

Strategic Development Plans

What could they mean for Wales

October 2019



Turley



Strategic Development Plans (SDPs) are emerging in Wales through powers introduced by the Planning (Wales) Act 2015. Four years on, no SDPs have been delivered.

The March 2019 Welsh Government technical guidance for local planning authorities¹, and the June 2019 publication of proposals for the South East Wales SDP by the Cardiff Capital Region (CCR) Cabinet² give a focus for our analysis.

Questions about SDPs remain. What is the purpose and intended outcomes of SDPs? What will they look like? How will they be delivered? Cross-sector and border collaboration is needed.

Turley and the Home Builders Federation (HBF) have joined forces to contribute to this discussion. This paper examines some of these key questions facing SDPs in Wales.

It is not our intention to cover all detailed policy matters that may be addressed by an SDP or the requirements in the draft National Development Framework (July 2019), Planning Policy Wales (2018) or the June 2019 CCR cabinet report. The aim is to take a step back and consider the approach to strategic planning. The paper aims to lead the debate on regional planning in Wales to ensure the potential opportunities associated with SDPs are maximised.

¹ *Welsh Government 'Designating a Strategic Development Plan Boundary and Establishing a Strategic Planning Panel (SPP)', March 2019.*

² *'Proposals for a Strategic Development Plan for the Cardiff Capital Region Report of Cllr David Poole and Councillor Neil Moore' Agenda Item 9, 10 June 2019.*

What an SDP could look like in Wales

Turley and the HBF support the delivery of effective regional planning as an opportunity for Wales. Drawing on lessons learned elsewhere, we consider what an SDP should be in Wales. We explore what an SDP should look like, with specific reference to the Cardiff City Region.

The start of a journey

Whilst a lot of time and effort has already been put in, the formal journey to prepare the South East Wales SDP is still in its infancy. Each of the 10 authorities now needs to vote in favour of making a formal expression of interest to the Welsh Ministers. To date, 4 of the 10 authorities have voted in favour of going ahead with the SDP.

The SDP represents an opportunity to deliver the 'larger than local' land use objectives of the Cardiff City Deal. It should (at the very least) be a regional planning response to housing, employment and infrastructure. The high level nature of the draft National Development Framework (NDF) illustrates the reliance on SDPs to provide this detail. The SDPs are regional plan(s) which will need to ensure that national economic and social objectives are realised.

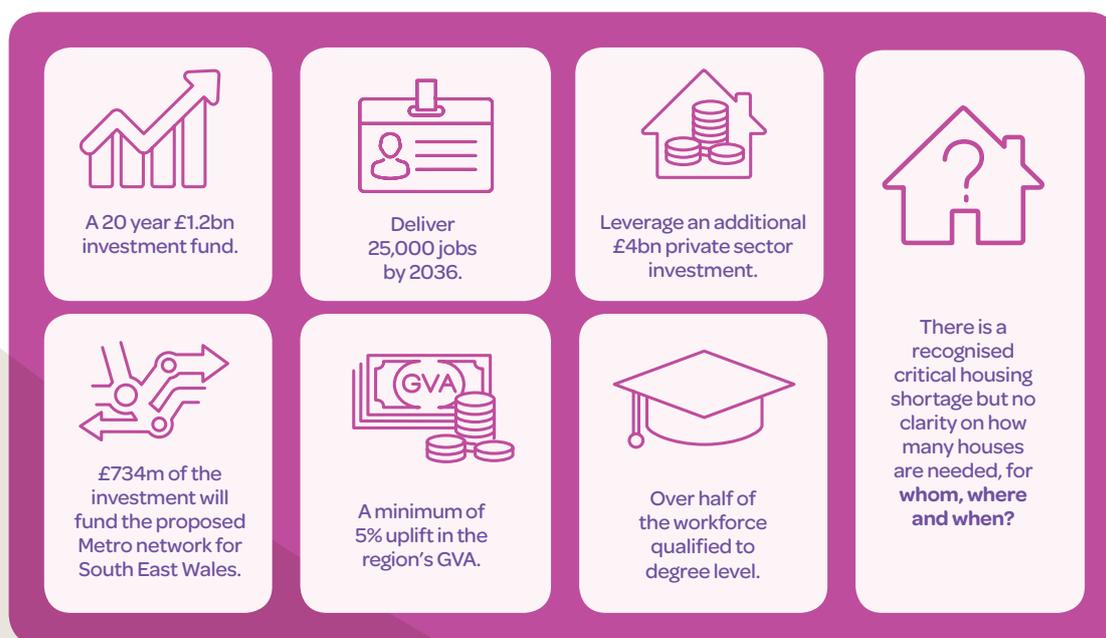
Whilst it has taken longer than hoped for the CCR to move forward with proposals for an SDP, the development industry eagerly awaits the opportunity to engage on key matters and to help shape the first SDP in Wales.

