

Integrated Sustainability Appraisal (ISA) for the Caerphilly 2nd Replacement Local Development Plan

ISA Report Non-Technical Summary

Caerphilly County Borough Council

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Quality information

Prepared by	Checked by	Verified by	Approved by
CB: Associate Director	EH: Senior Environmental Planner	NCB: Technical Director	NCB: Technical Director

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Prepared for:

Caerphilly county Borough Council

Prepared by:

AECOM Limited
3 Rivergate
Temple Quay
Bristol BS1 6ER

T: +44 (0)117 901 7000
aecom.com

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1. Introduction

1.1 Background

- 1.1.1 AECOM is commissioned to lead on Integrated Sustainability Appraisal (ISA) in support of Caerphilly County Borough Council's 2nd Replacement Local Development Plan (2RLDP). ISA fulfils the requirements and duties for Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA), Equalities Impact Assessment (EqIA), Health Impact Assessment (HIA), Welsh Language Impact Assessment (WLIA), and Well-being of Future Generations (WBFG) in one integrated assessment process.
- 1.1.2 ISA is a mechanism for considering and communicating the likely effects of an emerging plan, and alternatives in terms of key sustainability issues. The aim of ISA is to inform and influence the plan-making process with a view to avoiding and mitigating negative impacts and maximising positive impacts.
- 1.1.3 A key part in the process is the publication of an ISA Report alongside the Deposit Plan for consultation. This is the Non-Technical Summary (NTS) for the ISA Report.

1.2 The RLDP

- 1.2.1 The 2RLDP will set out land use development proposals for the County Borough and will identify where and how much new development will take place over the plan period. It will also identify areas to be protected from development and provide policies against which future planning applications will be assessed.
- 1.2.2 The plan period for the 2RLDP runs from 2020 to 2035. The 2RLDP vision looks forward to the end of the plan period (2035) and envisions how the policies, site allocations and designations set out within the plan will contribute to a more positive society in social, environmental, economic and cultural terms. It establishes the overall direction that is further articulated in the more specific objectives that follow and forms the link between the spatial growth strategy and the strategic policies. Objectives have been established under the topics of climate change, housing, mental and physical health and wellbeing, placemaking, culture and heritage, active and sustainable travel, economic growth, and the natural environment.

1.3 The scope of the ISA

- 1.3.1 The scope of the ISA is essentially the sustainability issues / objectives that should be a focus of (and provide a broad methodological framework for) the ISA. These are summarised by the ISA framework – see Table NTS.1.
- 1.3.2 The Regulations require that “When deciding on the scope and level of detail of the information that must be included in the Environmental Report, the responsible authority shall consult the consultation bodies”. In Wales, the consultation bodies are Natural Resources Wales and Cadw.¹ A Scoping

¹ In accordance with Article 6(3) of the SEA Directive, these consultation bodies were selected because ‘by reason of their specific environmental responsibilities [they] are likely to be concerned by the environmental effects of implementing plans and programmes.’

Report was sent to the statutory consultees for comment in 2022. The responses received were considered and amendments made to the baseline information and draft ISA Objectives where necessary. Since that time, the ISA scope has evolved as new evidence has emerged and there have been some minor refinements to the ISA objectives - however, the scope remains fundamentally like that agreed through the dedicated scoping consultation in 2022. Baseline updates, such as new Census data, have been considered through the subsequent assessment process.

Table NTS.1: ISA framework

ISA theme	ISA objective
Economy and employment	Support a strong, diverse and resilient economy, with innovative responses to changing conditions and support for a strong future workforce.
Population and communities	- To provide enough good quality market and affordable homes, and community infrastructure, in sustainable locations to meet identified needs. - To enhance design quality to create places for people that maintain and enhance community and settlement identity.
Health and wellbeing	To improve the health and wellbeing of residents within Caerphilly.
Equality, diversity and inclusion	To reduce poverty and inequality; tackle social exclusion and promote community cohesion.
Transport and movement	Increase sustainable transport use and reduce the need to travel.
Natural resources	- To identify and pursue any opportunities to reduce, or at least, minimise population exposure to air pollution. - To make the best use of previously developed land and existing buildings to minimise pressure for greenfield development and protecting, where possible, higher grade agricultural land. - To support waste management/ reduction. - To conserve, protect and enhance the water environment, water quality and water resources.
Biodiversity and geodiversity	Protect and enhance biodiversity within and surrounding the plan area.
Historic environment	- Preserve and enhance Caerphilly's heritage resource, including its historic environment and archaeological assets. - Promote understanding of Caerphilly's cultural heritage.
Landscape	To protect and enhance the quality and character of Caerphilly's landscape and townscape.
Climate change	- Support the resilience of the Caerphilly area to the potential effects of climate change, including flooding from fluvial, coastal and surface water sources. - Reduce Caerphilly's contribution to climate change from activities which result in greenhouse gas emissions.

1.4 Structure of this NTS

1.4.1 Following this introductory chapter, the NTS is structured to first present an assessment of the preferred spatial approach and reasonable alternatives (Chapters 2-3 - required as part of the ISA process) before providing an assessment of the Deposit Plan as a whole (Chapter 4 - including the policy framework). Finally, in Chapter 5 the next steps for both plan-making and ISA are described.

