

INTERNAL MEMORANDUM

To: Gareth Davies - Development Control Case Officer

Reference: P/25/0256

From: Planning Policy and Implementation Section

Ask for: David James

Extension: 7053

Date: 3rd November 2025

Summary

No objection raised. The development meets Replacement LDP Policy SW4, and appears to meet the requirements of policies EcW3 & EcW6.

If minded to approve in principle, particular consideration should be given to the impact of the development on the character of the area, the impact on the surrounding area and the amenity of occupiers in terms of loss of privacy, noise and disturbance, traffic generation and parking provision (Policies SW11, SW12 & EnW4). Consideration should also be given to the impact on any relevant historic environment assets (Policy CW1), and the impact on biodiversity (Policies EnW1, EnW2 & EnW3).

Observations in respect of the above development

1. Proposed Development

An application for the variation of condition 1 to allow for food trading on up to 175 sq m of floorspace within the building, at Unit E, Dowlais Top Retail Park, Merthyr Tydfil.

2. Development Plan Framework

The existing development plan framework in Merthyr Tydfil is provided by:-

The Merthyr Tydfil County Borough Council Replacement Local Development Plan (2016 - 2031)

The relevant LDP Objectives are:-

- *LDP Objective 1 Sustainable Population Growth: To encourage a sustainable level and distribution of population growth.*
- *LDP Objective 2 Welsh Language and Culture: To protect and enhance Welsh language and culture.*

- *LDP Objective 4 Regeneration: To promote the suitable reuse of previously developed land and the continued regeneration of local communities.*
- *LDP Objective 6 Sustainable Design: To promote high quality, sustainable and inclusive design and support measures which mitigate the predicted effects of climate change.*
- *LDP Objective 7 Transport: To support an integrated transport system, promote active travel and ensure new developments are accessible by walking, cycling and public transport links.*
- *LDP Objective 8 Community Facilities: To support existing community facilities and suitable community led development.*
- *LDP Objective 9 Heritage and Cultural Assets: To protect, enhance and promote all heritage, historic and cultural assets.*
- *LDP Objective 10 Biodiversity: To improve ecosystem resilience and connectivity which support habitats and species of principle importance.*
- *LDP Objective 11 Countryside and Landscape: To protect and enhance the character and appearance of the landscape and the countryside.*
- *LDP Objective 12 Economic Development: To provide and safeguard appropriate land for economic and skills development.*
- *LDP Objective 14 Town and Local Centres: To develop the town and local centres as accessible, attractive, viable and vibrant places.*

The following development plan policies would apply:-

- *Policy SW4: Settlement Boundaries*
- *Policy SW9: Planning Obligations*
- *Policy SW11: Sustainable Design and Placemaking*
- *Policy SW12: Improving the Transport Network*
- *Policy CW1: Historic Environment*
- *Policy EnW1: Nature Conservation and Ecosystem Resilience*
- *Policy EnW2: Internationally and Nationally Protected Sites and Species*
- *Policy EnW3: Regionally Important Geological Sites, Sites of Importance for Nature Conservation, Local Nature Reserves and Priority Habitats and Species*
- *Policy EnW4: Environmental Protection*
- *Policy EnW5: Landscape Protection*
- *Policy EcW3: Retail Hierarchy – Supporting Retailing Provision*
- *Policy EcW5: Town and Local Centre Development*
- *Policy EcW6: Out-of-Town Retailing Areas*

The following supplementary planning guidance is applicable:-

- *Merthyr Tydfil Local Development Plan Supplementary Planning Guidance Note 2: Planning Obligations (March 2012)*
- *Merthyr Tydfil Local Development Plan Supplementary Planning Guidance Note 4: Sustainable Design (July 2013)*
- *Merthyr Tydfil Local Development Plan Supplementary Planning Guidance Note 5: Nature and Development (May 2015)*

National Planning Policy

Planning Policy Wales (Edition 12, February 2024)

Planning Policy Wales provide guidance on matters relevant to this application, namely:

- Placemaking in Action: Good Design Making Better Places
- Strategic Placemaking: Previously Developed Land
- Activities in a Place: Retail and Commercial Development (Paragraphs 4.3.10 – 4.3.29 are particularly important)
- Economic Infrastructure: Economic Development
- Energy: Renewable and Low Carbon Energy
- Recognising the Special Characteristics of Places
- Recognising the Environmental Qualities of Places