The June CCR Cabinet Report tells us more about the anticipated SDP, including:

- The geographic area – excludes areas of the Brecon Beacons National Park
- The responsible authority – the Vale of Glamorgan Council
- The Strategic Spatial Panel – proportionate membership from the 10 authorities
- The budget and timeframe – £3.14m over five years, spread proportionately across the 10 authorities
- The approach – mirrors the preparation stages in the current LDP process
- The outcome – the scope and content of an SDP with a 20 year time period and strategic development allocations

Ambition and opportunity

The Cardiff City Deal provides a framework for ambitious growth across the CCR. The region is an identified growth area in Wales. The aspirations for social, economic and environmental growth through sustainable development are clear, as summarised in the below infographic³.



³ Cardiff Capital Region Vision

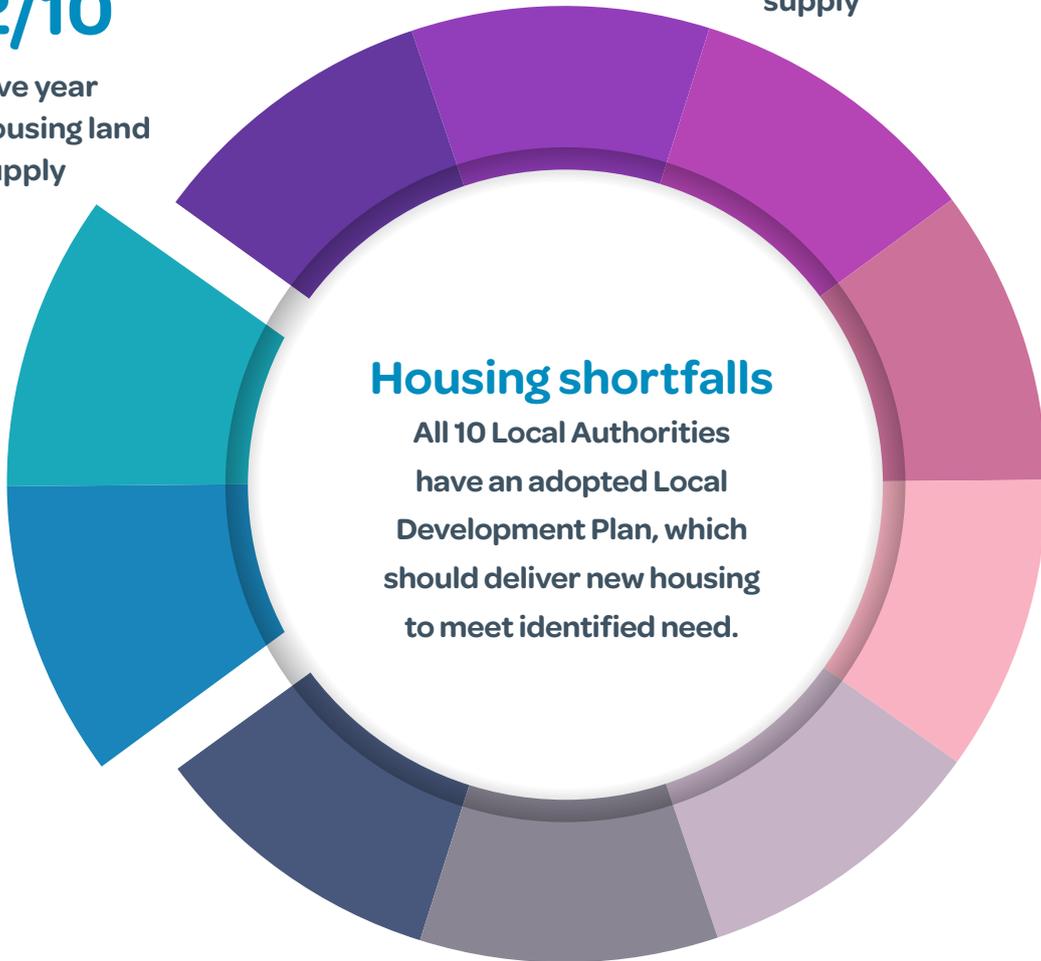
The ambitions of the CCR are a challenge beyond the scope of separate Local Development Plans prepared by individual local authorities. This is evidenced by the track record (see graphic below) of adopted Local Development Plans in terms of facilitating the housing growth required to meet identified need in their respective communities.

2/10

**Five year
housing land
supply**

8/10

**No five year
housing land
supply**



The making of a successful South East Wales SDP

The draft NDF is light on evidence and places a significant plan-making responsibility on SDPs. There is little or no detailed guidance on how an SDP will be delivered, including the evidence base, approach to policy making or format. There is currently no statutory requirement for bringing forward an SDP or its adoption.

