

SUBJECT: ADDRESSING OUR LACK OF A FIVE YEAR HOUSING LAND SUPPLY: MONMOUTHSHIRE'S APPROACH TO UNALLOCATED HOUSING SITES
MEETING: JOINT ECONOMY AND DEVELOPMENT SELECT COMMITTEE AND ADULTS SELECT COMMITTEE
DATE: 7 SEPTEMBER 2018
DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 The purpose of this report is to help inform a discussion at this joint Select Committee meeting to consider Monmouthshire's approach to tackling its housing land supply shortfall, specifically how we deal with planning applications for unallocated sites in advance of the new LDP being adopted in December 2021. This matter will be considered by Council on 20th September 2018 for a decision on the Council's position.

2. RECOMMENDATION:

- 2.1 That attendees consider and discuss the available options, their pros and cons, in the context of securing appropriate housing delivery and sustainable development.

3. KEY ISSUES:

Background

- 3.1 The land use planning system is one of the main tools available to the Council to seek to deliver its purpose, as identified in the Corporate Plan 2018-2022, of helping to build sustainable and resilient communities that support the well-being of current and future generations. The Local Development Plan (LDP) allocates land for types of development (such as housing or employment uses), designates land as open space or green wedge, and provides a policy framework which provides the basis or making decisions on planning applications. It seeks to support good quality development in the right locations, and resist poor quality or inappropriately located development.
- 3.2 The Monmouthshire Local Development Plan (2011-2021) was adopted in February 2014 to become the statutory development plan for the County (excluding that part within the Brecon Beacons National Park, which has its own LDP). Work has commenced on our new LDP which will run to 2033. The agreed timetable will see the new Plan being adopted at the very end of 2021.
- 3.3 The basis of the planning system is that it is Plan-led. Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that all planning applications shall be determined in accordance with the adopted LDP unless material considerations indicate otherwise. One of those material considerations is our housing land supply.
- 3.4 Welsh Government sets out national planning policy in Planning Policy Wales and the accompanying Technical Advice Notes (TANs). TAN1 relates to housing land supply and it provides a consistent way of measuring how much housing land each Local Planning Authority (LPA) has. LPAs are required to have **at least** a 5 year housing land supply. Monmouthshire currently has a 3.9 year housing land supply (it was 4.0 years' supply last year and 4.1 years' supply the year before).

3.5 Until July 2018, paragraph 6.2 of TAN1 required that, when considering planning applications for housing development on land not allocated in an adopted LDP, 'considerable weight' must be given to the lack of a five year housing land supply. This did not mean that development anywhere, or of any quality, was given planning permission. However, it did mean that otherwise acceptable housing development would be approved even if it were not allocated for development in the LDP. Appeal decisions in this regard were consistent and clear. To date, three such planning applications have been determined:

- Grove Farm, Llanfoist – up to 115 dwellings – outline planning permission approved;
- Rockfield Road, Monmouth – up to 70 dwellings – outline planning permission approved;
- Mounton Road, Chepstow – outline planning permission refused due primarily to its allocation in the current LDP as 'Green Wedge'.

It is worth noting that had the above two approved applications been refused, our five year land supply would be 3.6 years.

3.6 In July 2018, the Cabinet Secretary with responsibility for planning issued an unexpected consultation on a proposal to 'suspend' paragraph 6.2 of TAN1 for an undetermined time period, while a review of housing supply is undertaken. Monmouthshire County Council's response to that consultation was an objection. However, the Cabinet Secretary has since issued her decision, which is to suspend paragraph 6.2. The duration of this suspension is unspecified. Her letter, however, goes on to state that it is now for the decision-maker (i.e. Monmouthshire County Council as Local Planning Authority) to decide the weight to give its housing land supply shortfall.

3.7 This joint Select Committee meeting has been arranged to discuss the relevant issues and options, to help make an informed and robust decision at Council on 20th September 2018.

What's the problem we're trying to fix?

3.8 Members will be familiar with some of the challenging issues and opportunities facing our communities over coming years, including:

- The increasing proportion of our population aged over 65 and over 85, increasing well in excess of the Wales average;
- The relative absence of 20-40 year olds and our median age of 48 years (compared to a median age of 34 years in Cardiff);
- The resulting impact of the above two factors on our economic base and future prospects of economic growth;
- Cardiff Capital Region City Deal and associated opportunities;
- The economic growth of the Bristol/SW region and the opportunities for Monmouthshire as a border county;
- The imminent removal of the Severn Bridge tolls;
- Our average house price now exceeding £300,000;
- Our affordable housing waiting list of 3000+;
- Our dual economy, with high-earning residents who work elsewhere, and a low paid workforce who lives elsewhere but works within the County;
- Associated commuting patterns, with 40% of our economically active resident population commuting out of county;
- The challenges of rural isolation and sustaining rural services;
- The wealth of social capital in our communities;
- Our well-performing schools;
- The beautiful landscapes and heritage that make Monmouthshire special

3.9 These factors will be key considerations as we develop the vision and strategy for our new LDP. However, consideration needs to be given to what we do in the interim (between now and December 2021).

