

# Public Document Pack



## PLEASE NOTE THE TIME OF THE MEETING

County Hall  
Rhadyr  
Usk  
NP15 1GA

Tuesday, 9 July 2019

### Notice of meeting

## Special Meeting of Economy and Development Select Committee

Wednesday, 17th July, 2019 at 3.00 pm

The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA

### AGENDA

**THERE WILL BE A PRE MEETING FOR MEMBERS OF THE COMMITTEE 30 MINUTES  
PRIOR TO THE START OF THE MEETING**

| Item No | Item  | Pages     |
|---------|---|-----------|
| 1.      | Apologies for absence.  |           |
| 2.      | Declarations of Interest.   |           |
| 3.      | To inform the Economy and Development Select Committee of the non-statutory consultation on the Replacement Local Development Plan (LDP) Growth and Spatial Options Paper, and to seek Committee's feedback / comments. | 1 - 154   |
| 4.      | Scrutiny of the Revenue and Capital Monitoring 2018/19 Outturn Statement.   | 155 - 194 |

**Paul Matthews**

**Chief Executive**

MONMOUTHSHIRE COUNTY COUNCIL  
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

D. Blakebrough  
J. Becker  
A. Davies  
D. Dovey  
M. Feakins  
P. Pavia  
R. Roden  
B. Strong  
A. Watts

## Public Information

### Access to paper copies of agendas and reports

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### Watch this meeting online

This meeting can be viewed online either live or following the meeting by visiting [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk) or by visiting our Youtube page by searching MonmouthshireCC.

### Welsh Language

The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with adequate notice to accommodate your needs.

# Aims and Values of Monmouthshire County Council

## Our purpose

Building Sustainable and Resilient Communities

### Objectives we are working towards

- Giving people the best possible start in life
- A thriving and connected county
- Maximise the Potential of the natural and built environment
- Lifelong well-being
- A future focused council

## Our Values

**Openness.** We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

**Fairness.** We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

**Flexibility.** We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

**Teamwork.** We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

## Monmouthshire Scrutiny Committee Guide

### Role of the Pre-meeting

1. Why is the Committee scrutinising this? (background, key issues)
  2. What is the Committee's role and what outcome do Members want to achieve?
  3. Is there sufficient information to achieve this? If not, who could provide this?
- Agree the order of questioning and which Members will lead
  - Agree questions for officers and questions for the Cabinet Member

### Questions for the Meeting

#### Scrutinising Performance

1. How does performance compare with previous years? Is it better/worse? Why?
2. How does performance compare with other councils/other service providers? Is it better/worse? Why?
3. How does performance compare with set targets? Is it better/worse? Why?
4. How were performance targets set? Are they challenging enough/realistic?
5. How do service users/the public/partners view the performance of the service?
6. Have there been any recent audit and inspections? What were the findings?
7. How does the service contribute to the achievement of corporate objectives?
8. Is improvement/decline in performance linked to an increase/reduction in resource? What capacity is there to improve?

#### Scrutinising Policy

1. Who does the policy affect ~ directly and indirectly? Who will benefit most/least?
2. What is the view of service users/stakeholders? Do they believe it will achieve the desired outcome?
3. What is the view of the community as a whole - the 'taxpayer' perspective?
4. What methods were used to consult with stakeholders? Did the process enable all those with a stake to have their say?
5. What practice and options have been considered in developing/reviewing this policy? What evidence is there to inform what works?
6. Does this policy align to our corporate objectives, as defined in our corporate plan?
7. Have all relevant sustainable development, equalities and safeguarding implications been taken into consideration? For example, what are *the procedures that need to be in place to protect children*?
8. How much will this cost to implement and what funding source has been identified?
9. How will performance of the policy be measured and the impact evaluated.

### Questions for the Committee to conclude...

Do we have the necessary information to form conclusions/make recommendations to the executive, council, other partners? If not, do we need to:

- (i) Investigate the issue in more detail?
- (ii) Obtain further information from other witnesses – Executive Member, independent expert, members of the local community, service users, regulatory bodies...
- (iii) Agree further actions to be undertaken within a timescale/future monitoring report...

### General Questions....

#### Empowering Communities

- How are we involving local communities and empowering them to design and deliver services to suit local need?
- Do we have regular discussions with communities about service priorities and what level of service the council can afford to provide in the future?

### *Service Demands*

- How will policy and legislative change affect how the council operates?
- Have we considered the demographics of our council and how this will impact on service delivery and funding in the future?

### *Financial Planning*

- Do we have robust medium and long-term financial plans in place?
- Are we linking budgets to plans and outcomes and reporting effectively on these?

### *Making savings and generating income*

- Do we have the right structures in place to ensure that our efficiency, improvement and transformational approaches are working together to maximise savings?
- How are we maximising income? Have we compared other council's policies to maximise income and fully considered the implications on service users?
- Do we have a workforce plan that takes into account capacity, costs, and skills of the actual versus desired workforce?

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**SUBJECT: MONMOUTHSHIRE REPLACEMENT LOCAL DEVELOPMENT PLAN GROWTH AND SPATIAL OPTIONS PAPER**  
**MEETING: ECONOMY AND DEVELOPMENT SELECT COMMITTEE**  
**DATE: 17 JULY 2019**  
**DIVISION/WARDS AFFECTED: ALL**

**1. PURPOSE:**

- 1.1 The purpose of this report is to inform the Economy and Development Select Committee of the non-statutory consultation on the Replacement Local Development Plan (LDP) Growth and Spatial Options Paper, and to seek Committee's feedback/comments on the Paper.

**2. RECOMMENDATIONS:**

- 2.1 To feedback/comment on the Replacement LDP Growth and Spatial Options Paper as appropriate.

**3. KEY ISSUES:**

Background

- 3.1 The Council is preparing a Replacement LDP for the County (excluding the area within the Brecon Beacons National Park) to cover the period 2018-2033. The Replacement LDP will set out land use development proposals for the County and will identify where and how much new development will take place over the replacement plan period. It will also identify areas to be protected from development and contain policies against which future planning applications will be assessed.
- 3.2 The Replacement LDP is being prepared in accordance with the Delivery Agreement (DA) which was agreed by Welsh Government (WG) in May 2018. The DA sets out the proposed approach, timescales and consultation arrangements for the Replacement LDP. The agreed timetable will see the Replacement LDP being adopted at the end of 2021/early 2022. Work has commenced on the Replacement LDP. One of the first key stages of the Replacement LDP process involved the preparation of the Issues, Vision and Objectives Paper which identifies the key issues, challenges and drivers facing the County and sets out the draft vision and objectives for the Replacement LDP. The next key stage of the process involves consideration of how much growth is needed in the County over the replacement plan period and where this growth should be located i.e. the growth and spatial options, considering how these options meet the Plan's vision and objectives.

Purpose of the Growth and Spatial Options Paper

- 3.3 The Growth and Spatial Options Paper sets out a number of alternative growth and spatial strategy options for consideration as part of the Replacement LDP (attached at **Appendix 1**), informed by a range of evidence. The consideration of realistic growth and spatial options is an important part of the preparation of the LDP which are intended to facilitate discussion and inform the next key stage of the process, the Preferred Strategy. The Paper will therefore have a key role in informing the

Replacement LDP Preferred Strategy which will set out the Council's preferred levels of growth for housing and employment over the plan period and identify broad locations for accommodating this growth. The Preferred Strategy will be made available for consultation by the end of 2019.

3.4 The Paper sets out:

- 1) Growth Options – consideration of future growth levels for housing and employment over the Replacement LDP period 2018-2033.
- 2) Spatial Strategy Options – consideration of spatial strategy options for where this growth should take place within the County over the Replacement LDP period 2018-2033.

An Executive Summary and Easy Read version of the paper have been prepared (attached at **Appendix 2** and **Appendix 3** respectively).

Growth Options

3.5 The growth options section of the Paper sets out a range of alternative housing and economic growth options for consideration to inform the Replacement LDP (2018-2033). The Council, in conjunction with Torfaen County Borough Council and Blaenau Gwent County Borough Council, commissioned Edge Analytics to prepare a range of demographic, housing and employment growth scenarios to inform the growth options/opportunities for the replacement LDPs. In accordance with the requirements of the WG Draft Development Plan Manual (Edition 3, June 2019), the report considers the latest WG projections, as well as the latest available statistics and evidence, including the Monmouthshire Economies of the Future report (2018), to provide a range of growth scenarios for the County. The Edge Analytics Report sets out a demographic profile of the County, illustrating the geographical context, components of population change (i.e. births, deaths and migration), housing completions and the changing age profile of the population. It then considers how much housing and employment growth would be needed over the Replacement LDP period for each of the scenarios set out.

3.6 Based on the evidence contained in the Edge Analytics Report, the Paper presents a number of alternative low, mid and high growth options for consultation purposes, to assist in determining the housing and employment requirements of the Replacement LDP. These include three demographic, one dwelling-led and four employment-led scenarios as summarised in the table below.

| <b>Alternative Growth Options (type)</b> |   |
|--|---|
| <b>Low Growth Options</b>                |   |
| Option 1<br>(Demographic)                | Net Nil Migration                               |
| Option 2<br>(Demographic)                | WG 2014-based Principal                         |
| <b>Mid Growth Options</b>                |   |
| Option 3<br>(Dwelling)                   | Dwelling-led 15 year average                    |
| Option 4<br>(Employment)                 | UK Growth Rates                                 |
| Option 5<br>(Employment)                 | Radical Structural Change* Lower (CR reducing)  |
| <b>High Growth Options</b>               |   |
| Option 6<br>(Demographic)                | PG Long Term (adjusted)                         |
| Option 7<br>(Employment)                 | Radical Structural Change* Higher (CR reducing) |



|                          |                                   |
|--------------------------|-----------------------------------|
| Option 8<br>(Employment) | Radical Structural Change* Higher |
|--------------------------|-----------------------------------|

\*'Radical Structural Change' (RSC) scenarios consider the potential impact of substantial economic changes in Monmouthshire's economy, resulting in a significantly higher employment growth range than under the 'Baseline' and UK Growth equivalent. Under these scenarios, employment growth ranges from +3,866 jobs to +8,273 jobs over the plan period, averaging +258 jobs pa and +552 jobs pa respectively.

3.7 The Growth Options Paper considers the population, household, dwelling and employment implications associated with each of the alternative growth options, together with their wider implications for the County and the extent to which they will achieve the Replacement LDP objectives.

### Spatial Strategy Options

3.8 In addition to setting out options for the level of growth needed over the plan period, consideration must also be given to spatial strategy options for broadly where this development should take place within the County. The Paper therefore presents a range of spatial strategy options for accommodating the required level of housing and employment growth in the County. A total of 5 broad spatial strategy options are proposed for consultation:

- **Option 1: Continuation of existing LDP Strategy**  
Distribute development around the County with a particular focus on Main Towns, some development in Severnside and some development in the most sustainable rural areas to enable provision of affordable housing throughout the County. New residential development to be accompanied by new employment opportunities, where possible.
- **Option 2: Dispersed growth and New Settlement**  
Distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing. Inclusion of a New Settlement within the County to deliver longer term growth providing housing, employment, retail and associated infrastructure. It is recognised a New Settlement will take a long time to progress and cross over into next plan period, hence additional dispersed growth is required to account for the identified need.
- **Option 3: Distribute growth proportionately across rural and urban areas**  
Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing.
- **Option 4: New settlement with limited growth in Primary Settlements, Secondary Settlements and Severnside only**  
Growth to be predominantly accommodated in New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to meet some of the identified need prior to progression of a New Settlement.
- **Option 5: Focus on M4 corridor**  
Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48, to capitalise on its strategic links to the Cardiff Capital Region and South West England, existing economic opportunities and regional infrastructure connections.

3.9 As with the growth options, the Paper considers the implications (advantages and disadvantages) associated with each of the alternative spatial strategy options, and the extent to which they will achieve the Replacement LDP objectives.

- 3.10 The Paper should be read alongside the Replacement LDP Issues, Vision and Objectives Paper (June 2019) and the Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence Report produced by Edge Analytics (Draft, June 2019).
- 3.11 At this stage no single growth or spatial strategy option is considered preferable. The options presented in the Paper provide an indication of the scale of growth (housing and employment) that the Replacement LDP will potentially need to address and possible spatial strategy options for accommodating that growth, having regard to the evidence base and policy aspirations.

#### Consultation and Engagement

- 3.12 There is no statutory requirement to consult on the Replacement LDP growth and spatial strategy options. However, in accordance with the Replacement LDP Delivery Agreement (May 2018) the Council is engaging with consultees at this key stage of the process to help build consensus on the growth levels and spatial strategy of the Replacement LDP and to fully understand the pros and cons of the options. Engagement/consultation at this stage of the process will also ensure that the Council accords with two of the five ways of working as set out in the Well-being of Future Generations Act (i.e. involvement and collaboration).
- 3.13 An informal consultation on the Growth and Spatial Options is taking place for a four week period from 8<sup>th</sup> July to 5<sup>th</sup> August 2019, whereby comments are invited on the consultation questions set out in the Paper. Engagement/consultation is also taking place via:
- Planning Policy officer attendance at Area Committee and Area Cluster meetings during July 2019;
  - Attendance at the Youth Forum on 5<sup>th</sup> July 2019;
  - A Members' Workshop on 11<sup>th</sup> July 2019 (hosted by the Economy & Development Select Committee);
  - LDP Growth and Spatial Options Drop-in Session on 16<sup>th</sup> July 2019 at County Hall, Usk between 13:00 and 19:00 which is open for all to attend;
  - Scrutiny by Economy & Development Select Committee on 17<sup>th</sup> July 2019;
  - Internal discussions within the Council through DMT/SLT;
  - Notify all parties on the LDP database of the consultation.

#### Next steps

- 3.14 Feedback from this consultation/engagement process will be carefully considered and will help inform the preferred growth and spatial strategy options which will be set out in the Preferred Strategy. The Preferred Strategy will be the subject of further engagement/consultation and political reporting as the Replacement LDP is progressed.

### **4. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

- 4.1 The Planning and Compulsory Purchase Act (2004) sets out the requirement for all LDPs to be subject to a Sustainability Appraisal (SA). All stages of the Replacement LDP will be subject to an Integrated Sustainability Assessment (including Strategic Environmental Assessment (SEA), Well-being of Future Generations (WBFG), Health Impact Assessment (HIA), Equality Impact Assessment (EqIA), and Welsh Language Impact Assessment (WLIA)), whose findings will be used to inform the development of the Replacement LDP strategy, policies and site allocations in order to ensure that the Plan will be promoting sustainable development.

- 4.2 A Future Generations Evaluation (including equalities and sustainability impact assessment) is attached to this report at **Appendix 4**.

#### Safeguarding and Corporate Parenting

- 4.3 There are no safeguarding or corporate parenting implications arising directly from this report

### **5. OPTIONS APPRAISAL**

- 5.1 Consideration of how much growth is needed in the County over the replacement plan period and broadly where this growth should be located (i.e. the growth and spatial strategy options) is a key part of the Replacement LDP process, and importantly, will inform the Preferred Strategy. The options in relation to the Growth and Spatial Options Paper are limited to:

1. Economy and Development Select Committee consider and comment, as appropriate, on the Replacement LDP Growth and Spatial Options Paper;
2. Economy and Development Select Committee do not comment on the Replacement LDP Growth and Spatial Options Paper.

- 5.2 Option 1: Economy and Development Select Committee consider and comment, as appropriate, on the Replacement LDP Growth and Spatial Options Paper which was issued for non-statutory consultation for 4 weeks on 8<sup>th</sup> July 2019. **This is the preferred option.** The Paper sets out a number of alternative growth and spatial strategy options for consideration informed by a range of evidence. The consideration of realistic growth and spatial options is an important part of the plan preparation process which are intended to facilitate discussion and inform the next key stage of the process, the Preferred Strategy. The Paper will therefore have a key role in informing the Replacement LDP Preferred Strategy which will set out the Council's preferred levels of growth for housing and employment over the plan period and identify broad locations for accommodating this growth. This report provides the Economy and Development Select Committee with the opportunity to view the Growth and Spatial Options Paper and comment accordingly. Any feedback received will be carefully considered and will help inform the preferred growth and spatial strategy options which will be set out in the Preferred Strategy.

- 5.3 Option 2: Economy and Development Select Committee do not comment on the Replacement LDP Growth and Spatial Options Paper. As noted above, the options set out in the Paper are intended to facilitate discussion and inform the next key stage of the Replacement LDP process, the Preferred Strategy which will set out the Council's preferred levels of growth for housing and employment over the plan period and identify broad locations for accommodating this growth. The option of not commenting on the Paper would result in the Economy and Development Select Committee missing a key opportunity to help shape the Preferred Strategy and should, therefore, be discounted.

#### Recommendation:

- 5.4 Based on the reasons above, Option 1 (Economy and Development Select Committee consider and comment, as appropriate, on the Replacement LDP Growth and Spatial Options Paper) is the preferred option.

## **6. EVALUATION CRITERIA**

- 6.1 The success or otherwise of the replacement LDP in delivering the growth and spatial option and tackling the identified issues and achieving the objectives and vision will be evaluated via the statutory annual monitoring process. It is proposed that the Annual Monitoring Report would be reported to the Economy and Development Select Committee for scrutiny, as is current practice.

## **7. REASONS**

- 7.1 Under the Planning and Compulsory Purchase Act (2004), Planning (Wales) Act 2015 and associated regulations, Local Planning Authorities are required to ensure that their LDPs are kept up-to-date. The Council has commenced preparation of a Replacement LDP for the County (excluding the area within the Brecon Beacons National Park) which will cover the period 2018-2033. The preparation of the Growth and Spatial Options is a key stage in Replacement Plan preparation process. As part of the LDP pre-deposit proposals, a Preferred Strategy must be prepared which should set out Council's preferred levels of growth for housing and employment over the plan period and identify broad locations for accommodating this growth. This Paper will play a key role in informing the Replacement LDP Preferred Strategy which will be made available for consultation later in 2019.

## **8. RESOURCE IMPLICATIONS**

- 8.1 Officer and consultant time and costs associated with the preparation of the Paper and carrying out the required consultation exercises. Any costs will be met from the Planning Policy budget and carried out by existing staff.

## **9. CONSULTEES**

- Enterprise DMT and SLT

## **10. BACKGROUND PAPERS**

- Replacement LDP Draft Issues, Vision and Objectives Paper (June 2019)
- Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence Report, Edge Analytics (Draft, May 2019)
- Replacement LDP Candidate Sites Register (February 2019)

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## **APPENDICES:**

### **APPENDIX 1: Growth and Spatial Options Report June 2019**

**Appendix 1 Monmouthshire, Blaenau Gwent and Torfaen LDP  
Demographic Evidence Executive Summary, Edge Analytics  
(Draft, June 2019)**

**Appendix 2 Replacement LDP Draft Objectives**

**Appendix 3 Long List of Growth Scenarios**

**Appendix 4 Long List of Spatial Options**

**Appendix 5 Summary Matrix of Growth Options against the Replacement  
LDP Draft Objectives**

**Appendix 6 Summary Matrix of the Spatial Options against the  
Replacement LDP Draft Objectives**

**APPENDIX 2: Growth and Spatial Options: Executive Summary**

**APPENDIX 3: Growth and Spatial Options: Easy Read version**

**APPENDIX 4: Well-being of Future Generations Act assessment**

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# Monmouthshire Replacement Local Development Plan

## GROWTH AND SPATIAL OPTIONS PAPER

June 2019



monmouthshire  
sir fynyvy





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## Executive Summary

- i. The Council is preparing a new Local Development Plan (LDP) for Monmouthshire (excluding the part of the County that is within the Brecon Beacons National Park). The new LDP will identify where and how much new development will take place during the 'plan period' (2018-2033). It will allocate land for development, identify areas to be protected, and contain policies to guide decisions on applications for planning permission. We aim to adopt the new LDP at the end of 2021/early 2022.
- ii. The LDP will be accompanied by an Integrated Sustainability Appraisal (ISA) which will consider the environmental, equalities, health and well-being impacts of the Plan. The Integrated Sustainability Appraisal is a working document, updated as the LDP progresses. The LDP will include an Infrastructure Plan, setting out what is needed to support the development of the allocated sites, and will sit alongside a Local Transport Plan and Economic Strategy. Together, these Plans will seek to deliver on the Council's economic ambition and its core purpose to build sustainable and resilient communities that support the well-being of current and future generations.
- iii. This Paper sets out alternative growth and spatial options for the Replacement LDP, together with the implications of each option and the extent to which they will achieve the Replacement LDP objectives. At this stage no decision has been made on a preference. The options presented in this Paper provide an indication of the scale of growth (housing and employment) that the Replacement LDP will potentially need to include and broad options of where that growth could be located (spatial option), having regard to the evidence base and policy aspirations.

