
Total Actual Completions during year	362	512	650	780	720	845	780								
Anticipated Annual Build Rate (AABR) from Adopted Plan			698	758	784	793	802	797	801	770	715	698	664	647	638

* No double counting of large windfalls within first 2 years of supply

Review and Revision

Review

Regulation 41 states that an LDP must be reviewed at least every 4 years from the date of adoption.

Section 69, PCPA 2004 requires all LPAs to undertake a review of their adopted LDP and report their findings to Welsh Government through a Review Report (RR).

The legislation is clear that beyond four years the evidence base becomes dated. It is essential that LDPs are kept up-to-date to ensure effective and consistent planning decisions, supporting the objectives of a plan-led system and minimising speculative development.

The **RR should be published within 6 months** of triggering a review of the plan as set out in Regulation 41 (or sooner if an LPA considers appropriate).

The **RR must conclude on the revision procedure**, whether it is a full revision (i.e. a replacement plan) or the Short Form Revision (SFR) procedure.

A DA will be submitted to Welsh Government for approval at the same time or very shortly after publication of the RR (no more than 6 months after the RR).

Table 33: Triggers for Review

Statutory Review		
1	PCPA 2004 (section 69) and Regulation 41	Statutory plan review at intervals of no longer than 4 years from the date of adoption. This may be triggered earlier if linked to plan end dates, plan preparation timescales or the LPA voluntarily reviewing a plan.
Triggers in Advance of the Statutory Review affecting Plan Soundness		
2	AMR evidence	<p><u>It is role of the LPA to determine the significance of trends highlighted in the AMR and what this means for the plan and any review process.</u></p> <p>Significant concerns regarding the implementation of the plan's strategy, policy effectiveness, progress and implementation. i.e. a 2 year under delivery/trend for those key issues such as the delivery of housing and employment that go to the heart of delivering the plan strategy.</p>

3	Changes in national policy or legislation	A significant shift in national policy (PPW) and/or legislation affecting the plan's strategy/key policies. Adoption of a higher tier plan (i.e. NDF/SDP) which could have implications for a lower tier plan.
4	Contextual change	A significant shift in the context within which the plan operates, such as the closure of a key employer, change in development pressures, market demand or investment strategies.
5	PCPA 2004 (section 61)	Unexpected and significant results from evidence gathered through updated survey work affecting the implementation of the plan's strategy.

The Review Report

To maximise the robustness of the RR and minimise the potential for legal challenge, especially the Short Form Revision procedure, **it is essential the conclusions in the RR can be strongly justified and evidenced in line with the findings of AMRs and other supporting evidence.** It is for each LPA to ensure it has undertaken robust evidence gathering to defend its conclusions, if challenged.

Where the conclusion is the SFR procedure it is recommended that the RR together with pertinent evidence to justify the conclusion is sent to Welsh Government for an informal 'without prejudice' view based on the information provided. **Where significant concerns remain regarding the conclusion of the RR this will be referenced in the formal Welsh Government response to the submitted DA,** outlining the degree of risk the LPA may incur.

8.14 A RR should be short and concise and as a minimum clearly outline:

- What information is considered to inform plan review and why
- How the findings impact on the vision, aims and objectives of the plan, including implementation of the strategy
- A review of each plan topic area clearly identifying what needs to change and which parts of the evidence base require updating to support the changes
- The implications for those parts of the plan not proposed to be amended in terms of coherence and effectiveness of the plan as a whole
- A reconsideration of the SA/SEA and HRA
- Explore and explain the opportunities to prepare JLDPs/JLDPLs with neighbouring LPAs and increase cross-boundary working
- Clear conclusions on why the full, or SFR procedure is to be followed

8.15 To maximise the robustness of the RR and justify its conclusions, LPAs should consult with specific and general consultation bodies on its findings and conclusions. It should be clear which bodies were consulted, responses received and how this has influenced a conclusion on the way forward. This is a legal requirement for LPAs undertaking the SFR procedure (LDP Regulation 26A).

8.16 Changes to the adopted LDP, as identified in the RR, can only be made at plan revision. The RR will be a key part of the evidence base underpinning the form and content of the revised plan; submitted to the Inspector for examination. Its availability at an early stage in the revision process will enable it to be considered by all parties and subject to comment. The LPA should take note of any comments made and consider the potential implications for both the content of the plan and the review process i.e. full plan revision of SFR procedure.

Plan Review

8.17 Having prepared a series of AMRs which have indicated the plan is, or is not delivering against its objectives, or having reached 4 years post adoption of the LDP, the LPA must consider how they are going to review their plan, in order to prepare a replacement plan. Publication of an NDF, or adoption of an SDP, would also require a LPA to consider the need to review their respective adopted LDP.

8.18 The route to revise the plan consists of two options. Firstly a full revision of the plan following the same procedures as used in preparing the adopted plan, or secondly, the SFR procedure where the parameters to be considered are very much more focussed and limited in scope, as evidenced through the RR.

8.19 The SFR procedure could be subject to a higher degree of risk regarding procedural challenges. For example, does the scope of the revision go beyond that identified in the RR, and/or does new national policy (through a publication of a more recent edition of PPW) require a substantive change to the adopted plan, again widening the revision? Depending on how the scope and/or remit of the SFR process becomes more expansive, could increase the degree of procedural risk. This will be a matter for an individual LPA to consider and assess accordingly.

Short Form Revision (SFR)

8.20 The SFR procedure should only be considered an option if the issues identified in the RR are not of sufficient significance to justify undertaking the full revision procedure. Informal consultation with key stakeholders, including the Welsh Government will assist in confirming the LPA's conclusion.

