

To: NRW Board

Circuit of Wales update 2 September 2013.

1 Background.

The development proposal known as 'The Circuit of Wales' is planned on an area of open moorland to the north of Rassau Industrial Estate near Ebbw Vale and abutting the boundary of the Brecon Beacons National Park (see attached map). It is an outline application for a motor racing circuit suitable for GP motorbikes, a karting circuit and associated hotel and commercial units. The area of proposed development is 344 ha (850 acres). The fact that the application is an outline one is significant in that the Environmental Impact Regulations require that, for outline applications, all impacts of a scheme are described and sufficient information is provided so that, if outline planning permission is granted, any future reserved matters do not give rise to impacts not considered at this outline stage.

As well as being a potentially important economic development and employment catalyst, the scheme brings with it significant environmental impact relevant to NRW's remit. NRW has worked closely and positively with the applicant (Heads of the Valleys Development Company) and decision-making authority (Blaenau Gwent CBC).

2 Environmental impacts

Loss of peat soils and climate change impact. The proposal would result in the significant disturbance / loss of peat and peaty soils (potentially over 700,000 cubic metres). The Environmental Statement (ES) states that this would be used in landscaping where possible but acknowledges that a significant amount of peat would probably need to be de-watered and sold to the horticultural industry. This loss of peat has implications for carbon sequestration, releases of carbon dioxide to the atmosphere and ecosystem goods and services such as water retention and filtering. On current available information, the proposed payback time of carbon mitigation measures is up to 89 years.

Landscape. NRW considers that the impacts up the Brecon Beacons National Park have been under estimated and not addressed at the outline stage. The Environmental Statement acknowledges that 3 viewpoints within the BBNP would experience a significant effect on visual amenity, as well as the tranquillity aspects of the National Park and noise for residents. In our response, NRW questioned the appropriateness of the design and layout of the proposed scheme including its fit with the site's topography and questioned the scale and layout of the various elements of the scheme.

Biodiversity Loss. The proposal would result in the loss of over 230 ha of Biodiversity habitat including priority Biodiversity Action Plan habitats. To compensate for the loss of habitats, mitigation land has been identified on an area of c250ha of moorland adjoining the application site. It is proposed that this area be managed to improve the quality of existing habitat. This was offered prior to the

determination by Blaenau Gwent but considered insufficient by NRW since it did not adequately compensate for the direct loss of habitat.

Loss of watercourses. All the existing watercourses within the main development footprint would be lost or culverted. The applicant was asked to make provision to seek to avoid/mitigate or compensate for the loss of watercourse and seasonal ponds, including assurances for the long term protection and maintenance of the existing watercourses/seasons ponds and the landscape around them. To date no direct mitigation or compensatory measures have been considered either on or off site for the loss of watercourses. The contention was that the attenuation ponds which will be part of the surface water drainage system will provide mitigation for the loss of streams. However, attenuation ponds have a specific purpose to regulate surface water run-off from the site.

Surface water Due to the size of the site and its potential to cause significant detrimental impact on the water environment we asked for detailed prevention /minimisation measures, ensuring no pollution to surface waters. This aspect could be addressed by implementation of relevant guidance and planning condition.

Groundwater. Details of the level of groundwater have not been provided in the ES or its addendum. NRW objected due to lack of information and stated that this information should be provided and assessed prior to determination of the application. This information is required to assess the impact of a proposed petrol filling station and location of associated fuel tanks. The application site impinges on on a local potable water supply catchment and Dwr Cymru have raised concerns of the risk that the proposed development would bring to the contamination of drinking water supplies.

Common land. The 340 hectares of the proposal would be de-registered as Common Land. NRW is concerned that the future implications for future grazing on the adjacent areas of the common have not been fully considered, in particular the implications for future grazing on the heath communities that form part of the Mynydd Llangatwg Special Area of Conservation.

3 Summary of recent events

NRW objected to the application. However, despite this objection Blaenau Gwent's full Council unanimously approved the application on 10 July, subject to a section 106 legal agreement and planning conditions to cover reserved matters. The formal planning decision notice cannot be issued until the S106 agreement and conditions have been agreed and signed.

Prior to this determination, NRW officers have held several meetings with the applicant to try to resolve our concerns and seek further information about the impact of the scheme. Those meetings prior to 10 July were only partially successful and not sufficient to withdraw our objection.

Again prior to Blaenau Gwent's determination, Welsh Government had received a number of requests by organisations and individuals to 'call-in' the application for wider examination by the Planning Inspectorate. WG wrote to NRW seeking our

advice on whether we supported these requests. Following Blaenau Gwent's decision, NRW requested further time from WG to work together with the applicant to find a solution to our concerns. This extension was granted and WG issued a Holding Direction to Blaenau Gwent instructing them not to issue a decision whilst these discussions were ongoing.

On 9 August wrote to WG advising that we did not support the call-in requests, due to the satisfactory progress we had made with the applicant and the improvements in clarity and certainty of information now available. In brief, the meetings held in this extension period achieved a threefold increase in the habitat mitigation being offered (not less than 600ha but not exceeding 800 ha), a commitment to a landscape led approach to detailed scheme design and to fully offset the greenhouse gas emissions of the development. These key commitments are captured in a joint Statement of Common Ground between NRW and the applicant which Blaenau Gwent CBC have accepted for incorporation into the S106 agreement and planning conditions. NRW considers that the remaining water quantity and quality issues can be resolved via reserved matters. The common land issues, key to the implementation of the habitat mitigations are matters for the applicant, the local commoners association and Welsh Government (WG are the determining body for common land de-registration).

WG has subsequently (22 August) issued a letter confirming its decision not to call-in the application and has cancelled its Holding Direction.

Throughout recent months the case has received substantial local and national media coverage. NRW has provided information to the media when requested but generally declined interviews.

4 Current position and way forward.

The current position as at 2 September 2013 is:

- HoVDC and Blaenau Gwent are developing an advanced draft of the S106 legal agreement. This agreement may be concluded later this week, enabling the planning decision notice, approving the principle of the development, to be issued and reserved matters to be progressed.
- NRW has received an FOI request from the Open Spaces Society and a letter from the Gwent Wildlife Trust asking to meet them to discuss the case. We are currently compiling our responses to these requests. We are scheduled to meet with the all Wales Wildlife Trusts on 20 September
- NRW is continuing to work with the applicant to further progress the matters contained in the joint Statement of Common Ground with a number of technical meetings planned for the coming weeks.

Retaining our 'solution focus', we will continue to allocate NRW resource to this case through a virtual team comprising planners, technical and legal support with Operations South Director oversight.

Martyn Evans, Ecosystems Planning & Partnerships Manager, Operations South,
2 September 2013