### Growth Options

- iv. Section 2 of the Paper presents a range of alternative housing and economic growth options for consideration to inform the Replacement LDP (2018-2033).
- v. Monmouthshire, Torfaen and Blaenau Gwent County Councils have jointly commissioned Edge Analytics to prepare a range of demographic, housing and employment growth scenarios to inform LDP growth options.
- vi. A total of 20 different scenarios have been generated for Monmouthshire. From these, eight growth options have been selected for consultation (see Table 4). It should be noted that the growth outcomes of each scenario generated includes that part of Monmouthshire that falls within the Brecon Beacons National Park.
- vii. The Paper considers the population, household, dwelling and employment implications associated with each of the alternative growth options set out below, together with their wider implications for the County and the extent to which they will achieve the Replacement LDP's objectives. A summary of the implications associated with each option is provided in Table 14. A number of consultation questions are set out at the end of Section 2.
- viii. To provide an indication of the baseline position, the 2017 Office for National Statistics Mid-Year Estimate gives Monmouthshire a population of 93,590; the 2011 Census recorded 38,233 households in Monmouthshire; and the 2011 Census recorded 40,044 dwellings in Monmouthshire.

## Summary of Selected Growth Options

| Options (type)   |  | Assumptions   | Additional homes by 2033 | Additional jobs by 2033 |
|--|--|---|--------------------------|-------------------------|
| <b>Low Growth Options</b>  |  |   |                          |                         |
| Option 1<br>(Demographic)  | Net Nil Migration                              | Internal and international migration flows are balanced between in- and out-flows, resulting in zero net migration.   | -173 homes               | -3990 jobs              |
| Option 2<br>(Demographic)  | WG 2014-based Principal                        | Replicates the WG 2014-based population projection. Migration assumptions are based on the five-year period prior to 2014 (i.e. 2009/10–2013/14).   | +1725 homes              | -1499 jobs              |
| <b>Mid Growth Options</b>  |  |   |                          |                         |
| Option 3<br>(Dwelling)   | Dwelling-led 15 year average                   | Annual dwelling growth is applied from 2019/20 onward, based on the last fifteen years of completions (2004/05–2018/19). This gives an average annual dwelling growth of +287 pa in Monmouthshire.  | +4305 homes              | +1389 jobs              |
| Option 4<br>(Employment)   | UK Growth Rates                                | Incorporates uplifts in identified underperforming sectors to match UK growth levels. Estimates employment growth of +2,265 jobs (+151 pa) over the plan period.  | +5055 homes              | +2265 jobs              |
| Option 5<br>(Employment)   | Radical Structural Change* Lower (CR reducing) | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains at current value (3.0%).   | +5790 homes              | +3870 jobs              |
| <b>High Growth Options</b>   |  |   |                          |                         |
| Option 6<br>(Demographic)  | PG Long Term (adjusted)                        | Internal in-migration rates are adjusted to reflect higher in-migration (based on the last 5-years) from Bristol and South Gloucestershire, following the removal of the Severn Bridge tolls. All other migration flow assumptions are consistent with the PG Long Term scenario. | +8010 homes              | +6709 jobs              |
| Option 7<br>(Employment)   | Radical Structural Change Higher (CR reducing) | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains at current value (3.0%).   | +9465 homes              | +8280 jobs              |
| Option 8<br>(Employment)   | Radical Structural Change* Higher              | Assumes no change in the commuting ratio balance and unemployment rate.   | +10,155 homes            | +8280 jobs              |
| *‘Radical Structural Change’ (RSC) scenarios consider the potential impact of substantial economic changes in Monmouthshire’s economy, resulting in a significantly higher employment growth range than under the ‘Baseline’ and UK Growth equivalent. Under these scenarios, employment growth ranges from +3,866 to +8,273 jobs over the plan period, averaging +258 and +552 pa respectively. |  |   |                          |                         |

## Spatial Strategy Options

- ix. Section 3 of the Paper sets out five spatial strategy options for accommodating the housing and employment growth:
- **Option 1: Continuation of the Existing LDP Strategy** – Distribute development around the County with a particular focus on Main Towns, some development in Severnside and some development in the most sustainable rural areas to enable provision of affordable housing throughout the County. New residential development to be accompanied by new employment opportunities, where possible.
  - **Option 2: Dispersed Growth and New Settlement** – Distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing. Inclusion of a New Settlement within the County to deliver longer term growth providing housing, employment, retail and associated infrastructure. It is recognised a New Settlement will take a long time to progress and cross over into the next plan period, hence additional dispersed growth is required to account for the identified need.
  - **Option 3: Distribute Growth Proportionately Across Rural and Urban Areas** – Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing.
  - **Option 4: New Settlement with Limited Growth in Primary Settlements, Secondary Settlements and Severnside only** - Growth to be predominantly accommodated in a New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to meet some of the identified need prior to progression of a New Settlement.
  - **Option 5: Focus on M4 Corridor** – Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48, to capitalise on its strategic links to the Cardiff Capital Region and South West England, existing economic opportunities and regional infrastructure connections.
- x. The advantages and disadvantages of each spatial option and the extent to which they will achieve the Replacement LDP objectives are set out in Section 3, together with an indicative map of each option. A number of consultation questions are set out at the end of Section 3.

## Engagement/Consultation

- xi. There is no statutory requirement for consultation on the growth and spatial options, however, in accordance with the LDP Revision Delivery Agreement (May 2018) we are

engaging with consultees at this early stage to help build consensus and to fully understand the pros and cons of the options.

- xii. Non-statutory engagement and consultation on the Growth and Spatial Options Paper will take place for a four week period from 8<sup>th</sup> July 2019, whereby comments will be invited on the consultation questions set out in Sections 2 and 3. An Easy Read version of this document has also been prepared which is available to view via the Planning Policy pages of the Council's website.
- xiii. Feedback from the consultation/engagement on the Growth and Spatial Options Paper will be considered and, where appropriate, will inform the preferred growth and spatial strategy options which will be set out in the Preferred Strategy. The Replacement LDP Preferred Strategy will be the subject of engagement/consultation towards the end of 2019.

# 1 Introduction

## Purpose of this paper

- 1.1 The Growth and Spatial Options Paper sets out a number of alternative growth and spatial strategy options for consideration as part of the Replacement LDP process, informed by a range of evidence. The consideration of realistic growth and spatial options is an important part of the preparation of the LDP which is intended to facilitate discussion and inform the next key stage of the process, the Preferred Strategy. The Paper will therefore have a key role in informing the Replacement LDP Preferred Strategy which will set out the Council's preferred levels of growth for housing and employment over the plan period and identify broad locations for accommodating this growth in order to ensure the delivery of sustainable resilient places. The Preferred Strategy will be made available for consultation by the end of 2019.

## Background

- 1.2 Monmouthshire County Council (MCC) is in the process of preparing a Replacement Local Development Plan (LDP) for the County (excluding the area within the Brecon Beacons National Park). The Replacement LDP will cover the period 2018-2033 and will be the statutory land use plan to support delivery of the Council's vision for the future of the County and its communities. The LDP will set out land use development proposals for the County and will identify where and how much new development will take place over the Replacement Plan period. It will also identify areas to be protected from development and provide policies against which future planning applications will be assessed.
- 1.3 The Replacement LDP is being prepared in accordance with the Delivery Agreement which sets out the timetable for plan preparation and the approach to community consultation. One of the first key stages of the Replacement LDP process involved the preparation of the Issues, Vision and Objectives. The Issues, Vision and Objectives Paper identifies the key issues, challenges and drivers facing the County and sets out the draft vision and objectives for the Replacement LDP. This paper was subject to targeted engagement in January-February 2019<sup>1</sup>.
- 1.4 The next stage of the process involves consideration of how much growth is needed over the Replacement LDP period and where this growth should take place. This paper sets out a number of alternative growth and spatial options for the Replacement LDP, together with the implications of each option and the extent to which they will achieve the Replacement LDP objectives.

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<sup>1</sup> The Issues, Vision and Objectives Paper (June 2019) is available to view on the Planning Policy pages of the Council's website

- 1.5 In accordance with Welsh Government guidance<sup>2</sup> realistic options should be identified. The identified options should be: genuine, reasonable, reflect the evidence and the plan issues/objectives, meet the evidenced needs of the area, deliverable within the plan period, conform to national policy, complement regional or neighbourhood plans/strategies, flexible and sustainable.
- 1.6 The Replacement LDP will be accompanied by an Integrated Sustainability Appraisal (ISA) which will consider the environmental, equalities, health and well-being impacts of the Plan. The Integrated Sustainability Appraisal is a working document, updated as the LDP progresses. The ISA will assess the anticipated impacts of each of the growth and spatial options against the ISA Objectives. The LDP will include an Infrastructure Plan, setting out what is needed to support the development of the allocated sites, and will sit alongside a Local Transport Plan and Economic Strategy. Together, these Plans will seek to deliver on the Council's economic ambition and its core purpose to build sustainable and resilient communities that support the well-being of current and future generations.
- 1.7 At this stage no single growth or spatial strategy option is considered preferable. The options presented in this Paper provide an indication of the scale of growth (housing and employment) that the Replacement LDP will potentially need to address and possible spatial strategy options for accommodating that growth, having regard to the evidence base and policy aspirations.

### Evidence Base

- 1.8 This Paper has been informed by a range of background evidence which includes the following:
- Annual Monitoring Reports (AMRs) that monitor the progress of the Adopted LDP; 2014-2015, 2015-2016, 2016-2017, 2017-2018 (work has commenced on the 2018-2019 Report but it is not yet finalised).
  - The Adopted LDP Review Report (March 2018) evaluates the extent to which the adopted LDP is functioning effectively.
  - The Monmouthshire Public Service Board Well-being Plan (February 2018) identifies important issues for the County as a whole that must be considered.
  - Monmouthshire Corporate Business Plan 2017-2022 (Incorporating Well-being Objectives) (February 2018) sets out the Council's four Well-being objectives.
  - The Issues, Vision and Objectives Paper (June 2019) which sets out the key issues, challenges and drivers facing the County along with the Replacement LDP draft vision and objectives to address the issues, challenges and drivers identified.
  - The Draft Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence produced by Edge Analytics (June 2019) which considers the impact of demographic, housing and employment change and provides growth scenarios for the three Local Authority areas.

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<sup>2</sup> Paragraph 6.2.1.2 Local Development Plan Manual – Edition 2 (August 2015)

- Candidate Site Register (February 2019) which provides a log of the Candidate Sites submitted during the first call, to be considered for inclusion for development, redevelopment and/or protection in the Replacement LDP.
  - MCC Economies of the Future Reports (2018) and associated economic ambition.
  - Wider contextual issues, including the CCR City Deal and the recent removal of the Severn Bridge Tolls.
- 1.9 In particular, this paper should be read alongside the Replacement LDP Issues, Vision and Objectives Paper (June 2019) and the Draft Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence produced by Edge Analytics (June 2019).
- 1.10 Further data will be collated as part of the LDP Evidence Base and findings will be published at the appropriate times during the preparation of the Replacement LDP. A number of background papers will also be produced as part of the Replacement LDP preparation. Once completed these will provide further detail on the impact and potential policy approaches to the Replacement LDP.

### Structure

- 1.11 This Paper is structured as follows:

**Section 1 Introduction** – outlines the purpose, background, evidence base and consultation arrangements of the Growth and Spatial Options Paper.

**Section 2 Growth Scenarios and Options** - sets out a range of alternative housing and economic growth options for consideration to inform the Replacement LDP (2018-2033). The population, household, dwelling and employment implications associated with each of the alternative growth options are presented, together with their wider implications for the County and the extent to which they align with the Replacement LDP objectives.

**Section 3 Spatial Strategy Options** - presents a range of spatial strategy options for accommodating the required level of housing and employment growth in the County. The implications associated with each of the alternative spatial strategy options and the extent to which they align with the Replacement LDP objectives are set out.

**Section 4 Next Steps** - sets out the next key stages in the Replacement LDP process.

**Appendix 1** - Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence Executive Summary, Edge Analytics (Draft, June 2019)

**Appendix 2** – Replacement LDP Draft Objectives

**Appendix 3** – Long List of Growth Scenarios

**Appendix 4** – Long List of Spatial Options

**Appendix 5** – Summary Matrix of Growth Options against the Replacement LDP Draft Objectives



## Appendix 6 – Summary Matrix of the Spatial Options against the Replacement LDP Draft Objectives

### Consultation on the Replacement LDP Growth and Spatial Options

- 1.12 There is no statutory requirement for consultation on the growth and spatial options, however, in accordance with the LDP Revision Delivery Agreement (May 2018) we are engaging with consultees at this early stage to help build consensus on the growth levels and spatial strategy of the Replacement LDP and to fully understand the pros and cons of the options. Engagement/consultation at this stage of the process will also ensure that the Council accords with two of the five ways of working as set out in the Well-being of Future Generations Act (i.e. involvement and collaboration).
- 1.13 Non-statutory engagement and consultation on the Growth and Spatial Options will take place for a four week period between 8<sup>th</sup> July and 5<sup>th</sup> August 2019, whereby comments will be invited on the consultation questions set out in the Paper. Engagement/consultation will also take place via:
- Planning Policy officer attendance at Area Committee and Area Cluster meetings during July 2019;
  - Attendance at the Youth Forum on 5<sup>th</sup> July 2019;
  - A Members' Workshop on 11<sup>th</sup> July 2019 (hosted by the Economy & Development Select Committee);
  - LDP Growth and Spatial Options Drop-in Session on 16<sup>th</sup> July 2019 at County Hall, Usk between 13:00 and 19:00 which is open for all to attend;
  - Scrutiny by Economy & Development Select Committee on 17<sup>th</sup> July 2019;
  - Internal discussions within the Council through DMT/SLT;
  - Notifying all parties on the LDP database of the consultation.
- 1.14 Feedback from the consultation/engagement on the Growth and Spatial Options Paper will be considered and, where appropriate, will inform the preferred growth and spatial strategy options which will be set out in the Preferred Strategy. The Replacement LDP Preferred Strategy will be the subject of engagement/consultation and political reporting toward the end of 2019.
- 1.15 This paper is available to view on the Council's website and at other locations within the County including County Hall, Usk and the Council's Community HUBs. An Executive Summary and an Easy Read version of this document have been prepared which can also be viewed at the above locations. For details of how to respond to this consultation please see the Planning Policy Current Consultations page on the Council's website.

## 2 Replacement LDP Growth Scenarios and Options

### Purpose

- 2.1 This section of the report presents a range of alternative housing and economic growth options for consideration to inform the Replacement LDP (2018-2033). In order to inform the level of housing and employment provision within the Replacement LDP, a range of scenarios/trend based assumptions need to be considered.
- 2.2 The 2014-based Welsh Government (WG) population and household projection variants form the starting point of the scenario analysis. However, it is important to consider alternative scenarios to test the impacts of different assumptions over the plan period. This approach reflects current national planning policy guidance as set out in PPW10 (December 2018, paragraphs 4.2.6-4.2.7), which requires LPAs to consider and provide for a level of housing that is based on various sources of evidence rather than just the WG projections, including having regard to what the plan is seeking to achieve, links between homes and jobs, affordable housing need as well as deliverability of the plan, in order to identify an appropriate strategy for housing delivery in the area.
- 2.3 The Council, in conjunction with Torfaen County Borough Council and Blaenau Gwent County Borough Council, commissioned Edge Analytics to prepare a range of demographic, housing and employment growth scenarios to inform the growth options/opportunities for the replacement LDPs (the Edge Report Executive Summary is attached at Appendix 1<sup>3</sup>, the full version can be viewed on the Council's website). In accordance with the requirements of the WG Draft Development Plan Manual (June 2019), the report considers the latest WG projections, as well as the latest available statistics and evidence, including the Monmouthshire Economies of the Future report (2018), to provide a range of growth scenarios for the County. The paper sets out a demographic profile of the County, illustrating the geographical context, components of population change (i.e. births, deaths and migration), housing completions and the changing age profile of the population. It then considers how much housing and employment growth would be needed over the Replacement LDP period for each of the scenarios set out.

### Growth Scenarios

- 2.4 A total of 20 different scenarios have been generated by Edge Analytics – the WG 2014-based Principal projection and a 2014-based variant projection, four alternative trend-based demographic scenarios, three dwelling-led scenarios and eleven employment-led scenarios. It should be noted that the growth outcomes of each scenario generated includes that part of Monmouthshire that falls within the Brecon

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<sup>3</sup> The Draft Report has been amended to remove key references/outcomes relating to Torfaen and Blaenau Gwent as the report is still draft. When finalised, the report will be published in full.

Beacons National Park<sup>4</sup>. This has been done to ensure consistency between the demographic and dwelling-led scenarios and the employment-led scenarios. The employment-led scenarios are based on data which looks at trends for the whole County not just that part which falls outside of the Brecon Beacons National Park.