Technical Advice Notes (TANs)

Technical Advice Note (TAN) 4: Retail and Commercial Development (November 2016)

Future Wales: The National Plan 2040 (February 2021)

Future Wales provides guidance on matters relevant to this application, including, but not limited to:

- Policy 1: Where Wales will grow
- Policy 2: Shaping Urban Growth and Regeneration – Strategic Placemaking
- Policy 6: Town Centre First
- Policy 33: National Growth Area – Cardiff, Newport and the Valleys

3. Policy Considerations

The site of the proposal is located within the Primary Growth Area, and within the settlement boundary, where development will be allowed subject to the proposals compatibility with other plan policies and material considerations (**Policy SW4**). It is also located within Dowlais Top Retail Park, which is identified as an existing out-of-town retail area by **Policy EcW6**.

Policy SW9 relates to planning obligations. However, given the nature of the proposal, on-site provision of affordable housing or open space, or a financial contribution towards affordable housing, would not be sought. Additionally, Community Infrastructure Levy (CIL) would not be chargeable.

Policy SW11 advises that development must contribute to the creation of attractive and sustainable places through high quality, sustainable and inclusive design. Where appropriate, new development will be required to (amongst other things):

- be appropriate to its local context in terms of scale, height, massing, elevational treatment, materials and detailing, layout, form, mix and density;
- integrate effectively with adjacent spaces, the public realm and historic environment to enhance the general street scene and create good quality townscape;
- not result in an unacceptable impact on local amenity, loss of light or privacy, or visual impact, and incorporate a good standard of landscape design;

- allow access for the widest range of people possible, and demonstrate that any traffic movements will not have an unacceptable impact on local amenity or highway safety and satisfy the Council's parking standards.
- incorporate resource efficient/adaptable buildings and layouts using sustainable design and construction techniques;
- minimise the demand for energy and utilise renewable energy resources;
- provide and protect relevant utility services and infrastructure without causing any unacceptable environmental impacts;
- incorporate measures to improve ground and surface water quality wherever possible;
- provide adequate facilities and space for waste collections and recycling.
- promote the creation of healthy and active environments and reduce the opportunity for crime and anti-social behaviour.

Considering the nature of the development, and the location of the site (in close proximity to existing commercial uses) consideration should be given to the above issues, and the views of the Council's Environmental Health dept. should be sought as appropriate. Any proposed parking provision should be checked against the Council's current parking standards, and the views of the Engineering and Traffic Group Leader should be sought in this respect.

Policy SW12 supports development that encourages a modal shift towards sustainable transport, including the enhancement of pedestrian, cycle, rail and bus facilities, in addition to any necessary road improvements. Developments will be expected to demonstrate how they reduce the need to travel and encourage the use of sustainable transport. As such, the views of the Engineering and Traffic Group Leader should be sought in this respect.

Policy CW1 advises that the integrity of our historic environment assets will be conserved and enhanced. Development proposals will only be permitted where it can be demonstrated they would preserve or enhance the architectural quality, character or the historic or cultural importance of our designated historic environment assets. And that, development affecting undesignated historic environment assets including, Locally Listed Buildings or structures, Landscapes of Outstanding Historic Interest in Wales, Urban Character Areas and Archaeologically Sensitive Areas should have regard to their special character and archaeological importance.

The site is located within a Landscape of Outstanding Historic Interest in Wales. As such, this and any other relevant historic environment assets should be taken into consideration, and the views of the relevant Officer or external Heritage body sought in this regard, as appropriate.

Policy EnW1 seeks to protect nature conservation and ecosystem resilience. Policy EcW2 seeks to protect the conservation value of internationally or nationally designated sites, including the area, structure and function of designated features, Policy EnW3 states that development proposals likely to have an adverse impact on Regionally Important Geological Sites, Sites of Importance for Nature Conservation, Local Nature Reserves, or Priority Habitats and Species will only be permitted where it can be demonstrated that:

1. The need for the development clearly outweighs the conservation value of the site;
2. Adverse impacts on nature conservation features or geological features can be avoided;

3. Appropriate and proportionate mitigation and compensation measures can be provided; and
4. The development maintains and where possible enhances biodiversity and geodiversity interests.

