



Future Wales – The National Plan 2040

Working Draft National Development Framework Document September
2020 Version

Comments Submitted By Savills Planning (Cardiff Office)

This letter sets a number of focused comments on the above document (which we call FW2040). They follow a longer submission made in November last year on the Draft National Development Framework (the DNDF) when we made a series of recommendations that would improve what was said and proposed.

As a starting point, and in many ways, FW2040 is an improvement on the DNDF. However, we have some serious concerns that have not been addressed. These are listed below.

The first of these is the continued **absence of an overarching policy on economic development**. Whilst FW2040 includes text and policy on nearly all the topics found generally in planning policy, economic development remains conspicuous by its absence. This is fundamental concern and a missed opportunity – especially in current circumstances. It could be corrected quite straightforwardly by:

- a) transferring the approach to the rural economy (in Policy 5) to a new Policy on economic development across the nation;
- b) including a more explicit section and policy on economic development in each of the four regional chapters

By doing this, FW2040 becomes a much truer representation of Welsh Government's (WG's) ambitions. The overarching policy should be linked to the sectors and objectives set out in *Prosperity for All*, and other strategies whilst the regional policies can follow the work of a number of key initiatives including that being implemented by the "city region" groups.

This would also allow FW2040 to specifically reflect the analysis and proposals set out in the *A Manufacturing Future for Wales: A Framework for Action* which was published in September. In this Framework, WG sets out how it wants to pursue the transition to High Value Manufacturing (HMV) in Wales and identifies a series of clusters that will help to drive the transition. These are:

- data analytics;
- clean energy/circular economy;
- creative;
- professional services;
- medical/bio tech; and
- advanced manufacturing.

A link to the Framework is attached below:

<https://gov.wales/sites/default/files/consultations/2020-09/manufacturing-future-wales-consultation-document.pdf>

Introducing a new economic development policy provides an opportunity for FW2040 to align with the emerging Framework on Manufacturing and WG's broader economic strategies. We recommend that FE2040 in its final form takes this important opportunity. At the very least the new policy should support the sectors and clusters identified in the Framework (as currently the only reference FW2040 makes is to the semi-conductor cluster).

The second point is the approach to **housing**. The approach set out in FW2040 is very narrow and makes few changes to what was proposed in the DNDF. It continues to concentrate on affordable housing provision without recognizing the very clear dividend that comes from developing all forms of housing (which the majority of the population needs and will occupy). Affordability is important (that is fully understood). However, there is a basic link between it and general housing supply that is absent in FW2040.

Added to this, and whilst being a little clearer on their status, FW2040 continues to include **figures for housing** that could infect the preparation of Local Development Plans. The clarification - which explains that these numbers should only inform housing land supply requirements – is welcome but the fact is that they are extremely low and will get lower as we get further into FW2040's period. That is bound to have an impact on a sector that is already struggling to deliver what is required at the moment (and which must also have an impact on housing affordability).

On simple solution (to avoid this unintentional impact) would be to withdraw the numbers from FW2040, and we strongly recommend that this done. That would liberate SDPs and LDPs to determine requirements in a way which reflected ambitions and conditions as well as statistics (or to apply those statistics in a way which better reflected local priorities and opportunities).

An additional point on housing is FW2040's continued over emphasis and over reliance on a very small list of **existing urban areas** as preferred locations for substantial residential development. This comes at the start of FW2040's Spatial Strategy (in section 4) and then tracks through the strategies for the four regions.

We would make two main recommendations that would improve the final version of FW2040:

- a) the first would be to recognise explicitly that any list of places does not preclude development elsewhere. There are many settlements that have the potential for sustainable growth and FW2040 currently risks excluding them.
- b) the second would be to make a clearer statement about the role of local authorities in defining and determining their growth strategies. It is inconceivable that those places listed are the only places where sustainable development can take place and allowing a settlement hierarchy to emerge from local evidence and intelligence is the right way to proceed

We also recommend that that the continued connection between greenfield development and bad growth is tempered in FW2040. Wales will need a full portfolio of options to meet its needs and requirements and this will include the release of additional greenfield land.

FW2040 also continues to include policies on **Green Belts** and recommends that these are basically installed for development management purposes almost immediately. There are two specific concerns with this approach. The first is that we still see no real need for green belts of the types proposed in Wales. Green Belts have not been needed to date to control development and introduce a level of restraint that is difficult (and takes considerable time) to adjust. They can also backfire and lead to unsustainable patterns of growth. The second concern is that the proposal to use FW2040 to control development from its' adoption removes the scope for the proper consideration of whether Green Belts are necessary, the areas they should extend to and how they should operate. These are all matters for local authorities to assess in the preparation of the Strategic Development Plans and Local Development Plans.

In this context we recommend that FE2040's proposed policies on Green Belts are changed to make it clear that – if the concept is to be retained – the extent and purpose of the designation is for local authorities to consider in their strategic planning initiatives. The depiction of any proposed Green Belts should also be removed from the plans and diagrams currently included in FW2040.

We broadly welcome the inclusion of the new policies on the **National Growth Areas (NGAs)** which reflects a key recommendation of our submissions on the DNDF. We do, however, consider that these policies should be tighter and more focused: as currently drafted they add little about the main purpose of the NGAs or their intended effects. We recommend that the policies should be strengthened, specifically to capture the points on economic development raised earlier in this letter. One way to do this would be to include references to the clusters and sectors that each region can help to deliver.

With respect FW2040's provisions for **energy**, there still appears to be a gap between hydrogen and carbon capture and its connection to a low carbon economy (for example in Policy 17). Carbon capture will be necessary to meet decarbonisation targets in hard to decarbonise industrial sectors. There is a spatial element to this which is not recognised, but does feature in BEIS' industrial clusters. South Wales is the second largest of the 6 strategic clusters identified in the UK and progress is being made. Carbon capture utilisation and storage is a key element in decarbonising the industrial clusters, and hydrogen production is an integrated element to decarbonising the clusters. Strategic carbon storage is being developed in the North Sea and in Liverpool Bay and WG needs to be clearer on whether it should feature in FW2040 as part of its' policies on energy.

FW2040 does not currently make a distinction between renewable forms of energy and low carbon either. This is surprising given WG's very positive general approach to renewables. An opportunity to reinforce links to marine energy potential is missed as well.

Finally, care will also need to be taken with the proposal to use **regional energy planning** to identify opportunities for all types of renewable energy projects (on page 99 of FW2040). There is very little explanation of what this policy is (despite it triggering one of the document's headlines), and the risk is that it could introduce an extra level of scrutiny for proposals which - because of their scale and nature - are developments of national significance. This is important if FW2040 is to fulfil its role as a facilitator of change and policy as well as control mechanism.