

**SUBJECT: MONMOUTHSHIRE LOCAL DEVELOPMENT PLAN
ANNUAL MONITORING REPORT
MEETING: INDIVIDUAL CABINET MEMBER
DATE: 11 OCTOBER 2017
DIVISION/WARDS AFFECTED: ALL**

1 PURPOSE:

1.1 To outline the purpose, key findings and conclusions of the Local Development Plan (LDP) third Annual Monitoring Report (AMR), attached at **Appendix 1**.

2. RECOMMENDATION:

2.1 To endorse the LDP third AMR for submission to the Welsh Government by 31 October 2017.

2.2 To continue with an early review of the Monmouthshire LDP as a result of the need to address the shortfall in the housing land supply and facilitate the identification/allocation of additional housing land.

2.3 To note comments raised by Economy and Development Select Committee (7th September 2017). The main issues raised included:

- Options for LDP revision, including the appropriateness of a short form revision.
- Suitability of the current LDP strategy moving forward.
- Impact of the removal of the Severn Bridge tolls on the County's housing (including affordable housing) and employment markets.
- Affordable housing – targets and viability.
- Housing provision and housing land supply.
- Cross boundary issues (including with English authorities) – health and education capacity and provision.

A full version of the comments raised is captured in the minutes of the meeting.

3. KEY ISSUES:

3.1 Background – Adopted Monmouthshire LDP

3.1.1 The Monmouthshire LDP 2011-2021 was formally adopted by the Council on 27 February 2014. As part of the statutory development plan process the Council is required to prepare an Annual Monitoring Report.

3.2 The Annual Monitoring Report

3.2.1 The AMR provides the basis for monitoring the effectiveness of the LDP and ultimately determines whether any revisions to the Plan are necessary. It aims to demonstrate the extent to which the LDP strategy and objectives are being achieved and whether the Plan's policies are functioning effectively. It also allows the Council to assess the impact the LDP is having on the social, economic and environmental well-being of the County and identifies any significant contextual changes that may influence plan implementation or review.

3.2.2 This is the third AMR to be prepared since the adoption of the Monmouthshire LDP and is based on the period 1 April 2016 – 31 March 2017.

3.3 LDP Monitoring Framework

3.3.1 The LDP policy and sustainability appraisal (SA) monitoring frameworks form the basis for the AMR, assessing how the Plan's strategic policies, and associated supporting policies, are performing against the identified key monitoring targets and outcomes and whether the LDP strategy and objectives are being delivered. This has enabled the Council to make an informed judgement of the Plan's progress in delivering the targets/monitoring outcomes and policies during this monitoring period.

3.4 Key Findings

3.4.1 Section 5 of the AMR provides a detailed assessment of Plan's performance. The results of the monitoring process demonstrate that many of the indicator targets and monitoring outcomes are being achieved. Some of the most significant findings in relation to these are:

- Progress continues to be made towards the implementation of the spatial strategy.
- The Council approved proposals for a total of 484 dwelling units of which 93 (19.2%) are for affordable homes.
- Four LDP allocated housing sites gained planning permission during the year:
 - The Former Paper Mill, Sudbrook (SAH7) 212 dwellings including 20 affordable units;
 - Coed Glas, Abergavenny (SAH9) 51 dwellings including 18 affordable units;
 - Main Village site at Penallt (SAH11xii) 10 dwellings comprising 6 affordable and 4 general market dwellings;
 - Main Village site at Shirenewton (SAH11xiv(b)) 5 dwellings comprising 3 affordable and 2 general market dwellings.

Significant progress has been made in relation to three other strategic housing sites.

- Affordable housing policy targets set out in Policy S4 are generally being met in relation to planning permissions granted in the main towns and main villages.
- The County has a total of 40.76 hectares of employment land available, indicating that sufficient employment land is maintained to meet the identified take up rate. The take-up of employment land stood at 3.21 hectares which is attributable to development on identified business and employment (SAE1) sites (Quaypoint Magor and Westgate Business Park Llanfoist) and protected employment (SAE2) sites (Union Road Abergavenny and Magor Brewery).
- There has been significant progress in terms of employment permissions within the County, with permissions granted for a range of B use class employment uses on identified business and industrial sites (SAE1), protected employment sites (SAE2) and non-allocated sites (totalling 2.26 hectares). A number of rural diversification and rural enterprise schemes have also been approved (6).
- The Council approved proposals for a total of 24 tourism facilities, all of which related to tourist accommodation ranging from holiday lets to glamping accommodation. The new Sustainable Tourism Accommodation SPG has helped clarify our general support for this important sector of our economy.