As such, the views of the Council's Ecologist should be sought.

Policy EnW4 advises that development proposals will be required to demonstrate they will not result in an unacceptable impact on people, residential amenity, property and / or the natural environment from either:

- Pollution of land, surface water, ground water and the air;
- Land contamination;
- Hazardous substances;
- Land stability;
- Noise, vibration, dust, odour nuisance and light pollution; or
- Any other identified risk to public health and safety.

Where impacts are identified the Council will require applicants to demonstrate that appropriate measures have been incorporated to reduce, or minimise the impact identified to the lowest possible acceptable level. Planning conditions may be imposed or legal obligation entered into, to secure any necessary mitigation and monitoring processes. As such, the views of the Environmental Health department should be sought as appropriate.

Policy 6 – Town Centre First, of Future Wales (The National Plan 2040), states that significant new commercial, retail, education, health, leisure and public service facilities must be located within town and city centres. They should have good access by public transport to and from the whole town or city and, where appropriate, the wider region. A sequential approach must be used to inform the identification of the best location for these developments and they should be identified in Strategic and Local Development Plans.

Paragraph 4.3.13 of PPW (Retail Needs Test), states that it is important that communities have access to adequate levels of retail provision. Evidence should demonstrate whether retail provision is adequate or not, by assessing if there is further expenditure capacity in a catchment area (quantitative need) or if there is a lack of retail quality, range of goods or accessibility (qualitative need). Needs tests only apply to retail uses and do not apply to other uses which are complementary to town and city centres.

Paragraphs 4.3.18 and 4.3.19 of PPW state that Welsh Government operates a 'town centres first' policy in relation to the location of new retail and commercial centre development. Future Wales provides further context on 'town centres first' policy in respect of large scale and out of centre development. In implementing this policy, planning authorities should adopt a sequential approach to the selection of new sites in their development plan and when determining planning applications for retail and other complementary uses. By adopting a sequential approach first preference should be to locate new development within a retail and commercial centre defined in the development plan hierarchy of centres. If a suitable site or building is not available within a retail and commercial centre or centres, then consideration should be given to edge of centre sites and if no such sites are suitable or available, only then should out-of-centre sites in locations that are accessible by a choice of travel modes, including active travel and public transport, be considered. Developers should demonstrate that all potential retail and commercial centre options, and then edge-of-centre options, have been thoroughly assessed using the sequential approach before out-of-centre sites are

considered. The onus of proof that central sites have been thoroughly assessed rests with the developer.

The Merthyr Tydfil Retail and Commercial Leisure Study (2017) demonstrated a need, over the plan period of up to 6,281 sqm gross floorspace, comprising 409 sqm for convenience goods, 3,736 sqm for comparison goods and 2,136 sqm for food and beverage.

An allocation for 400 sqm has been made at the Hoover Strategic Regeneration Area (**Policy SW6**) in order to meet future resident's basic local retailing needs (i.e. for convenience, comparison and food and drink retailing). Whilst this level of provision is above the projected needs arising from the HSRA development it is considered that this modest level of provision is necessary to ensure there is a critical mass of uses and viable unit sizes to establish a small local centre. This will reduce the need for future residents to travel to meet basic needs and will contribute towards the development of new community focused around the Pentrebach metro station 'hub'.

The quantitative assessment of the potential capacity for retail floorspace suggests that there is only limited scope (409 sqm gross) for new convenience goods development within MTCB up to 2031. In qualitative terms, food store and convenience retail provision is strong across the County Borough with most of the national food stores represented. There are no obvious areas of qualitative deficiency in food provision. No further allocations for the development of new convenience retail are required.

Policy EcW3 states that Merthyr Tydfil Town Centre is the favoured location for retail, leisure, and other complementary development, being situated at the head of a retail hierarchy and being followed by the local centres of Dowlais, Gurnos, Cefn Coed and Brecon Road/Morgantown, Troedyrhiw, Aberfan, Treharris and a new local centre forming part of the 'Hoover Strategic Regeneration Area'. Proposals for new and enhanced retail, leisure and other complementary provision in all these centres will be permitted where they improve the vitality and viability of the centre(s) concerned. Outside the above centres, proposals will be subject to an assessment of need and a strict application of the sequential test. Proposals will then only be permitted where they avoid causing harm to town/local centre vitality and viability.