### Demographic and Dwelling-led Scenarios

2.5 The following demographic and dwelling-led scenarios have been generated by Edge Analytics.

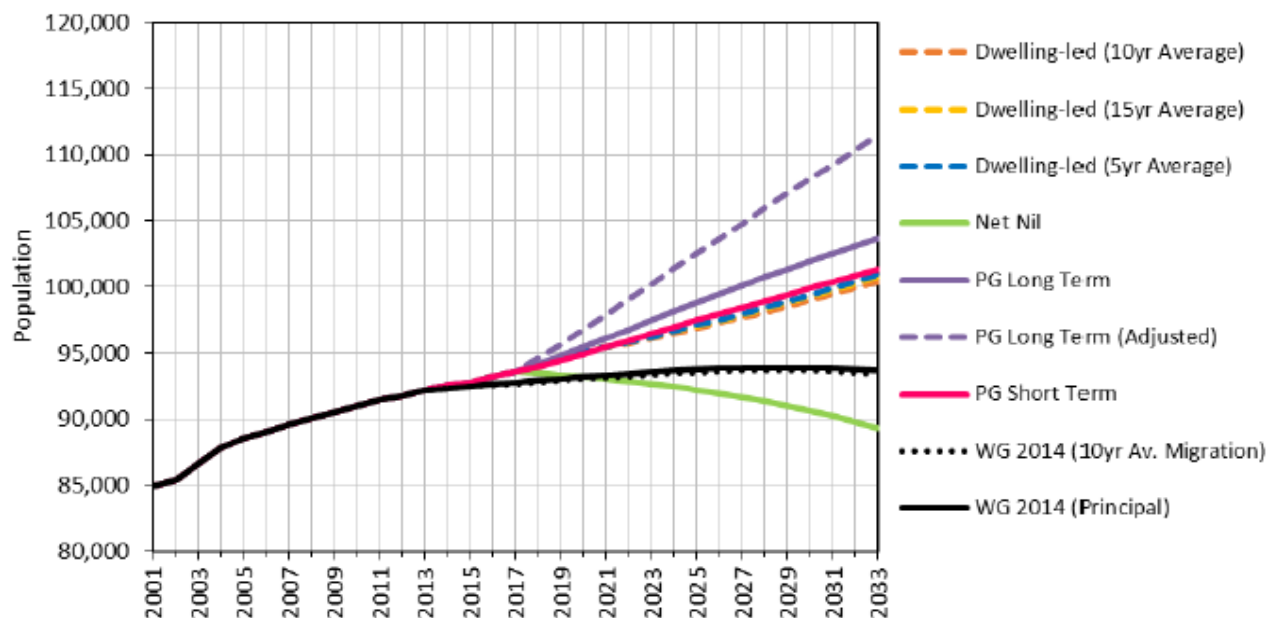
**Table 1: Demographic and Dwelling-led Scenarios**

| <b>Welsh Government 2014-based</b>      |  | <b>Assumptions</b>  |
|---|--|---|
| WG 2014-based Principal                 |  | Replicates the WG 2014-based population projection. Migration assumptions are based on the five-year period prior to 2014 (i.e. 2009/10–2013/14).   |
| WG 2014-based 10 year average migration |  | Replicates the WG 2014-based ‘10yr Average Migration’ variant population projection. Migration assumptions are based on the ten-year period prior to 2014 (i.e. 2004/05–2013/14).   |
| <b>Trend-based Demographic</b>          |  | <b>Assumptions</b>  |
| POPGROUP Short Term                     |  | Internal migration rates and international migration flow assumptions are based on a six-year historical period (2011/12–2016/17). This is a similar time period to the WG ‘Principal’ projection (i.e. 5–6 years), but includes the latest three years of population statistics in the derivation of assumptions |
| POPGRPOUP Long Term                     |  | Internal migration rates and international migration flow assumptions are based on the full sixteen-year historical period (2001/02–2016/17).   |
| POPGROUP Long Term Adjusted             |  | Internal in-migration rates for each authority are adjusted to reflect higher in-migration (based on the last 5-years) from Bristol and South Gloucestershire, following the removal of the Severn Bridge tolls. All other migration flow assumptions are consistent with the PG Long Term scenario.              |
| Net Nil Migration                       |  | Internal and international migration flows are balanced between in- and out-flows, resulting in zero net migration.   |
| <b>Dwelling-led</b>                     |  | <b>Assumptions</b>  |
| Dwelling-led 5 year average             |  | Annual dwelling growth is applied from 2019/20 onward, based on the last five years of completions (2014/15–2018/19). An annual dwelling growth of +280 pa is applied.  |
| Dwelling-led 10 year average            |  | Annual dwelling growth is applied from 2019/20 onward, based on the last ten years of completions (2009/10–2018/19). An average annual dwelling growth of +265 pa is applied.   |
| Dwelling-led 15 year average            |  | Annual dwelling growth is applied from 2019/20 onward, based on the last fifteen years of completions (2004/05–2018/19). An average annual dwelling growth of +275 pa is applied.   |

<sup>4</sup> The population growth outcomes under each of the demographic scenarios excluding that part of the County which falls within the Brecon Beacons National Park are presented in Appendix A of the Edge Report.

- 2.6 The population growth trajectories for these scenarios for the Replacement LDP period 2018-2033 are shown in Chart 1 below. Population growth ranges from -4.0% under the Net Nil scenario to +17.8% under the PG Long Term Adjusted scenario. The 2017 Office for National Statistics mid-year estimate gives Monmouthshire a population of 93,590.
- 2.7 The household and dwelling implications of the demographic projections are evaluated through the application of membership rates, average household size, communal population statistics and a dwelling vacancy rate<sup>5</sup> of 4.5% based on the 2011 Census. In the dwelling-led scenarios these assumptions are used to determine the level of population growth required by the defined dwelling growth trajectory.

**Chart 1: Monmouthshire Population Growth Trajectory 2001–2033**



### Linking Population, Household and Employment Growth

- 2.8 It is recognised that there is not always a direct relationship between homes and jobs, however, it is important to consider both in tandem in order to assist in determining a sustainable level of growth to underpin the Replacement LDP. Analysis has therefore been undertaken to determine the likely demographic impact of various growth scenarios on homes and jobs with a view to achieving a sustainable balance between the two.
- 2.9 Using key assumptions on economic activity, unemployment and the commuting ratio (as defined in Table 2), the estimated employment growth that could be supported by the WG, dwelling and demographic trend scenarios has been calculated for each

<sup>5</sup> As defined in the Edge Analytics Demographic Draft Report

scenario as set out in the Edge Report. These assumptions have also been used in the employment-led scenarios.

**Table 2: Key Assumptions used in the Employment Growth Scenario Analysis**

|                                    |  |
|------------------------------------|--|
| <b>Economic Activity Rate</b>      | This has been adjusted in line with the Office for Budget Responsibility's (OBR) (July 2018) forecast of long-term changes to age-specific labour force participation. This forecast estimates that the aggregate economic activity rate (16-89) is estimated to reduce by approx. 2% points from 61% to 59% over the plan period 2018-2033.<br>More specifically, economic activity rates in the older age groups (55+) are expected to increase over the plan period, especially in the female groups. A small decline in economic activity rates is expected amongst the 35-54 age groups, although an increase is expected in the female equivalent. |
| <b>Unemployment Rate</b>           | Unemployment rate used in the modelling tracks historical data to 2017 and remains fixed thereafter at 3%. However, an alternative unemployment rate has also been considered in the employment-led scenarios which assumes a fall in the unemployment rate to 2%.   |
| <b>Commuting Ratio<sup>6</sup></b> | The 2011 Census recorded 43,210 workers living in Monmouthshire and 38,458 people working in Monmouthshire, which gives a net out-commuting ratio of 1.12 (i.e. there are more workers living in the County than available employment). However, alternative commuting ratios have also been considered in the employment-led scenarios (i.e. a reduced ratio of 1.10 and a balanced ratio of 1.00)  |

### Employment-led Scenarios

- 2.10 A range of employment-led scenarios have also been generated based on the evidence contained in the Economies of the Future Report which sets out average annual employment growth under Oxford Economics Baseline, UK Growth Rate and Radical Structural Change forecasts. Using an employment-led configuration of the POPGROUP model, the population and housing growth implications of the Baseline, UK Growth Rate, Radical Structure Change Lower and Radical Structural Change Higher economic forecasts have been estimated. All employment forecasts have been run using the economic assumptions outlined in Table 2 above, which are consistent with those applied to the demographic and dwelling-led scenarios (i.e. fixed unemployment rate and commuting ratio). The impact of an alternative unemployment rate and commuting ratio assumptions have also been considered (i.e. unemployment reducing and commuting ratio reducing/balanced). The employment-led scenarios generated are set out in Table 3.

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<sup>6</sup> The Commuting ratio is the balance between local employment and the size of the resident workforce. A commuting ration greater than 1.00 indicates a net out-commute (i.e. number of resident workers in an area is greater than the level of employment), A commuting ration less than 1.00 indicates a net in-commute (i.e. employment total is greater than number of resident workers).

**Table 3: Employment-led Scenarios**

| <b>Employment-led Scenarios</b>               | <b>Assumptions</b>   |
|---|--|
| Baseline                                      | Oxford Economics 'Baseline' forecast   |
| Baseline (UR reducing)                        | Unemployment rate reduces from current levels (3.0%) to 2.0% over the plan period, in line with the underpinning Oxford Economic 'Baseline' forecast.<br>Economic activity rate adjustments in line with the OBR forecast, commuting ratio remains fixed at the 2011 Census value (1.12).  |
| Baseline (CR reducing)                        | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).  |
| UK Growth Rate                                | Incorporates uplifts in identified underperforming sectors to match UK growth levels.  |
| UK Growth Rate (CR reducing)                  | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).  |
| Radical Structural Change Lower               | Consider the potential impact of substantial economic changes in Monmouthshire's economy, resulting in significantly higher employment growth range than under the 'Baseline' equivalent. Employment growth ranges from +3,866 to +8,273 jobs over the plan period (+258 to +552 pa). This option models the lowest end of the range for radical structural change.  |
| Radical Structural Change Lower (CR reducing) | As above, but commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).  |
| Radical Structural Change Lower (CR balanced) | As above, but commuting ratio reduces from 2011 Census value (1.12) to a balanced commuting ratio of 1.00 by the end of the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).   |
| Radical Structure Change Higher               | Consider the potential impact of substantial economic changes in Monmouthshire's economy, resulting in significantly higher employment growth range than under the 'Baseline' equivalent. Employment growth ranges from +3,866 to +8,273 jobs over the plan period (+258 to +552 pa). This option models the highest end of the range for radical structural change. |
| Radical Structure Change Higher (CR reducing) | As above, but commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).  |
| Radical Structure Change Higher (CR balanced) | As above, but commuting ratio reduces from 2011 Census value (1.12) to a balanced commuting ratio of 1.00 by the end of the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).   |

## Selected Alternative Growth Options

- 2.11 The twenty growth outcomes associated with the WG, demographic, dwelling-led and employment-led scenarios listed above are set out in detail in Edge Analytics Demographic Report (Executive Summary attached at Appendix 1). Given the quantum of scenarios generated, it is considered pertinent to condense these into a number of low, mid and high growth options to assist in determining the housing and employment requirements of the Replacement LDP. The options selected are considered to represent a realistic range of low, mid and high growth scenarios. The following options have therefore been selected for consideration as alternative growth options for consultation purposes. These include three demographic, one dwelling-led and four employment-led options as summarised in Table 4. The justification for selecting the alternative options is set out in Appendix 3.

**Table 4: Summary of Selected Growth Options**

| Options (type)             |   | Assumptions   |
|----------------------------|---|---|
| <b>Low Growth Options</b>  |   |   |
| Option 1<br>(Demographic)  | Net Nil Migration                                     | Internal and international migration flows are balanced between in- and out-flows, resulting in zero net migration.   |
| Option 2<br>(Demographic)  | WG 2014-based<br>Principal                            | Replicates the WG 2014-based population projection. Migration assumptions are based on the five-year period prior to 2014 (i.e. 2009/10–2013/14).   |
| <b>Mid Growth Options</b>  |   |   |
| Option 3<br>(Dwelling)     | Dwelling-led 15 year<br>average                       | Annual dwelling growth is applied from 2019/20 onward, based on the last fifteen years of completions (2004/05–2018/19). This gives an average annual dwelling growth of +275 pa in Monmouthshire.  |
| Option 4<br>(Employment)   | UK Growth Rates                                       | Incorporates uplifts in identified underperforming sectors to match UK growth levels. Estimates employment growth of +2,265 jobs (+151 pa) over the plan period.  |
| Option 5<br>(Employment)   | Radical Structural<br>Change* Lower (CR<br>reducing)  | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).   |
| <b>High Growth Options</b> |   |   |
| Option 6<br>(Demographic)  | PG Long Term<br>(adjusted)                            | Internal in-migration rates are adjusted to reflect higher in-migration (based on the last 5-years) from Bristol and South Gloucestershire, following the removal of the Severn Bridge tolls. All other migration flow assumptions are consistent with the PG Long Term scenario. |
| Option 7<br>(Employment)   | Radical Structural<br>Change* Higher (CR<br>reducing) | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.   |

| Options (type)        |                                   | Assumptions  |
|-----------------------|-----------------------------------|--|
|                       |                                   | Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%). |
| Option 8 (Employment) | Radical Structural Change* Higher | Assumes no change in the commuting ratio balance and unemployment rate.  |

\*'Radical Structural Change' (RSC) scenarios consider the potential impact of substantial economic changes in Monmouthshire's economy, resulting in a significantly higher employment growth range than under the 'Baseline' and UK Growth equivalent. Under these scenarios, employment growth ranges from +3,866 to +8,273 jobs over the plan period, averaging +258 and +552 pa respectively.

- 2.12 The following section considers the population, household, dwelling and employment implications associated with each of the alternative growth options set out in Table 4, together with their wider implications for the County and the extent to which they will achieve the Replacement LDP objectives. The performance of the options in relation to the draft objectives is assessed according to the ratings set out in Table 5. A summary of the implications of the growth options is set out in Table 14.

**Table 5: Key to Assessment of Options against Draft Replacement LDP Objectives**

| Rating | Predicted effect                |
|--------|---------------------------------|
| Green  | Helps to achieve the objective. |
| Amber  | Neutral impact on objective.    |
| Red    | Unlikely to achieve objective.  |

- 2.13 At this stage no single growth option is considered preferable. The options presented provide an indication of the scale of growth that the Replacement LDP will potentially need to address having regard to the evidence base and policy aspirations. It should be noted that policy aspirations and economic change can influence the quantum of housing growth. Therefore, in determining the dwelling requirement for the Replacement LDP consideration must be given to various policy aspirations, including economic growth ambitions/strategies that the Council is looking to support. These include the CCR City Deal and the Council's Growth Ambition (based on Economies of the Future work).

## Selected Growth Options

### Low Growth Options

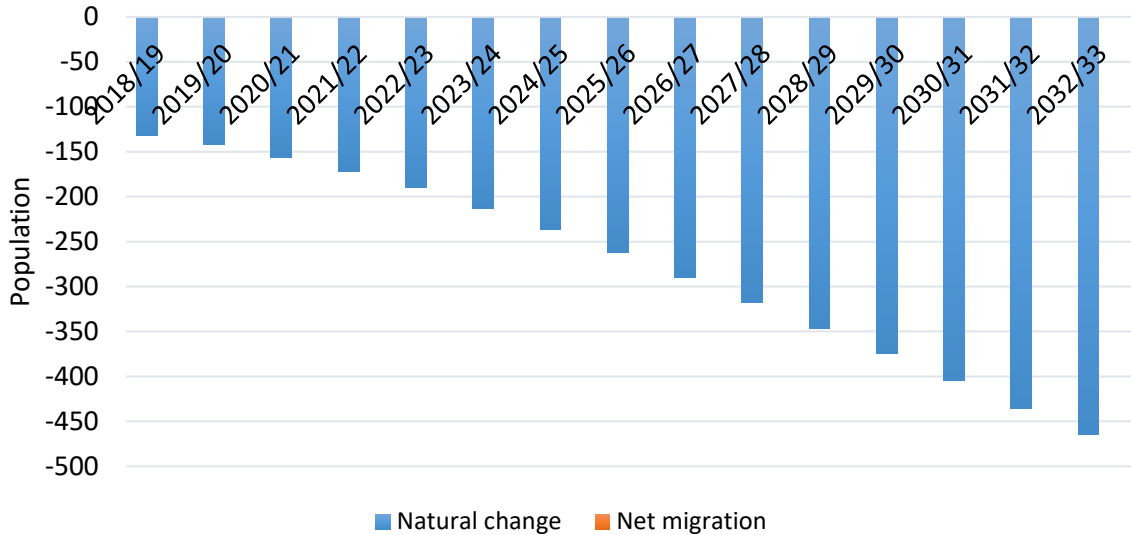
#### Option 1: Net Nil Option

- 2.14 The purpose of this option is to test the impact of zero net migration. Internal and international migration in-flows and out-flows are balanced to depict how natural change (i.e. births and deaths) alone could affect future population and household growth. This option projects a population decline of 4,136 (4.4%) and a decline of 165 (0.4%) in the number of households in the County over the plan period. This level of decline translates into a negative dwelling requirement of 12 dpa (dwellings per annum) between 2018 and 2033.



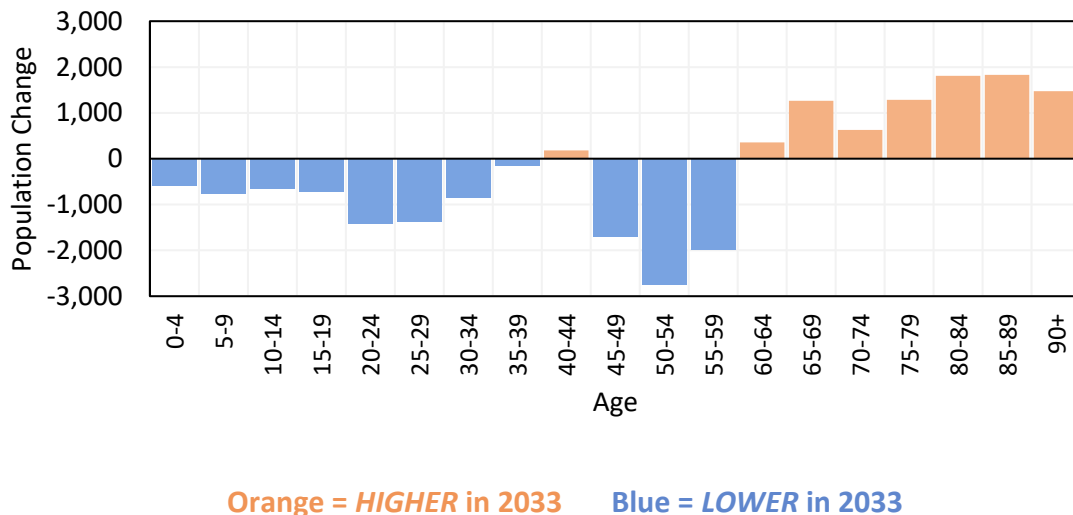
2.15 Chart 2 below illustrates that under this option, with no net inward migration, there would be an increasing negative level of natural change over the plan period with fewer births than deaths as the population ages. Monmouthshire’s communities would decline.

**Chart 2: Components of Population Change**

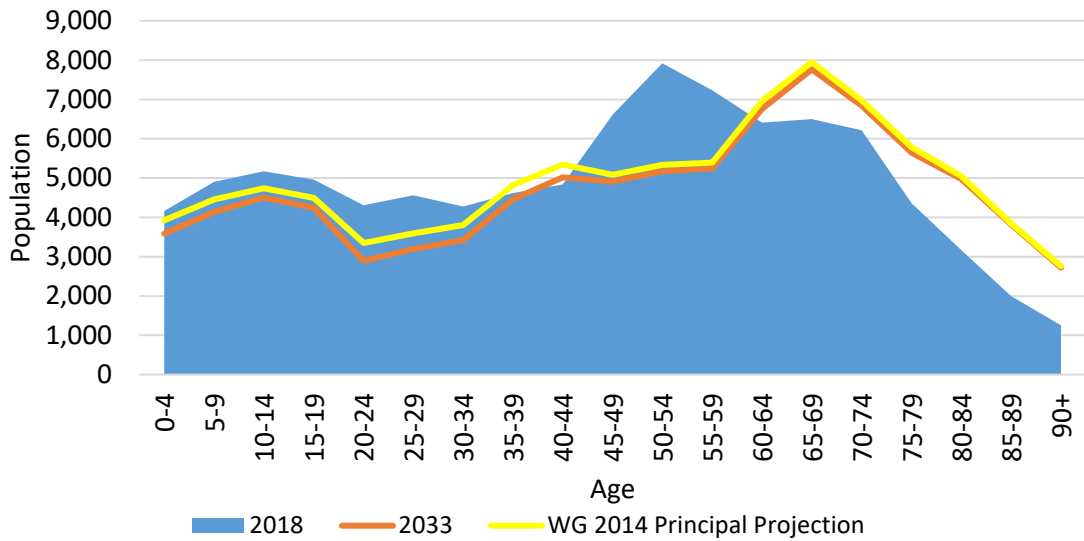


2.16 This option impacts significantly on the age profile of the County leading to an unbalanced demographic, with only the over 60 age group showing any substantial growth over the plan period. The 40-44 age group shows minimal growth, while all other age groups show a decline. (Charts 3 and 4).