- Vacancy rates in the central shopping areas in all of the County's town and local centres remain below the Wales rate. Vacancy rates in all but one (Usk) of the County's central shopping areas remain below the UK rate.
- The proportion of A1 retail uses within the towns' Primary Shopping Frontages generally accord with the thresholds identified in the Primary Shopping Frontages SPG.
- A total of 4 community and recreation facilities have been granted planning permission.
- 51.2% (18.6 hectares) of development permitted¹ was on brownfield land. This is significant in Monmouthshire terms given the limited opportunities for brownfield development in the County.
- No applications were permitted on areas of open space not allocated for development in the LDP.
- Ample land remains available for potential waste management sites and there has been no reduction in the minerals land bank.
- There has been no loss of listed buildings or historic sites and no development permitted which would have an adverse impact on the historic environment.
- A total of 5 schemes incorporating on-site renewable energy generation were permitted² and 3 such schemes were completed, including two large scale PV solar parks (Shirenewton and Crick).
- There were no developments permitted in C1/C2 floodplain areas which did not meet TAN15 tests.

3.4.2 There are, however, several key policy indicator targets and monitoring outcomes relating to housing provision that are not currently being achieved. The most significant findings in relation to these are:

- A total of 238 new dwelling completions (general market and affordable) were recorded during the current monitoring period. This, coupled with the 439 completions recorded during the last two monitoring periods, equates to a total of 667 dwelling completions since the Plan's adoption. This is significantly below the identified LDP target of 488 dwelling completions per annum (shortfall of 797 dwelling completions since the Plan's adoption).
- A total of 47 affordable dwelling completions were recorded during the current monitoring period. This, together with the 80 affordable dwelling completions recorded during the previous two monitoring periods, amounts to a total of 127 affordable dwelling completions since the Plan's adoption. This is significantly below the identified LDP target of 96 affordable dwelling completions per annum (shortfall of 161 affordable dwelling completions since the Plan's adoption). This relates directly to the construction progress of housing sites, but also to viability issues.

¹ Excludes householder, conversions and agricultural buildings.

² Excludes householder, change of use and agricultural use.

- The Monmouthshire Joint Housing Land Availability Study (JHLAS) for the 2016-17 period demonstrates that the County had 4.0 years housing land supply (based on the residual methodology prescribed in TAN1). This is the second consecutive year that the land supply has fallen below the 5 year target.
- There has been limited progress with the delivery of allocated strategic housing sites. With the exception of the Former Paper Mill site at Sudbrook which achieved planning permission during the current monitoring period and the Wonastow Road site which is under construction, the remaining strategic sites have yet to obtain planning permission, albeit that some have been approved but are awaiting completion of the legal agreements. Progress on the delivery of the LDP strategic housing sites is provided in the policy analysis section for Policy S3.

3.4.3 This indicates that the LDP's key housing provision policies are not being delivered as anticipated and the subsequent lack of a 5 year housing land supply remains a matter of concern. The fundamental contributing factor to this shortfall is the slower than anticipated progression of allocated strategic housing sites, albeit that progress is being made in bringing these sites forward and there is no evidence to suggest that the allocations are not deliverable (as detailed in Section 5 of the AMR). Nevertheless, the slower than anticipated delivery rate does suggest that there is a need for additional site allocations.

3.4.4 This continues the trend identified in last year's AMR and Joint Housing Land Availability Study (JHLAS) which lead to the recommendation to initiate an early review of the Plan as a result of the need to address the shortfall in the housing land supply and facilitate the identification and allocation of additional viable and deliverable housing land.

3.5 Contextual Information

3.5.1 Section Three of the AMR provides an analysis of the relevant contextual material that has been published since the adoption of the Plan at a national, regional and local level, along with general economic trends. This concludes that the changes identified to date do not suggest the need for an early review of the Plan.