Policy EcW6 states that proposals for retail development on new sites or existing retail areas in out-of-town locations, including changes of use, extensions, the merger or subdivision of existing units or amendments to existing planning conditions relating to the sale of goods will only be permitted where:

- It can be demonstrated that there is an additional need for the proposal which cannot be provided within an existing town or local retail centre, and
- The proposal would not either individually or cumulatively with other existing or consented developments have an unacceptable impact on the trade, turnover, vitality and viability of the town or local centres.

The application site is located within Dowlais Top Retail area. This area is not included in the Retail Hierarchy identified in Policy EcW3, as it is neither a town centre, nor a local centre. However, it is identified as an existing out-of-town retail area by Policy EcW6.

The proposal seeks to vary Condition 1 of planning permission 52950607, which states that *"The retail unit hereby approved shall be used for carpet sales or the sale of other consumer durable goods; it shall not be used for the sale of food"*. The condition was attached to the planning permission, *"to limit and define this consent in order to protect the vitality and viability of Merthyr Tydfil Town Centre"*.

The current application proposal seeks to vary this condition to remove this restriction and extend the permitted retail uses to include convenience sales (food), with ancillary comparison sales.

The proposed occupier of the unit would be The Food Warehouse (TFW), which is operated by Iceland Foods Ltd. Iceland currently have two stores operating in MTCB, at Merthyr Tydfil Town Centre, and Triangle Business Park.

A Planning Statement, Retail Statement and Transport Statement have been submitted in support of the proposal.

The submitted information states that, *"TFW is a relatively new concept in food retail, which is being introduced nationwide by Iceland. The first TFW opened in September 2014 and there are now over 150 of these stores operating nationally with further expansion planned in the future."*

The format of TFW stores differs from the traditional Iceland stores in that they are larger, typically providing 929 – 1,394 sqm gross of floorspace compared with an average 465 sqm in the traditional High Street stores.

This enables a wider range of products to be offered, including the full range of Iceland's frozen and chilled food, as well as extended ranges of luxury and speciality frozen food, chilled meat and fresh produce and a wide selection of value bulk packs of grocery products.

This in turn means shoppers can meet more of their food and grocery needs in a single shop, making the stores more of a main food shopping destination, compared with the traditional high street format, which is orientated more towards "top up" / specialist shopping trips.

This increases the need for on-site parking, similar to that provided at other main food shopping destinations.

TFW stores also sell a limited range of non-food goods. These are often sold on a temporary basis rather than as part of a permanent offer, on a "When It's Gone, It's Gone" basis.

TFW stores are considered to provide a different offer to the traditional Iceland stores and as such the two can trade within the same area. This is the intention in Merthyr, where Iceland currently has two trading stores, including a traditional 'High Street' store at 15 Graham Way in the town centre. The second store is located at Unit 2B Triangle Business Park, Pentrebach but is of limited size (650 sqm gross, 465 sqm net sales). Neither store can therefore stock the full range of goods offered by Iceland in their TFW units.

It is intended that the new store at Dowlais Top would trade alongside both the existing outlets, replicating the position seen elsewhere in South Wales and further afield where TFW outlets are normally located in areas also served by Iceland Stores".

The submitted information includes an assessment of need and a sequential test, as required by local and national planning policy. A Retail Impact Assessment has not been included, as the proposal falls below the 2500 sqm threshold for such an assessment. However, a proportionate assessment of the impact of the proposal has been included in the submitted Retail Statement.

Needs Assessment

The applicant points out that the Merthyr Tydfil Retail and Commercial Leisure Study (RCLS) 2017, remains the most up-to-date Retail Study for the County Borough, and provides the evidence base that informed LDP policies, and that, as such, it is a material consideration but the age of the study means some of the findings and conclusions will now be out-of-date. The findings of the RCLS in relation to comparison and convenience capacity within MTCB are outlined above.

A needs assessment has been submitted, which includes an assessment of quantitative and qualitative need.

The assessment states that the quantitative need for the proposal is evidenced by the fact that both Aldi and Lidl have recently extended their Merthyr Tydfil stores (Planning apps P/21/0225 and P/15/0014), and that existing stores in the area are trading above benchmark levels, demonstrating a need for additional provision.