4. OPTIONS APPRAISAL

4.1 In its simplest form, we have two options.

4.2 The first option is that we give **no weight** in our planning decisions to our lack of a five year housing land supply. This means that we retain a Plan-led system, and proposed development on sites not allocated within the current LDP will be unacceptable in principle and planning permission would be refused. This option is essentially process-focused and would provide certainty to our communities in that the current LDP would be adhered to. Development in other areas could come forwards via the new LDP, and planning permission could be sought in 2022 onwards.

4.3 The second option is that we give **some weight** in our planning decisions to our lack of a five year housing land supply. This could be anywhere from 'none' to 'considerable weight', i.e. back to where we were in July 2018 when paragraph 6.2 still stood. This option is essentially outcome-focused and would seek to make timely progress in tackling some of the issues identified above.

Ground rules

4.4 It is worth setting out at this juncture that this is not a matter of allowing any development anywhere. A number of 'ground rules' have been applied previously and these would remain, should Council be minded to give weight to our lack of five year housing and supply. Key examples are:

- Residential development is unacceptable in principle within undefended flood plain (zone C2) or on greenfield sites within defended flood plain (zone C1). This accords with national planning policy in TAN15. This affects some significant parts of the County, for example parts of the Gwent Levels primarily south of the B4234, and some areas around Usk and Llanfoist;
- Appeal decisions typically uphold the view that LDP 'green wedge' allocations take greater weight than the housing land shortfall. Green wedges are LDP allocations intended to prevent the coalition of settlements. We have a number of such allocations, for example between Undy and Rogiet, Rogiet and Caldicot, and Chepstow and Pwllmeyric;
- The development must be acceptable in other planning terms. If infrastructure is inadequate to support new development, and it cannot be satisfactorily improved via a S106 planning agreement, permission would normally be refused. This includes matters such as highway capacity, school capacity, primary health care and air quality;
- An uncompromising approach has been taken to affordable housing delivery. Unallocated sites are required to deliver 35% affordable housing and no negotiation is being entertained.

5. EVALUATION CRITERIA

5.1 If Council is minded to give some weight to our lack of a five year housing land supply, this will mean that, in advance of adoption of the new LDP in December 2021, planning permission would be given for residential development on some sites that are not allocated for development in the current LDP.

- 5.2 Further information is given below to seek to inform the discussion and understanding of options available, and to enable Council's decision to be evidence-based. As stated above, it is not a case of allowing anything anywhere. The Planning Committee would retain control over what is approved and what is rejected.
- 5.3 The tables at Appendix 1 and Appendix 2 break down the same data in two different ways. Appendix 1 shows housing delivery broken down by the current LDP strategy, and Appendix 2 shows the same data broken down by our three housing market areas: Southern (Chepstow, Severnside and surroundings), Central (Monmouth, Raglan, Usk, Penperlenni and surroundings), and Northern (Abergavenny, Llanfoist and surroundings). The data is as follows:
- Column 1 shows the settlement name
 - Column 2 shows the total actual number of dwellings completed (with the number of those that are affordable units shown in brackets) from the start of the current LDP's plan period (2011) to 31st March 2018. This data is from actual physical counts of completed dwellings undertaken by Council officers;
 - Columns 3 to 5 show projections for completions for small windfall, large windfall and LDP allocated sites respectively from April 2018 to the end of the Plan period, i.e. to December 2021. These are taken from the Joint Housing Land Availability trajectory and are the agreed build-out figures for each year until the LDP expires at the end of 2021 (although the figures shown actually run to 31st March 2022 not 31st December 2021 when the LDP expires, so they actually slightly over-predict delivery);
 - Column 6 gives a total for columns 2-5, i.e. what has been completed and what is predicted to be completed before the LDP expires on 31st December 2021;
 - Column 7 gives the LDP target for housing delivery;
 - Column 8 shows the shortfall or surplus of housing by comparing actual completions plus projections by December 2021 with the LDP targets.
- 5.4 The data clearly shows a significant shortfall in housing delivery based on actual and projected delivery compared with the LDP target. Overall, by 31st December 2021 when the current LDP expires, we will be 961 homes behind target, of which 337 are affordable homes.
- 5.5 If a decision were made to seek to address this housing shortfall and/or seek to address the challenges set out above, there are several options for an evidence-based approach.
- Option 2a
- 5.6 The evidence clearly shows that the greatest shortfall in housing delivery (both market and affordable) has occurred in the Main Town of Chepstow and in Severnside, both of which are key parts of the LDP settlement hierarchy.
- 5.7 One option is to allow otherwise acceptable unallocated sites here based on the current LDP's settlement hierarchy. However, likely available and acceptable options known to officers mean we would be nowhere near meeting the 961 dwelling gap.
- Option 2b
- 5.8 The evidence clearly shows that the greatest shortfall in housing delivery (both market and affordable) has occurred in the Southern local housing market area, primarily Chepstow and in Severnside.