8.21 The SFR procedure should **only** be considered if the RR conclusions do not:

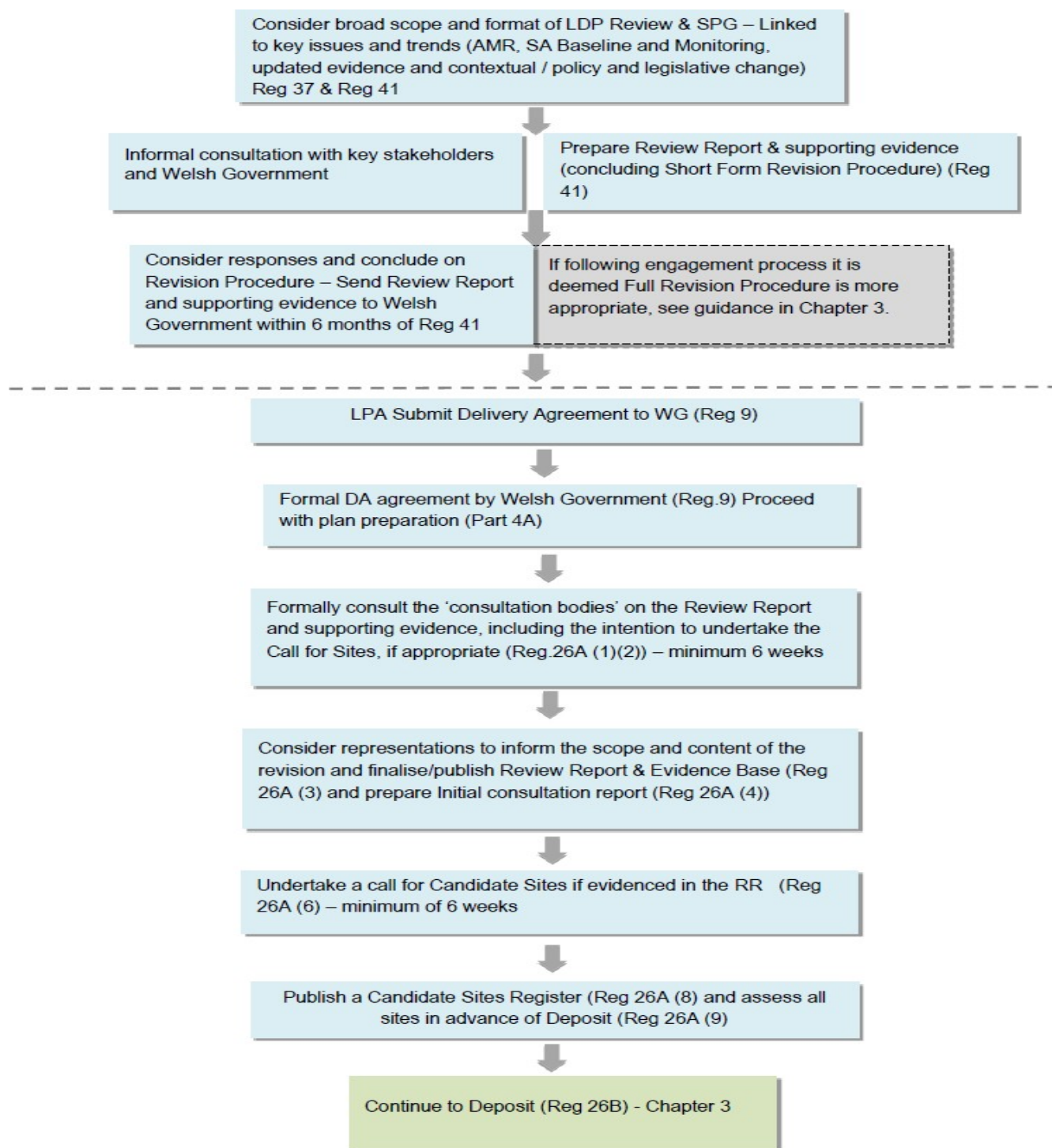
- Result in the existing strategy to be considered unsound
- Indicate changes to the strategy or any part of it are required
- Result in a plan, or parts of the plan, becoming distinctively different to the adopted plan
- Propose changes that are of a significant scope, number and scale

8.22 Where an LPA decides to use the SFR procedure it must be able to robustly justify its conclusions in line with the plan, strategy and supporting evidence. A failure to do this and proceeding in light of concerns raised by the Welsh Government is a high risk strategy and could result in abortive work, unnecessary costs and significant time delays if, at examination, the issues involved are considered to justify the full revision procedure.

Legislative Requirements

Section 69(3) of the PCPA 2004 states that collectively a **review of the plan must be undertaken and published in the form prescribed** in LDP Regulations. Part 4A of the Regulations sets out the SFR procedure. Unlike the full revision procedure, **the SFR does not require pre-deposit public consultation or preparation of a preferred strategy.**

Diagram 20: Stages in the Short Form Revision (SFR) Procedure



8.23 Through the SFR procedure, the strategy in the adopted plan is assumed to remain appropriate when moving forward, in essence it is 'sound'. Based on this premise, i.e. the strategy remains valid. The SFR procedure excludes Regulation 15 and the requirement to undertake pre-deposit public consultation on the scale and distribution of growth.

8.24 With fewer legislative stages the timescale for plan preparation should be no more than 1 year, including the call for candidate sites. In most cases, the examination could be completed in 6 months with hearing sessions potentially programmed over 2-3 days. In total, plan preparation should be achievable in around 1.5 years, with a single additional slippage period of 3 months. Table 34 summarises the SFR timetable.

8.25 It is not expected that FCs will need to be undertaken as part of the SFR as the changes are of a limited scope, scale and nature. The shorter plan preparation time for the SFR will help to maintain the currency and relevance of the existing evidence base. It should also be noted that an adopted plan already exists. There should not be any necessity to make changes post deposit. If, in exceptional circumstances there are minor factual in errors identified, these can be rectified through the hearing statements and MACs at examination.

Table 34: Timetable (Short Form Revision)

Key Stage		Timescales
Definitive		
Stage 1	Delivery Agreement Preparation and submission	Up to 4 weeks for Welsh Government approval
Stage 2	Pre-Deposit Consultation with specific and general consultation bodies and possible call for candidate sites	Up to 6 months
Stage 3	Deposit plan public consultation	Approx. 6 months
Indicative		Timescales
Stage 4	Submission	Approx. 6 months in accordance with PINS Procedural Guidance
Stage 5	Examination	
Stage 6	Inspector's Report	
Stage 7	Adoption	Total plan preparation time up to 1 ½ years with a single additional slippage period of 3 months

Pre-Deposit Requirements (Regulation 26A)

8.26 Once the DA has been formally agreed by Welsh Government, the LPA can take steps in accordance with Regulation 26A (1) (Part 4A). The first step is to

consult specific and general consultation bodies on the RR and the supporting evidence. This is a statutory consultation and will need to be undertaken even if the LPA has consulted informally with the same bodies earlier in the process.

8.27 The RR should clearly set out how earlier consultation has informed the findings and conclusions on the revision procedure to be followed. All conclusions in the RR must be supported by evidence either through AMRs and/or updates to evidence. If it is the intention of the LPA to include new site allocations in the revised LDP then this should be clearly stated in the RR for consultation.

8.28 The LPA must then consider all representations, provide a response and publish an initial Consultation Report (Regulation 26A(3) and (4)). After the initial consultation report has been prepared, the relevant contents subject to the revision should be confirmed and the RR published as soon as reasonably practicable. If the findings of the initial consultation report support the need for new site allocations, only then can the LPA proceed to request site nominations and undertake a call for candidate sites (Regulation 26A(6)).

