Cyd-bwyllgor Corfforedig De-Ddwyrain Cymru | South East Wales Corporate Joint Committee

Report for:	ACTION
Contains Confidential or Exempt Information	NO

For Consideration By	Corporate Joint Committee
Report Title	Strategic Development Plan (SDP): Approval of Budget and Funding Strategy
Report of	Colan Mehaffey, Strategic Director of Policy, Impact & Partnerships Richard Matthams, Head of Strategic Development
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Affected Council Areas	All
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1. Recommendations

1.1 The Corporate Joint Committee is asked to:

a) Approve a Strategic Development Plan (SDP) budget of £1.0 million over two financial years to enable preparation and completion of the principal evidence base, statutory assessments and associated programme activity.

b) Consider the three alternative approaches to apportioning the approved £1.0 million SDP evidence base budget set out in Section 3.6 of this report.

c) Agree one of the three funding options set out in Section 3.6 as the basis for apportioning the SDP evidence base budget, subject to final verification of

the calculations and confirmation by the Director of Resources and Director of Legal and Governance of the arrangements necessary to implement the agreed approach through the CJC's statutory budget and levy arrangements.

d) Agree that the approved SDP evidence base budget is incorporated within the Corporate Joint Committee's Medium Term Financial Plan and future annual budget-setting process.

e) Delegate authority to the Director of Policy, Impact & Partnerships and Head of Strategic Development to commission the approved evidence base, technical studies and associated professional support necessary to progress preparation of the Strategic Development Plan.

2. Report Summary

2.1 The South East Wales Corporate Joint Committee has a statutory duty under the Planning (Wales) Act 2015 and the South East Wales Corporate Joint Committee Regulations 2021 to prepare a Strategic Development Plan (SDP) for the Cardiff Capital Region.

2.2 The SDP will provide the statutory strategic planning framework for South East Wales, coordinating the long-term relationship between housing, employment, transport, infrastructure, energy, the environment, climate resilience and sustainable economic growth. It will also provide a shared spatial framework through which the CJC's strategic planning, regional transport and economic well-being functions can increasingly be integrated.

2.3 Significant progress has been made. The Delivery Agreement has been agreed with Welsh Government, governance and regional working arrangements are in place, Visioning has begun to shape the strategic direction of the Plan and the regional evidence base is being developed. The programme is now entering its principal evidence preparation phase, which will inform the scale and broad distribution of growth, strategic spatial options and, ultimately, the Preferred Strategy.

2.4 This report seeks approval for a £1.0 million budget across the current and next financial year to commission and coordinate the principal technical evidence, statutory assessments and specialist support required for this next phase. The budget balances the resources required to prepare a robust and sound SDP against financial pressures facing constituent authorities and will require careful prioritisation and management of individual commissions.

2.5 The proposed funding is required across the current and next financial year to support the delivery of the SDP evidence base and maintain progress against the agreed statutory programme.

2.6 Regulations 16 and 17 of the South East Wales Corporate Joint Committee Regulations 2021 provide the statutory framework for funding the CJC's strategic planning functions. The CJC must therefore determine how the proposed £1.0 million evidence base budget is apportioned between participating authorities.

2.7 Three approaches have been considered. All assume an indicative annual contribution of £2,700 from Bannau Brycheiniog National Park Authority, leaving £497,300 per annum to be apportioned between the ten constituent local authorities:

- Option 1 – Population-Based: 100% apportioned according to population.
- Option 2 – Equal Apportionment: divided equally, resulting in £49,730 per authority per annum.
- Option 3 – Hybrid Apportionment: 75% divided equally, reflecting the shared regional responsibility and common costs of preparing the SDP, and 25% apportioned according to population to recognise differences in authority size.

2.8 The options relate solely to the apportionment of SDP programme costs and do not affect existing CJC governance, representation or voting arrangements, nor establish a precedent for future regional governance or devolution. The decision for Members is therefore how the cost of this shared statutory regional function should be shared.

3.0 Reasons for Report

3.0.1 The purpose of this report is to enable the Corporate Joint Committee to progress the Cardiff Capital Region Strategic Development Plan through its next substantive phase by approving the evidence base budget and funding, governance and assurance arrangements required to build and integrate the principal regional evidence base.