2. Reasonable alternatives

2.1 Requirements

- 2.1.1 In line with regulatory requirements, there is a need to explain how work undertaken to date has informed plan-making, in particular, how work has been undertaken to develop and then appraise reasonable alternatives, and how the Council have considered appraisal findings when developing the preferred approach for the 2RLDP.

2.2 Previous ISA work and consultations

- 2.2.1 Following on from scoping, an Initial ISA Report was produced in 2022 and consulted upon alongside the Preferred Strategy. Following consultation, the Council revisited and revised the Preferred Strategy (accounting for significant objections to the proposed strategic site at Maesycwmmmer). On this basis, an Interim ISA Report (2024) was produced to support a second consultation on the updated Preferred Strategy in early 2025. Both the Initial and Interim ISA Reports presented an assessment of the alternatives established at that stage, and an assessment of the preferred strategy as presented at that stage. There is no need to repeat the ISA work that has been undertaken to date, but rather this ISA Report builds upon that work, refining options as necessary and factoring in additional / updated evidence.

2.3 Establishing options - level of growth

- 2.3.1 The Interim ISA Report (2024) considered the level of growth in the Borough using the population projection scenarios generated in 2024 (which were re-based using 2021 Census data and updated mid-year estimates from Welsh Government). Overall, 11 population options were considered for the 2RLDP strategy, three based on the 2018 Welsh Government population projections, four based on migration assumptions, two based on housebuilding rates, one based on economic population, and one employment based. These options factored in the 2021 Census data and considered the role of Caerphilly within the Cardiff Capital Region (CCR) and its economic investment potential.
- 2.3.2 From the 11 scenarios, four were considered both reasonable and realistic for the 2RLD strategy, these were:
- **Option A – Welsh Government (WG) 2018-based principal projection:** Total dwelling increase of 2,966 homes (198 dpa) and a loss in the working age population of -2,868 people.
 - **Option H – Continuation of adopted LDP:** Total dwelling increase of 8,622 homes (575 dpa) and an increase in the working age population of 7,668 people.
 - **Option I – Long-term housebuilding rates:** Total dwelling increase of 5,595 homes and an increase in the working age population of 1,944 people.

- **Option J – CCR growth in working age population:** Total dwelling increase of 6,750 homes (450 dpa) and an increase in the working age population of 4,126 people.

2.3.3 Option J has been the preferred option since 2022 and there are no new population projections or evidence that has brought to light any potential additional options for the overall level of growth.

2.4 Establishing options - location of growth

2.4.1 Reflecting the issues facing the County Borough and the national and regional policy framework, there have been six key options for the broad distribution of growth that have been identified to date. These are:

1. **Continuation of the adopted LDP strategy.** This option essentially continues the adopted LDP approach which identifies three broad strategic growth areas at the Heads of the Valleys Regeneration Area, the Northern Connections Corridor, and the Southern Connections Corridor.
2. **Heads of the Valleys Regeneration Area focus.** This options maximised development opportunities in the Heads of the Valleys to promote economic growth and broaden the range and choice of housing here, maximising the benefits associated with major investment and improvement to the Metro and the A465.
3. **Key Strategic Site (Maesycwmmmer).** This option seeks to deliver a significant proportion of overall growth needs at a singular strategic site at Maesycwmmmer. This option would be supported by additional growth primarily focused on the Greater Blackwood and Greater Ystrad Mynach areas but also in the Lower Ebbw and Sirhowy Valleys where connected by public transport.
4. **Metro investment focus.** This option seeks to maximise the benefits arising from significant investment in the South Wales Metro delivering growth in connected (by public transport) areas at Rhymney, Ebbw Vale, Blackwood and Nelson.
5. **Town Centre first approach.** This option would focus new development close to the Principal Towns of Caerphilly, Ystrad Mynach, Blackwood, Risca / Pontymister and Bargoed, and the Local Centres of Bedwas, Newbridge, Nelson and Rhymney.
6. **Caerphilly Basin focus.** This options seeks to maximise development opportunities in and around Caerphilly and associated with the Southern Connections Corridor.

2.4.2 At this stage, the ISA has sought to revisit and refine these options, working with the pool of available sites established through the Council's Candidate Site Assessment process. Given the significant objections to the large strategic site at Maesycwmmmer, this option has fallen away (notwithstanding that it has been assessed in previous versions of the ISA).

2.4.3 The preferred approach continues to be a hybrid of Options 4 and 5 supported by an assessment of the County Borough's settlements and a new proposed settlement hierarchy. The hybrid approach of Options 4 and 5 requires that development be located to maximise the benefits from

investment to the Metro and the potential for modal shift to sustainable transport, locating development close to sustainable transport links. Alongside this, a Town Centre First approach seeks to locate development within and close to existing towns and cities across the region; primarily the County Borough's Principal and Local Centres.