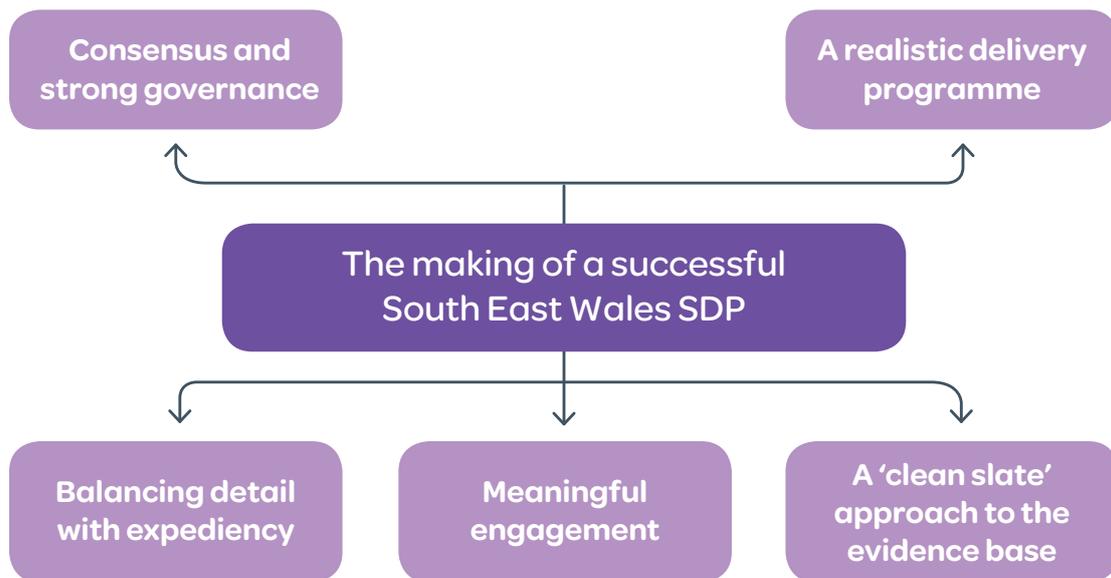
How can the South East Wales SDP embrace the opportunity to introduce a new tier of strategic planning? Our initial thoughts are informed by progress on regional planning exercises underway in England, identifying what we see as the critical success factors and potential obstacles.

English Case Studies

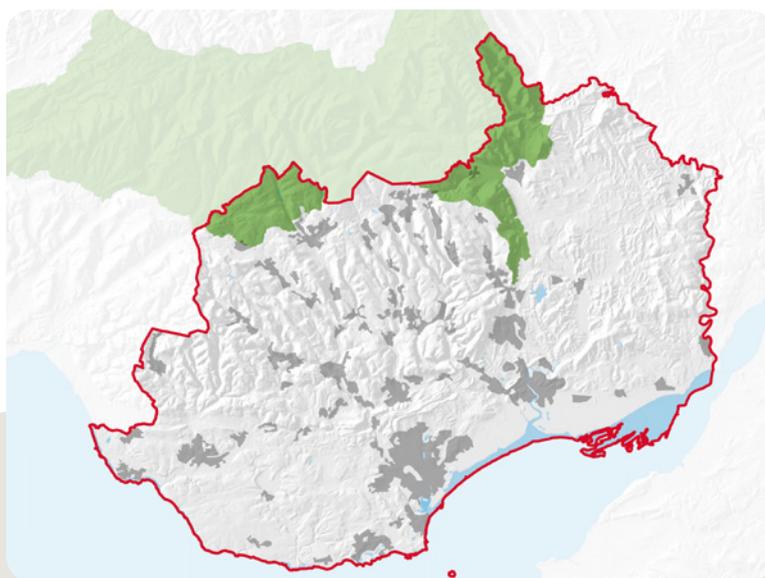
Turley and the HBF have analysed a number of case studies across England. These provide helpful learnings in considering a successful approach to SDPs in Wales.



To be a success, the factors identified below will need to be developed and carefully co-ordinated through detailed collaboration. The SDP will need to provide the detail to complement the high level NDF if the SDP is to help deliver development in a manner that realises national objectives for sustainable economic, environmental and social change.



The proposed geographic area for the South East Wales SDP is shown in the map below. How can the lessons learned from the case studies in England be applied in Wales?



Key
— Administrative Boundary

Balancing detail with expediency

The scope of the SDPs is provided by the Development Plans Manual Consultation (published by Welsh Government in June 2019) (“the Manual”). The Manual provides no real surprises.

It advises that SDPs should provide an overall housing provision for each authority in the region and that the scale of housing provision should be connected to jobs, which is encouraging. Our interpretation is that SDPs must:

- Be short, concise and accessible spatial documents. They should only focus on those issues, topics or places which are key to delivering wider than local issues.
- Provide strategic direction and certainty in response to a clear and ambitious vision for growth which recognises the importance of integrated policies. The CCR has a good head start here with a strong emerging ambition for growth already being articulated through its City Deal.
- Justify any retention of ‘strategic’ sites currently allocated in LDPs by robust testing against the new SDP evidence base.
- Not set widespread development management policies. These should be set within the LDPs.

The below case study demonstrates that the process of regional planning is not simple and highlights some lessons to be taken from other strategic planning exercises.

SDPs in Wales must address difficult strategic issues, but their scope should be realistic and deliverable. Their preparation should not be held up by an unmanageable weight of evidence. Timescales need to be workable so that local communities remain engaged and are not disenfranchised. SDPs must facilitate the delivery of essential infrastructure and sustainable development in our regions.