8.29 When the call for candidate sites has closed, all sites must be considered (Regulation 26A(9)) before deposit stage (Regulation 26B) to demonstrate the deliverability and viability of sites to be allocated in the plan. All sites should be assessed using a phased methodology consisting of initial filtering and detailed assessment drawing on conclusions in the RR and information on site delivery and viability. (Paragraphs 3.29 – 3.78 give further guidance on the assessment of candidate sites.)

8.30 It is recommended that a CSR (Regulation 26A(8)) including site assessments, is made publically available in advance of the deposit stage for information purposes only. After assessing all sites the LPA should produce a prioritised list of sites they consider suitable for allocation and this list should be consulted on with the relevant bodies and infrastructure providers.

8.31 A prioritised list of sites suitable for allocation in the plan will need to be evidenced as deliverable, particularly in relation to financial viability. Broad viability evidence is required at candidate site stage to demonstrate sites can come forward in principle. This aligns with the full revision procedure where a financial viability assessment for all new sites should be undertaken as early as possible. Clarity regarding information on costs, section 106 planning obligations, profit margins and other policy requirements will be necessary. The evidence supporting site allocations will need to be robust and proportionate to the scale and significance of the sites in delivering the plan. (Paragraphs 3.44 – 3.78 give further guidance on demonstrating delivery and financial viability of candidate sites.) It is important to note that all the evidence necessary to prepare a full plan revision, for example the preparation of a housing trajectory taking into account the phasing of sites and any need to

accommodate new Gypsy and Traveller requirements, will also need to accompany the SFR procedure.

Deposit Stage (Regulation 26B)

8.32 After the pre-deposit stage, Regulations 26B – 26E generally mirror the full revision procedure on deposit stage through to examination.

All changes proposed at the deposit stage must be derived from the RR with each change clearly linked to its conclusions and recommendations. It is a high risk strategy to propose any further amendments, however minor, outside the scope of the RR as this could delay the process and risk abortive work if the number and scale of changes is considered at examination to justify undertaking the full revision procedure.

8.33 When the plan is placed on deposit, it will be the first time members of the public, stakeholders and other groups and organisations will see the full extent of the changes proposed. It is important LPAs clearly explain only certain parts of the plan are subject to revision and representations should relate solely to these changes. Representations submitted on parts of the plan outside the scope of the revision will not need to be considered by the LPA and this should be clearly stated in the consultation report.

8.34 Changes between the adopted LDP and the emerging revised LDP are best shown in a composite plan with the adopted LDP text amended through tracked changes. The tracked changes could usefully be colour coded in two separate colours, showing insertions and deletions. Any proposed changes should be easy to identify either individually, or grouped by policy and/or issue.

8.35 To assist readers of the plan identify the changes and understand the rationale for each change, a separate document to supplement the composite plan should be prepared and published as part of the deposit consultation (Table 35). This document should list all tracked changes with a clear explanation for each insertion and/or deletion including any amendments to the proposals map identifying changes to boundaries and new site allocations, where applicable.

Table 35: Identifying Changes to the Adopted LDP

Reference No.	Page No.	LDP Chapter / Paragraph or Policy	Proposed Revision	Justification

Submission and Examination (Regulation 26E)

8.36 The submission documents should include:

- Delivery Agreement (DA)
- Review Report (RR)
- Candidate Sites Register (CSR) if applicable
- Deposit LDP with tracked changes
- Insertions and deletions schedule
- Copy of all deposit representations
- Supporting background papers
- SA/SEA/HRA and other statutory reports
- Consultation reports prepared at pre-deposit and deposit stages

8.37 Given the nature of the SFR procedure and shorter plan preparation timescales, the consultation report prepared post deposit should propose minimal, if any, changes to the deposit LDP. If a small number of changes are required, then these will need to be considered by the LPA in the context of the revision procedure with factual updates and / or corrections not considered to undermine the process. Any changes proposed to the deposit LDP should be clearly set out as part of the hearing statements, potentially coming forward as MACs, not FCs.

8.38 At examination the Inspector will consider all proposed revisions in the context of the adopted plan and its continued soundness. The Inspector has to be satisfied that the whole plan remains sound before the revised LDP, in its entirety, can be adopted.

Chapter 9: Supplementary Planning Guidance (SPG)

What is the Status of Supplementary Planning Guidance (SPG)?

Only the policies in the adopted development plan have special status under section 38(6) of the PCPA 2004 in deciding planning applications. However, Supplementary Planning Guidance (SPG) can be taken into account as a material consideration provided it is derived from and is consistent with the adopted development plan and has itself been the subject of consultation, which will carry more weight.

SPG does not form part of the development plan and is not subject to independent examination, but it must be consistent with the plan and with national planning policy. SPG cannot be linked to national policy alone; there must be an LDP policy or policy criterion that provides the development plan 'hook' whilst the reasoned justification provides clarification of the related national policy.

9.1 All SPG should be derived from an LDP policy or, in the case of a master plan/development brief, from a site allocation. SPG should not be used to determine the appropriate type, scale and level of development for particular sites. SPG can have a key role in interpreting and expanding on generic policies in the LDP. SPG can:

- Provide important guidance to expand on topic based policy to assist the implementation of the LDP (e.g. design, landscape, green infrastructure, heritage, conservation, Houses in Multiple Occupation (HMOs), renewable energy)
- Cover detail and numerical guidelines/thresholds where they may change so as to avoid the LDP becoming quickly outdated and to assist flexibility (e.g. car parking standards)
- Provide additional detailed guidance on the type of development expected in an area allocated for development in the LDP. This could take the form of a development brief or a more detailed master plan

9.2 SPG is not subject to examination but should be consistent with national policy. It should not be adopted formally until after the Inspector's report is received on the LDP and the policy approach has been confirmed by resolution to adopt the plan by the LPA. Any documents adopted as SPG should accord with the accepted procedures for SPG (i.e. consultation, revision and approval).

How should SPG be considered in the Development Plan Context?

The LDP should not delegate the criteria for decisions on planning applications to SPG which should only contain advice and guidance. Nor should SPG be used to avoid subjecting policies and proposals to public scrutiny and independent examination in accordance with the statutory procedures.

LPA should identify key SPG which is crucial to the implementation of key sites and proposals within the LDP. Where SPG relates to, and would assist the understanding of the implications of the plan or a key policy, it should ideally be prepared and consulted on in parallel with the LDP.

The deposit LDP should include information on related SPG with anticipated timescales for adoption within the appendices of the plan. The preparation of key SPG should be referenced within the monitoring framework.