- 2.4.4 All sites that have been found suitable and available through the Council's Candidate Sites Assessment has been reviewed for their potential to strategically contribute to housing and employment delivery. This includes by a high-level GIS analysis of sites. This work has formed similar options at this stage, albeit more nuanced in terms of the sites underpinning them. The options established at this stage are:
1. **The Preferred Strategy.** A hybrid of the previous Options 4 and 5 combining a 'town centre first' approach with a 'Metro investment focus'. Well-connected sites are a key theme under this approach.
 2. **Caerphilly Basin focus.** This option emphasises the role of Caerphilly in future growth, expecting more growth in this area as a primary settlement.
 3. **Heads of the Valleys focus.** This option locates additional growth in the Heads of the Valleys in proximity to the A465 and Metro investment here. It would focus growth in one of the most deprived areas in the County Borough.
 4. **Continuation of the adopted LDP strategy.** Similar to previous assessments, growth under this option would be more widely dispersed across the County Borough.
 5. **A higher growth strategy.** It is recognised that there are enough available sites to achieve a higher level of growth than the current preferred option, so this option assesses the constraints and merits of utilising all available and suitable sites.
- 2.4.5 Table NTS.2 identifies the expected supply under these options at the settlement level, enabling finer scrutiny of the variations between options. Within this table, green denotes an increase in homes, whilst amber denotes a decrease in homes.

Table NTS.2: Reasonable alternatives (2026)

Location	Option 1 – Preferred Strategy	Option 2 – Caerphilly Basin focus	Option 3 – Heads of the Valley focus	Option 4 – Continuation of the adopted LDP	Option 5 – Higher growth
Completions	1,976	1,976	1,976	1,976	1,976
Commitments	1,430	1,430	1,430	1,430	1,430
Windfall	978	978	978	978	978
Aberbargoed	176	176	351	351	351
Bargoed	55	55	55	55	55
Bedwas	44	44	44	0	44
Blackwood	375	375	775	375	937
Caerphilly	132	432	132	341	432
Maesycwmmer	500	500	500	665	665
Nelson	241	241	241	241	266
Oakdale and Croespenmaen	225	85	0	85	261
Penpedairheol	190	190	0	0	600
Rhymney and Abertysswg	100	100	123	123	123
Risca and Ynysddu	132	132	132	132	142
Ystrad Mynach and Penybryn	597	422	422	422	607
TOTAL	7,151	7,136	7,159	7,174	8,867

Source: <Source>

2.5 Methodology

- 2.5.1 In terms of methodology, for each option, the assessment has examined **likely significant effects** on the baseline, drawing on the sustainability objectives and themes identified through scoping (see Table NTS.1) as a methodological framework.
- 2.5.2 Every effort is made to predict effects accurately; however, this is inherently challenging given the high-level nature of the options under consideration. The ability to predict effects accurately is also limited by understanding of the baseline (now and in the future under a 'no plan' scenario). Considering this, there is a need to make considerable assumptions regarding how scenarios will be implemented 'on the ground' and what the effect on receptors would be. Where there is a need to rely on assumptions to reach a conclusion on a 'significant effect' this is made explicit in the appraisal text.
- 2.5.3 It is important to note that effects are predicted considering the criteria presented within Regulations. So, for example, account is taken of the duration, frequency, and reversibility of effects. Cumulative effects are also considered (i.e., where the effects of the plan in combination with the effects of other planned or on-going activity that is outside the control of CCBC).
- 2.5.4 Based on the evidence available a judgement is made if there is likely to be a significant effect. Red indicates the potential for a significant negative effect and green indicates a significant positive effect. Grey denotes uncertainty.
- 2.5.5 Where it is not possible to predict likely significant effects based on reasonable assumptions, efforts are made to comment on the relative merits of the alternatives in more general terms and to indicate a rank of preference. The number indicates the rank and does not have any bearing on likely significant effects. This is helpful, as it enables a distinction to be made between the alternatives where it is not possible to based on the significance of effects. An option that is ranked as 1 is judged to perform better against that ISA theme compared to an option that is ranked 2 or 3 or so on. '=' has been used to highlight where options perform equally and cannot be differentiated between.

2.6 Assessment outcomes – level of growth

2.6.1 Table NTS.3 provides the summary findings for the assessment of options for the level of growth.

Table NTS.3: ISA summary findings for the level of growth

ISA topic	Option A	Option H	Option I	Option J
Economy and employment	3	1	2	1
Population and communities	3	1	2	1
Health and wellbeing	2	1	1	1
Equality, diversity and inclusion	3	1	2	1
Transport and movement	2	1	1	1
Natural resources (air, land, minerals and waste)	1	4	2	3
Biodiversity and geodiversity	1	4	2	3
Historic environment	1	4	2	3
Landscape	1	4	2	3
Climate change (mitigation and adaptation)	4	1	3	2

2.6.2 In relation to the ISA topics of natural resources, biodiversity and geodiversity, the historic environment and landscape, the nature and significance of effects will be dependent on where growth is located and how development is designed/ implemented. As the level of growth increases so does the likelihood that impacts will occur, and negative effects will arise. Residual effects in this respect are uncertain and will be better informed by consideration of the location of growth, the sensitivity of receptors, and the potential mitigation measures available. Lower growth options are ranked more favourably in respect of the potential environmental impacts, though it is also recognised that higher levels of development have further potential to deliver environmental enhancements/ improvements that could lead to positive effects.