- 5.9 One option is to allow otherwise acceptable unallocated sites within the Southern local housing market area. However, as above, likely available and acceptable options known to officers mean we would be nowhere near meeting the 961 dwelling gap.
- 5.10 For the two options above, the choice is then to either seek to address the shortfall as far as possible within the Southern local housing market area, accepting that this does little to address the housing land supply shortfall, or to look to other areas of the county to be part of the solution. It is worth noting that the affordability challenges and growth pressures/opportunities are county-wide, albeit growth pressures are greatest in the south of the county.

Option 2c

- 5.11 If the decision were made to look beyond Chepstow and Severnside, to make a bigger impact in addressing the housing land shortfall, one option is to stick to the current LDP spatial strategy. Following the LDP spatial strategy and settlement hierarchy would see development focused primarily on the three main towns of Chepstow, Abergavenny and Monmouth; followed by Severnside; followed by the Rural Secondary Settlements of Llanfoist, Penperllenni, Raglan and Usk, and then the main villages. It is worth noting that the only development allocated within the LDP in main villages is 60% affordable housing sites of between 5 and 15 dwellings. It should also be noted that Llanfoist has already had permission granted for up to 115 additional dwellings outside of the LDP, and consideration should be given to whether or not additional development outside of the next LDP in Llanfoist would be unreasonable.

Option 2d

- 5.12 Alternatively, if the decision were made to look beyond Chepstow and Severnside, to make a bigger impact in addressing the housing land shortfall, another option is to move progressively northwards, addressing the greatest growth pressures as close to the south of the county as our geography allows. This would effectively mean that a level of development is considered in Rural Secondary Settlements such as Raglan, Usk, Penperllenni and Llanfoist, before the main towns of Abergavenny and Monmouth.

Option 2e

- 5.13 One final option would be a hybrid of the above options, namely to allow otherwise acceptable development on unallocated sites throughout the County, with the extent of housing reflecting the current LDP's spatial strategy as set out above. In other words, the Main Towns would see a greater level of potential growth than Rural Secondary Settlements.
- 5.14 Taking this approach would give the best chance of tackling the housing shortfall. It would mean that some areas that have effectively delivered on their LDP housing allocations potentially have some more development to help support the County as a whole. It should be noted that there is an issue with drainage capacity in Monmouth and Wyesham, meaning that Dwr Cymru Welsh Water has advised that it would object to new development in those areas unless infrastructure upgrades are provided. The chances of those upgrades being delivered quickly, in order to assist with the housing shortfall in the short term, are slim.
- 5.15 As a reminder, option 1 set out above was 'do nothing'.

6. REASONS:

- 6.1 The purpose of this paper is to allow the joint Select Committee to have an informed discussion to help inform a decision at Council on 20th September.

6.2 However, the officer recommendation is that, if we are serious about addressing the challenges of affordability and economic growth, 'do nothing' is not a sensible or viable option. We will not close the 961 dwelling gap by the end of 2021, however option e) gives us the best chance of achieving it. It would also mean that we start our new LDP period with development activity ongoing, compared to the significant lead-in time experienced with the current LDP before sites progressed. Proposals must still be acceptable in other planning terms, and this is not a case of any development anywhere. Communities would be engaged via the planning application process. The scale of development will need to be carefully considered in the context of the capacity of the settlement, the level of growth allowed via the LDP, and any decisions already made for unallocated sites (with particular reference at present to Llanfoist).

7. RESOURCE IMPLICATIONS:

7.1 Officer time and costs associated with the consideration of planning applications will be met within existing budgets.

8. WELL-BEING OF FUTURE GENERATIONS IMPLICATIONS:

Sustainable Development

8.1 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.

8.2 The Council report will include a Future Generations Evaluation (including equalities and sustainability impact assessment).

Equalities

8.3 The Council report will consider the equalities implications.

Safeguarding and Corporate Parenting

8.3 There are no safeguarding or corporate parenting implications arising directly from this report.

9. CONSULTEES

- Colleagues within the planning service have been engaged via team meeting discussions to consider an evidence base for decision-making.
- Planning Committee has been provided with an initial brief on the options for information only.