3.1 Statutory Context

3.1.1 The Planning (Wales) Act 2015 established Strategic Development Plans as the statutory strategic tier of the development plan system in Wales. The South East Wales Corporate Joint Committee Regulations 2021 confer responsibility upon the South East Wales Corporate Joint Committee for preparing the Strategic Development Plan for the Cardiff Capital Region.

3.1.2 Preparation of the Strategic Development Plan is therefore a statutory function of the Corporate Joint Committee rather than a discretionary policy initiative. The Corporate Joint Committee is required to prepare the Plan in accordance with the legislative framework, associated regulations, national planning policy, and Welsh Government guidance.

3.1.3 The SDP must be supported by a comprehensive and proportionate evidence base capable of demonstrating legal and procedural compliance and satisfying the Tests of Soundness at Independent Examination. The evidence base must both inform the emerging strategy and demonstrate how strategic choices have been identified, assessed and justified throughout preparation of the Plan.

3.2 Purpose and Role of the Strategic Development Plan

3.2.1 The Strategic Development Plan (SDP) will establish a single, long-term statutory spatial strategy for the Cardiff Capital Region, providing the regional framework for the scale and broad distribution of growth and strategic matters including housing, employment, transport, infrastructure, energy, climate resilience and the environment.

3.2.2 Housing and labour markets, travel patterns, infrastructure networks and investment decisions operate across administrative boundaries. The SDP provides the statutory framework for addressing these relationships at the regional scale, aligning land-use planning with the Regional Transport Plan and wider economic, infrastructure and investment priorities.

3.3 Progress in Preparing the Strategic Development Plan

3.3.1 SEWCJC has established the statutory, governance and programme arrangements necessary to prepare the SDP. The Delivery Agreement has been agreed with Welsh Government and the Strategic Development Sub-Committee established to provide dedicated Member oversight, supported by regional officer and partner working arrangements.

3.3.2 The programme is now developing the strategic direction and evidence foundations of the Plan. Visioning has established the emerging long-term ambition for the region, while the Regional Settlement Hierarchy is developing an understanding of the roles and relationships of places across the Cardiff Capital Region.

3.3.3 Work is also progressing on the economic, demographic and housing evidence required to determine the scale of future growth. The Integrated Sustainability Appraisal is underway and the Strategic Candidate Sites and Areas of Search process has concluded, providing further evidence to inform future spatial choices.

3.4 The Next Phase – Building and Integrating the Regional Evidence Base

3.4.1 The programme is now moving into its principal evidence preparation phase. The next stage will integrate evidence on growth, settlements, transport, infrastructure, development capacity, environmental constraints and strategic development opportunities to inform the scale and distribution of growth. This work will be closely aligned with the Regional Transport Plan and wider economic and investment priorities and will enable the development and assessment of strategic spatial

options and, ultimately, the Preferred Strategy. Specialist technical input will be required to complete this work. Approval of the proposed budget is therefore necessary to maintain programme momentum and avoid delays to the evidence base, spatial options and Preferred Strategy.

3.5 **Financial Implications and Funding Strategy**

3.5.1 An evidence base budget of £1.0 million over the current and next financial year is proposed to deliver the technical evidence, statutory assessments, specialist support, engagement and programme coordination required for the next phase of SDP preparation. This represents an average requirement of £500,000 per annum (over two financial years), although expenditure will be managed according to programme requirements and may vary between financial years. The budget will require careful prioritisation of commissions, with existing evidence and constituent authority expertise used wherever appropriate to maximise value for money.

3.5.2 The proposed funding is required across the current and next financial year to support the delivery of the SDP evidence base and maintain progress against the agreed statutory programme.

3.6 **Statutory Funding Framework**

3.6.1 Funding of the CJC's strategic planning function is governed by Regulations 16 and 17 of the South East Wales Corporate Joint Committee Regulations 2021, which provide for the determination and apportionment of the budget required to discharge its strategic planning responsibilities. Within this framework, three approaches have been modelled for apportioning the proposed £1.0 million evidence base budget, assessed against transparency, proportionality, affordability, simplicity and the need to provide a stable funding basis for delivery of the statutory programme.