9.3 LDPs should contain sufficient policies and proposals to provide the basis for determining planning applications, while avoiding excessive detail. LDPs should not repeat national policy. Selective use of SPG is a means of setting out more detailed, thematic, or site specific guidance on the way in which the policies of an LDP are interpreted and applied in particular circumstances, or areas. It will be important to consider the potential role of SPG in relation to the LDP strategy, policies, and implications for resources, timetable and monitoring. LPA should review the effectiveness and relevance of their existing SPG early in the preparation of the LDP. It may be that some existing SPG could be revised with minimal amendments, potentially stating which new LDP policies it supplements (i.e. design, shopfronts, car parking standards etc.) while other SPG may need more substantial changes to accord with changes in national and local policy. All SPG must be adopted in accordance with the Council's procedures.

9.4 Place Plans should be in conformity with the development plan and adopted by the LA as SPG to the plan (see paragraphs 5.6 – 5.9). They can inform an LDP review, be prepared in parallel with an LDP, or following adoption, providing there is a sufficient 'policy hook' within the plan. They cannot duplicate or introduce new policy, nor can they de-allocate sites identified in the adopted development plan. Place Plans are not part of the statutory development plan; instead they add detail to the adopted plan.

Consultation, Preparation and Monitoring Considerations

9.5 While SPG must relate to a particular LDP policy and require local involvement, there will be some SPG issues common across a number of LPAs.

It will be more efficient if SPG is produced jointly with other LPAs wherever possible. Groups of LPAs could collectively identify a good practice example to adopt as a model approach, tailored to the local circumstances.

9.6 The DA should establish what SPG will be prepared (or revised) when and the timetable indicating when SPG would be issued for consultation and the length of that consultation. It should also identify the means of community involvement

suitable for different types of SPG. Commitments to involvement and consultation must be followed if the SPG is to be of value.

SPG will carry little or no weight unless it is produced in accordance with a Community Involvement Scheme, and is subject to public consultation and adopted by Council/NPA resolution.

- Development management officers should be involved.
- Relevant consultees (e.g. LDP regulations, CIS) should be consulted
- A draft SPG should be made available for public consultation
- SEA Regulations 'screening' process should be used, if considered necessary.
- SPG should be formally adopted by the LPA so that proper weight can be given to it by Inspectors when determining appeals
- Adopted SPG should include, or reference, a statement of consultation and any changes made

Its effectiveness alongside the policy it supplements should be evaluated as part of the annual monitoring process. Annual monitoring also has a role to play in identifying the requirement for any new or updated SPG.

9.7 Even though SPG is non-statutory and does not require an SA, SEA or HRA, the relevant regulations may apply to some types of SPG, for example some development briefs, master plans or Place Plans. Where screening indicates that SEA and/or HRA applies and there are likely to be significant environmental effects, the LPA will need to ensure it has met the requirements of the SEA and HRA Regulations.

Chapter 10: Strategic Development Plans (SDPs)

Legal Requirements of an SDP

10.1 To address matters transcending LA boundaries, the Planning (Wales) Act 2015 introduced the ability to prepare SDPs. The way people live their lives, working/commuting patterns, relationship to schools and leisure activities is not constrained by LA administrative boundaries. Planning on an individual LPA basis does not reflect how people live their lives, how markets operate or how business functions. SDPs offer the ability to ensure that a wider geographical area covers such matters in a single plan, rationalise them and provide a coherent approach.

10.2 The process to prepare an SDP broadly mirrors that of an LDP in terms of the statutory stages. Following a request from a Responsible Authority (RA) to prepare an SDP, Regulations will be prepared to facilitate the process. The SDP 'Form and Content' Regulations will be based on the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (as amended 2015). Regulations which may require amendment or may not be applicable to an SDP, subject to further work, are set out in Table 36.

Table 36: LDP Regulations Requiring Amendment/Not Applicable to an SDP?

Reg. 2	References to Regulations 26A and 26B (SFR procedure) will be deleted.
Reg. 12	Regulation 12(2) refers to the proposals map and site specific policies. This will require amending as the SDP may contain policies which are not site specific but based on Areas of Search to accommodate urban extensions and comply with SA/SEA.
Reg. 13	References to more regional/national based plans and strategies may need to be included.
Reg. 13A	This Regulation will not apply as it refers to SFR procedure.
Regs. 26A – 26E	The whole of Part 4A (Regulations 26A to 26E) will not apply to SDPs as this refers to the SFR procedure.
Reg. 36	This Regulation will not apply to SDPs as it refers to Joint LDPs. There will not be joint SDPs.
Reg. 41	The time period for reviewing an SDP will be different from the 4 years statutory review period for LDPs. The intention is to consider a period between 4 and 6 years, to be determined.

10.3 Part 6 of and Schedule 2A to the PCPA 2004, as amended by the PWA 2015, sets out the framework to establish an SPP, the body which will be responsible for preparing an SDP. The Welsh Government has published guidance explaining the practical process to establish an SPP.

<https://gov.wales/strategic-development-plans-guidance-local-planning-authorities>

Key Aspects of an SDP

- An SDP constitutes part of the statutory 'Development Plan'
The PWA 2015 (section 9) amends section 38(4) of the PCPA 2004 which states the SDP is part of the development plan. Where an SDP has been adopted or approved, decisions should be made in accordance with the development plan unless material considerations indicate otherwise. The development plan will comprise an extant LDPL, LDP, SDP and NDF when adopted, approved or published (plus Joint LDPs and Joint LDPLs, if/where adopted).
- General Conformity with other Plans
The PWA 2015 (section 6) inserts section 60I into the PCPA 2004 which states an SDP must be in general conformity with the NDF; section 7 inserts section 62(3A) into the PCPA 2004 which states that an LDP must be in general conformity with both an SDP and NDF (where applicable). An explanation of general conformity and the relationship between different plans is provided in paragraphs 2.16 to 2.21 of the Manual.
- SDP Plan Period
Section 60I(4) states that the SDP must specify the period for which it is to have effect ("the plan period"). The Welsh Ministers may make Regulations regarding the plan period. The intention is to express an SDP plan period of a 25 year minimum, with an operational plan period of at least 20 years when submitted for public examination.
- SDP End Date
Section 60I(10) states that the plan ceases to be an SDP on the expiry of the plan period. This mirrors the LDP approach (section 62(9) of the PCPA 2004, inserted by section 12, PWA 2015).
- SA/SEA and HRA
Section 60I(7) requires an SPP to carry out an appraisal of the sustainability of the plan. For development plans in Wales this is an SA which encompasses an SEA. Section 60I(8) requires an assessment of the likely effects on the Welsh language. An HRA and Equality assessment will also be required, with an HIA currently being voluntary (see paragraph 4.16) mirroring the approach for LDPs.
- Proposals Map
The SDP will contain a suite of maps that comprise the proposals map, including both diagrammatic, schematic and detailed O.S. based maps. Broad principles, directions of travel and specific allocations above set thresholds can be either explicitly shown, i.e. via a red line site boundary, or as Areas of Search, which enable a degree of refinement through an LDPL.