10. BACKGROUND PAPERS:

- Cabinet Secretary's letter dated 18th July 2018

Appendix 1 Housing delivery projections shown by LDP strategy and settlement hierarchy

Appendix 2 Housing delivery projections shown by local housing market area

11. AUTHORS & CONTACT DETAILS:

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	Completions 2011 - 2018	Small Site Windfalls 2018 – 2021	Large Site Windfalls 2018 - 2021	Allocated Site Completions 2018- 2021	Total	LDP Target 2011 – 2021	
Abergavenny	179 (56)	25	45 (16)	230 (67)	479 (139)	566 (181)	-87 (-42)
Chepstow	135 (26)	31	135 (6)	150 (15)	451 (47)	675 (155)	-224 (-108)
Monmouth	367 (62)	47	81 (29)	377 (127)	872 (218)	825 (218)	47 (=)
MAIN TOWNS	681 (144)	103	261 (51)	757 (209)	1802 (404)	2066 (554)	-264 (-150)
Caldicot	214 (56)	11	25 (25)	0 (0)	250 (81)	210 (81)	
Portskewett	29 (0)	0	0 (0)	120 (30)	149 (30)	324 (71)	
Magor Undy	118 (18)	8	0 (0)	273 (69)	399 (87)	631 (142)	
Caerwent	133 (26)	6	0 (0)	0 (0)	139 (26)	152 (26)	
Rogiet	37 (33)	5	11 (0)	0 (0)	53 (33)	53 (33)	
Sudbrook	13 (0)	1	46 (15)	133 (15)	193 (30)	244 (63)	
SEVERNSIDE	544 (133)	31	82 (40)	526 (114)	1183 (287)	1614 (416)	-431 (-129)
Usk	15 (0)	11	0 (0)	20 (7)	46 (7)	53 (7)	-7 (=)
Raglan	24 (11)	4	0 (0)	45 (16)	73 (27)	75 (27)	-2 (=)
Penperlleni	7 (0)	5	0 (0)	65 (23)	77 (23)	122 (25)	-45 (-2)
Llanfoist	244 (29)	7	80 (28)	0 (0)	331 (57)	245 (57)	86 (=)
RSS	290 (40)	27	80 (28)	130 (46)	527 (114)	495 (116)	32 (-2)
RURAL	267 (23)	88	39 (7)	90 (53)	484 (83)	782 (141)	-298 (-58)
TOTAL	1782 (340)	249	462 (126)	1503 (422)	3996 (888)	4957 (1225)	-961 (-337)

	Completions 2011 - 2018	Small Site Windfalls 2018 - 2021	Large Site Windfalls 2018 - 2021	Allocated Site Completions 2018-2021	Total	LDP Target 2011 - 2021	
Housing Market Area: South - (AH need June 2017 Bands 1-4: General Needs 767 + OAP and Adapted 216 = 983)							
Main Towns:							
Chepstow	135 (26)	31	135 (6)	150 (15)	451 (47)	675 (155)	-224 (-108)
Severnside:							
Caldicot	214 (56)	11	25 (25)	0 (0)	250 (81)	210 (81)	
Portskewett	29 (0)	0	0 (0)	120 (30)	149 (30)	324 (71)	
Magor Undy	118 (18)	8	0 (0)	273 (69)	399 (87)	631 (142)	
Caerwent	133 (26)	6	0 (0)	0 (0)	139 (26)	152 (26)	
Rogiet	37 (33)	5	11 (0)	0 (0)	53 (33)	53 (33)	
Sudbrook	13 (0)	1	46 (15)	133 (15)	193 (30)	244 (63)	
SEVERNSIDE TOTAL	544 (133)	31	82 (40)	526 (114)	1183 (287)	1614 (416)	-431 (-129)
Housing Market Area: Monmouth and Central- (AH need June 2017 Bands 1-4: General Needs 400 + OAP and Adapted 178 = 578)							
Main Towns:							
Monmouth	367 (62)	47	81 (29)	377 (127)	872 (218)	825 (127)	47 (=)
Rural Secondary Settlements:							
Usk	15 (0)	11	0 (0)	20 (0)	46 (7)	53 (7)	-7 (=)
Raglan	24 (11)	4	0 (0)	45 (16)	73 (27)	75 (27)	-2 (=)
Penperlleni	7 (0)	5	0 (0)	65 (23)	77 (23)	122 (25)	-45 (-2)
Housing Market Area: Abergavenny - (AH need June 2017 Bands 1-4: General Needs 554 + OAP and Adapted 228 = 782)							
Main Towns:							
Abergavenny	179 (56)	25	45 (16)	230 (67)	479 (139)	566 (109)	-87 (-42)
Rural Secondary Settlements:							
Llanfoist	244 (29)	7	80 (28)	0 (0)	331 (57)	245 (0)	86 (=)