Case Study

Greater Manchester Strategy Framework (GMSF)

The GMSF was commenced with the ambition to establish a bold and progressive vision for the future growth of the UK’s second largest economic area. Its ‘vision’ is for Greater Manchester to “...be one of the best places in the world to grow up, get on and grow old...”.

The original draft GMSF (2016) proposed the release of strategically located Green Belt land, given the limitations of the existing supply to meet housing needs and provide for economic growth. However, it proposed a level of growth far short of its positive vision.

The latest draft GMSF (2019) proposed an even lower amount of growth and significantly reduced the number of strategic sites. The level of ambition and the continued reliance on brownfield sources of supply – which has acknowledged viability limitations – is now being strongly questioned.

Key evidence based documents are only now being prepared, and there is considerable uncertainty about the approach to growth proposed in the next draft of the GMSF, which has recently been delayed by a further nine months.

Evidence base – clean slate approach

Whilst assembling evidence for a larger geography creates efficiencies, it also places greater importance on striking a balance between planning issues at strategic and local levels.

A fresh look at the planning policy evidence base in Wales is needed if a meaningful SDP with clear objectives is to be created. This will be essential work for the new Statutory Joint Committees (including on regional housing land delivery) for regional planning being proposed by Welsh Government.

The June CCR Cabinet Report begins to recognise this, acknowledging the complexity of the task in its budgeting for the preparation of evidence. It appears to recognise that in developing the SDP there will be a need to draw on external advice and expertise. This is a positive step that should add objectivity, although it will be critical to ensure that individual consultancy inputs are co-ordinated by those developing the plan and inter-relationships are managed effectively.

The CCR Cabinet Report anticipates that the evidence base will include:

- New Local Housing Market Assessment, population and household projections
- Affordable housing viability
- Retail Assessment
- A Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA)

These individual components of the evidence base, approached afresh, will be critical in providing the evidential basis to underpin the development of integrated policies. We are particularly encouraged to see the recognition of the importance of viability. We strongly agree that there must be a greater recognition that viability must encompass all aspects of policy, as recognised in national policy⁴.

For example, robust viability evidence will be vital in assessing a deliverable housing trajectory and essential in ensuring that policies in the SDP will be both ambitious and capable of implementation. Our main concern at this stage is that the CCR Cabinet Report fails to mention any new evidence base for employment sites. Identification of the next generation of employment sites to support ambitions for economic growth must be based on robust evidence. They must be identified in tandem with genuine progress on the requisite infrastructure aspects of the SDP.

⁴ PPW, paragraph 4.2.19

Case Study West of England Joint Spatial Plan (JSP)

The West of England JSP has reached Examination stage. This has provided its own logistical challenges due to what is said to be 'unprecedented' levels of interest from stakeholders, including the development industry and wider local community. A larger venue had to be found and sessions split over multiple days to ensure participation of all those who wanted to attend.

Whilst the plan seeks to meet housing needs in the area for the next 20 years, there has not been consensus over the needs, or on the underpinning evidence base. There has been much attention given to the nature of the strategic policies and 'Strategic Development Locations' contained within the plan. The scrutiny has focused on how the correct balance can be struck between providing sufficient detail and certainty, and deferring aspects to later Local Plans that sit under the JSP.

The Inspectors' recent post-hearing letters (September 2019) have found the JSP to have fundamental flaws that undermine its soundness. The Inspectors raise significant concerns in relation to the evidence behind the selection of the 'Strategic Development Locations' and the overall spatial strategy. The Inspectors were not persuaded that these locations were selected against reasonable alternatives on a robust, consistent and objective basis and have recommended the withdrawal of the JSP. No significant progress is anticipated in the short-term.

Ambition for housing beyond projections

Understanding the need for different land uses at an early stage will be critical to determining the direction of the spatial strategy and the future release of land. The Welsh Government has provided a context for the generation of SDPs through the publication of the 2018-based national and regional estimates of housing needs, which are also referenced in the draft NDF.

Whilst providing a useful baseline from which plans can be prepared to meet housing needs, significant caution should be placed on only using the national and regional projections to inform SDPs. They rely on historic trends (critically through a period of deep recession) to project future needs. This cannot be viewed as representative if seeking to ensure a more positive future for Wales and each of its regions.

If the key economic centres of Wales are to achieve their ambition for economic growth, they will need to achieve better than historic trends. A parallel but equally significant critique of the approach adopted in the estimates is their approach to 'adding on' unmet needs with a base date of 2011. In many areas of Wales the subsequent years have seen housing market pressures increase but not be met by the supply of houses.

In planning for the amount and mix of houses required by current and future generations within the CCR, the SDP must:

- Approach the projections as a starting point rather than a target when establishing the housing requirement. They must consider carefully the region's economic ambitions, recognising that this will require a departure from the historic trends on which the standard estimates are based.
- Capture fully the consequences of worsening affordability and the under-provision of housing tenures needed today, not those identified eight years ago.
- Not be limited to maintaining the status quo or business as usual approach. They must establish a vision which recognises and reflects their future ambitions which must serve to improve the lives of the communities they cover.
- Provide the homes that people need in the right places to address current shortfalls in supply.