3.6.2 **Bannau Brycheiniog National Park Authority**

3.6.3 For modelling purposes, an indicative annual contribution of £2,700 has been assumed for Bannau Brycheiniog National Park Authority, based on an estimated 8,000–8,300 residents within the South East Wales CJC area of the National Park. This contribution is applied consistently across all three options, leaving £497,300 per annum to be apportioned between the ten constituent local authorities. The contribution remains indicative and subject to confirmation through the CJC's statutory budget arrangements.

3.6.4 **Option 1 – Population-Based Apportionment**

3.6.5 Under **Option 1**, an indicative annual contribution of £2,700 is assumed for Bannau Brycheiniog National Park Authority, with the remaining £497,300 apportioned between the ten constituent local authorities according to population. The calculation uses the latest ONS mid-year population estimates (mid-2025, published

29 July 2026), providing a consistent and independently produced basis for apportionment. Population provides an objective proxy for the relative scale of each authority and makes this the most directly proportional of the three options.

Authority	Mid-2025 population	Population share	Annual contribution	Two-year contribution
Blaenau Gwent	67,593	4.32%	£21,481	£42,962
Bridgend	146,986	9.39%	£46,713	£93,426
Caerphilly	176,078	11.25%	£55,958	£111,916
Cardiff	381,516	24.38%	£121,248	£242,496
Merthyr Tydfil	58,362	3.73%	£18,548	£37,096
Monmouthshire	95,329	6.09%	£30,296	£60,592
Newport	168,584	10.77%	£53,577	£107,154
Rhondda Cynon Taf	241,015	15.40%	£76,596	£153,192
Torfaen	93,973	6.01%	£29,865	£59,730
Vale of Glamorgan	135,362	8.65%	£43,019	£86,038
Bannau Brycheiniog NPA	—	—	£2,700	£5,400
Total	1,564,798	100.00%	£500,000	£1,000,000

Source: *ONS Mid-2025 Population Estimates for England and Wales, published 29 July 2026 (also available through StatsWales). Population shares are based on unrounded estimates for the ten constituent local authorities. The indicative Bannau Brycheiniog National Park Authority contribution has been calculated separately based on the estimated population within the South East Wales CJC area. Contributions are indicative and rounded.*

3.6.6 **Option 2 – Equal Local Authority Apportionment**

3.6.7 Under **Option 2**, the SDP is treated as a shared statutory regional responsibility, reflecting the preparation of a single integrated regional development plan. Following an indicative annual contribution of £2,700 from Bannau Brycheiniog National Park Authority, the remaining £497,300 would be divided equally between the ten local authorities, resulting in a contribution of £49,730 per authority per annum, or £99,460 over two years.

Authority	Annual contribution	Two-year contribution
Blaenau Gwent	£49,730	£99,460
Bridgend	£49,730	£99,460
Caerphilly	£49,730	£99,460
Cardiff	£49,730	£99,460

Merthyr Tydfil	£49,730	£99,460
Monmouthshire	£49,730	£99,460
Newport	£49,730	£99,460
Rhondda Cynon Taf	£49,730	£99,460
Torfaen	£49,730	£99,460
Vale of Glamorgan	£49,730	£99,460
Bannau Brycheiniog NPA	£2,700	£5,400
Total	£500,000	£1,000,000

3.6.8 **Option 3 – Hybrid Apportionment**

3.6.9 Under **Option 3**, an indicative annual contribution of £2,700 is assumed for Bannau Brycheiniog National Park Authority, with the remaining £497,300 apportioned between the ten local authorities using a 75:25 hybrid approach. Of this, 75% (£372,975) is divided equally and 25% (£124,325) according to population. This reflects the largely shared regional cost of preparing the SDP while recognising differences in authority size and providing a degree of proportionality.

Authority	**Equal option comparator** (Option 2)	**Hybrid annual contribution**	**Difference**
Blaenau Gwent	£49,730	£42,668	-£7,062
Bridgend	£49,730	£48,976	-£754
Caerphilly	£49,730	£51,287	+£1,557
Cardiff	£49,730	£67,609	+£17,879
Merthyr Tydfil	£49,730	£41,934	-£7,796
Monmouthshire	£49,730	£44,871	-£4,859
Newport	£49,730	£50,692	+£962
Rhondda Cynon Taf	£49,730	£56,446	+£6,716
Torfaen	£49,730	£44,764	-£4,966
Vale of Glamorgan	£49,730	£48,052	-£1,678
Bannau Brycheiniog NPA	£2,700	£2,700	—
Total	£500,000	£500,000	—

Source: ONS Mid-2025 Population Estimates. Hybrid contributions comprise an equal component of £37,297.50 per local authority plus a population-based allocation of the remaining £124,325. Figures are indicative and rounded; underlying calculations use unrounded population shares.