2.6.3 Similarly, for the climate change ISA topic, uncertainty is noted as specific opportunities that would help to significantly reduce per capita greenhouse gas (GHG) emissions or deliver new low carbon or renewable energy have not been confirmed. However, this ISA topic sees the reverse trend in terms of rankings, as higher growth options have greater potential to support infrastructure upgrades that reduce congestion and improve accessibility, supporting a transition to lower emission/ carbon neutral economy. They also have greater potential to contribute to improved ecological connectivity, green infrastructure networks, open spaces and urban greening measures, which support climate resilience.

- 2.6.4 Regarding the transport and movement ISA topic, options proposing a higher level of growth are more likely to result in impacts on the local highway network through increased traffic and congestion; however, no evidence suggests impacts are likely to be of significance. Recent increases in homeworking, as a result of the Covid-19 pandemic, are considered likely to prevail as a longer-term trend which will continue to support reduced congestion. Furthermore, the higher growth levels are considered for their potential to deliver accessibility and infrastructure improvements and result in more self-contained communities, reduced levels of out commuting and modal shift, the importance of which have all been highlighted during the pandemic. As a result, higher growth options are ranked more favourably overall.
- 2.6.5 Option A is considered likely to result in significant negative effects for the ISA topics of economy and employment, population and communities, health and wellbeing, and equalities, diversity and social inclusion. This is predominantly due to limited growth severely restricting opportunities to address a likely resultant demographic imbalance and economic decline. Under this option, a decline in younger age groups, particularly the working age group, is likely to result in job losses, and a decline in economic and local centres exacerbating rural isolation. This is particularly relevant to certain groups with protected characteristics, such as the young, older people and disabled, who tend to be disproportionately affected by accessibility issues and the negative effects of transport infrastructure. Furthermore, a lack of future development may not only severely limit opportunities to address changing housing needs in terms of types and tenures but is also likely to drive up house prices and exacerbate affordability issues.
- 2.6.6 The higher growth options (Options H and J, but particularly H) are identified as performing better against these ISA topics, as the additional growth provides an opportunity to deliver a greater range of new housing, employment opportunities, and community infrastructure to meet the needs of the County Borough. Significant positive effects are predicted for Options H and J under the economy and employment ISA topic, and significant positive effects are predicted for Options, H, I and J under the population and communities ISA topic.

2.7 Assessment outcomes – location of growth

2.7.1 Table NTS.4 and NTS.5 provide the summary findings for the assessment of options for the level of growth.

Table NTS.4: ISA summary findings for the location of growth

ISA topic	Option 1	Option 2	Option 3	Option 4	Option 5
Economy and employment	2	1	4	3	5
Population and communities	2	1	4	3	5
Health and wellbeing	2	1	3	4	5
Equality, diversity and inclusion	=1	=1	3	5	4
Transport and movement	2	1	5	=3	=3
Natural resources (air, land, minerals and waste)	=1	=1	=3	=3	5
Biodiversity and geodiversity	=1	=1	=3	=3	5
Historic environment	=2	=2	4	1	5
Landscape	=3	=1	=1	=3	5
Climate change (mitigation and adaptation)	=1	=1	5	=3	=3

Table NTS.5: ISA summary findings for the location of growth

ISA topic	Conclusion
Economy and employment	Overall, Options 1 and 2 are considered to perform most favourably under the economy and employment ISA theme, with significant positive effects anticipated at this stage. This is because they facilitate sustainable growth in accordance with the settlement hierarchy; address localised economic issues; and support a well-connected economy. By delivering a higher level of growth in Caerphilly, Option 2 is considered to perform slightly more favourably than the preferred approach (Option 1). No significant effects are noted under Options 3 and 4 as they do not distribute growth as evenly across the County Borough, however minor positive effects are anticipated. Option 4 is ranked slightly more favourably as it distributes growth more evenly than Option 3. Finally, uncertainty is noted under Option 5 as whilst this option has the potential to lead to an increased level of investment across the County Borough, the additional sites included under this option include some that are less accessible to employment opportunities.
Population and communities	Overall, Options 1 and 2 are considered to perform most favourably under the population and communities ISA theme, with significant positive effects anticipated at this stage. This is because they distribute housing in line with the settlement hierarchy, thereby helping to meet the needs of all communities across the County Borough. By delivering a higher level of growth in Caerphilly, Option 2 is considered to perform slightly more favourably than the preferred approach (Option 1).