This is the only approach that will ensure the ambition of the SDP matches that of the CCR and reflects the status of the region as a major growth area in Wales.

It is critical that the SDP evidence keeps up to speed with any new housing growth projections released from Welsh Government during the plan preparation period. Without doing so, the final plan would be based on (by then) household projections that are totally out of date.

Market layering and ensuring policy integration

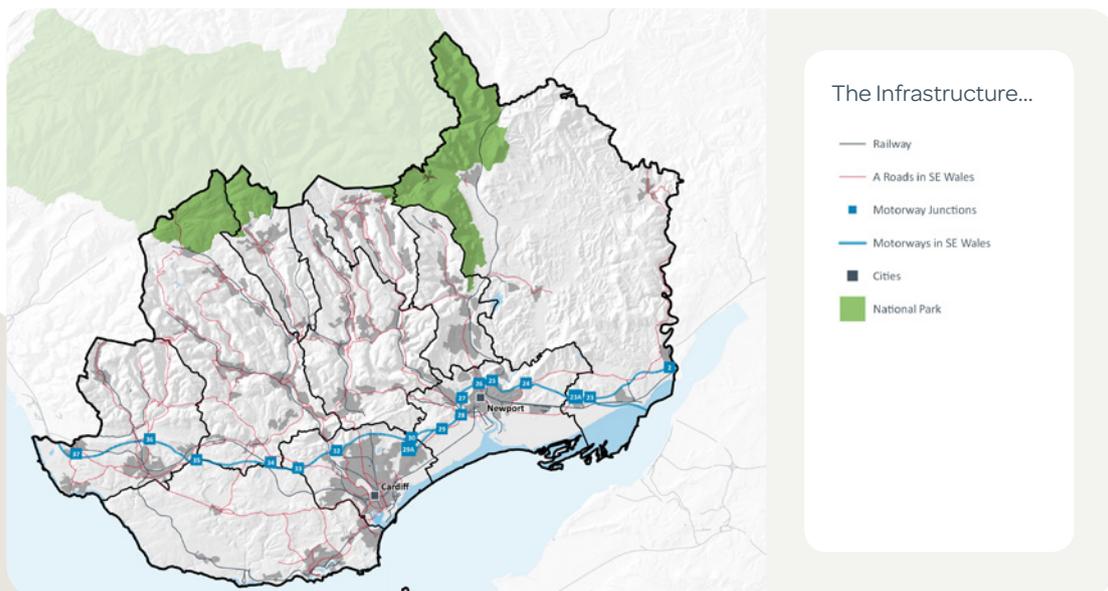
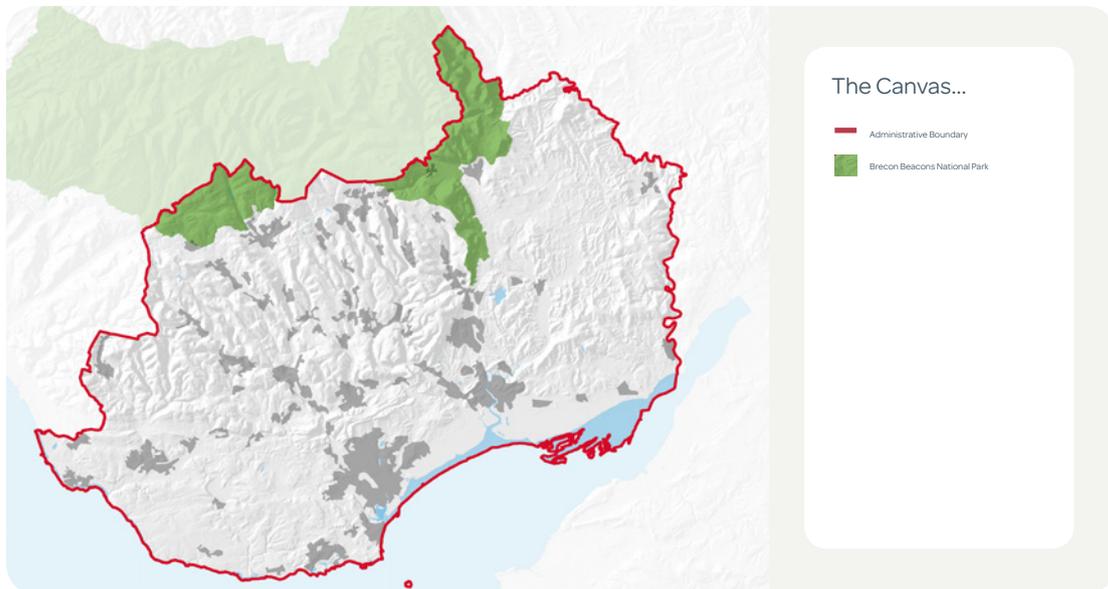
The Manual highlights that in planning for homes and jobs, it is critical that these two elements are not considered in isolation. The Welsh Government has been clear to establish that: 'The evidence to justify individual components and their connectivity will be vital when demonstrating the 'soundness' of the plan'⁵.