An assessment was undertaken of the performance of existing outlets, based on the information available in the RCLS and updated information on available spend in the area. Up-to-date information on population levels and available convenience spend was obtained from Experian's Location Analyst, an established independent data source and the same as used in the RCLS. Data was been obtained for the two study zones directly relevant to Merthyr Tydfil, namely Zone 1 – Merthyr Tydfil North and Zone 2 – Merthyr Tydfil South, as defined in the RCLS. Information on market shares for key convenience stores was also obtained, and their projected turnover calculated. Benchmark turnovers were then calculated, and compared with actual sales. Finally, the projected turnover of the proposed TFW store was compared against this.

The conclusions of the assessment are that there is a high level of overtrading within existing outlets, despite the relatively recent extensions to both the Aldi and Lidl stores in the town. It is estimated that the stores in the area are currently overtrading by around £27m and therefore the proposed store would meet less than 20% (£5.24m) of the convenience need identified based on the current position (2025). Looking ahead to 2027 available convenience spend is expected to decline slightly, but there remains more than sufficient capacity to support the proposed store and the existing outlets.

The qualitative justification for the proposal is stated as the operator (Iceland) *“seeking to introduce one of their larger format stores (The Food Warehouse (TFW)) to Merthyr, having identified a market/consumer demand for additional provision in the area. This reflects the popularity of the retailer who provides discount and value-for-money products and the inadequacies of the premises that Iceland currently occupy. Specifically both trading units are very small, providing just 442 sqm and 465 sqm gross of floorspace.*

The introduction of the larger format TFW store will provide a qualitatively different offer to the traditional Iceland stores and will improve customer choice in the town. Although

considered as a discount operator, the Iceland/TFW offer also differs from that provided by the likes of Aldi and Lidl.

The proposed TFW is therefore intended to meet a qualitative need identified by the proposed occupier for improved representation in the area. It will also improve customer choice by introducing a new retail format to the town”.

Taking the above into consideration, it appears that a robust needs assessment has been undertaken. The quantitative assessment appears to show that there is quantitative capacity for the proposed convenience provision, and it is agreed that the nature of the proposed store would provide a qualitatively different offering to existing Iceland stores, and other discount operators.

Sequential Test

The applicant appears to have undertaken a sequential test which covers all of the designated centres within MTCB, including vacant units and undeveloped land. The application of the test was guided by the operational requirements of the applicant. Relevant planning policy, and examples of case law have been supplied, which support this approach.

The operational requirements of the applicant include:

- A minimum gross floor area of 877sqm;
- An accessible surface level car parking immediately adjacent to the store entrance to allow customers to move purchases from the store to their car via trolley;
- A unit which is available;
- A ground floor retail frontage;
- A locational preference to trade alongside other retail operators.

The sequential test did not find any suitable land and units within the search area. It is acknowledged that a small number of units and parcels of land did meet some of the above criteria, for example in relation to size, but did not have, for example, any accessible or adjacent car parking, or were located above ground floor level.

Taking the above into consideration, it appears that a robust sequential test has been undertaken, and that no suitable units or sites are available to accommodate the proposal.

Retail Impact

The proposal relates to the change of use of 975 sqm gross of existing retail floorspace. This is significantly below the threshold of 2,500 sqm for requiring a retail impact assessment (RIA).

However, a proportionate assessment has been undertaken and submitted. This considers where TFW's sales would be drawn from, given that the change of use would change shopping patterns in the area.

The assessment takes into account the projected turnover of the proposed store, as well as where this trade will be drawn from. It is stated that this will be influenced by two factors, the nature of the offer (discount) and the proximity of similar outlets. This is likely to mean a proportionally higher draw from the other discounters and those retailers located at Dowlais Top, namely Asda and Lidl, Aldi (as the most popular discounter currently trading in the area), and from the existing Iceland outlets. With the exception of one of the existing Iceland outlets,

these are all located out-of-centre. The assessment acknowledges that there would be limited trade draw from Tesco in Merthyr Tydfil Town Centre.

Considering the above, it appears that a proportionate Retail Impact Assessment has been carried out, which highlights that the majority of the trade draw of the proposed store would come from out-of-centre stores. As such it is not considered, the proposal would have an unacceptable impact on the trade, turnover, vitality or viability of Merthyr Tydfil Town Centre or any of the identified Local Centres. The proposal would therefore comply with Policies EcW3 and EcW6.