ISA topic	Conclusion
	No significant effects are noted under Options 3 and 4 as they do not distribute growth as evenly across the County Borough, however minor positive effects are anticipated. Option 4 is ranked slightly more favourably as it distributes growth more evenly than Option 3. Finally, uncertainty is noted under Option 5. Whilst this option would deliver a higher level of growth across the County Borough, potentially bringing greater benefits, the additional sites included under this option include some that are less accessible to community facilities and retail areas.
Health and wellbeing	Overall, Options 1 and 2 are considered to perform most favourably under the health and wellbeing ISA theme, with significant positive effects anticipated at this stage. This is because they distribute housing in line with the settlement hierarchy, which prioritises the best-connected settlements, thereby maximising accessibility to health and recreational facilities. By delivering a higher level of growth at Caerphilly, Option 2 is considered to perform slightly more favourably than the preferred approach (Option 1) as this principal settlement is considered the most well-connected. No significant effects are noted under Options 3 and 4 as they do not distribute growth as evenly across the County Borough, however minor positive effects are anticipated. Option 3 is ranked slightly more favourably than Option 4 as whilst the Heads of the Valley is a less accessible part of the County Borough, it will bring benefits related to its proximity to the Brecon Beacons National Park. Finally, uncertainty is noted under Option 5 as whilst this option would deliver a higher level of growth across the County Borough, potentially bringing greater benefits for health and wellbeing, this could be at the expense of protecting existing green infrastructure / open spaces.
Equality, diversity and inclusion	Significant positive effects are predicted across all options as they all meet the identified housing need, including a proportion of affordable housing, and will deliver new jobs. Options 1 and 2 are considered to perform mostly favourably as they distribute growth most evenly across the County Borough. This is followed by Option 3 which focuses growth in the most deprived part of the borough, then Option 5 which will deliver a higher level of growth, thereby maximising opportunities to deliver affordable housing and investment. Finally, Option 4 is ranked least favourably as the distribution of growth under this option is considered to bring fewer benefits for equalities, diversity and social inclusion, particularly to the central part of Caerphilly.
Transport and movement	Overall, Options 1 and 2 are considered to perform most favourably under the transport and movement ISA theme, with significant positive effects anticipated at this stage. This is because they distribute housing in line with the settlement hierarchy, which prioritises the best-connected settlements, thereby maximising the uptake of sustainable modes of transport, encouraging modal shift away from the private vehicle. By delivering a higher level of growth at Caerphilly, Option 2 is considered to perform slightly more favourably than the preferred approach (Option 1) as this principal settlement is considered the most well-connected. No significant effects are noted under Options 3, 4 and 5 as they do not distribute growth as evenly across the County Borough. Option 5 is ranked equal to Option 4 due to the merits and disadvantages outlined above, however a degree of uncertainty is noted in this respect. Option 3 is ranked least favourably as the Heads of the Valley is the least well-connected part of the County Borough.
Natural resources (air, land, minerals and waste)	Options 1 and 2 are considered to perform most favourably as they will have the lowest predicted impact on natural resources. No significant effects are noted under these options as they preserve productive agricultural land, and whilst this will lead to the sterilisation of some mineral resources, the boundaries of mineral safeguarding areas (MSAs) are adjusted to ensure that they don't overlap with land inside settlement boundaries.

ISA topic	Conclusion
	Options 3 and 4 are ranked slightly less favourably due to the inclusion of additional sites which overlap with MSAs and are in proximity to main rivers, although no significant effects are anticipated under these options either. Option 5 is ranked least favourably, and significant negative effects are noted, because the additional level of growth proposed through this option would lead to the unnecessary loss of additional natural resources.
Biodiversity and geodiversity	Options 1 and 2 are considered to perform most favourably as they will have the lowest predicted impact on biodiversity. No significant effects are noted under these options, although minor negative effects are considered likely given the proximity of some sites under these options to internationally and nationally designated sites for biodiversity. Options 3 and 4 are ranked slightly less favourably due to the inclusion of additional sites which are in proximity to designated sites for biodiversity and priority habitats. Whilst no significant effects are anticipated under these options either, minor negative effects are anticipated. Option 5 is ranked least favourably, and significant negative effects are noted, because the additional level of growth proposed through this option would lead to the unnecessary impact on additional areas of biodiversity value and ecological networks.
Historic environment	Overall, Option 4 is ranked most favourably as the variable sites under this option are relatively unconstrained from a heritage standpoint, whilst the option also omits some of the more sensitive sites included under the preferred strategy (Option 1). This is followed by Options 1 and 2, which include sites which are slightly more constrained. Option 3 is ranked slightly less favourably given the constraints associated with the variable sites under this option, which are likely linked to the more rural focus of this option. Whilst it is anticipated that good design and landscaping could mitigate potential adverse impacts on the setting of heritage assets under these options, this is unknown at this stage and therefore uncertainty is noted. Significant negative effects are anticipated under Option 5 as this option has the potential to adversely impact a much higher number of heritage assets given the increased level and spread of growth proposed. Whilst mitigation measures could also reduce potential adverse impacts to some degree, this is considered more challenging under this option given the level of growth proposed.
Landscape	Overall, Options 2 and 3 are ranked most favourably as the variable sites under this option are relatively unconstrained from a landscape standpoint, whilst these options also omit some of the more sensitive sites included under the preferred strategy (Option 1). This is followed by Options 1 and 4, which include sites which are slightly more constrained. Whilst it is anticipated that good design and landscaping / screening could mitigate potential adverse impacts on landscape character under these options, this is unknown at this stage and therefore uncertainty is noted. Significant negative effects are anticipated under Option 5 as this option has the potential to adversely impact landscape character over a much wider area given the increased level and spread of growth proposed. Whilst mitigation measures could also reduce potential adverse impacts to some degree, this is considered more challenging under this option given the level of growth proposed.
Climate change (mitigation and adaptation)	Overall, it is difficult to differentiate the options regarding both climate change adaptation and mitigation. Nevertheless, Options 1 and 2 are considered to perform marginally more favourably given they direct growth to the most accessible parts of the County Borough. Option 3 is considered to perform least favourably for the inverse reasons. Given the global scale of climate change, and that development will likely come forward with or without the plan, no significant effects are anticipated.