**Chart 3: Population Growth/Decline by Age Group 2018-2033**

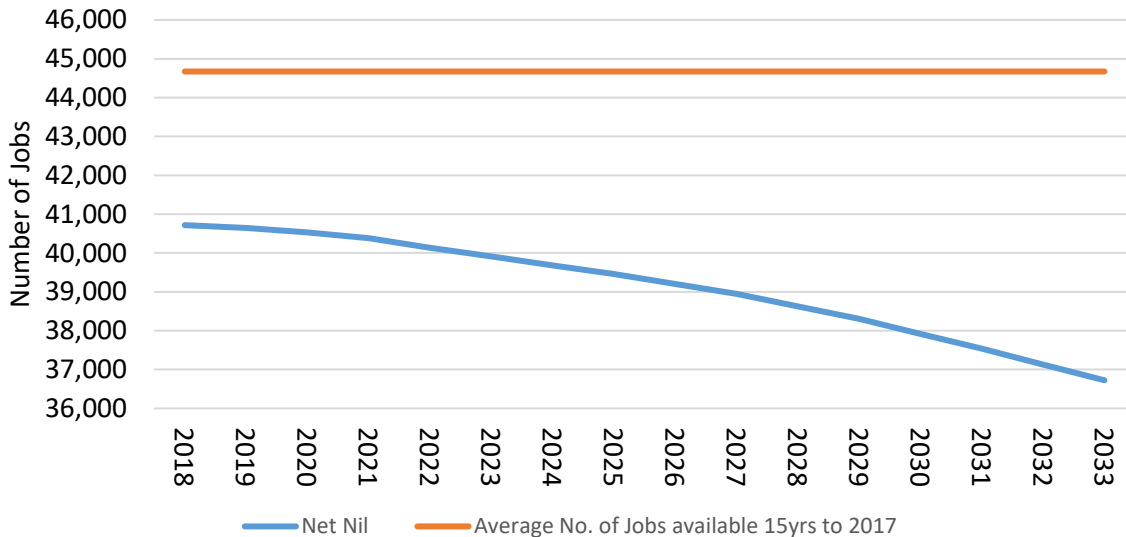


**Chart 4: Implications for the Age Profile of Monmouthshire**



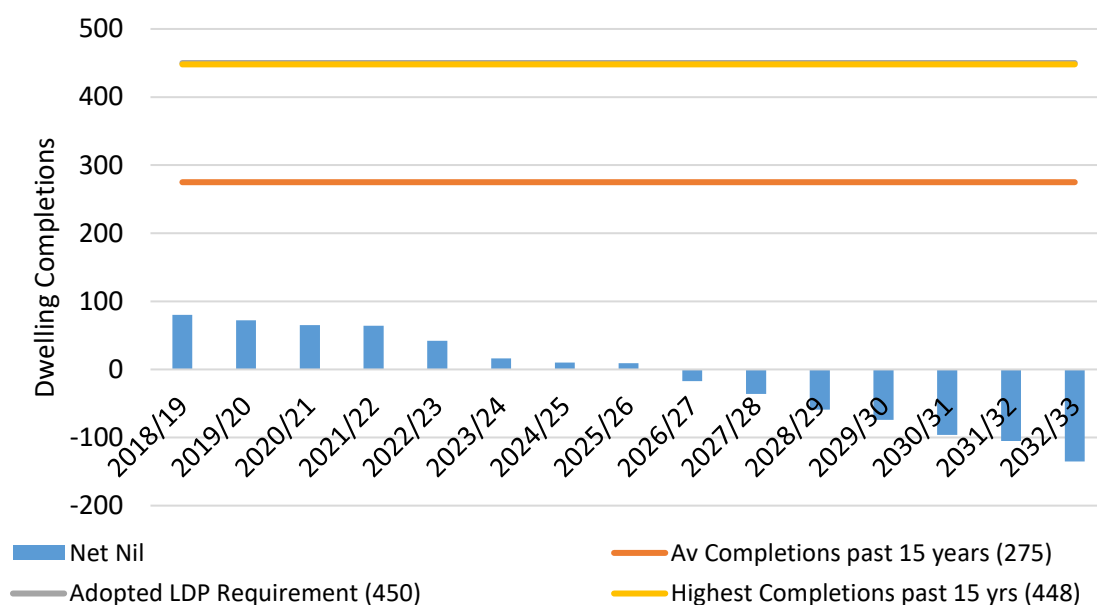
2.17 This option also projects a significant decline in employment over the plan period, 9.8% from 40,718 jobs in 2018 to 36,725 in 2033. The number of job losses per annum is also projected to increase over the plan period, from 74 jobs lost in 2018/19 to over 400 jobs lost in 2032/33. This is due to the lack of any net migration flows coupled with a significantly ageing, economically inactive population profile (Chart 5).

**Chart 5: Implications for Employment Growth**



2.18 All of these factors impact on the dwelling requirement over the plan period. There is a low level of need during the first half of the plan period, less than 100 dwellings per annum, after which there is a negative need, resulting in an average requirement of -12dpa over the whole plan period (Chart 6).

**Chart 6: Dwelling Requirement**



2.19 This clearly illustrates the fact that all of the population change and employment growth in Monmouthshire is driven by in-migration and thus this option would not provide a robust basis to inform the replacement LDP’s housing requirement figure.

2.20 The implications associated with this growth option include:

- An increase in the proportion of the older and elderly people living in the County, impacting upon the type of housing required and service providers across public and private sectors.
- A decline in school aged children, placing less pressure on the capacity of existing schools, although it would provide no scope to secure any improvements through planning gain and could lead to potential school closures.
- A decline in the working age population in the County with a declining work force unable to support local employment provision leading to job losses and a negative impact on the local economy.
- With a net loss of dwellings a reduction in the level of affordable housing secured through the planning system and a restricted supply which could lead to higher house prices. Thus making the County even less affordable to the younger working age population and perpetuating the demographic imbalance.
- Any deficiencies in access to good quality open space exacerbated due to no growth to support additional provision and/or upgrades to existing provision.
- Difficulties in sustaining services/facilities across the County with resulting negative impacts e.g. rural isolation etc.
- Inability to secure infrastructure provision/upgrades through planning gain from development.

**Table 6: Assessment of Option 1 against the Draft LDP Objectives**

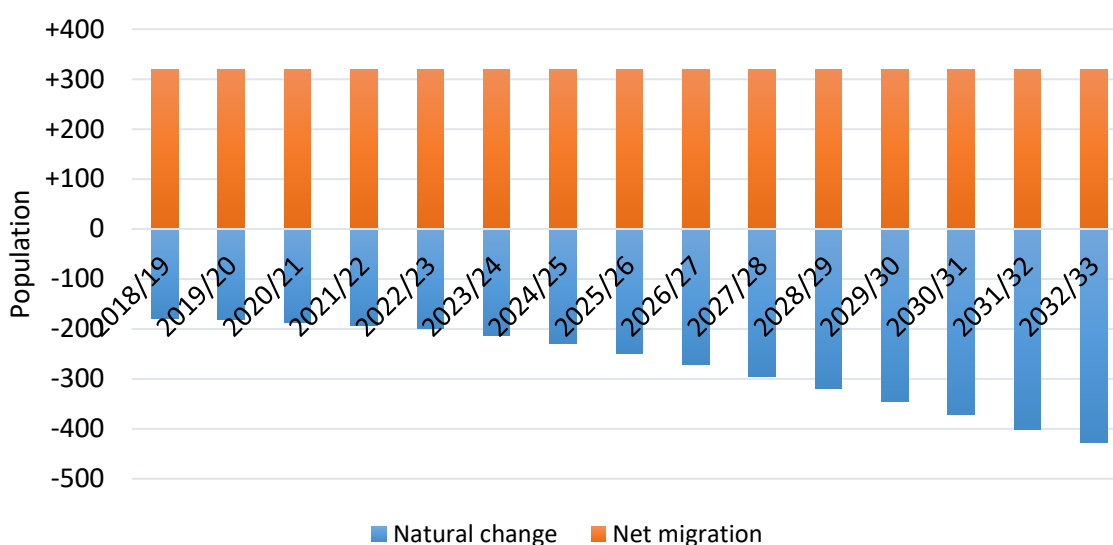
| LDP Objective Number                          | LDP Objective - Headline                         | Performance of Option 1 against the LDP Objectives   |
|---|--|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |  |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | A declining working age population in the County unable to support local employment provision would lead to job losses and a negative impact on the local economy, a loss of 266 jobs pa. Provides no opportunity to create a thriving, well-connected, diverse economy.   |
| <b>Objective 2</b>                            | Retail centres                                   | Declining customer base would impact negatively on the viability, vitality and attractiveness of the retail centres in the County's towns.   |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |  |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | There would be no negative impact on the natural environment, although at the same time it would provide no opportunities to improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.  |
| <b>Objective 4</b>                            | Flood risk                                       | There would be no negative impact on areas of flood risk, as there would be no need for additional housing or employment development.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | There would be no negative impact on minerals and waste, mineral landbank obligations can be met.  |
| <b>Objective 6</b>                            | Land   | Negative employment and housing growth would not promote the efficient use of land or maximise opportunities for the use of previously developed land. This option could result in more derelict sites being created.  |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources, although at the same time provides no opportunities for improvements.  |
| <b>A Healthier Wales (Well-being Goal 3)</b>  |  |  |
| <b>Objective 8</b>                            | Health and Well-being                            | Would have a negative impact on health and well-being with an ageing and declining population and no growth to support additional provision and/or upgrades to existing provision or to sustain existing provision. Any deficiencies in provision of good quality open space would be exacerbated.                               |
| <b>A More Equal Wales (Well-being Goal 4)</b> |  |  |
| <b>Objective 9</b>                            | Demography                                       | Would result in an increase in the proportion of the older and elderly people living in the County leading to an unbalanced demographic. Very limited opportunities for the younger population to live and work in the County. Difficulties in sustaining services/facilities across the County will exacerbate rural isolation. |

| LDP Objective Number  | LDP Objective Headline               | Performance of Option 1 against the LDP Objectives   |
|---|--------------------------------------|--|
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b>                          |                                      |  |
| <b>Objective 10</b>   | Housing                              | No requirement for additional housing although an ageing demographic would require a different type of housing to that currently available. With a net loss of dwellings there would be a reduction in the availability of affordable and market housing.  |
| <b>Objective 11</b>   | Place-making                         | No requirement for new housing so provides no opportunity to enhance the character and identity of Monmouthshire's settlements.  |
| <b>Objective 12</b>   | Communities                          | Would impact negatively on communities with an unbalanced demographic, providing no opportunity for job creation or improvements to existing services and facilities.  |
| <b>Objective 13</b>   | Rural Communities                    | Would impact negatively on rural communities by providing no opportunity to strengthen the rural economy or opportunities for people to stay in their local communities. Difficulties in sustaining services/facilities across the County would increase rural isolation.  |
| <b>Objective 14</b>   | Infrastructure                       | Would have a negative impact as unbalanced demographic would result in falling school numbers and could result in school closures. Increased pressure on health care. Difficulties in sustaining services/facilities across the County would increase rural isolation.   |
| <b>Objective 15</b>   | Accessibility                        | Would have a negative impact as loss of employment would limit job opportunities in the County leading to a continuation of out-commuting levels in the short term, reducing as the population ages. Lack of employment opportunities within settlements would not encourage active travel and the use of sustainable transport options.   |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |  |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | There would be no negative impact on culture and heritage, but at the same time offers no benefits for the economy, tourism and social well-being of communities. No impact on Welsh Language.   |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |  |
| <b>Objective 17</b>   | Climate Change                       | There would be no negative impact on climate change, with a reduction in commuting in the long term as the population ages being a positive. At the same time there would be limited opportunities to contribute to minimising carbon by providing opportunities for renewable energy generation, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

## Option 2: Welsh Government (WG) 2014-Based Principal Projection.

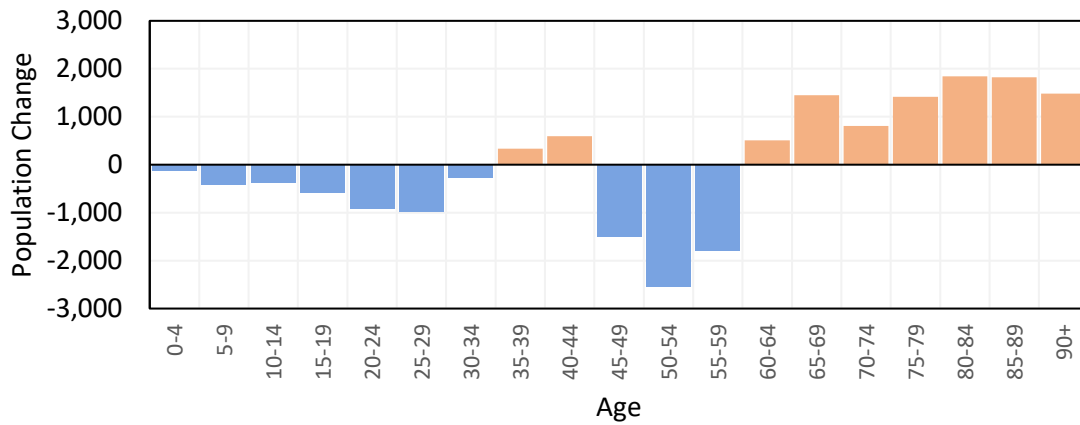
- 2.21 This option replicates the WG 2014-Based Principal Projection, incorporating trends on births, deaths and migration from the preceding five years. This option projects a population increase of 726 (0.8%) with a corresponding increase of 1,641 households (4.1%) in the County over the plan period. This projection is towards the lower end of the household growth range identified in the LDP Demographic Evidence paper, estimating an average annual dwelling growth of 115 dpa over the 2018– 2033 plan period (total 1,725 dwellings). The figure of 115 dpa is lower than the current LDP dwelling requirement of 450 dpa and also well below average completions over the past 5 (280 dpa) and 10 years (265 dpa).

**Chart 7: Components of Change**



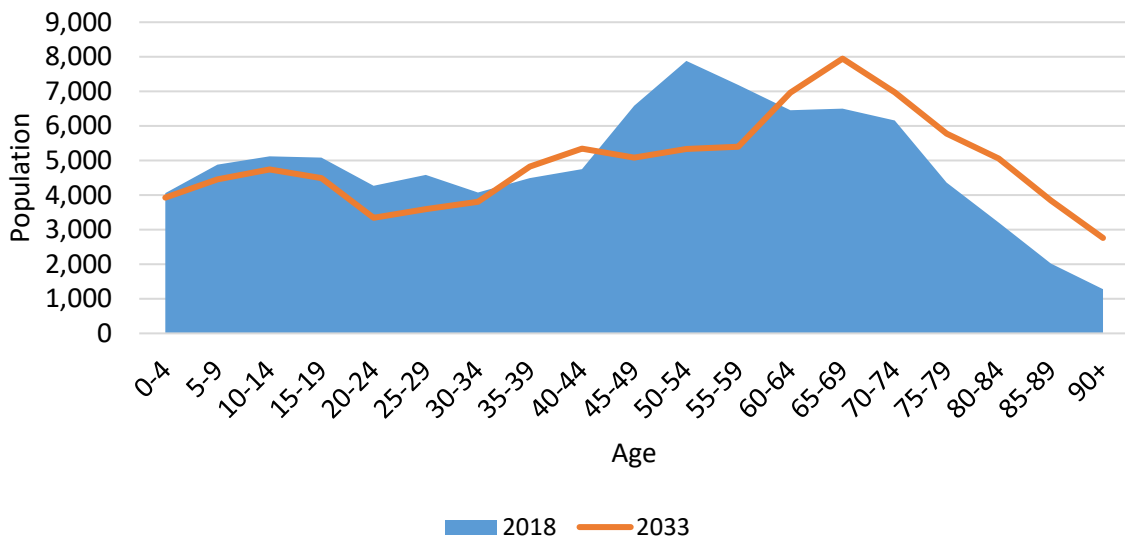
- 2.22 This option projects net in-migration of in the region of 300 persons pa throughout the plan period, however this is out-weighted toward the end of the plan period by increasing negative natural change as the population ages (Chart 7).
- 2.23 As with the net nil option this option has significant implications on the age profile of the County. Whilst there is a low level of growth in the 35-44 age groups the majority of population growth is coming from the over 60 age groups with all other age groups experiencing negative growth, again resulting in an unbalanced demographic (Charts 8 and 9).

**Chart 8: Population Growth/Decline by Age Group 2018-2033**



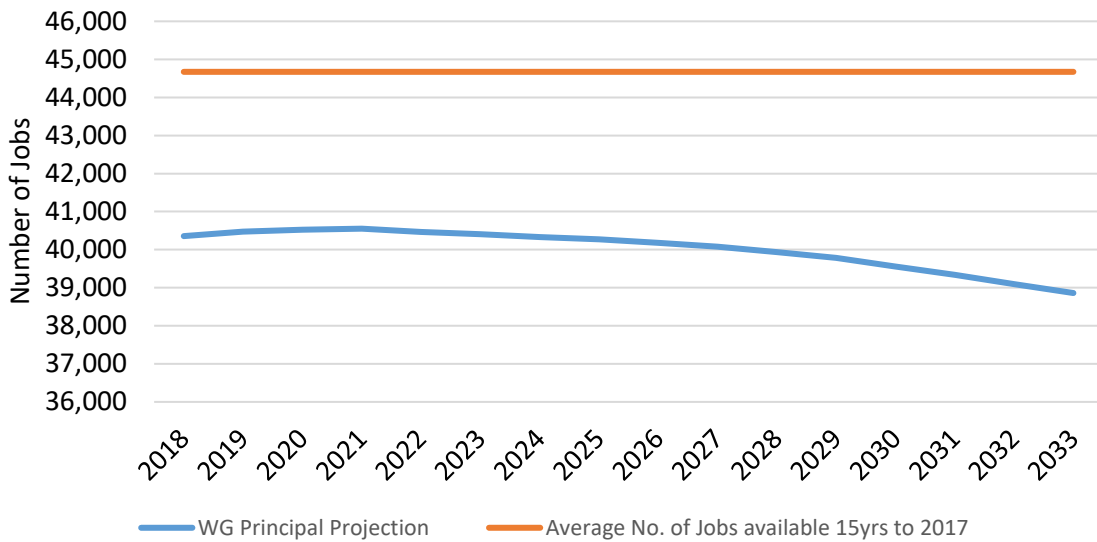
Orange = HIGHER in 2033    Blue = LOWER in 2033

**Chart 9: Implications for the Age Profile of Monmouthshire**



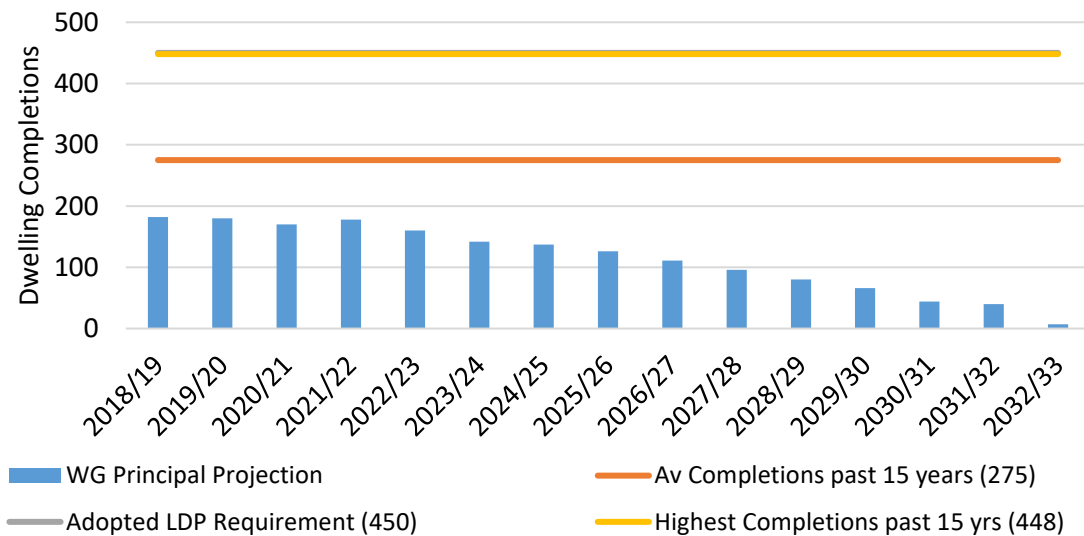
2.24 Whilst this option projects an increase of some 300 jobs over the first three years of the plan period, after this there is a projected decline in the number of jobs in the County, a decline of some 100 jobs pa (Chart 10). As this option would not drive job creation in the long term, it would result in an outflow of workers from the County thus negatively impacting on the local economy and increasing out-commuting. It would also mean that there would again be implications in terms of keeping younger people within the County to both live and work and would therefore be in direct conflict with key objectives of the proposed Replacement LDP Strategy.