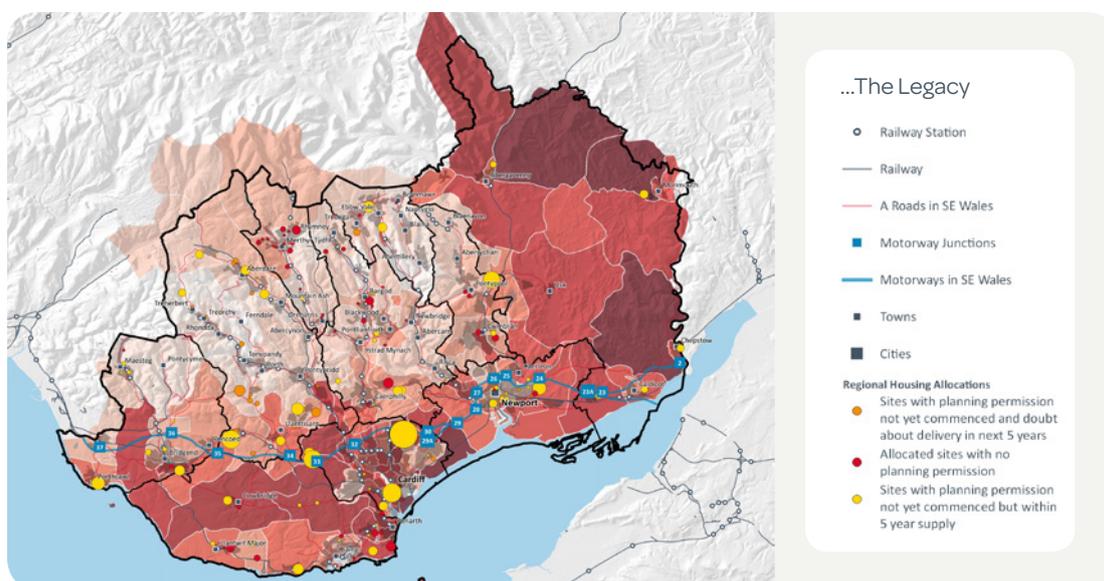
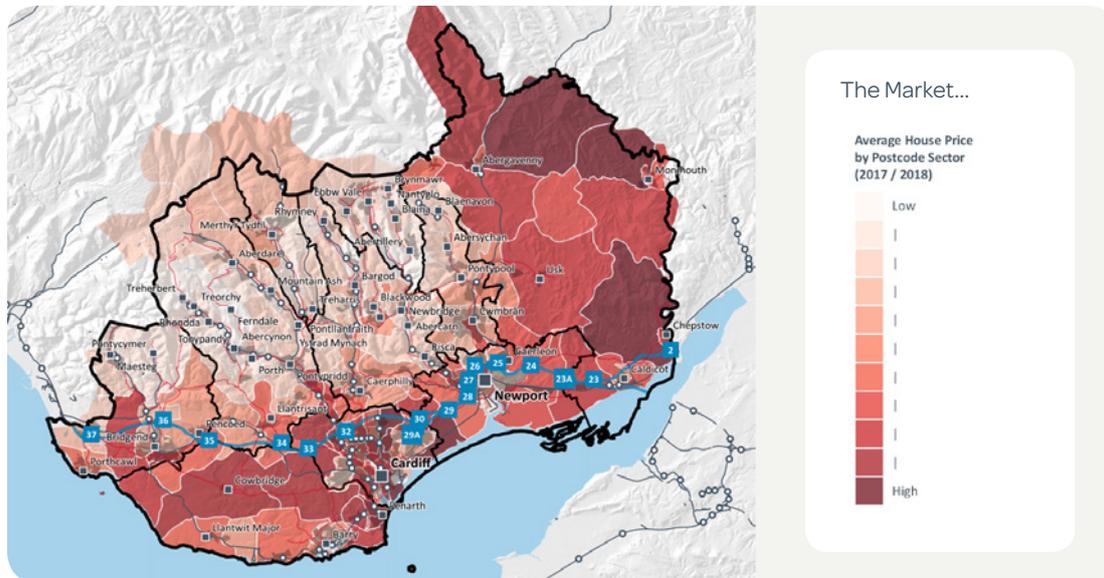
The development of a new evidence base presents an opportunity to think creatively and strategically about the distribution of employment locations, transport infrastructure and housing sites allocated in existing plans. A large number of existing LDP allocations are yet to be delivered.

Taking the CCR as an example, the below maps illustrate the importance of considering the legacy of existing plans in the context of market demand, viability and the ambitions of the City Region to deliver transformational change. The plan illustrates clearly areas of significant mismatch between market demand and new housing provision. There is a concentration of allocations without subsequent planning permissions in low value areas and an absence of any sites in other areas of high demand.

⁵ Welsh Government Consultation Document 'Draft Development Plans Manual (Edition 3)', June 2019

A simple layering of data (as shown below) highlights that the identification of key growth locations in the City Region should include existing centres but should also recognise wider potential and opportunities. For example, some areas may take on new roles linked to the strength of connections into the economic hub of Cardiff. In determining these locations, local authorities will need to co-operate fully and recognise that the required growth may not be distributed evenly on the basis of administrative boundaries. This will require difficult decisions and strong leadership. From our observations of the processes followed in England, this can often represent a stumbling block and one which the authorities must not shy away from addressing.