3. Council response to alternatives assessment

3.1 The preferred approach

- 3.1.1 Option J continues to be the preferred approach for the level of growth and Option 1 continues to be the preferred approach for the spatial distribution of development.
- 3.1.2 The assessments above demonstrate that Options H (continuation of the adopted LDP) and J (CCR growth in working age population) are the more sustainable scenarios in terms of the level of growth, whilst the same is true of Options 1 (2RLDP preferred strategy) and 2 (Caerphilly Basin focus) in terms of spatial distribution.
- 3.1.3 It is noted that the process adopted by the Council in terms of its consideration of growth scenarios and options for the spatial distribution of development are set out in the Population and Housing Growth Options Background Paper and supplementary evidence.

3.2 Council response to options for the level of growth

- 3.2.1 The justification for the selection of Option J is set out in Table NTS.6 below:

Table NTS.6: Consideration of the preferred growth option

Option	Outline reasons
Option A – WG 2018-based principal projection	This scenario is proposing a very low level of population growth (1%) over the next 15 years, as a result of negative natural change (higher deaths and lower births). Population growth is entirely due to migration. This scenario would result in a significant decline in both the 0 to 15 and working age population, and a significant increase in the older population (67+). The resultant households based on this population projection are also low (3.2%). This equates to a housing requirement of 170 dwellings a year or 198 dwellings in the adjusted membership rate scenario, which is well below past build rates.
Option H – Continuation of adopted LDP	This scenario projects an increase in population of 8.8%, or 8.3% in the membership adjusted scenario. This is higher than the population growth that has been experienced in recent years and would require a level of migration that is significantly higher than has been experienced when compared with long-term trends. However, this option would reverse the projected decline in the working age population by providing a stronger economically active population to support jobs growth in the County Borough. There will be an increase in the older population above what the principal projection indicates, but due to the profile of migrants, proportionately the growth of this group when compared to the principal projection would not be as significant as for the working age population, helping to support a more balanced population. It would also reduce the extent to which the school age population is projected to decline.

In housebuilding terms, whilst 575 dwellings is the annual housing requirement in the adopted LDP, this level of housebuilding has not been met since 2008 and one of the consistent conclusions of

Option	Outline reasons
	successive Annual Monitoring Reports (AMRs) is that the housing requirements in the LDP have not been met. As the past delivery of housing has been lower than 575 per annum, it would need to be demonstrated that the figure of 575 would be deliverable.
Option I – Long-term housebuilding rates	The long-term housebuilding scenario clearly reflects a realistic level of housebuilding, given that it is what has been achieved over a long period, although it is ambitious when compared to shorter term trends. Overall, this dwelling led scenario would result in a positive increase in population (4.9% or 4.4% in the membership adjusted scenario) which is considered ambitious but deliverable. It will help to achieve a population structure where the economically active population can grow and help to support the provision of new jobs. However, it is questioned whether this level of growth is sufficiently ambitious to reflect Caerphilly's position within a National Growth Area, and the economic aspirations of CCR.
Option J – CCR growth in working age population	The level of growth proposed in this scenario would support regional growth aspirations in that there will be an appropriate labour force available to support future job creation in the region. The scenario would require an increase in migration to a level that is higher than long-term trends but is considered achievable. The dwelling requirement of 450 dwellings per annum is higher than long-term past trends but is at a level that is ambitious but deliverable.

3.3 Council response to options for the location of growth

3.3.1 In terms of developing the 2RLDP preferred strategy, the following six options were considered. These were assessed for ISA purposes, with the findings of the assessment being set out in the Initial ISA Report:

- Option 1 – continuation of the adopted LDP strategy;
- Option 2 – Heads of the Valleys Regeneration Area focus;
- Option 3 – Key strategic site (Maesycwmmmer);
- Option 4 – Metro investment focus;
- Option 5 – Town centre first;
- Option 6 – Caerphilly Basin focus.

3.3.2 As a result of this process, Options 3, 4 and 5 were chosen as constituent elements of a hybrid strategy for the initial Pre-Deposit Plan consultation in 2022, although, following a conformity objection from Welsh Government, Option 3, along with the site on which it was based, was later discontinued. As set out elsewhere in this report, the range of options has been reduced to five as a result of the earlier work concerning the consideration of the options and also taking into account those candidate sites that passed both stages of assessment. The options considered now are therefore:

- Option 1 – the 2RLDP preferred strategy;
- Option 2 – Caerphilly Basin focus;
- Option 3 – Heads of the Valleys Focus;
- Option 4 – continuation of the adopted LDP strategy;
- Option 5 – a higher growth strategy.