3.6 Supplementary Planning Guidance (SPG)

3.6.1 Progress has been made in the preparation and adoption of SPG to help to facilitate the interpretation and implementation of LDP policy. This is detailed in Section Three of the AMR. SPG preparation and adoption will continue in the next monitoring period.

3.7 Sustainability Appraisal (SA) Monitoring

3.7.1 Section Six of the AMR expands on the assessment of LDP performance against the SA Monitoring Objectives, providing a short term position statement on the performance of the Plan against a number of sustainability indicators. There is an overlap between some of the LDP and SA indicators helping to demonstrate how the two monitoring processes are interlinked.

3.8 Conclusions and Recommendations

3.8.1 Section Seven sets out the conclusions and recommendations of the third AMR. The 2016-17 AMR maintains the trends identified in last year's AMR, that is while good progress has been made in implementing many of the Plan's policies and that overall the strategy remains sound, a number of key housing provision policy targets are not being met which indicates that these policies are not functioning as intended. The continued lack of a 5 year housing land supply remains a matter of concern that needs to be addressed if the Plan's housing requirements are to be met.

3.8.2 The position remains, therefore, that an early review of the LDP is considered necessary because of the housing land supply shortfall. As there are no concerns with other Plan policies at this stage the AMR concludes that it is not considered necessary to review other aspects of the Plan at this time. Accordingly, the AMR evidences the need for an early review of the Monmouthshire LDP as a result of the need to address the shortfall in the housing land supply and facilitate the identification and allocation of additional housing land. This will involve the production of a Review Report which will set out and explain the scope of the Plan revision required. The Plan revision is likely to involve the identification/allocation of additional viable and easily deliverable sites to boost the land supply.

3.8.3 It is further recommended that this AMR be submitted to the Welsh Government in accord with statutory requirements. The AMR will be published on the Council's web site and publicised via our Twitter account @MCCPlanning.

3.9 Next Steps

3.9.1 The Plan will continue to be monitored on an annual basis through the preparation of successive AMRs, with the broad structure of the AMR remaining the same from year to year in order to provide ease of analysis between successive reports.

3.9.2 Given the importance attached to the land supply issue an early review is considered necessary, as set out in the AMR. This would also assist in seeking to avoid 'planning by appeal' and ad hoc development coming forward outside the development plan system and not in accordance with the Plan's strategy. However, it is also recognised that adopting a pragmatic approach to the determination of departure applications for residential development sites will assist in this context (as recognised in TAN1, paragraph 6.2).

3.9.3 The Regulations allow for a 'selective review' of part (or parts) of an LDP. Such a provision would allow for a partial review of the LDP to cover issues associated with the housing land supply and site selection, in accordance with the recommendation of the AMR. The Council, however, is required to commence a full review of the LDP every four years. This would mean that a full review to meet statutory requirements would have to commence in February, 2018. It is considered, therefore, that it would be more appropriate for a review to be commenced to consider all aspects of the LDP at this stage in order to fully assess the nature and scale of revisions that might be required. An early full review will also assist in meeting the 2021 deadline for having an adopted revised LDP in place to avoid the local policy vacuum that the new Regulations threaten to create.

3.9.4 The next stage of Plan review requires the preparation of a Review Report. This should set out clearly what has been considered, which key stakeholders have been engaged and, where changes are required, what needs to change and why, based on evidence; including issues, objectives, strategy, policies and the SA as well as the implications of anticipated revisions on any parts of the Plan that are not proposed to be revised. It must also make a conclusion on the revision procedure to be followed, i.e. full or short form. The LDP Review Report may conclude that the issues involved are of sufficient significance to justify undertaking the full revision procedure. Alternatively, a short form revision procedure is available for circumstances where the issues involved are not of sufficient significance to justify undertaking the full revision procedure.

3.9.5 A LDP Review Report will be produced for future political reporting, setting out a recommendation for the type of Plan revision (full or short). That decision would need to consider timescales, fit and the relationship with the emerging Future

Monmouthshire work, Cardiff Capital Region City Deal work and a South East Wales Strategic Development Plan.