Content of an SDP

10.4 The preparation of an SDP will follow a similar statutory process to an LDP in that they are evidence based and subject to independent scrutiny through a public examination. Chapters 3 to 6 of the Manual are equally appropriate to an SDP in terms of the process (apart from the Regulations in Table 36 which have yet to be finalised) evidence gathering, delivering on the core issues (taking into account scale) and examination process. These matters are not repeated here.

10.5 There is a clear distinction between the two tiers of plans, SDPs and LDPs, in terms of scale and significance. An SDP should only focus on those issues, topics or places which are key to delivering wider than local issues, i.e. beyond the remit of an individual LPA or LDP. 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.

10.6 An SDP 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 LPA or combinations of LPAs to enable LDPLs or JLDPLs to be progressed at a later date. SDPs must set the scene and enable LDPLs/JLDPLs to be prepared which align and deliver the strategy of the SDP, i.e. they are in 'General Conformity' (paragraphs 2.16 to 2.21). The fundamental elements of LDPLs/JLDPLs, 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, on an LPA basis:

- 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 over-arching 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, e.g. 1,000 dwellings (?) and regionally significant employment sites

- Establish the Gypsy and Traveller need for the SDP and each LPA/LDPL on a consistent methodology, with coordination between LAs and their duties under the Housing Act
- A regional retail hierarchy
- Set out 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 and confirm financial sources and timing to deliver infrastructure
- 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 designations

10.7 SDPs should set thresholds below which places and/or issues will not be included in the plan. It is not appropriate for everywhere within the plan area to be included within a policy framework, or identified spatially on a proposals map. This will vary geographically across Wales, even potentially within an SDP, depending on the significance of the issue and diversity of its nature. Local housing and employment allocations should not be identified spatially in an SDP. New settlements are appropriate to be identified.

10.8 Adopted LDPs within the region can provide the starting point when preparing the first SDP in terms of strategy for the short to medium term time period. Where LDPs have allocated sites which would be regionally significant, particularly where they have gained a planning permission, they should be reflected in the SDP (where they are above the set threshold). Providing certainly for those sites will be necessary to maintain the delivery of homes and jobs. However, **an SDP must not be an agglomeration of LDPs without considering the longer term direction of travel for the region as a whole.**

10.9 It will be necessary to revisit all existing strategies and generate a single, unified strategy for the SDP, considering wider than local issues. This should deliver on the overall vision for the region, formulated by the SPP. Stitching together a series of LDP strategies will not be appropriate as these strategies will have been formed in isolation and do not reflect:

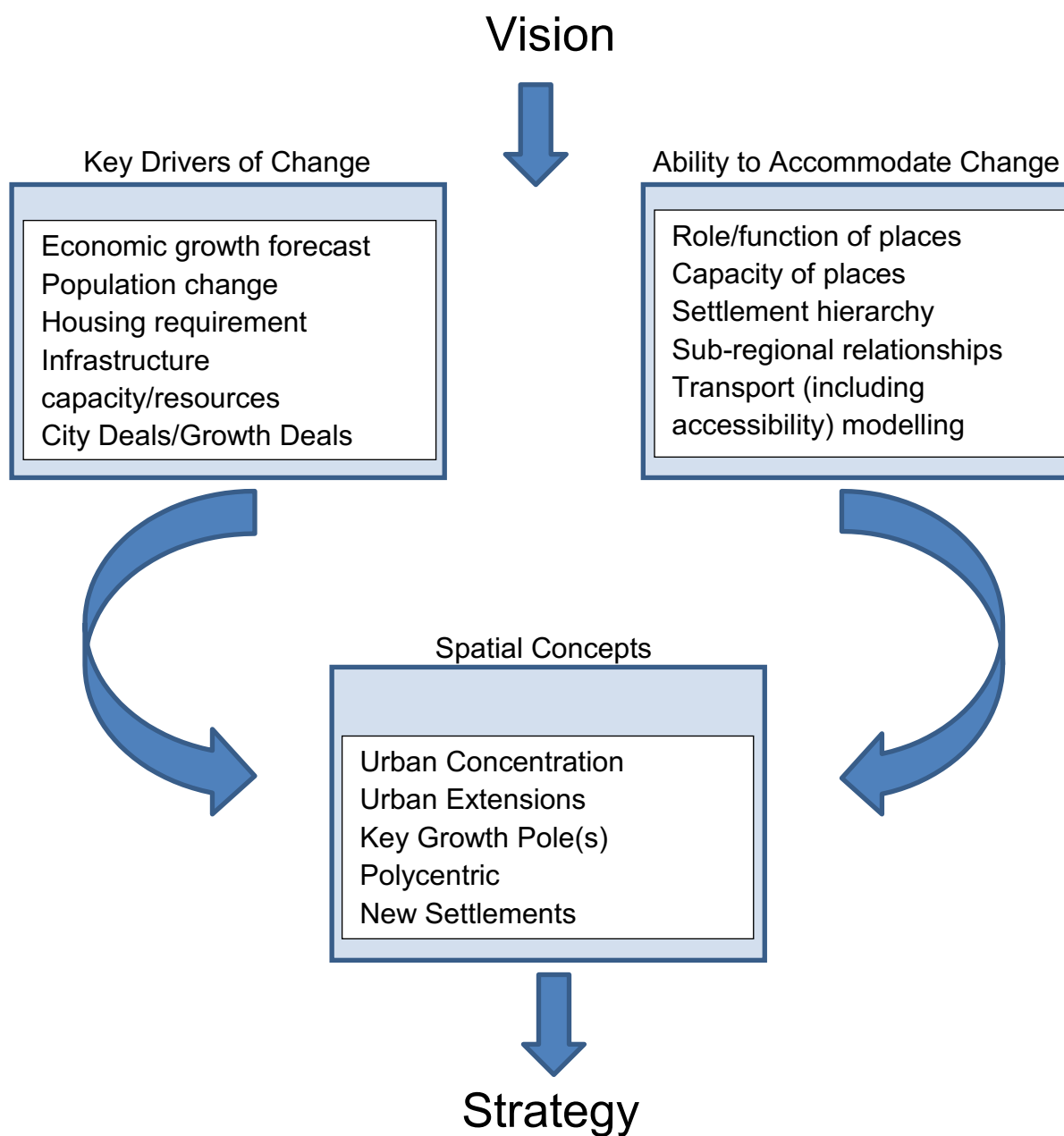
- Issues that transcend individual LPA boundaries and how they impact on the location of development at places
- Growth strategies such as City Deal and Growth Deals which may not have been reflected adequately on an individual LDP basis

- Not all spatial strategies appropriate when planning on a regional basis will have been considered through individual LDPs
- Drivers for change across the broader region will be different both spatially and in terms of scale than previously considered through LDPs
- Early LDPs will not take into account the latest policy context and key drivers
- There has been no prior ability to consider these matters collectively in a comprehensive way

10.10 All SDPs will be comprised of a written statement and a proposals map. The proposals map can be O.S. based, diagrammatic in nature, or a combination. This will be for the SPP to determine. However, the scale must be sufficient to enable either 'Areas of Search' or specific sites to be interpreted clearly identified, if they are key to delivering the plan. SDPs provide the opportunity for a more generic approach to development management policies, with LDPLs providing a local context, where appropriate.