Maintaining an up-to-date and robust evidence base

The most recent generation of sub-regional plans in England demonstrate the importance of ensuring that the planning strategy is informed by up-to-date evidence.

The CCR programme anticipates that the collation of evidence and preparation of the SDP (prior to its submission) will span a period in excess of four years. Within this timeframe it is inevitable that new evidence will be published which will have a significant bearing on key parts of the strategy (for example, the assessment of housing need, or the economic context shaping policies for employment land). Councils must be alive to the need to undertake updates to their evidence based reports up to the point of submission, whilst ensuring that policies are sufficiently flexible to allow for a reasonable level of change.



Realistic timescales for delivery

The CCR anticipates the Plan's adoption in 2024/25, some five or six years from today. Whilst we recognise the complexities involved in adopting a plan of this scale, this feels like a long time away. It is critical that the CCR commits to delivering to (or ahead of) this timescale. This will mean that a Preferred Strategy is published in less than three years. This will create a greater sense of certainty for communities and the development/housebuilding industry.

Similar contemporary sub-regional planning exercises in England have all exceeded their planned timescales. This should act as a warning sign for timescales to be "driven" but realistic when devising the delivery programme for the South East Wales SDP.

To achieve this timetable the CCR must be clear in the scope of its content, responding to the matters raised above, and aim to create a positive sense of ambition amongst politicians and decision-makers. Slippage will represent a significant step backwards for the plan-making process. We are already seeing LDP review timetables being pushed back whilst authorities await certainty regarding national and regional planning. The SDP must act as a means to accelerate plan-delivery and not be an excuse for delay.



Case Study

Greater Manchester Strategy Framework (GMSF)

The GMSF is a joint plan covering 10 districts, the preparation of which commenced over six years ago. It has only advanced to a meaningful Plan for consultation in 2018/19. Despite relative political consensus among the districts and a GM Mayor elected with a convincing majority, the process of making the allocations needed to deliver homes and jobs has caused delay. It has also ended up tempering the ambitions of the plan.

Delays have been a result of balancing complex competing pressures for the city's economic ambition to be a 'global city', with strong public and political opinion to not release Green Belt. The journey has also been affected by changes to national policy and guidance which have contributed to uncertainty in the formulation of the evidence base. A firmer and sustained commitment to deliver against a clear and positive economic ambition would have assisted in overcoming delays.

Achieving consensus and ensuring strong governance

Achieving consensus on key spatial decisions requires compromise and strong governance to ensure that the planning strategy is informed by the evidence base and is not compromised by political agendas. The case studies below illustrate this importance in delivering a jointly prepared Plan.

There is a potential tension between the emerging NDF and the SDPs. Arguably, the NDF will be subject to insufficient consultation and includes little evidence to substantiate the policy directions proposed. The approach to successful SDP preparation identified by this paper is heavily reliant on evidence and collaboration. With the NDF being set for adoption first, SDPs will need to comply with it. This tension makes achieving an evidenced consensus and strong governance challenging.

Case Study Oxfordshire Growth Board

In 2014, the Oxfordshire Strategic Housing Market Assessment (SHMA) identified a 'midpoint' requirement for approximately 100,000 homes in the county between 2011 and 2031. It subsequently became clear that Oxford City would be unable to accommodate its share of those needs (the shortfall was assumed to be 15,000 homes but evidence indicates it could be substantially higher). On the basis of this shared evidence base, the Oxfordshire authorities set out how this 15,000 shortfall should be apportioned between them. West Oxfordshire, Cherwell and Vale of White Horse authorities have subsequently adopted (or are due to) plans for their share of the need, and their apportioned share of Oxford City's unmet need.

The history of shared evidence and responsibility resulted in the Oxfordshire Housing and Growth Deal in 2017. All of the Oxfordshire authorities committed to achieving the 100,000 home figure by 2013. They committed to developing a Joint Spatial Plan to cover the period to 2050. In return, Government awarded £215m of funding towards infrastructure and affordable housing. The funding also contributed towards planning flexibility, including the preparation of a bespoke three year housing land supply requirement until the Joint Plan is adopted.

The previous Conservative administration lost control in South Oxfordshire following the May 2019 local elections. The authority is now in Liberal Democrat/Green Party control. The new administration is reviewing its options for preparing its own Local Plan. The election has challenged the political consensus and strong governance underpinning the previously agreed joint approach. The new administration may withdraw consensus, seek a new plan and a reduced housing requirement. It may not provide for unmet needs arising from the city of Oxford.

The decisions taken by South Oxfordshire District Council could have severe implications for the planning and funding of new homes and infrastructure throughout the County of Oxfordshire.

Whilst the Welsh Government will need to provide further formal guidance regarding the appropriate governance structures, it is clear that the CCR is already considering the make-up of its Strategic Planning Panel (SPP). The SPP will ultimately be responsible for the preparation of the SDP and its sign-off to proceed to Examination.