3.6.10 The 75:25 hybrid approach balances the shared statutory responsibility and common regional costs of preparing the SDP with differences in authority size. The equal component provides the principal basis for contribution, while the population element introduces proportionality without the distributional effects of a wholly population-based approach. There is no prescribed statutory weighting between these considerations; the proposed split therefore provides a transparent and pragmatic basis for Members to determine how the costs of preparing the regional plan should be shared.

3.6.11 **Value for Money**

3.6.12 Regional commissioning of strategic evidence provides opportunities to reduce duplication, secure economies of scale, share specialist expertise and improve consistency across the region. Evidence commissioned for the SDP can also support local planning authorities and wider CJC transport, infrastructure, economic and investment activity. The £1.0 million programme therefore represents investment not only in fulfilling the CJC's statutory strategic planning responsibilities, but in a regional evidence base with wider and longer-term value.

3.6.13 **Medium-Term Financial Planning**

3.6.14 The SDP is an ongoing statutory responsibility extending across multiple financial years. The programme should therefore be incorporated within the CJC's Medium Term Financial Plan and annual budget-setting process. This will provide greater financial certainty, support effective programme management, and enable future requirements to be planned transparently alongside the CJC's wider statutory and regional responsibilities.

3.6.15 **Financial Governance and Programme Assurance**

3.6.16 All SDP expenditure will be managed in accordance with the CJC's established financial, procurement and governance arrangements. Programme progress, evidence commissions, expenditure, milestones and key risks will be regularly monitored and reported to Members, with further updates at key programme gateways including completion of the evidence base, assessment of strategic spatial options and preparation of the Preferred Strategy. Any significant variation in cost, programme or delivery will be reported through the appropriate governance arrangements.

4. Comments of the Director of Resources and Section 151 Officer

4.1 An evidence base budget of £1.0 million over two financial years is proposed for the next substantive phase of Strategic Development Plan preparation. The report identifies three alternative approaches to apportioning this common funding requirement between the participating authorities.

4.2 Each option has different distributional implications but does not change the overall £1.0 million programme requirement. The preferred approach will need to be incorporated within the CJC's annual budget-setting and Medium Term Financial Plan arrangements and implemented in accordance with the statutory provisions governing funding of the strategic planning function.

4.3 The figures contained within this report are indicative and will be subject to final verification. In particular, the treatment and contribution of Bannau Brycheiniog National Park Authority will require confirmation as part of finalising the funding arrangements.

4.4 Programme expenditure will continue to be managed through the CJC's established financial management, procurement, monitoring and governance arrangements. Any significant variation to the approved evidence base budget will be reported through the appropriate governance process.

5. Comments of the Director of Legal & Governance and Monitoring Officer

5.1 The Corporate Joint Committee has a statutory duty under Regulation 13 of the South East Wales Corporate Joint Committee Regulations 2021 to prepare a Strategic Development Plan. The CJC must comply with the relevant statutory requirements throughout plan preparation.

5.2 Regulations 16 and 17 provide the framework for determining and funding the budget required to discharge the CJC's strategic planning functions. The preferred funding option will need to be implemented in accordance with those statutory provisions and the CJC's annual budget-setting arrangements. **The methodology adopted for apportioning the cost of the SDP programme does not alter the CJC's existing governance, representation, or voting arrangements, which continue in accordance with the CJC's statutory and constitutional framework.**

6. Equality, Diversity and Inclusion

6.1 The Corporate Joint Committee is subject to the Public Sector Equality Duty and the Socio Economic Duty as defined by the Equality Act 2010.

6.2 The Committee must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not. The characteristics protected under the Act are:

- age;
- disability;
- gender reassignment;
- marriage and civil partnership;
- pregnancy and maternity;
- race;
- religion or belief;
- sex; and
- sexual orientation.