3.5 Whilst Options 1 (the 2RLDP preferred strategy) and 2 (Caerphilly Basin focus) are considered to be the more sustainable, the justification for the selection of the Metro investment focus and ‘town centre first’ as the basis of the 2RLDP strategy (Option 1) is set out in Table NTS.7 below:

Table NTS.7: Consideration of the preferred spatial option

Option	Outline reasons
Option 1 – 2RLDP Preferred Strategy	Metro Investment Focus This option seeks to focus development close to the stations on the Rhymney Valley and Ebbw Valley rail lines and to the bus stations at Blackwood and Nelson. This focus accords with the Future Wales ambitions to maximise the benefit of the investment in the Metro. This option can deliver significant benefits in terms of supporting and increasing sustainable transport usage, whilst increasing accessibility. The effect of this option is to develop sites near and within existing settlements, and as such, this option increases pressures on urban open spaces that could adversely impact the quality of life in those settlements. In addition, this option could exclude sustainably located and beneficial sites that are located further from transport nodes than less beneficial sites. Despite the negatives, this option could be taken forward as the preferred strategy for the emerging 2RLDP. Town Centres First This option seeks to focus new development towards the principal town centres of Caerphilly, Risca/ Pontymister, Ystrad Mynach, Blackwood and Bargoed, and the local centres of Bedwas, Nelson, Newbridge and Rhymney. This option accords directly with the Future Wales policy advocating the Town Centre first approach. This option is keenly aligned to placemaking and sustainable settlements. Again, this option seeks to direct new development within existing settlements, which is likely to place urban open spaces under significant pressure for development and could result in disadvantages in terms of the quality of life in these settlements. In addition, this option may miss out on more sustainably located sites, particularly those that are near transport nodes outside of the principal and local centres. Overall, this option is one that could be taken forward as the Preferred Strategy for the emerging 2RLDP.
Option 2 – Caerphilly Basin Focus	This option seeks to target new development within the Caerphilly Basin, in accordance with the Future Wales statement, which states that Caerphilly is a strategic location for sustainable economic growth and regeneration. This option would seek to maximise benefits from the significant level of regeneration investment that is going into Caerphilly

Option

Outline reasons

town by locating a significant proportion of the 2RLDP requirement into this area.

This option would require both greenfield and brownfield development to enable sufficient land to be available to meet the 2RLDP requirements. Greenfield land release would reverse the adopted LDP strategy and would place the landscape within the Caerphilly Basin at threat from adverse impact from new developments. It would also bring previously highly contentious sites into consideration as allocations, and this is likely to give rise to significant objection. The issue of the greenbelt around Caerphilly, although strictly not a matter for the 2RLDP, does come into consideration, although the starting point for any greenbelt boundary is whether sufficient land for future expansion of settlements has been allowed.

This option would provide the opportunity to deliver new development near the Caerphilly interchange and the town centre, delivering sustainable development in an area of high demand and social housing need.

Despite the strong pros for this option, the potential for adverse impact to the landscape, the potential impact of the greenbelt, and the highly controversial nature of greenfield development in the Caerphilly Basin, means that it is considered unlikely that a strategy under this option would be successful in realising an adopted plan. Consequently, this option is not considered to be a realistic option for consideration for the Preferred Strategy of the emerging 2RLDP.

Option 3 – Heads of the Valleys Focus

It is a Council aim to regenerate the Heads of the Valleys (HoV) area of the County Borough to address its inherent socio-economic challenges and deprivation. A strategy that seeks to focus a significant level of development into the HoV area would certainly assist with the regeneration of the area. However, in preparing the plan, the Council will need to demonstrate that the sites allocated to meet the 2RLDP housing and employment land requirements are viable and can be delivered in the plan period.

Unfortunately, the HoV area is an area that has low land values and low house values as well. Because of this, it is extremely difficult to demonstrate that any sites in this area are viable and can be delivered within the plan period. Consequently, only a very small number, if any sites, could be identified to meet the 2RLDP requirements, which does not reflect the purpose of the strategy option to identify a significant amount of the 2RLDP requirement in the area. Given these issues, this option is not appropriate to be considered for the emerging 2RLDP as it will not deliver the level of development in the HoV area that the strategy would require.

It should be noted, however, that whilst this option is not appropriate to be used as the 2RLDP strategy, this does not prevent the plan identifying aspirational sites (ones that could come forward, but do not count towards meeting the requirement) to try to increase development in the area.

Option 4 – Continuation of the adopted LDP strategy

There are many issues arising from this option, but the key issue is the parameters set out in the strategy for new development, i.e. within settlement boundaries and on brownfield land only in the southern connections corridor. Given these restrictions, there are very few sites that could be brought forward to meet this strategy and, as a result, there are insufficient sites available to deliver this strategy. For this

Option	Outline reasons
	reason, it is considered that this strategy is not appropriate for the emerging 2RLDP.
Option 5 – Higher Growth Option	This option includes all those candidate sites submitted for housing that passed both stages of the candidate site assessment, and that are not otherwise contributing to the housing land requirement as either commitments or completions. Taking account of the completion/commitment and windfall figures, this would result in a total number of units slightly in excess of the 575 per annum requirement that would be delivered by option 4, although this would doubtless end up being deficient once a flexibility allowance were to be added. In addition, it does not incorporate a mechanism for the sites in less sustainable locations, or those that do not necessarily align with the settlement hierarchy, to be discounted. Therefore, this option is not considered suitable in terms of the sustainability of its pattern of distribution, nor does it align with the level of growth that the chosen option (J) is seeking to deliver.