The initial options presented highlight that the panel could consist of up to 23 members with voting rights proportionally distributed across the 10 authorities. Achieving a sufficient level of consensus across so many members will represent a significant challenge.

There is considerable merit in reducing the number to a single representative from each authority, albeit this introduces complexity as to the weighting of voting powers.

Case Study Greater Exeter Strategic Plan (GESP)

The City of Exeter and its immediate neighbours have started the process of preparing a strategic plan. The plan will update and replace the adopted strategic policies of the four authorities involved. Progress to date has been very slow. Political disagreement over the vision for the plan has been significant: a vision statement was rejected by two authorities before being published for public consultation. Three of the four authorities have been subject to change in political control following May 2019 Local Elections. This changing political landscape has extended the delay, which is likely to continue while the new administrations settle their views on how the challenging project should continue and what governance structures should be put in place.

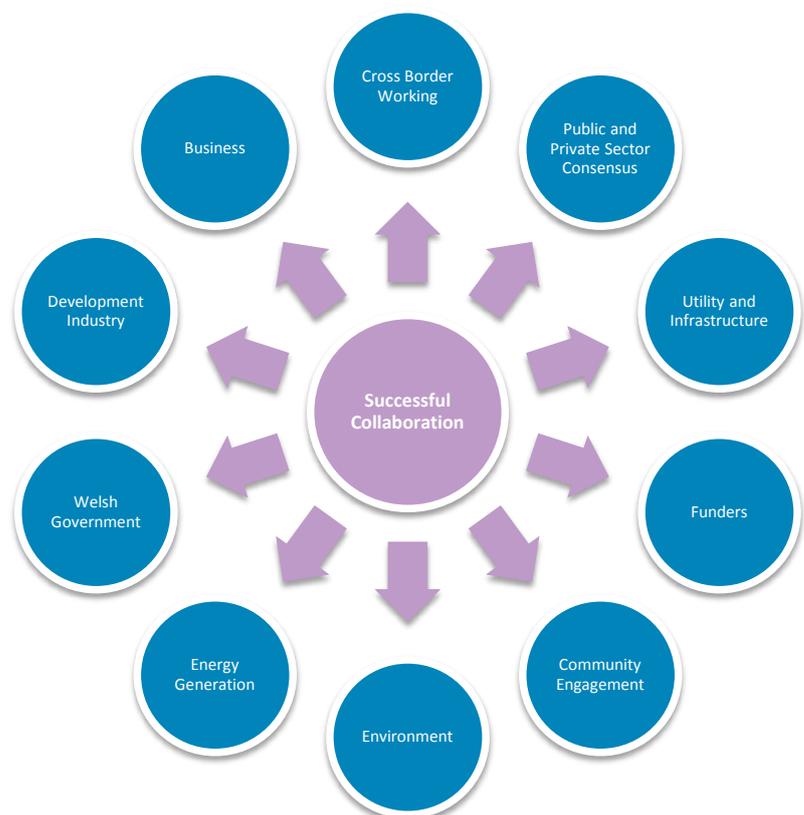


Meaningful collaboration

Successfully advancing an SDP and achieving agreement from developers and local communities will require meaningful two-way collaboration and engagement. Creating a strong consensus on planning and environmental matters in advance of submission provides a real opportunity. It can ensure a streamlined examination process, avoid protracted debates over key points of soundness and inject a renewed commitment to effective plan-making.

The Plan's preparation includes public consultation on the key issues and challenges that should be addressed. It is important that public views are integral to the process and that local authorities involved in the SDP make a genuine commitment to engage with communities and stakeholders. When done well, this can increase community co-operation and agreement, creating efficiency and certainty in the planning process. Timescales for plan preparation, community fatigue and innovative ways of including a cross-section of the local demographic must be considered from the outset.

It is particularly important that plan-makers collaborate with the development industry, funders, infrastructure and utility providers, and Welsh Government. All of which will be integral in delivering the SDP. This should be done throughout the plan preparation process and not just through 'set-piece' consultations. Cross-sector and cross-border involvement at the inception stages will provide an important opportunity to acknowledge concerns, build in market knowledge and draw upon additional resources. Collaborative strategic thinking and assembling a robust evidence base is required to ensure the SDP is fit for purpose.



Conclusion

Our aim is for this paper to be the start of a dialogue on a Welsh approach to regional planning. Cross-sector and cross-border involvement is essential to ensure the opportunities from regional planning are realised in Wales. This includes providing long-term certainty for local communities and industry. SDPs can ensure that bigger than local considerations and investments are planned to fully realise cross-community benefits.

Lessons can, and should, be taken from relevant examples elsewhere as summarised in our case studies. Stakeholders across the development industry need, and want, to engage with Welsh Government and policy makers to help deliver positive timely SDPs that respond effectively to the challenges identified.

This paper will be a success if used to challenge policy making and engage industry. The plan making process must evolve and become more efficient. A genuine cross-sector commitment to a strategic plan-led approach is required. A clean slate approach to evidenced and collaborative plan making is essential to achieving long-term consensus. Turley and the HBF welcome further discussion with plan makers, Welsh Government, the development industry and other stakeholders to realise this change.

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