6.3 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

6.4 The socio-economic duty requires public bodies to, when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage. There are no specific equalities implications arising from this report.

7. Well-being of Future Generations

7.1 The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies to carry out sustainable development, meaning the process of improving the social, economic, environmental and cultural well-being of Wales by taking action aimed at achieving the well-being goals of:

- 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

and by acting in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

7.2 To act in accordance with the sustainable development principle, when exercising its functions, the Committee must take account of the following things:

- the importance of balancing short-term needs with the need to safeguard the ability to meet long term needs;
- the need to take an integrated approach to achieving the well-being goals;
- the importance of involving others with an interest in achieving the well-being goals and of ensuring those persons reflect the diversity of the population of the region;
- how acting in collaboration with others could assist to meet the region's well-being objectives;
- how deploying resources to prevent problems occurring or getting worse may contribute to meeting the region's well-being objectives.

In developing the Recommendations of this report, regard has been had to the well-being duty arising under the Well-Being of Future Generations (Wales) Act 2015 ('the Act').

8. Welsh Language Implications

8.1 In accordance with the Welsh Language Standards (No.1) Regulations 2015, consideration has been given to the impact the recommendations made in this report may have on opportunities for people to use and promote the Welsh Language, whether the proposals treat the Welsh Language more or less favourably than the English Language, and opportunities for increasing the positive effects, or decreasing the negative effects, of the proposals on the Welsh Language.

8.2 No negative impacts were identified which would prevent approval being sought to implement the recommendations of this report.

9. Risk Management

9.1 The SDP is a major statutory programme. The principal risks relate to programme delay, availability of resources, financial control, robustness and integration of the evidence base and maintaining effective governance and stakeholder engagement.

9.2 Failure to secure the resources required for the principal evidence preparation phase would delay technical commissions, increase the risk of slippage against the approved Delivery Agreement and potentially require evidence to be updated or recommissioned at additional cost.

9.3 Technical and strategic risks will be managed through appropriate specification and procurement of specialist evidence, use of existing CJC and constituent authority evidence and expertise, coordination between evidence workstreams and

continuing engagement with Welsh Government, statutory consultees, infrastructure providers and other partners.

9.4 Financial and governance risks will be managed through the CJC's established procurement, financial monitoring and programme governance arrangements. Members will receive regular updates on expenditure, evidence delivery, programme milestones and emerging risks, together with oversight at key programme gateways.

9.5 Programme risks will be monitored throughout preparation of the SDP and any significant change in cost, programme or delivery implications will be reported to Members through the appropriate governance arrangements.

10. Links to CCR Priorities

10.1 The Strategic Development Plan will provide a long-term spatial framework to support delivery of the Cardiff Capital Region's economic, transport and investment priorities. By aligning the location of growth with employment, transport, infrastructure and environmental capacity, the SDP will support the Competitive, Connected and Resilient outcomes of the Regional Economic and Industrial Plan 2023–2028.

10.2 The SDP will support sustainable economic growth and investment, strengthen connectivity between communities and economic opportunities, coordinate strategic infrastructure and help ensure that the benefits of growth and investment are shared more widely across the region.

10.3 The SDP will also strengthen integration between the CJC's strategic planning, regional transport and economic well-being functions by providing a common spatial framework within which decisions about growth, connectivity, infrastructure and investment can be considered together. This capability will become increasingly important as regional governance, investment and delivery arrangements evolve. A clear long-term spatial strategy will help ensure that future regional and national investment is directed towards an agreed pattern of sustainable growth and supports the infrastructure and interventions necessary to deliver it.

11. Staffing/Workforce Implications

11.1 Delivery of the SDP programme will be managed through the CJC’s Strategic Development team, supported by constituent authority expertise and specialist external commissions where required. The proposed £1.0 million budget relates primarily to the technical evidence, statutory assessments and specialist support required for the next phase and does not create any additional permanent staffing commitments. Workforce requirements will continue to be kept under review as the

SDP progresses to ensure that sufficient capacity and specialist expertise are available to maintain programme delivery.

12. Any Other Implications

12.1 There are no other significant implications arising directly from this report. Any specific implications associated with individual evidence commissions or subsequent stages of SDP preparation will be identified and addressed through the relevant procurement, governance and statutory assessment processes.

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