10.11 The starting point when preparing an SDP is to understand the drivers for change within the plan period/region and the ability of the region to accommodate change through the most appropriate strategy to deliver the vision. **This must embrace the principles of Placemaking, the National Sustainable Placemaking Outcomes, the Gateway Test, the Sustainable Transport Hierarchy and Energy Hierarchy (PPW).**

Diagram 21: Overview of SDP Preparation



Key Drivers of Change

10.12 The drivers for change for an SDP follow the same principles as an LDP, albeit they are different in terms of scale. There will need to be an economic assessment of the existing position as well as future opportunities based on forecasts and policy choices. This applies equally to housing, retail, infrastructure etc. Chapter 5 of the Manual gives detail on how to quantify these (they are not repeated in this section). Existing evidence to support City and Growth Deals will also be relevant. It may be that evidence from adopted/emerging LDPs can form part the SDP evidence base. However, the SDP will cover a longer time period than an LDP (minimum of 20 years

operational life) which will mean the issues which need to be addressed will be of greater scale and complexity. As many LPAs have used different methodologies when preparing their LDP, **reconciling a single methodology for economic, population, housing or any other modelling will be essential before an SDP can be progressed.**

10.13 Involvement of infrastructure and utility companies will also be essential, particularly as asset management plans often have shorter timelines. Links to Government funding schemes and infrastructure provision will also be necessary to understand and maximise public investment. The NDF will also add clarity on where investment and change in the longer term should be focused, which must be reflected and further developed by the SDP.

10.14 When considering regional drivers these will give an overall figure, i.e. for the region as a whole, but it may also highlight 'hotspots', specific locations or places within the region. For example, there may be greater demands for housing in certain locations, infrastructure funding, or greater potential for job opportunities. These may, or may not coincide geographically and the evidence may indicate the need for a varied policy approach across the region.

Ability to Accommodate Change

Settlement Hierarchy and Role /Function

10.15 A key aspect of strategic planning is to identify a hierarchy of settlements across the region. This should not just be based on the physical size of places, but include the range and scale of services/facilities available, their respective interrelationship to adjoining/related settlements, the capacity and resilience of infrastructure, including how goods and people move within and beyond the region.

10.16 The SDP must consider all locations within the region and how they relate to each other, based on their role and functional relationship, concluding in a hierarchy of settlements which are most suitable to accommodate further change/growth. Those settlements beyond the region, but having an influence within the region, will also need to be considered to understand how they impact on the settlement hierarchy. Examples of this could include Bristol to South East Wales, Shrewsbury/ Telford/ Hereford/Birmingham for Mid Wales and Mersey/Deeside for North Wales.

10.17 All settlements across a region are not equal in terms of their role and function. Not every LPA within a region should have a settlement, or settlements, identified within the SDP. An SDP should only identify those places key to delivering the plan, not formulate a list of locations with at least one in each constituent LPA as a default position. There should be a clear evidence base for identifying places linked directly to their role and function, both within and beyond the region.

10.18 Key, but not exhaustive elements which should be considered when undertaking a settlement hierarchy analysis include:

- Level of employment provision (jobs and sector split)
- Scale of existing housing
- Consideration of the viability and delivery of development
- Level of self-containment, commuting patterns (competitor or complementary, greater/lesser significance, the ability to attract people from a greater distance proportional to the scale and range of services/facilities offered)
- Retail hierarchy
- Range/scale of health care facilities
- Range/scale of educational facilities/level of academic opportunities
- Range/scale of cultural assets (theatres, conference venues, sporting facilities)
- Accessibility/connectivity of places by different transport modes, significance of mode (branch railway line as opposed to main line) and resilience
- Range/scale and capacity of public transport modes
- Identification of lower order settlements in comparison to higher order settlements where an increased significance of the service/facility is provided (i.e. a hospital as opposed to a GP centre)
- Environmental constraints and assets that could influence the scale of future growth opportunities

10.19 There is a correlation between the scale of services and functions that settlements of varying sizes can sustain/offer and the distance between settlements. Settlements within a region are often competing for the same market. High self-containment levels, geographical/physical separation distances and the scale of offer will have a bearing on how settlements functionally relate to each other. When preparing an SDP a functional hierarchy of settlements, based on a range of factors will need to be identified before determining the scale and geographical distribution of growth.

10.20 The Manual does not prescribe the scale and range of services/facilities a settlement should contain, or physical distances to determine a functional analysis. This is not appropriate as it will vary across Wales, reflecting the different nature, scale, role and function of settlements. This will be for the SPP to clearly evidence and express through the plan and the proposals map.

Urban Capacity Study

10.21 The capacity of urban areas to accommodate growth within existing defined urban boundaries needs to be fully assessed. Increasing the concentration of population within close proximity of employment growth can assist more effective and efficient modes of mass transport, as well as maximising the use of existing

land. Having a clear understanding of the potential growth contribution urban areas can deliver will be essential, not just in terms of homes, but also jobs and supporting infrastructure to deliver high quality places where people desire to live. Any identified capacity should be broadly deliverable over the plan period.

10.22 However, this should not be at the expense of reducing existing residents' and visitors' quality of life and experiences. It **should be considered in terms of the National Sustainable Placemaking Outcomes identified (PPW, Figure 4) rather than just 'cramming' the maximum number of homes into a physical area.** Ensuring the relevant infrastructure to support communities and business can be delivered; creating places where residents wish to live and enabling business to function at their optimum are examples of planning holistically on a Placemaking basis. (Detailed guidance is given in PPW and is not reiterated in this Manual.)

10.23 To support an SDP, an Urban Capacity Study (UCS) will be necessary for those settlements key to delivering the plan, demonstrating the growth contribution they can make. An assessment of the numerical contribution of homes and jobs that can be delivered within existing defined urban boundaries, reflecting the Placemaking approach, will be essential.