4. REASONS:

4.1 Under the Planning and Compulsory Purchase Act (2004) and associated Regulations, all local planning authorities are required to produce a LDP. The Monmouthshire LDP was adopted in February 2014 and provides the land use framework which forms the basis on which decisions about future development in the County are based. The Council has a statutory obligation, under section 61 of the 2004 Act, to keep all matters under review that are expected to affect the development of its area. In addition, section 76 of the Act requires the Council to produce information on these matters in the form of an AMR for submission to the Welsh Government at the end of October each year following plan adoption. The preparation of an AMR is therefore an integral part of the statutory development plan process. The Welsh Government has issued regulations and guidance on the required contents of AMRs. The completion of the 2017 Monmouthshire AMR is in accord with these requirements and guidance.

5. RESOURCE IMPLICATIONS:

5.1 Officer time and costs associated with the data collection and analysis of the monitoring indicators and preparation of the AMR. These costs will be met from the Planning Policy budget and carried out by existing staff.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 The Council must comply with European Directives and Regulations to monitor the state of the environment and this forms an integral part of the AMR. The adopted LDP and completion of the AMR accord with these requirements.

Sustainable Development

6.1.1 Under the 2004 Act the LDP is required to be subject to a Sustainability Appraisal (SA). The role of the SA is to assess the extent to which planning policies would help to achieve the wider environmental, economic and social objectives of the LDP. In addition, the European Strategic Environmental Assessment (SEA) Directive requires the '*environmental assessment*' of certain plans and programmes prepared by local authorities, including LDP's. All stages of the LDP were subject to a SA, whose findings were used to inform the development of LDP policies and site allocations in order to ensure that the LDP would be promoting sustainable development. The SEA Directive also requires that the Council monitor the state of the environment through monitoring the sustainability objectives set out in the SA Report. This forms an integral part of the AMR. A third Future Generations Evaluation (including equalities and sustainability impact assessment) is attached to this report at **Appendix 2**.

Equality

6.2.1 The LDP was also subjected to an Equality Challenge process and due consideration given to the issues raised. The AMR provides an analysis of existing LDP policies, which were prepared within this framework. Assessments of Equality Impact will be required throughout the Plan's implementation wherever there is likely to be significant impact. Future review of LDP policies and proposals will require an Equalities and Well-being of Future Generations Impact Assessment to be carried out.

7. OPTIONS CONSIDERED

7.1 It is a requirement of the Regulations to monitor the LDP and to submit an AMR, so no other options were considered.

8. HOW WILL SUCCESS BE MEASURED

8.1 Submission of the AMR to the Welsh Government by 31 October 2017 means the legal requirement has been met.

8.2 In the wider sense, the purpose of the AMR is to measure the extent to which the LDP's objectives are being met. The report sets out the way this has been measured and the successes and challenges experienced.

9. CONSULTEES:

- Economy and Development Select Committee (7 September 2017): The Select Committee endorsed the recommendations as set out in the report to Individual Cabinet Member.
- Planning Committee
- SLT
- Individual Cabinet Member

10. BACKGROUND PAPERS:

European Legislation:

- European Strategic Environment Assessment Directive 2001/42/EC.
- Strategic Environmental Assessment Regulations 2004.
- The Conservation of Habitats and Species Regulations 2010 (as amended 2011).

National Legislation and Guidance:

- Planning (Wales) Act 2015
- Planning and Compulsory Purchase Act 2004.
- Town and Country Planning (Local Development Plan) (Wales) Regulations 2005
- Town and Country Planning (Local Development Plan) (Wales) (Amendment) Regulations 2015
- Local Development Plan Manual, Welsh Assembly Government, Edition 2, 2015.
- Planning Policy Wales (Edition 9), Welsh Government, November 2016.

Monmouthshire LDP:

- Monmouthshire Adopted LDP, Monmouthshire County Council, February 2014.
- Monmouthshire LDP 'Sustainability Appraisal/Strategic Environmental Assessment Report Addendum', February 2014.
- Monmouthshire Local Development Plan Annual Monitoring Reports, 2014-15, 2015-16.

Monmouthshire County Council publications:

- Monmouthshire LDP 'Retail Background Paper', March 2017.
- Monmouthshire LDP 'Employment Background Paper', June 2017.
- Monmouthshire 'Joint Housing Land Availability Study', July 2017.

11. AUTHORS & CONTACT DETAILS:

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