**Chart 10: Implications for Employment Growth**



2.25 All of these factors impact on the dwelling requirement over the plan period. The dwelling requirement within this option equates to an average of 115 per year, much lower than the average build rate over the past 15 years and significantly lower than the adopted LDP requirement (Chart 11).

**Chart 11: Dwelling Requirement**



2.26 The implications associated with this growth option include:

- An increase in the proportion of the older and elderly people living in the County, impacting upon the type of housing required and service providers across public and private sectors.
- A decline in school aged children, placing less pressure on the capacity of existing schools, although it would provide no scope to secure any improvements through planning gain and could lead to potential school closures.



- A decline in the working age population in the County with a declining work force unable to support local employment provision leading to job losses.
- A reduction in the level of affordable housing secured through the planning system making the County even less affordable to the younger working age population.
- Any deficiencies in access to good quality open space exacerbated due to limited growth to support additional provision and/or upgrades to existing provision.
- Potential difficulties in sustaining services/facilities across the County with resulting negative impacts e.g. rural isolation etc.
- Inability to secure meaningful infrastructure provision/upgrades through planning gain from development.

**Table 7: Assessment of Option 2 against LDP Objectives**

| LDP Objective Number                          | LDP Objective -<br>Headline                            | Performance of Option 2 against the LDP Objectives   |
|---|--|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |  |
| <b>Objective 1</b>                            | Economic Growth/<br>Employment                         | A declining working age population in the County unable to support local employment provision would lead to job losses and a negative impact on the local economy, a loss of 100 jobs pa. Provides no opportunity to create a thriving, well-connected, diverse economy. |
| <b>Objective 2</b>                            | Retail centres   | Limited potential to increase customer base would impact negatively on the vitality, viability and attractiveness of the retail centres in the County's towns.   |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |  |
| <b>Objective 3</b>                            | Green Infrastructure,<br>Biodiversity and<br>Landscape | There would be no negative impact on the natural environment, although at the same time it would provide few opportunities to create new linkages through improvements to Green Infrastructure and ecological connectivity.  |
| <b>Objective 4</b>                            | Flood risk   | There would be no negative impact as the low level of growth can be located away from areas of flood risk and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                                     | There would be no negative impact on minerals and waste, mineral landbank obligations can be met.  |
| <b>Objective 6</b>                            | Land   | Negative employment and very limited housing growth would not promote the efficient use of land or maximise opportunities for the use of previously developed land.  |
| <b>Objective 7</b>                            | Natural resources                                      | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.  |

| LDP Objective Number                                       | LDP Objective Headline | Performance of Option 2 against the LDP Objectives   |
|--|------------------------|--|
| <b>A Healthier Wales (Well-being Goal 3)</b>               |                        |  |
| <b>Objective 8</b>   | Health and Well-being  | Would have a negative impact on health and well-being with an ageing population and a very low level of growth to support additional provision and/or upgrades to existing provision. Any deficiencies in provision of good quality open space would be exacerbated.   |
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                        |  |
| <b>Objective 9</b>   | Demography             | Would result in an increase in the proportion of the older and elderly people living in the County leading to an unbalanced demographic. Very limited opportunities for the younger population to live and work in the County.   |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                        |  |
| <b>Objective 10</b>  | Housing                | With a very low build rate would not be able to offer the range of homes that the ageing demographic would require. Very limited opportunity to secure additional market and affordable housing.   |
| <b>Objective 11</b>  | Place-making           | Low requirement for new housing so provides very limited opportunity to enhance the character and identity of Monmouthshire's settlements.   |
| <b>Objective 12</b>  | Communities            | Would impact negatively on communities with an unbalanced demographic, providing few opportunities for job creation or improvements to existing services and facilities.   |
| <b>Objective 13</b>  | Rural Communities      | Would impact negatively on rural communities by providing few opportunities to strengthen the rural economy or opportunities for people to stay in their local communities. Difficulties in sustaining services/facilities across the County will result in rural isolation.   |
| <b>Objective 14</b>  | Infrastructure         | Would have a negative impact as unbalanced demographic would result in falling school numbers and increased pressure on health care. However appropriate infrastructure could be provided to accommodate any new development.  |
| <b>Objective 15</b>  | Accessibility          | Would have a negative impact as loss of employment would limit job opportunities in the County leading to a continuation of out-commuting levels in the short term, reducing as the population ages. Lack of employment opportunities within settlements would not encourage active travel and the use of sustainable transport options. |

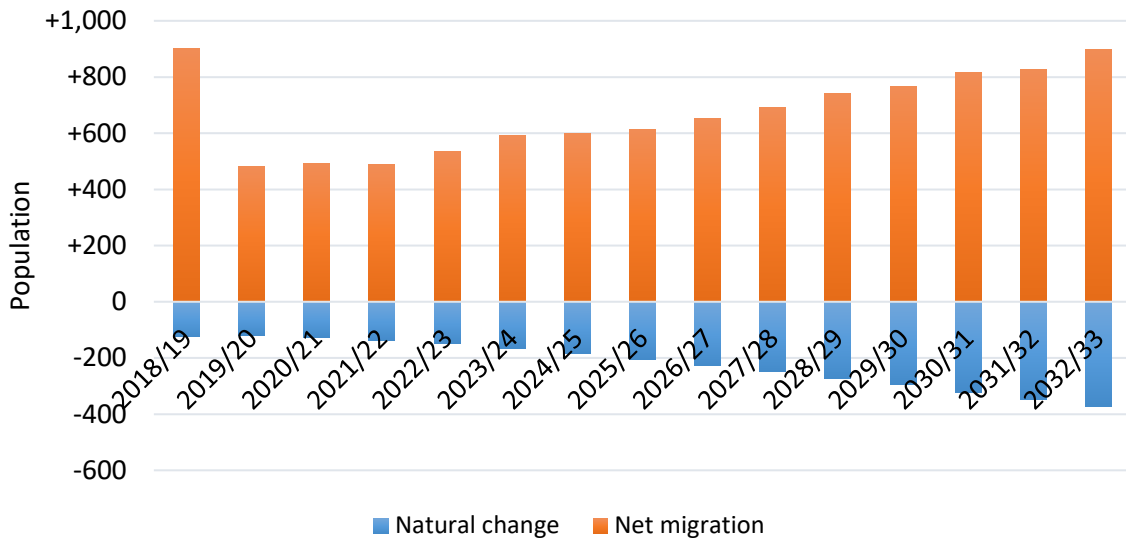
| LDP Objective Number  | LDP Objective Headline               | Performance of Option 2 against the LDP Objectives   |
|---|--------------------------------------|--|
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |  |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | There would be no negative impact on culture and heritage, but at the same time offers few benefits for the economy, tourism and social well-being of communities. No impact on Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |  |
| <b>Objective 17</b>   | Climate Change                       | There would be no negative impact on climate change, with a reduction in commuting in the long term as the population ages being a positive. At the same time there would be limited opportunities to contribute to minimising carbon by providing opportunities for renewable energy generation, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

## Mid Growth Options

### Option 3: Dwelling-led (15yr Average).

2.27 The 15 Year dwelling-led option is based on residential completions in the Monmouthshire County Council planning area from 2004 to 2018/19 and assumes an average annual dwelling growth rate of 275 per annum during this period. This produces a dwelling growth of 4,305, an average of 287 dpa over the new plan period. This level of dwelling growth would result in a population increase of 6,800 persons (7.2%) with a corresponding increase of 4,105 (10.2%) in the number of households in the County over the plan period. A key benefit of considering this level of growth is that it is based on actual past delivery rates and takes account of local socio-economic conditions. However, it needs to be borne in mind that this would represent a continuation of past dwelling completion rates and so would not address the demographic and economic challenges that we are seeking to address and doesn't take account of Council ambitions or aspirations: it simply replicates what has happened previously.

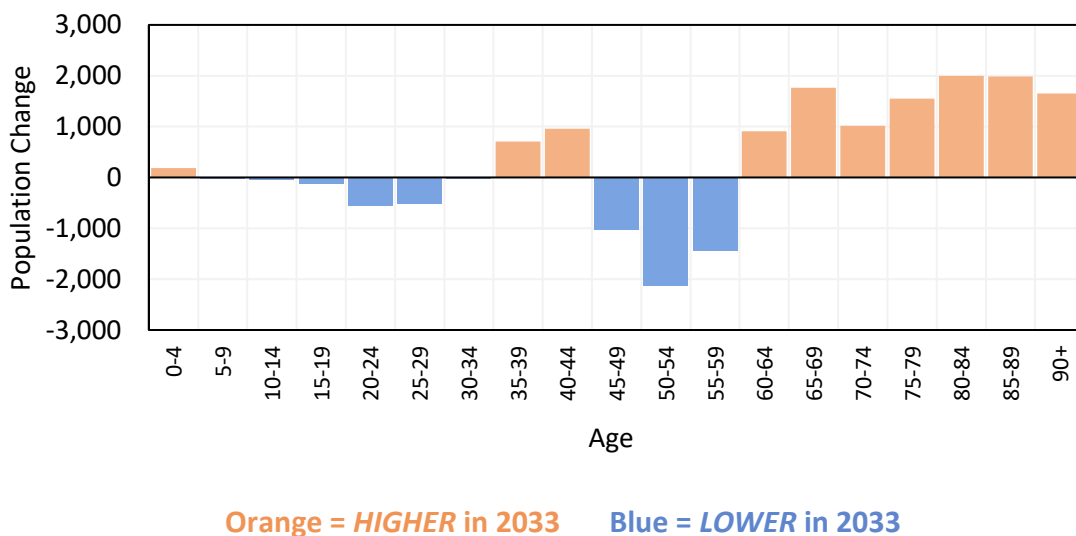
**Chart 12: Components of Population Change**



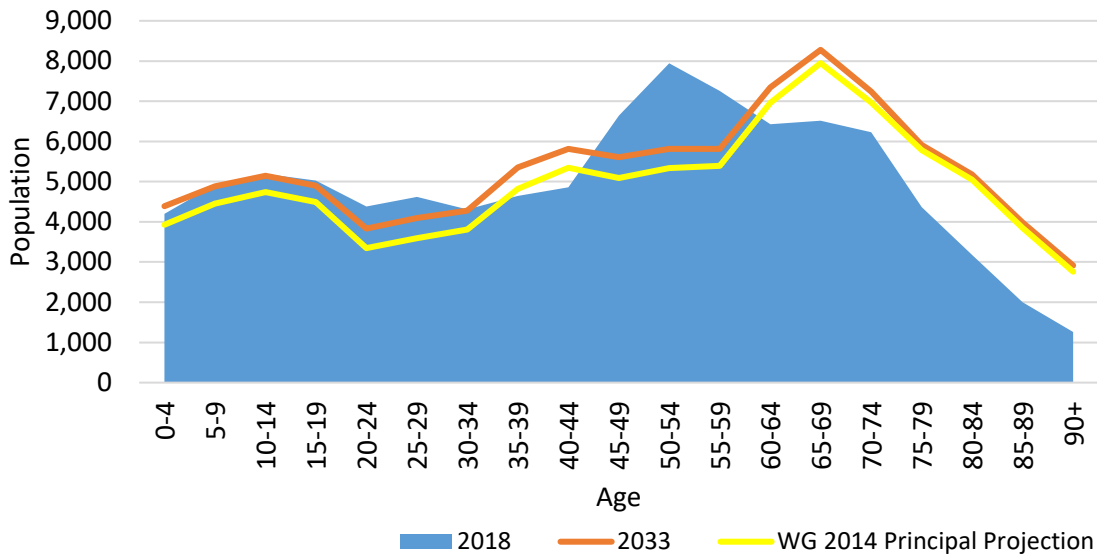
2.28 This option projects net average in-migration of around 670 persons pa throughout the plan period, out-weighing the negative impact of natural change, leading to a net growth in the population (Chart 12).

2.29 As with the previous options, this option also impacts on the age profile of the County. Whilst there is a higher level of growth in the 35-44 age groups, the majority of population growth is still coming from the over 60 age groups, with the 5-29 and 45-59 age groups declining, again resulting in an unbalanced demographic (Charts 13 and 14).

**Chart 13: Population Growth/Decline by Age Group 2018-2033**

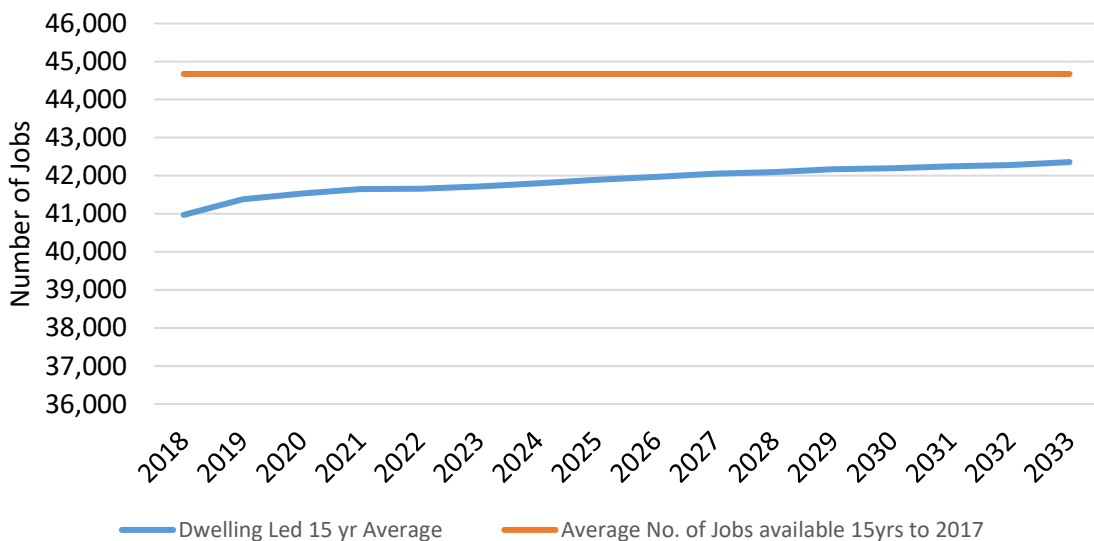


**Chart 14: Implications for the Age Profile of Monmouthshire**



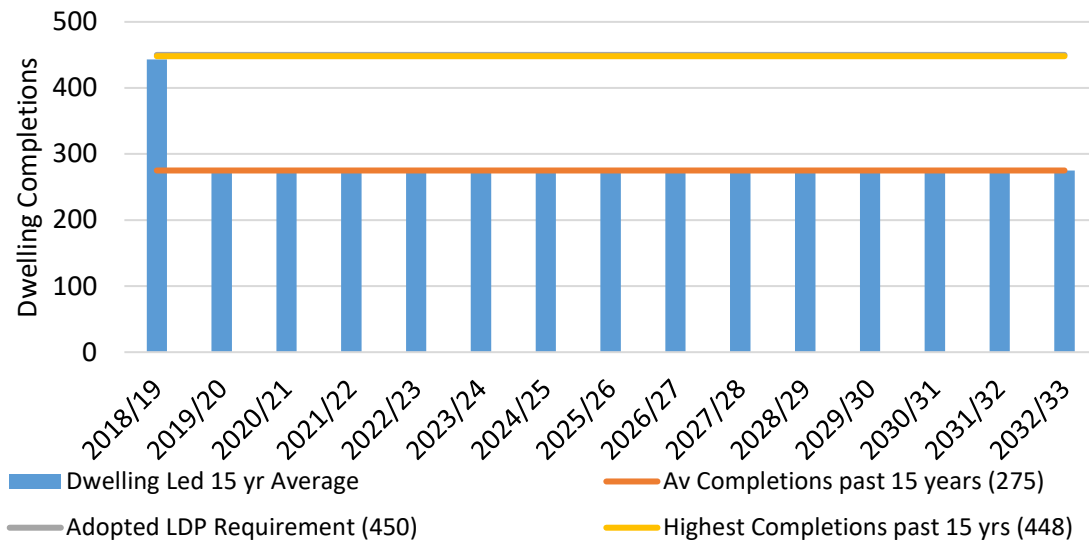
2.30 In contrast to the previous options, this option projects a growth of 90 jobs pa, a total of 1,389 jobs over the plan period. However, in terms of the average number of jobs in the County this option predicts a lower level than in the previous 15 years. In the 15 years to 2017 there were an average of 44,700 jobs available within the County, under this option there is projected to be an average of 41,900 jobs available. As this option would not drive job creation in the long term, it would result in an outflow of workers from the County thus impacting on the local economy and having no beneficial impact on the level of out-commuting. It would also mean that there would again be implications in terms of keeping younger people within the County to both live and work and thus would be in direct conflict with key objectives of the proposed Replacement LDP Strategy (Chart 15).

**Chart 15: Implications for Employment Growth**



2.31 This option simply represents a continuation of the dwelling growth rates from the past 15 years, i.e. ‘business as usual’, so would entail a continuation of the average dwelling completions of 275 dpa over the plan period which is significantly below the adopted LDP dwelling requirement of 450 dpa (Chart 16).

**Chart 16: Dwelling Requirement**



2.32 The implications associated with this growth option include:

- An increase in the proportion of the older and elderly people living in the County, impacting upon the type of housing required and service providers across public and private sectors.
- A stable number of school aged children, placing no pressure on the capacity of existing schools, but with limited opportunities to secure improvements to existing schools through planning gain.
- Some growth in established households around the 35-44 age group, which could fuel some employment growth, although the overall number of jobs is projected to be at a lower level than in the previous 15 years, indicating that people will still need to leave the County to access employment. This would not reduce levels of out-commuting or promote sustainable travel to work patterns.
- Opportunities to secure affordable housing through the planning system.
- Opportunities to secure and/or enhance green infrastructure, public open space and recreation provision through planning gain.
- Opportunities to secure infrastructure provision/upgrades through planning gain from development.