Connections to adjoining Regions/Places

10.24 There will be places outside of the region, both within and outside of Wales that have a significant influence on change within the region. These external places could be viewed as a competitor, seeking to draw away economic growth opportunities, or conversely they could be seen as opportunities to diversify and increase the resilience of the region and improve the well-being of its population.

10.25 It will be important to understand to what extent external places are influencing the dynamics of the region and what the implications are. Cross boundary working will be necessary to understand these dynamics. This also applies to infrastructure providers/capacity/constraints as they also transcend LA/regional boundaries. This will be explored through the examination into the plan. It will be essential the SPP can demonstrate how it has taken such matters into account.

Spatial Concepts – Examples of Potential Concepts

10.26 The following section of the Manual describes various spatial options which may be considered when preparing an SDP. There may also be others which an SPP may wish to consider. The Manual is not exhaustive in this respect. The intention is to illustrate examples of concepts which will not have been considered when preparing an LDP, but reflect a different approach when planning across a wider geographical area. It will be for the SPP to consider and evidence the variety of different spatial options they have considered appropriate when preparing an

SDP, how the various options have performed in addressing the issues identified and vision for the region. **The Welsh Government is not prescribing a specific option.**

Focus on Existing Key Urban Areas

10.27 Those settlements at the top of the settlement hierarchy should be the most sustainable locations (in accordance with PPW) to accommodate growth, based on their role and function. However, these settlements have varying degrees of ability to accommodate additional growth within existing urban boundaries. The UCS will be an important tool to understand what that capacity is, in combination with the principles of Placemaking. Existing communities should not be disadvantaged with regard to the quality of their environment and lifestyle, purely to minimise the need to expand on greenfield sites. A full UCS of places key within the region and the level of change those places could accommodate should be the starting point when seeking to accommodate growth.

10.28 Where places identified in the settlement hierarchy are considered appropriate to accommodate change, and an UCS has been undertaken which demonstrates that growth cannot be accommodated within the existing urban boundary, urban extensions will need to be considered to meet the identified need.

10.29 When considering an urban extension(s) this must start on the premise of the entirety of the urban periphery being considered, before undertaking a constraints/opportunity analysis to refine this down to 'Areas of Search'. Areas of search are areas which are spatially larger than the actual physical area required to deliver the required development. They should be sufficiently large in scale to physically accommodate alternative options within the area of search, thus enabling the SA/SEA Regulations to be addressed. However, areas of search should not too expansive in their spatial delineation, as this would lead to a lack of clarity and certainty to articulate how growth will be accommodated at places. Conversely, they are not a specific site boundary (red line on an O.S. Base) but give sufficient clarity that development can be accommodated within this broader area of search, shown on the proposals map. It will be for LDPL to then consider the precise detail of specific allocations, based on more refined local evidence.

10.30 A methodology, based on sustainable development criteria, National Sustainable Placemaking Outcomes, the Gateway Test, Sustainable Transport Hierarchy and the Energy Hierarchy, will be required to assess all potential areas to accommodate the scale of change required over the plan period. This will need to evaluate all potential locations on a consistent basis. The SA methodology used by LPAs when preparing their LDP could form a useful starting point, although the scale and significance of an SDP will need to be reflected. For example, national designations would be more relevant rather than local. Local designations could be incorporated into significant developments and should not be dismissed from the

outset. Again, analysis should be based on the scale/significance of an SDP, not necessarily the detail of an LDP.

Growth Pole(s)

10.31 A Growth Pole(s) are where economic development increases at specific settlements, primarily at the top of the settlement hierarchy, places where there is the potential to grow specific economic sectors, complemented by supporting services, infrastructure, public transport accessibility and homes. Whilst all settlements have the potential to grow, this will vary in scale having regard to their relative position within the overall settlement hierarchy.

10.32 A Growth Pole(s) will become the centre of a zone of influence, drawing upon and expanding on those resources/opportunities within the wider region. Examples of this could include increasing the quantity and quality of the labour supply, both numerically and in terms of expertise. It could also be shaped by future investment in supporting services, such as education or skills training to increase the upward mobility of the labour supply. The availability and asset strength of potential employment allocations will also have a bearing on the scale of growth.

10.33 An SDP should evidence the existing position regarding economic potential, future sector growth, the supply of skills, resources, availability of sites and supporting services/facilities. Consideration of varying growth scenarios, opportunities to increase wealth and prosperity of communities, business, and settlements and ultimately the region as a whole, will be vital.

10.34 This intention is then for a 'ripple effect' beyond the Growth Pole(s) into surrounding settlements and the region as a whole. The consequence of increasing economic growth has a 'knock on' effect for additional supporting services to facilitate this, for example homes to accommodate the additional workforce, supporting infrastructure (both physical and social) as well as timing and delivery.

10.35 To quantify the ripple effect evidence will be required to demonstrate how locations are linked to the main Growth Pole(s) and the scale of this connection. This could be via supporting economic supply chains or a reliance on labour (commuting patterns may indicate this). Identifying the reason(s) for any connectivity and the scale of the linkage will demonstrate how adjoining/closely related settlements create a cluster effect, working collectively to support the Growth Pole(s).

Polycentric Growth

10.36 Polycentric growth focuses on how a group of settlements collectively can act together to deliver positive outcomes, such as increased job opportunities supported by the delivery of homes. Key to this approach is a thorough understanding, supported by evidence, of the connectivity and relationship between settlements, their individual roles, how they act collectively and how as a group they act at a

much higher order than their individual rankings in the settlement hierarchy would suggest. Some settlements may provide supporting roles, such as homes, to other centres where there are job opportunities, connected by public transport routes. This follows the principle as the Growth Pole approach, albeit a collection (cluster) of places acting as several Growth Poles simultaneously. The roles of places should be complementary, rather than in competition.

New Settlements

10.37 New Settlements are freestanding developments with sufficient employment opportunities and supporting infrastructure to be considered as a self-contained entity. They should be as self-contained as feasibly possible, minimising in/out-commuting and not increase pressure on the transport network, in accordance with the Sustainable Transport Hierarchy. They should also be a sufficient distance away from existing urban areas so as not to impact on their role and function. They should be planned from the outset to be self-contained which means that essential infrastructure will need to be provided early in the development of the new settlement, rather than grow incrementally over time. Planning for infrastructure holistically from the outset has the greatest ability to deliver sustainable places.