4. Assessment of the Deposit Plan

The ISA Report has appraised the full Deposit Plan considering both the spatial strategy and suite of proposed policies. Table NTS.8 provides the conclusions reached for each ISA topic.

Table NTS.8: Appraisal conclusions

ISA topic	Conclusion
Economy and employment	Overall, the plan is considered likely to lead to major positive effects under the economy and employment ISA theme. Not only does the plan allocate land to meet the County Borough's employment land need, but it also encourages regeneration opportunities; directs housing growth in proximity to employment hubs or in locations with good connectivity to these hubs; protects existing retail and commercial areas; and promotes tourism. In doing so, the plan is likely to bolster the local economy and create new jobs for both current and future residents.
Population and communities	Overall, the plan is considered likely to lead to major positive effects under the population and communities ISA theme. This is primarily because it allocates sites which will deliver housing which exceeds the County Borough's housing requirement, including the provision of affordable housing. Moreover, the plan directs growth to the most accessible locations; delivers a mix of housing types; seeks to deliver new, and protect existing, community and social facilities; and encourages good design.
Health and wellbeing	Overall, the plan is considered likely to lead to moderate positive effects under the health and wellbeing ISA theme. This primarily reflects the provisions made within the policy framework, including promoting good design and living conditions; providing green infrastructure and leisure facilities; and reducing the risk of harm to public health. It is also recognised that delivering housing and employment growth in line with identified needs will contribute positively towards health and wellbeing.
Equality, diversity and inclusion	Overall, the plan is considered likely to lead to moderate positive effects under the equalities, diversity and social inclusion ISA theme. The spatial strategy includes sites in the more deprived parts of the County Borough, whilst the policy framework considers the housing needs of all members of the community, including Gypsy and Traveller communities.
Transport and movement	Overall, the plan is considered likely to lead to moderate positive effects under the transport and movement ISA theme. The spatial strategy seeks to ensure future development has good access to active travel and public transport infrastructure, thereby encouraging modal shift away from the private vehicle. Meanwhile, the policy framework seeks to bolster this through means including good design and securing planning obligations.
Natural resources (air, land, minerals and waste)	Overall, the plan is considered likely to lead to minor positive effects under the natural resources ISA theme. This is because the spatial strategy minimises the loss of BMV land and the boundaries of safeguarded resources have been adjusted accordingly to allow for growth without sterilising or preventing access to these resources. In addition, the policy framework addresses mineral resources in detail and supports the efficient use of resources and reduction of waste.
Biodiversity and geodiversity	Overall, the plan is considered likely to lead to minor negative effects under the biodiversity and geodiversity ISA theme. It is recognised that the policy framework seeks to mitigate adverse impacts on biodiversity through encouraging development which delivers net biodiversity benefit; designating SINC's; and protecting and enhancing the green and blue infrastructure (GBI) network. However, two of the site allocations are in close proximity to internationally and/or nationally designated sites for biodiversity, whilst one site overlaps with a SINC. In this respect, the spatial strategy has potential to lead

ISA topic	Conclusion
	to adverse impacts on these biodiversity sites, although a degree of uncertainty is noted.
Historic environment	Overall, the plan is considered likely to lead to neutral effects under the historic environment ISA theme. Whilst it is recognised that the spatial strategy delivers sites in proximity to designated heritage assets and conservation areas, it is considered that the provisions made through the policy framework appropriately mitigate any potential adverse impacts. This includes working closely with key stakeholders; promoting heritage-sensitive design and heritage-led regeneration; designating locally important buildings; and recognising non-designated archaeological remains.
Landscape	Overall, the plan is considered likely to lead to minor negative effects under the landscape ISA theme. Whilst the spatial strategy does not direct growth in proximity to the Bannau Brycheiniog (Brecon Beacons) National Park to the north, it will deliver development on greenfield land and land in the setting of SLAs. It is recognised that the policy framework seeks to ensure development in these identified areas does not adversely impact landscape character. However, it is considered that there remains potential for adverse impacts as a result of the development of these sites, although a degree of uncertainty is noted at this stage.
Climate change (mitigation and adaptation)	Overall, the plan is considered likely to lead to moderate positive effects under the climate change ISA theme. The spatial strategy directs growth away from areas of flood risk, whilst prioritising accessible locations which will maximise the uptake of active travel and public transport, thereby minimising emissions from transport. In addition, by including several large sites, the spatial strategy provides opportunities for on-site renewable energy generation. This is supported by the policy framework, which also addresses embodied carbon emissions; energy efficiency; and flood risk mitigation.

5. Next steps

- 5.1.1 This ISA Report will accompany the Deposit Plan for public consultation. Any comments received will be reviewed and considered as part of the iterative plan-making and ISA process and will inform the 2RLDP prior to its submission.