**Table 8: Assessment of Option 3 against LDP Objectives**

| LDP Objective Number                                       | LDP Objective -<br>Headline                            | Performance of Option 3 against the LDP Objectives   |
|--|--|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b>              |  |  |
| <b>Objective 1</b>   | Economic Growth/<br>Employment                         | Would result in a low level of employment growth (93 jobs pa) but would not provide enough impetus to encourage greater indigenous business growth or encourage inward investment. Provides limited opportunity to create a thriving, well-connected, diverse economy. |
| <b>Objective 2</b>   | Retail centres   | Would provide opportunity to add to the customer base in existing centres but would be unlikely to address the pressures the retail centres in the County's towns are currently facing.  |
| <b>A Resilient Wales (Well-being Goal 2)</b>               |  |  |
| <b>Objective 3</b>   | Green Infrastructure,<br>Biodiversity and<br>Landscape | Likely to result in further pressure on the natural environment. New developments could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.  |
| <b>Objective 4</b>   | Flood risk   | Level of development likely to result in development in areas which have floodplains. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.         |
| <b>Objective 5</b>   | Minerals and Waste                                     | There would be no negative impact on minerals and waste, mineral landbank obligations can be met.  |
| <b>Objective 6</b>   | Land   | Limited opportunities for brownfield development, likely to be predominately greenfield development.   |
| <b>Objective 7</b>   | Natural resources                                      | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.  |
| <b>A Healthier Wales (Well-being Goal 3)</b>               |  |  |
| <b>Objective 8</b>   | Health and Well-being                                  | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space.  |
| <b>A More Equal Wales (Well-being Goal 4)</b>              |  |  |
| <b>Objective 9</b>   | Demography   | Would result in an increase in the proportion of the older and elderly people living in the County leading to an unbalanced demographic. Limited opportunities for the younger population to live and work in the County.  |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |  |  |
| <b>Objective 10</b>  | Housing  | Would provide opportunity to offer the range of homes that the ageing demographic would require. Level of development would provide opportunity to secure market and affordable homes.   |

| LDP Objective Number  | LDP Objective Headline               | Performance of Option 3 against the LDP Objectives   |
|---|--------------------------------------|--|
| <b>Objective 11</b>   | Place-making                         | Any developments will need to enhance the character and identity of the settlements and be in accordance with national sustainable place-making principles.  |
| <b>Objective 12</b>   | Communities                          | Could impact negatively on communities with an unbalanced demographic. New development however will provide opportunities for job creation and improvements to existing services and facilities.   |
| <b>Objective 13</b>   | Rural Communities                    | Could impact negatively on communities with an unbalanced demographic. New development however could help strengthen the rural economy and address rural isolation. Assisting in building sustainable rural communities.   |
| <b>Objective 14</b>   | Infrastructure                       | Appropriate infrastructure could be provided to accommodate any new development.   |
| <b>Objective 15</b>   | Accessibility                        | Would result in a low level of employment growth, so would be unlikely to lead to a significant reduction in commuting. On the other hand any new developments will need to consider active travel and integrated sustainable transport.   |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |  |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Has the potential to impact on the heritage of a number of settlements in Monmouthshire. On the other hand through design developments can protect and enhance the built environment as well as provide benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |  |
| <b>Objective 17</b>   | Climate Change                       | There would be no negative impact on climate change as the resilience of new development to aspects of climate change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

#### Option 4: Matching UK Growth Rate

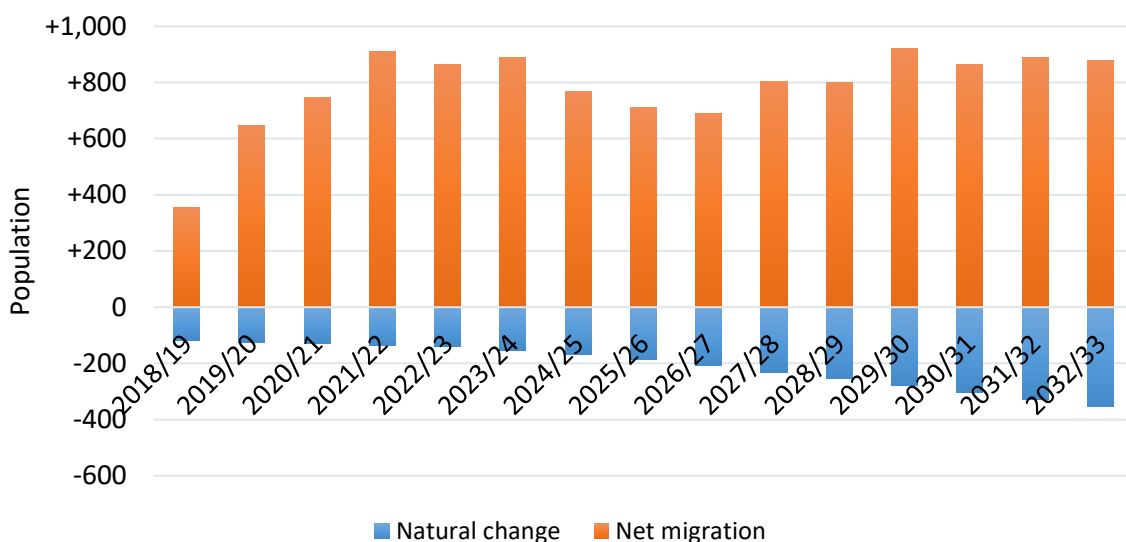
- 2.33 This option differs to the previous options in that it is employment-led. Therefore, instead of estimating the level of employment that the relevant forecast population or housing growth trajectory could support, it considers the potential impact of employment change on population and housing growth. The underlying data for this



projection is taken from the baseline projections on employment growth produced by Oxford Economics for the Council’s Future Monmouthshire: Economies of the Future Economic Baseline Report (March 2018).

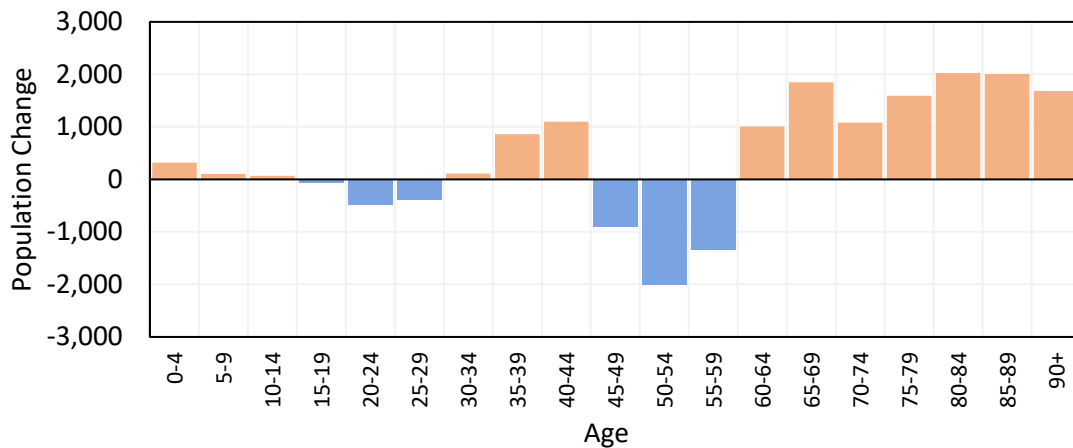
- 2.34 To match the UK growth rate this option would require annual employment growth of 151 jobs, equating to 2,265 jobs over the plan period. Further provision of employment opportunities requires additional labour, which can be brought in from elsewhere (in-commuting or migration) or provided by the spare capacity within Monmouthshire itself or as a result of reduced out-commuting.
- 2.35 This option uses economic assumptions that are consistent with those applied to Monmouthshire’s demographic and dwelling-led scenarios as set out in Table 2 above. By applying these principles this employment-led option projects a population increase of 8,616 (9.1%) with a corresponding increase of 4,820 (12%) in the number of households in the County over the plan period. This represents a projected dwelling growth rate of 5,055 (337 dpa) to support this level of employment growth.

**Chart 17: Components of Population Change**



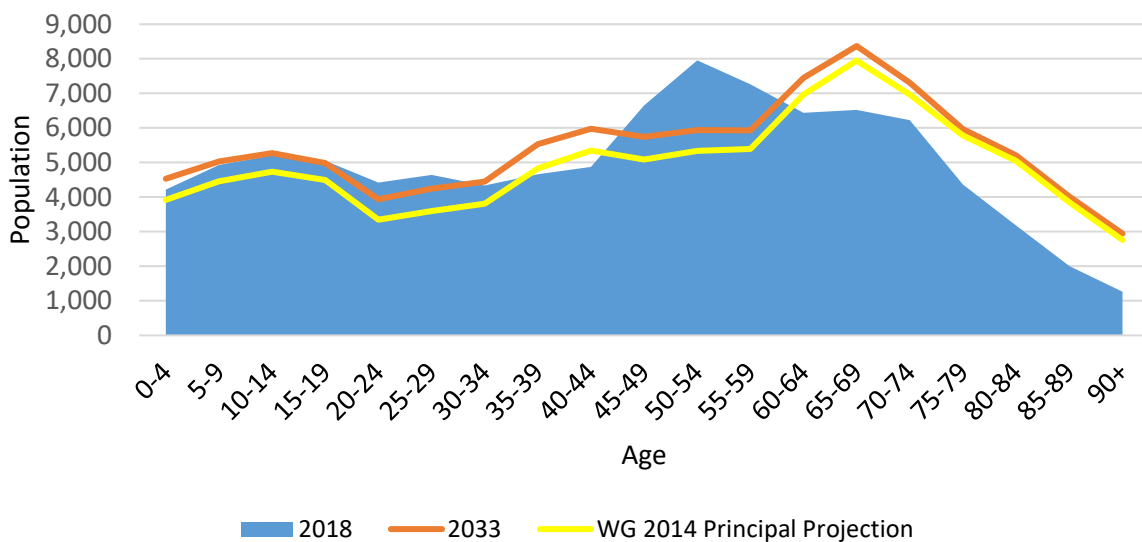
- 2.36 This option projects net average in-migration of 780 persons pa throughout the plan period, out-weighting the negative impact of natural change, leading to a net growth in the population (Chart 17).
- 2.37 Whilst there is a higher level of growth in the 35-44 age groups the majority of population growth is still coming from the over 60 age groups. The 15-29 and 45-59 age groups are declining, resulting in an unbalanced demographic (Charts 18 and 19).

**Chart 18: Population Growth/Decline by Age Group 2018-2033**



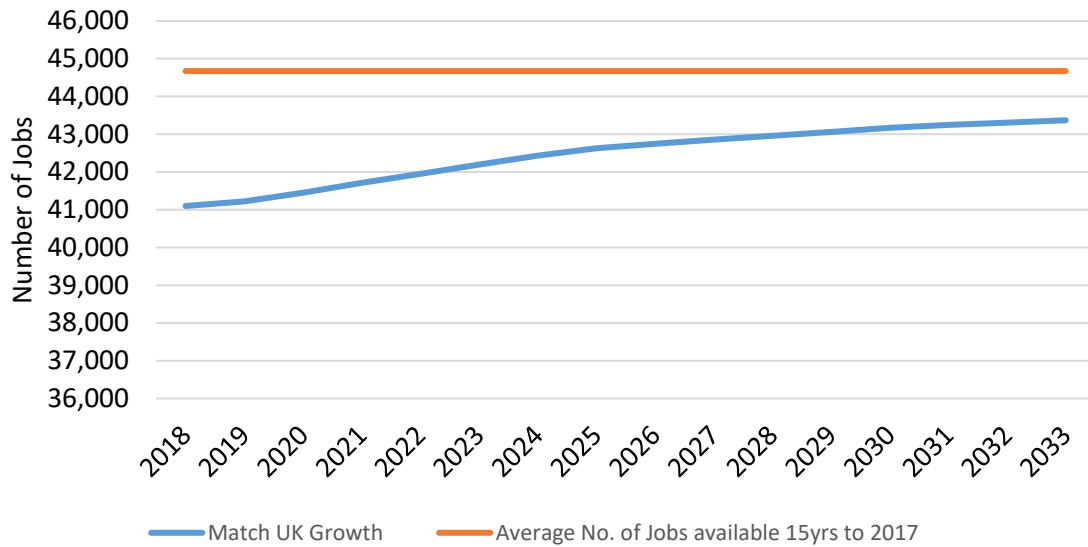
Orange = HIGHER in 2033    Blue = LOWER in 2033

**Chart 19: Implications for the Age Profile of Monmouthshire**



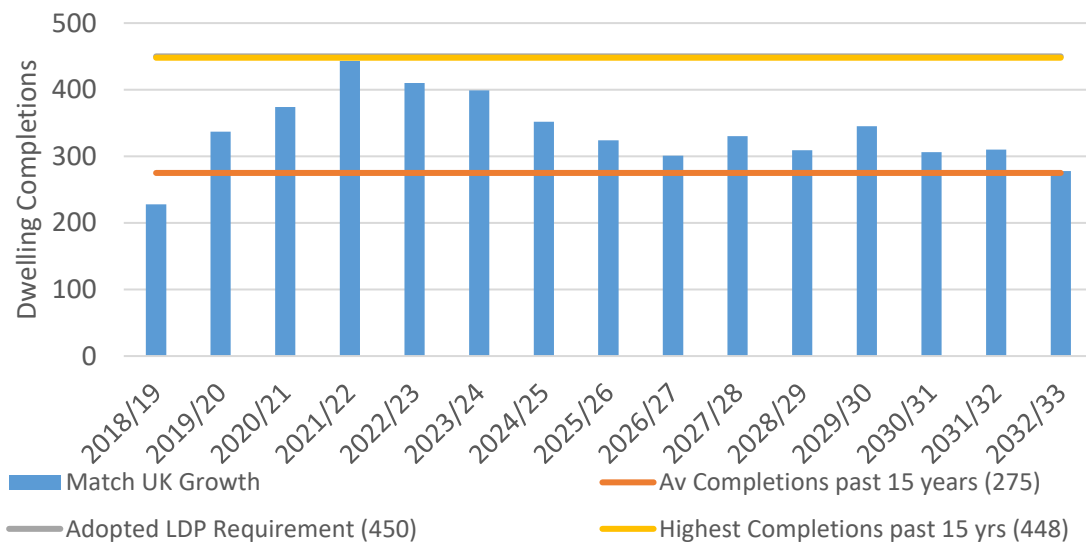
2.38 As with option 3, this option also projects a growth in jobs with an increase of 151 jobs pa, a total of 2,265 jobs over the plan period (Chart 20). However, in terms of the average number of jobs in the County this option again projects a lower level than over the previous 15 years. In the 15 years to 2017 there were an average of 44,700 jobs available within the County, under this option there is projected to be an average of 42,500 jobs available. As this option would not drive job creation in the long term, it would still result in an outflow of workers from the County thus impacting on the local economy and levels of out-commuting. It would also mean that there would again be implications in terms of keeping younger people within the County to both live and work and thus would fail to deliver key objectives of the proposed Replacement LDP Strategy.

**Chart 20: Implications for Employment Growth**



2.39 This option represents a dwelling growth rate of 337 dpa over the plan period. This is a higher level than that experienced over the previous 15 years but falls short of the adopted LDP requirement (Chart 21).

**Chart 21: Dwelling Requirement**



2.40 The implications associated with this growth option include:

- An increase in the proportion of the older and elderly people living in the County, impacting upon the type of housing required and service providers across public and private sectors.
- A stable number of school aged children, placing no pressure on the capacity of existing schools.
- Some growth in established households around the 35-44 age group, which could fuel some employment growth, although the overall number of jobs is projected

to be at a lower level than in the previous 15 years, indicating that people will still need to leave the County to access employment. This would not reduce levels of out-commuting or promote sustainable travel to work patterns.

- Opportunities to secure affordable housing through the planning system.
- Opportunities to secure and/or enhance green infrastructure public open space and recreation provision through planning gain.
- Opportunities to secure infrastructure provision/upgrades through planning gain from development.

**Table 9: Assessment of Option 4 against LDP Objectives**

| LDP Objective Number                          | LDP Objective - Headline                         | Performance of Option 4 against the LDP Objectives  |
|---|--|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |   |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | Would result in employment growth in key sectors, but still results in a lower number of jobs in the County than in the previous 15 years. Would be unlikely to provide enough impetus to encourage greater indigenous business growth or encourage inward investment. Provides some opportunity to create a thriving, well-connected, diverse economy. |
| <b>Objective 2</b>                            | Retail centres                                   | Would provide opportunity to add to the customer base in existing centres but would be unlikely to address the pressures the retail centres in the County's towns are currently facing.   |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |   |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Likely to result in further pressure on the natural environment. New developments could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.   |
| <b>Objective 4</b>                            | Flood risk                                       | Level of development likely to result in development in areas which have floodplains. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | Levels of housing and employment development could impact on the safeguarding of the County's mineral resource. Developments can nevertheless be located away from safeguarded areas.   |
| <b>Objective 6</b>                            | Land   | Limited opportunities for brownfield development, likely to be predominately greenfield development.  |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |

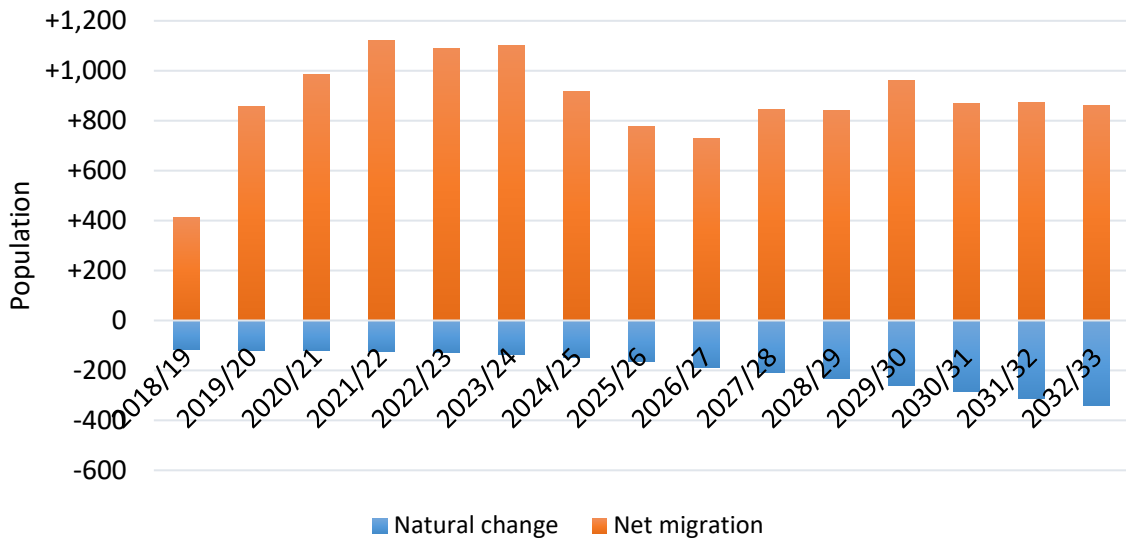
| LDP Objective Number  | LDP Objective Headline               | Performance of Option 2 against the LDP Objectives  |
|---|--------------------------------------|---|
| <b>A Healthier Wales (Well-being Goal 3)</b>  |                                      |   |
| <b>Objective 8</b>  | Health and Well-being                | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space.   |
| <b>A More Equal Wales (Well-being Goal 4)</b>                                       |                                      |   |
| <b>Objective 9</b>  | Demography                           | Some growth in established households but not sufficient to address the unbalanced demographic, would still result in an increase in the proportion of the older and elderly people living in the County.   |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b>                          |                                      |   |
| <b>Objective 10</b>   | Housing                              | Would provide opportunity to offer the range of homes that the ageing demographic would require. Level of development would provide opportunity to secure market and affordable homes.  |
| <b>Objective 11</b>   | Place-making                         | Any developments will need to enhance the character and identity of the settlements and be in accordance with national sustainable place-making principles.   |
| <b>Objective 12</b>   | Communities                          | Could impact negatively on communities with an unbalanced demographic. New development however will provide opportunities for job creation and improvements to existing services and facilities.  |
| <b>Objective 13</b>   | Rural Communities                    | Could impact negatively on communities with an unbalanced demographic. New development however could help strengthen the rural economy and address rural isolation. Assisting in building sustainable rural communities.  |
| <b>Objective 14</b>   | Infrastructure                       | Appropriate infrastructure could be provided to accommodate any new development.  |
| <b>Objective 15</b>   | Accessibility                        | The level of employment growth would be unlikely to lead to a significant reduction in commuting. On the other hand any new developments will need to consider active travel and integrated sustainable transport.  |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Has the potential to impact on the heritage of a number of settlements in Monmouthshire. On the other hand through design developments can protect and enhance the built environment as well as provide benefits for the economy, tourism and well-being of communities. No impact on Welsh Language. |

| LDP Objective Number                                    | LDP Objective Headline | Performance of Option 2 against the LDP Objectives   |
|---|------------------------|--|
| <b>A Globally Responsible Wales (Well-being Goal 7)</b> |                        |  |
| <b>Objective 17</b>                                     | Climate Change         | There would be no negative impact on climate change as the resilience of new development to aspects of climate change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