10.38 New Settlements should make the best use of existing infrastructure, although by their nature, in many cases significant new infrastructure will be necessary. In essence, this is about building new communities and associated infrastructure to support them. This will inherently take additional time and significant infrastructure investment to progress which should be factored into a delivery plan. The cost, funding sources and timing implications will need to be factored into the delivery of the SDP, a similar process as currently in operation for LDPs. An Infrastructure Plan to supplement the SDP will be beneficial and add robustness to the evidence base.

10.39 Careful consideration will be required to understand the future trends and relationships that could evolve between a new settlement and existing settlements. Connectivity and containment levels should be assessed to ensure the broad principles of sustainable development and the National Sustainable Placemaking Outcomes are not adversely affected, i.e. avoiding the creation of a dormitory settlement based on private car movements.

Examination

10.40 SDPs will be subject to a public examination, following the same process as an LDP. This will mean that an SDP will have to be supported by robust evidence that can stand scrutiny and ensure it satisfies the 'Tests of Soundness' as set out in the Manual (Table 27, paragraph 6.27). The evidence to support the plan will be the responsibility of the SPP to prepare, supported by officers. It is therefore vital the plan can demonstrate there is sufficient evidence to satisfy both the procedural and

technical parts of the test. Failure to do so could result in the plan being found 'unsound' and unable to be adopted. This will be a matter for the Inspector to determine through the examination process, summarised in the binding Inspector's report. Following an Inspector's report recommending adoption, it will be for the SPP to adopt the plan.

Local Development Plan Lites (LDPLs)

10.41 Where an SDP is adopted, the constituent LPAs will be required to prepare an LDPL, in 'General Conformity' with the SDP and NDF. LDPLs are the same as an LDP, albeit described differently in this Manual to differentiate the fact they will only occur where an SDP is adopted which covers a respective LPA administrative boundary. Where there is no adopted SDP, LPAs will be required to prepare an LDP.

10.42 An SDP can cover all, or part of an LA administrative boundary. However, to avoid increasing the complexity and cost of plan preparation it is advised SDPs include the whole of an LPA boundary. The boundary of an SDP remains the responsibility of the LPAs bringing forward a proposal to determine. LDPLs will follow the same preparation procedure as an LDP, with the PCPA 2004 Act (Part 6) and LDP Regulations 2015 (as amended) being applicable.

10.43 LDPLs form part of the statutory development plan and complement those areas where an SDP has been adopted. They are prepared by the respective LPA and must be in 'General Conformity' with the SDP and NDF. LDPLs are essentially allocation documents, building on the regional and sub-regional strategies and requirements specified in the SDP. This will eliminate duplicating issues already previously evidenced and determined through the SDP.

10.44 LDPLs are unable to be commenced until preferably an SDP has been adopted, thus ensuring there is certainty on the policies and proposals. However, it may be possible to commence preparation of an LDPL once an SDP has been submitted for examination, as this is the plan the SPP considers to be 'sound' and thus potentially able to be adopted. This is a high risk approach and it will be for the SPP to advise the LPAs the degree of confidence, and risk, in progressing an LDPL in this circumstance. Joint LDPLs follow the same procedure as a single LDPL. Further guidance will be provided to facilitate LDPLs in updates to the Manual.

Glossary

Term	Definition
AAR	Average Annual Requirement
ACG	Acceptable Cost Guidance
AHVS	Affordable Housing Viability Study
ALC	Agricultural Land Classification
AMP	Asset Management Plans
AMR	Annual Monitoring Report
AONB	Area of Outstanding Natural Beauty
BAP	Biodiversity Action Plan
BCIS	Building Cost Information Service
BMVAL	Best and Most Versatile Agricultural Land
Cadw	Welsh Government's Historic Environment Service
CIL	Community Infrastructure Levy
CIS	Community Involvement Scheme
CR	Consultation Report
CS	Candidate Sites
CSR	Candidate Sites Register
DA	Delivery Agreement
DAMs	Development Advice Maps
DCWW	Dwr Cymru Welsh Water
DS	Disposal Strategy
EA	Equalities Act 2010
ELR	Employment Land Review
ER	Environmental Report: Required by the SEA Regulations
EUV	Existing Use Value
EZs	Enterprise Zones: Designated by the Welsh Ministers
FCs	Focussed Changes
FCA	Flood Consequence Assessment
GDV	Gross Development Value
GIS	Geographical Information System
GP	General Practice
GTAA	Gypsy and Traveller Accommodation Assessment
HIA	Health Impact Assessment
HMO	Houses in Multiple Occupation
HRA	Habitat Regulation Assessment
IMACs	Inspector's Matters Arising Changes
IR	Inspector's Report
IROPI	Imperative Reasons of Overriding Public Interest
ISA	Integrated Sustainability Appraisal
JNCC	Joint Nature Conservation Committee
JPB	Joint Planning Board
LA	Local Authority
LDO	Local Development Orders
LDP	Local Development Plan
LDPL	Local Development Plan Lite

LHMA	Local Housing Market Assessment
LPA	Local Planning Authority
MACs	Matters Arising Changes
NDF	National Development Framework
NNR	National Nature Reserve
NPA	National Park Authority
NPMP	National Park Management Plan
NRW	Natural Resources Wales
O.S.	Ordnance Survey
PAC	Pre-Application Consultation
PAW	Planning Aid Wales
PCPA 2004	Planning and Compulsory Purchase Act 2004 (as amended by the Planning (Wales) Act 2015)
PINS	Planning Inspectorate Wales
PPW	Planning Policy Wales
PWA 2015	Planning (Wales) Act 2015
RA	Responsible Authority
RJ	Reasoned Justification
RR	Review Report
RSL	Registered Social Landlord
RTS	Regional Technical Statement
S106	Section 106 legal agreement: Planning Obligation
SA	Sustainability Appraisal
SAC	Special Area of Conservation
SDP	Strategic Development Plan
SEA	Strategic Environmental Assessment
SFCA	Strategic Flood Consequences Assessment
SFR	Short Form Review
SIC	Standard Industrial Classification
SINC	Sites of Importance for Nature Conservation
SIP	Single Integrated Plans
SLA	Service Level Agreement
SMEs	Small and Medium Enterprises
SoCG	Statements of Common Ground
SPA	Special Protection Area
SPG	Supplementary Planning Guidance
SPP	Strategic Planning Panel
SPZ	Simplified Planning Zones
SSSI	Site of Special Scientific Interest
SuDS	Sustainable Drainage Systems
TAN	Technical Advice Notes
TCPA	Town and Country Planning Act 1990
UCS	Urban Capacity Study
VSG	Viability Steering Group
WBFGA 2015	Well-being of Future Generations (Wales) Act 2015
WBPs	Well-being Plans
WLIA	Welsh Language Impact Assessment
WSP	Wales Spatial Plan

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