### Option 5: Radical Structural Change Lower (Commuting Ratio Reducing)

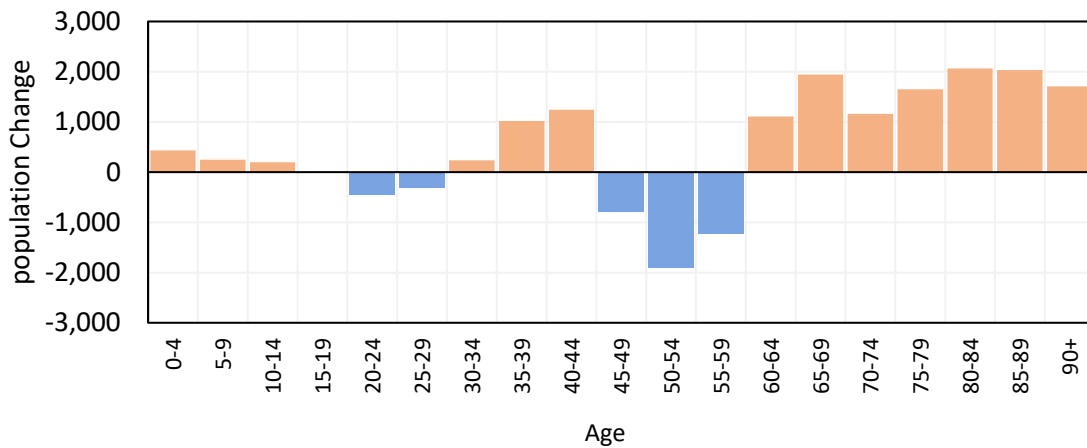
- 2.41 This option, as with the previous option, is also employment-led. As a starting point it takes the lower level of job creation under the radical structural change option of the Economies of the Future Report. This estimates an additional 5,000 jobs above the 2017 level by 2037. This equates to an annual growth of some 258 jobs or a total of 3,870 jobs over the plan period.
- 2.42 Employment growth is higher under this option than the matching UK growth option. With the provision of more jobs in the County it is realistic to assume that the commuting ratio would reduce, that is to say that Monmouthshire would retain more of its own workers rather than them commuting elsewhere to work. This option takes this into account and assumes a smaller net out-commute by the end of the plan period. In turn, this reduces population growth as fewer people are estimated to commute out of the authority, thus reducing the need for in-migration to support the employment growth. For this option the unemployment rate remains fixed.
- 2.43 By applying these principles this employment-led option projects a population increase of 10,375 (11.0%) with a corresponding increase of 5,523 (13.7%) in the number of households in the County over the plan period. This represents a projected dwelling growth rate of 5,790 over the plan period, or 386 dpa, to support this level of employment growth.
- 2.44 This option projects net average in-migration of 880 persons pa throughout the plan period, out-weighting the negative impact of natural change, leading to a net growth in the population (Chart 22).

**Chart 22: Components of Population Change**



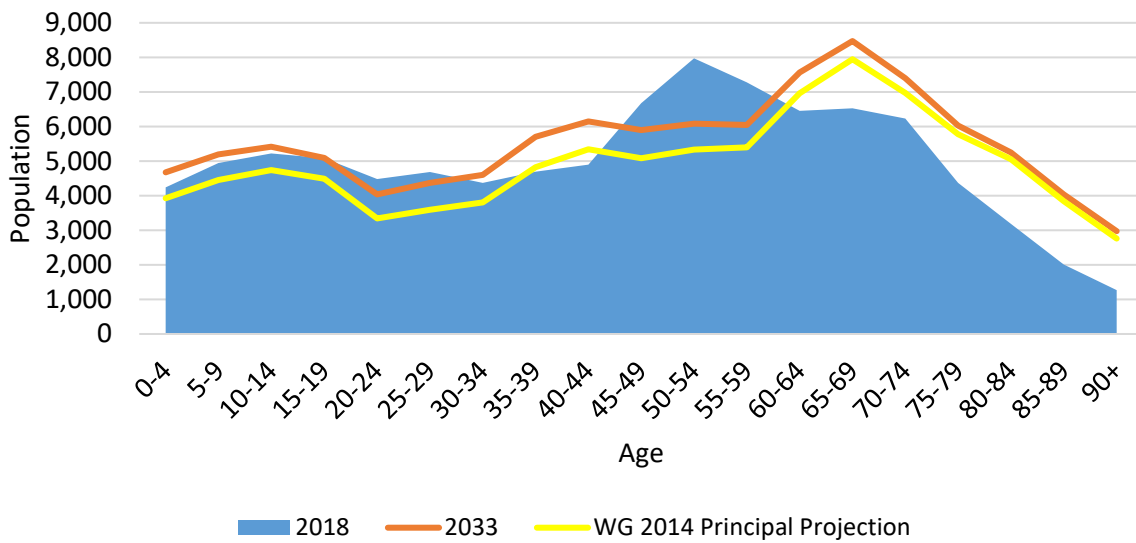
2.45 As with the previous options, this scenario has implications for the age profile of the County. Whilst the majority of population growth is still coming from the over 60 age groups, there is some evening out of the age profile with growth coming from a broader cross section of the demographic, including young families, the 30 – 44 age group and thus also in the under 14 age groups. However, the 20-29 and 45-59 age groups still record a decline in numbers (Charts 23 and 24).

**Chart 23: Population Growth/Decline by Age Group 2018-2033**



Orange = HIGHER in 2033      Blue = LOWER in 2033

**Chart 24: Implications for the Age Profile of Monmouthshire**



2.46 As with option 3, this option also projects a growth in jobs with an increase of 3,870 jobs, an increase of 258 jobs pa over the plan period. However, in terms of the average number of jobs in the County this option again projects a lower level than over the previous 15 years. In the 15 years to 2017 there was an average of 44,700 jobs available within the County, under this option there is projected to be an average of 43,600 jobs available. This option projects a greater growth in job numbers for the first half of the plan period with this levelling off during the second half, however by 2030 the number of jobs are projected to exceed the 15 year average to 2017. As this option models a commuting ratio that reduces from the 2011 Census value (1.12) to 1.10 over the plan period, population and dwelling growth is not as high as it might have been as Monmouthshire would be retaining more of its own population to maintain the job growth (Chart 25).

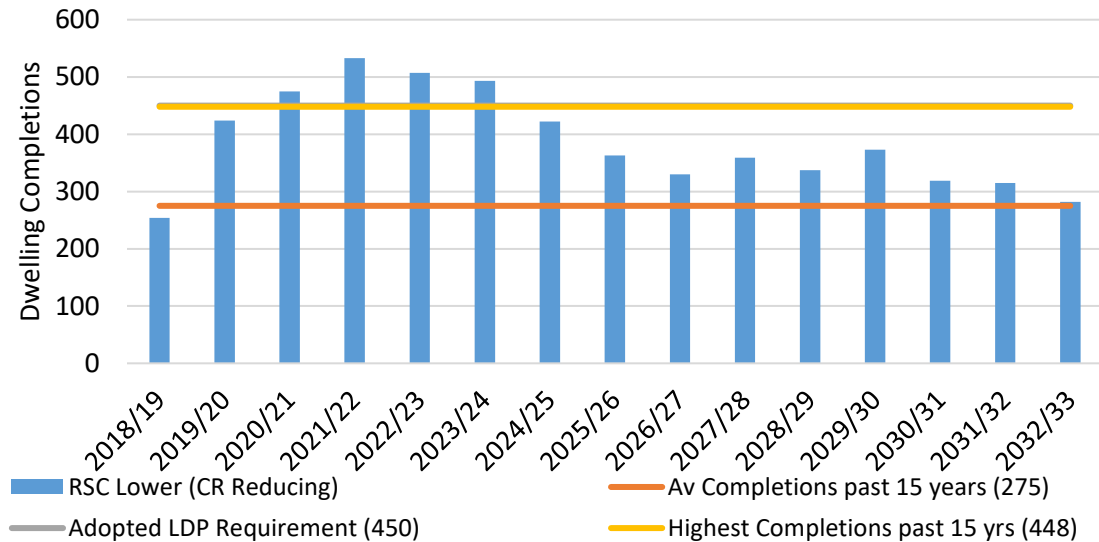
**Chart 25: Implications for Employment Growth**





2.47 This option represents an average dwelling growth rate of 386 dpa over the plan period. This is a higher level than the average dwelling completion rate experienced over the previous 15 years but falls short of the adopted LDP requirement (Chart 26).

**Chart 26: Dwelling Requirement**



2.48 The implications associated with this growth option include:

- An increase in the proportion of the older and elderly people living in the County, impacting upon the type of housing required and service providers across public and private sectors.
- A growth in the number of school aged children, placing some pressure on the capacity of existing schools, however, the level of housing delivery would provide scope to secure improvements through planning gain.
- Growth in established households around the 30-44 age group, which could fuel employment growth, although the overall number of jobs is projected to be at a lower level than in the previous 15 years, indicating that whilst the commuting levels will reduce people will still need to leave the County to access employment.
- Opportunities to secure affordable housing through the planning system.
- Opportunities to sustain services /facilities.
- Opportunities to secure meaningful infrastructure provision/upgrades through planning gain from development.
- Opportunities to secure and/or enhance green infrastructure, public open space and recreation provision through planning gain.

**Table 10: Assessment of Option 5 against LDP Objectives**

| LDP Objective Number                          | LDP Objective - Headline                         | Performance of Option 5 against the LDP Objectives  |
|---|--|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |   |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | Would result in a growth in jobs of 258 pa. This level of growth would encourage greater indigenous business growth and encourage inward investment. Provides opportunity to create a thriving, well-connected, diverse economy.  |
| <b>Objective 2</b>                            | Retail centres                                   | Would provide opportunity to add to the customer base in retail centres in the County's towns, benefiting from indigenous employment growth and fostering the vitality, viability and attractiveness of the centres.  |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |   |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Likely to result in further pressure on the natural environment. New developments could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.   |
| <b>Objective 4</b>                            | Flood risk                                       | Level of development likely to result in development in areas which have floodplains. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | Levels of housing and employment development could impact on the safeguarding of the County's mineral resource. Developments can nevertheless be located away from safeguarded areas.   |
| <b>Objective 6</b>                            | Land   | The provision of employment alongside housing could promote the efficient use of land. Recognising that there are limited opportunities for brownfield development  |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b>  |  |   |
| <b>Objective 8</b>                            | Health and Well-being                            | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space.   |
| <b>A More Equal Wales (Well-being Goal 4)</b> |  |   |
| <b>Objective 9</b>                            | Demography                                       | Begins to address the unbalanced demographic, whilst the over 60 age groups continue to grow there is also growth in the populations of the established families and under 14 age groups. Increased opportunities through job and housing provision for the younger population to live and work in Monmouthshire. |

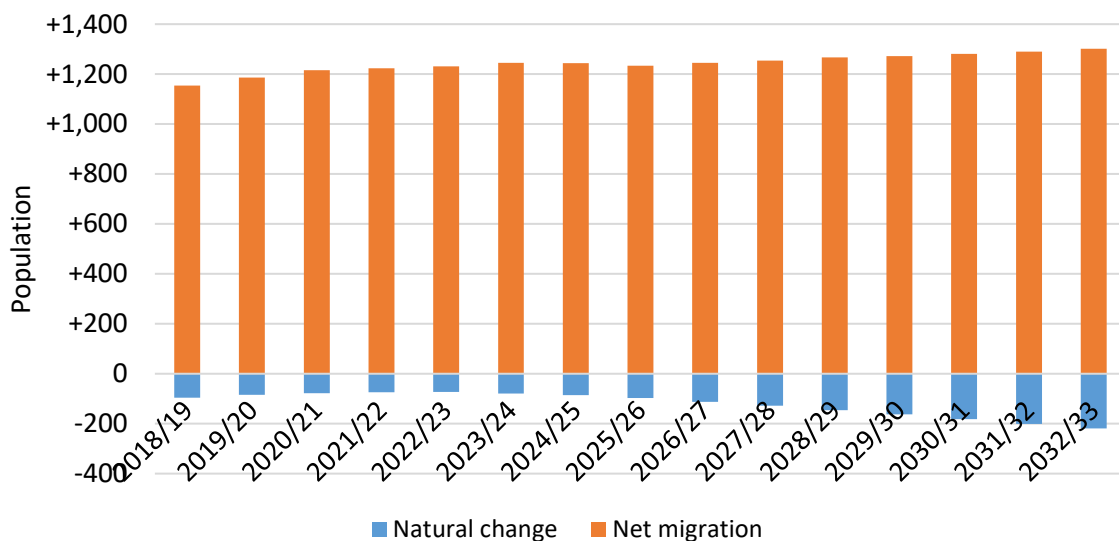
| LDP Objective Number  | LDP Objective Headline               | Performance of Option 5 against the LDP Objectives   |
|---|--------------------------------------|--|
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b>                          |                                      |  |
| <b>Objective 10</b>   | Housing                              | Would provide a level of housing that is sufficient to provide a wide ranging choice of homes for both existing and future residents. Level of development would provide opportunity to secure affordable and market homes.  |
| <b>Objective 11</b>   | Place-making                         | Any developments will need to enhance the character and identity of the settlements and be in accordance with national sustainable place-making principles. Growth in employment alongside housing would create more sustainable places.   |
| <b>Objective 12</b>   | Communities                          | A more balanced demographic with new development providing opportunities for job creation and improvements to existing services and facilities.  |
| <b>Objective 13</b>   | Rural Communities                    | A more balanced demographic with new development providing opportunities which could help support the rural economy and address rural isolation.   |
| <b>Objective 14</b>   | Infrastructure                       | Appropriate infrastructure could be provided to accommodate any new development.   |
| <b>Objective 15</b>   | Accessibility                        | The level of employment growth alongside the housing development would be likely to reduce the need to travel. Any new developments will need to consider active travel and integrated sustainable transport.  |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |  |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Has the potential to impact on the heritage of a number of settlements in Monmouthshire. On the other hand through design developments can protect and enhance the built environment as well as provide benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |  |
| <b>Objective 17</b>   | Climate Change                       | There would be no negative impact on climate change as the resilience of new development to aspects of climate change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

## High Growth Options

### Option 6: PG Long Term (Adjusted)

- 2.49 This option uses the POPGROUP forecasting model to develop a trend-based demographic option. This uses migration flow assumptions based on a sixteen-year historical period from 2001/02 to 2016/17 but adjusted by an uplift to the internal in-migration rates to reflect higher in-migration (based on the last 5 years) from Bristol and South Gloucestershire. This option has been modelled to reflect the possible impact of the removal of the Severn Bridge toll. This differs to the WG 2014-Based Principal Projection which bases all of its migration assumptions on the five-year period prior to 2014 (i.e. 2009/10 to 2013/14).
- 2.50 This option results in the highest net migration rates of any of the demographic or dwelling-led scenarios with only the radical structural change employment-led scenarios resulting in a higher level. By applying the adjustment to the internal in-migration rates this scenario projects an increase of 16,825 (17.8%) in the population with a corresponding increase of 7,652 (19%) in the number of households in the County over the plan period. This represents a projected dwelling growth of 8,010 over the plan period, 534dpa.

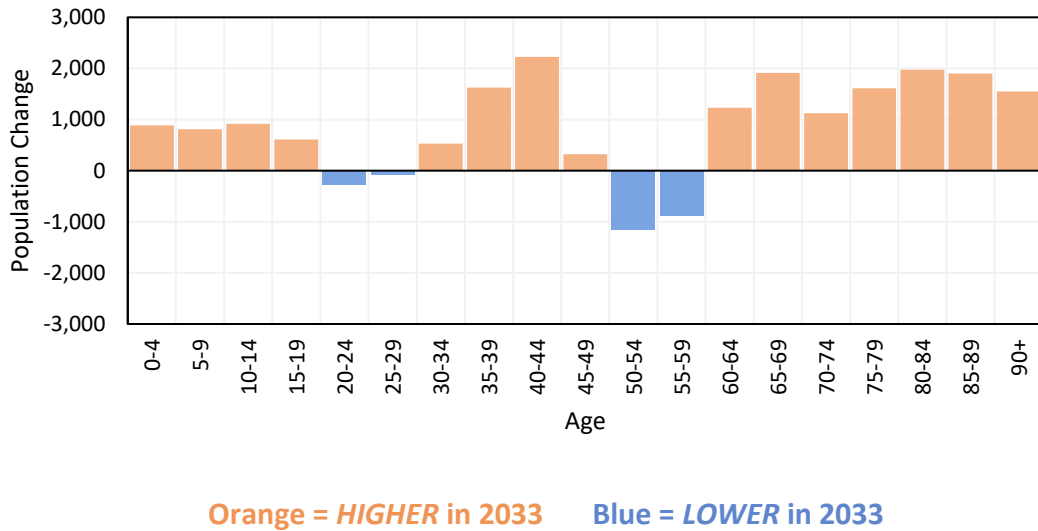
**Chart 27: Components of Population Change**



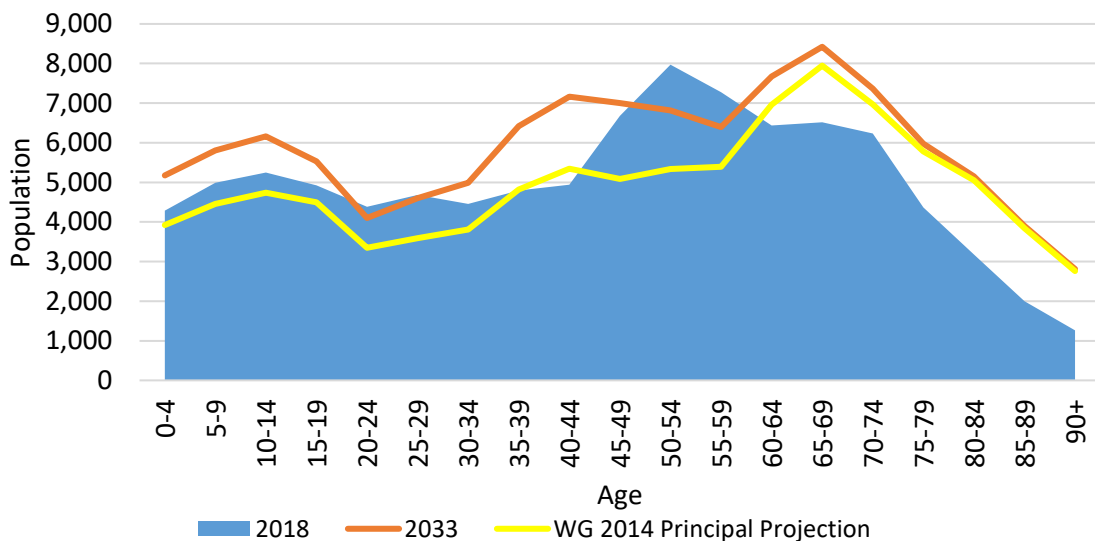
- 2.51 This option projects net average in-migration of 1,200 persons pa throughout the plan period, significantly out-weighting the negative impact of natural change, leading to a net growth in the population. This option shows the highest migration levels of any of the demographic or dwelling-led options (Chart 27).
- 2.52 This level of migration results in a significant impact on the age profile of the County, and whilst there continues to be growth in the over 60 age groups there is a corresponding growth in the key 30-49 age groups with growth mirrored in the 0-19

age groups. This option captures increased in-migration in the key 25-45 labour force age groups (Charts 28 and 29).

**Chart 28: Population Growth/Decline by Age Group 2018-2033**



**Chart 29: Implications for the Age Profile of Monmouthshire**



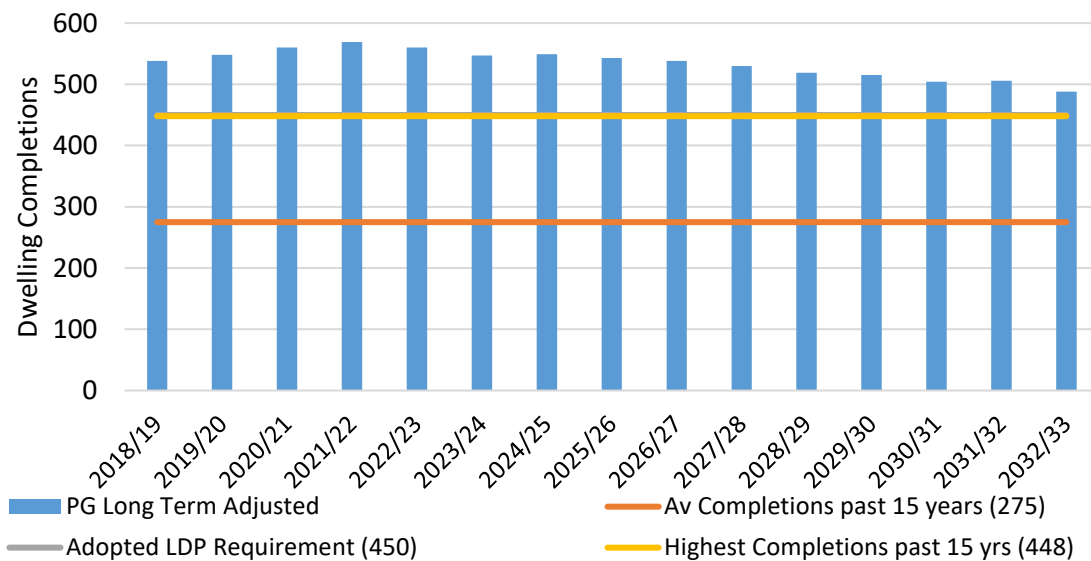
2.53 The growth in jobs under this scenario is significantly higher than that achieved under the employment-led Radical Structural Change Lower (CR Reducing) option with an increase of 6,709 jobs, 447 jobs pa over the plan period (Chart 30). It also leads to a higher average number of jobs within the county than the 44,700 available per annum over the 15 years to 2017, with an average of 44,851 available per annum over the plan period. The number of jobs available rises significantly towards the end of the plan period, with 48,000 jobs available in the County by 2033. This option maintains commuting levels at the 2011 level thus increased in-migration of the key labour force age groups fuels the employment growth.

**Chart 30: Implications for Employment Growth**



2.54 This option represents a dwelling growth rate of some 534 dpa over the plan period. This is a higher level than any experienced over the past 15 years and is higher than the current LDP requirement (Chart 31).

**Chart 31: Dwelling Requirement**



2.55 The implications associated with this growth option include:

- A more balance demography, although the increase in the number of older and elderly people living in the County would still impact upon the type of housing required and service providers across public and private sectors.
- Significant growth in the number of school aged children, placing more pressure on the capacity of existing schools. However, the level of housing delivery would provide a substantial opportunity to secure additional provision through planning gain to fund extensions and/or new schools.

- Growth in the number of working aged people living in Monmouthshire, with a notable increase in established households around the 35-44 age group, fuelling growth in employment provision.
- Opportunities to secure more significant affordable housing through the planning system.
- Opportunities to sustain services /facilities.
- Opportunities to secure meaningful infrastructure provision/upgrades through planning gain from development.
- Increased opportunities to secure and/or enhance green infrastructure, public open space and recreation provision through planning gain.

**Table 11: Assessment of Option 6 against LDP Objectives**

| LDP Objective Number                          | LDP Objective -<br>Headline                            | Performance of Option 6 against the LDP Objectives  |
|---|--|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |   |
| <b>Objective 1</b>                            | Economic Growth/<br>Employment                         | Would result in a growth in jobs of 447 pa. This level of growth would encourage greater indigenous business growth and encourage inward investment. Provides opportunity to create a thriving, well-connected, diverse economy.  |
| <b>Objective 2</b>                            | Retail centres   | Would provide increased opportunities to add to the customer base in retail centres in the County's towns, with a 17.8% increase in the population. There would be benefits arising from indigenous employment growth in the County, fostering the vitality, viability and attractiveness of the centres. |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |   |
| <b>Objective 3</b>                            | Green Infrastructure,<br>Biodiversity and<br>Landscape | Levels of housing and employment development likely to result in further pressure on the natural environment. New developments could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.  |
| <b>Objective 4</b>                            | Flood risk   | Level of development likely to result in development in areas which have floodplains. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                                     | Higher levels of housing and employment development may impact on the safeguarding of the County's mineral resource. Additional waste infrastructure may be required for this level of growth.  |
| <b>Objective 6</b>                            | Land   | Higher levels of development likely to be predominately greenfield, recognising that brownfield opportunities are limited in Monmouthshire.   |

| <b>LDP Objective Number</b>                                | <b>LDP Objective Headline</b> | <b>Performance of Option 6 against the LDP Objectives</b>  |
|--|-------------------------------|--|
| <b>Objective 7</b>   | Natural resources             | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.  |
| <b>A Healthier Wales (Well-being Goal 3)</b>               |                               |  |
| <b>Objective 8</b>   | Health and Well-being         | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space.  |
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                               |  |
| <b>Objective 9</b>   | Demography                    | There would be a positive impact on the demography of the County, with a more balanced and greater provision of dwellings and jobs increasing the opportunities for the younger population to both live and work in Monmouthshire.   |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                               |  |
| <b>Objective 10</b>  | Housing                       | Would provide a level of housing that is sufficient to provide a wide ranging choice of homes for both existing and future residents. Level of development would provide opportunity to secure affordable and market homes.  |
| <b>Objective 11</b>  | Place-making                  | Any developments will need to enhance the character and identity of the settlements and be in accordance with national sustainable place-making principles. Growth in employment alongside housing would create more sustainable places.   |
| <b>Objective 12</b>  | Communities                   | A more balanced demographic with new development providing opportunities for job creation alongside housing and improvements to existing services and facilities.  |
| <b>Objective 13</b>  | Rural Communities             | A more balanced demographic with new development providing opportunities which could help support the rural economy and address rural isolation.   |
| <b>Objective 14</b>  | Infrastructure                | Appropriate infrastructure could be provided to accommodate any new development.   |
| <b>Objective 15</b>  | Accessibility                 | Whilst there is a more balanced provision of jobs and housing, the commuting ratio is not likely to reduce, with a higher level of in-migration expected in response to the removal of the tolls. Any new developments will need to consider active travel and integrated sustainable transport. |

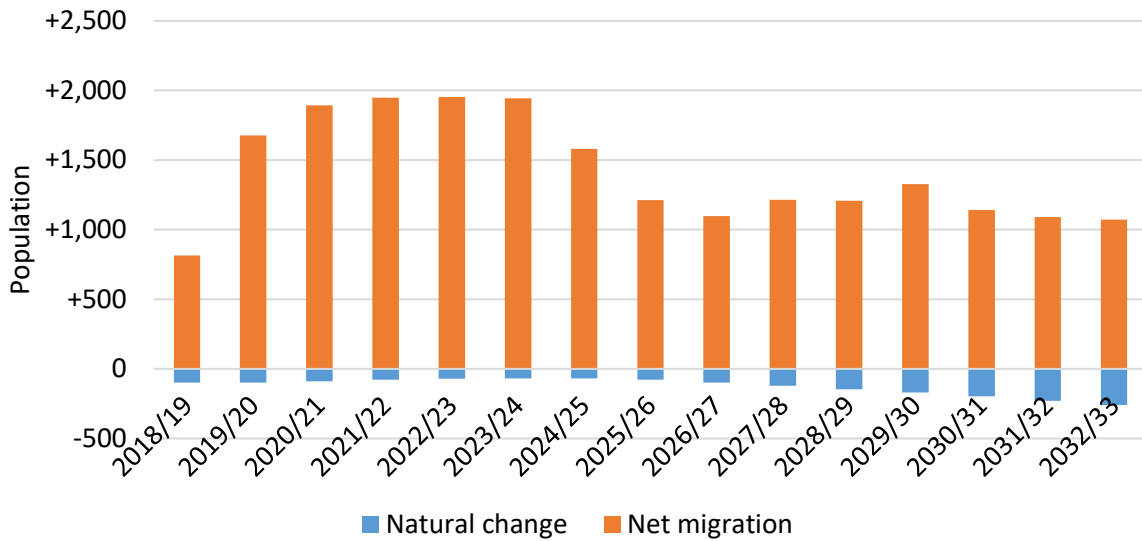


| LDP Objective Number  | LDP Objective Headline               | Performance of Option 2 against the LDP Objectives  |
|---|--------------------------------------|---|
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Has the potential to impact on the heritage of a number of settlements in Monmouthshire. On the other hand through design developments can protect and enhance the built environment as well as provide benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.                   |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |   |
| <b>Objective 17</b>   | Climate Change                       | There could be a negative impact on climate change as despite promoting a balance between job creation and housing development, with these developments providing opportunities to minimise carbon there is likely to still be unsustainable commuting patterns due to the increase in the resident working population. |

### Option 7: Radical Structural Change Higher (Commuting Ratio Reducing)

- 2.56 This option, as with options 4 and 5 is employment-led. As a starting point it takes the higher level of job creation under the radical structural change option of the Economies of the Future Report. This estimates an additional 10,000 jobs above the 2017 level by 2037. This equates to an annual growth of 552 jobs or a total of 8,280 jobs over the plan period.
- 2.57 This option in common with the other employment-led scenarios uses economic assumptions that are consistent with those applied to Monmouthshire’s demographic and dwelling-led scenarios. That is a fixed unemployment rate which tracks historical data to 2017 and thereafter remains fixed and consistent employment growth and economic activity rate assumptions over the plan period. However, unlike option 8 which has the same starting point, it assumes that the commuting ratio will reduce. With the provision of more jobs in the County it is realistic to assume that the commuting ratio would reduce, i.e. Monmouthshire would retain more of its own workers rather than them commuting elsewhere to work. This option takes this into account and assumes a smaller net out-commute by the end of the plan period. Whilst not impacting on the overall growth of employment, this reduces population growth and thus the dwelling requirement as fewer people are estimated to commute out of the authority, thus reducing the need for in-migration to support the employment and dwelling growth.
- 2.58 By applying these principles this employment-led option projects an increase of 19,308 (20.2%) in the population with a corresponding increase of 9,037 (22.2%) in the number of households in the County over the plan period. This represents a projected dwelling growth rate of 9,465, 631 dpa, to support this level of employment growth.

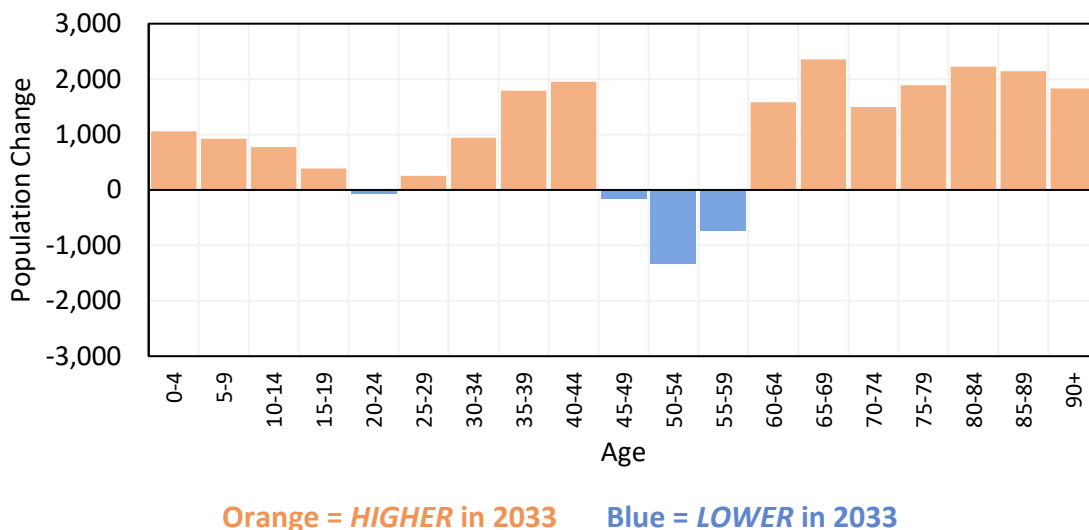
**Chart 32: Components of Population Change**



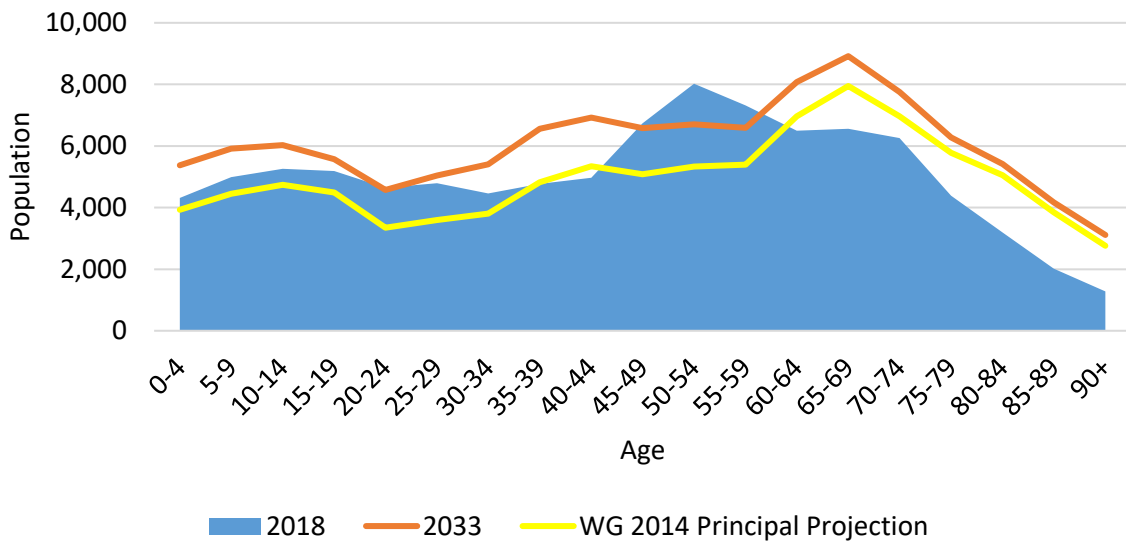
2.59 This option projects net average in-migration of 1,400 persons pa throughout the plan period, significantly out-weighting the negative impact of natural change, leading to a net growth in the population (Chart 32).

2.60 This results in a significant impact on the age profile of the County, and whilst there continues to be growth in the over 60 age groups there is a corresponding growth in the key labour force age groups with this growth mirrored in the 0-19 age groups. This scenario captures increased in-migration in all of these groups (Charts 33 and 34).

**Chart 33: Population Growth/Decline by Age Group 2018-2033**

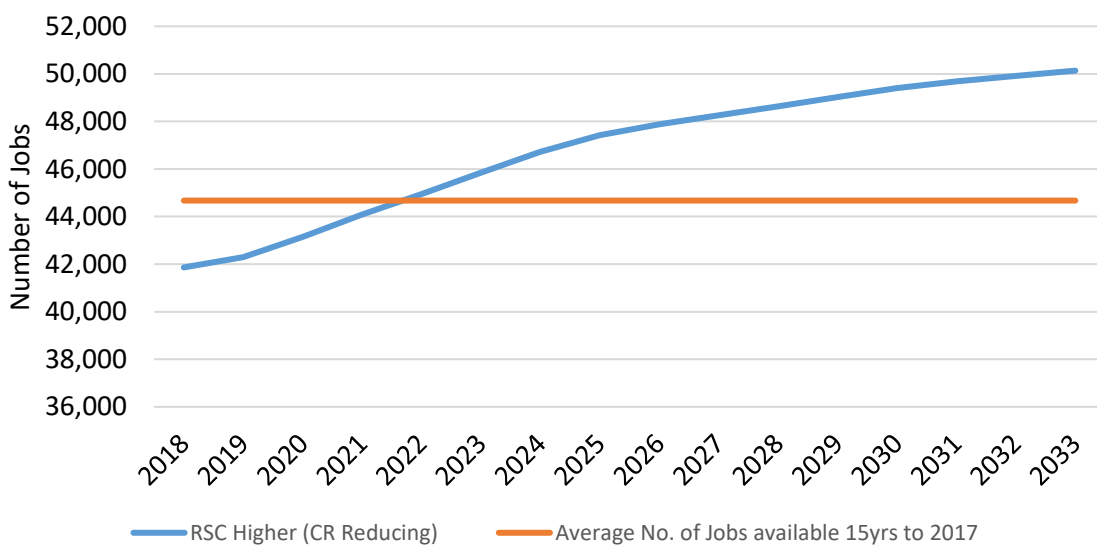


**Chart 34: Implications for the Age Profile of Monmouthshire**



2.61 The growth in jobs under this option is significantly higher than that achieved under the employment-led Radical Structural Change Lower (CR Reducing) scenario or the Matching UK Growth scenario with an increase of 552 jobs pa over the plan period, which matches that achieved under the Radical Structural Change Higher option (Option 8). It also leads to a higher average number of jobs within the county than the 44,700 available pa over the 15 years to 2017 at some 46,800. As this option models a commuting ratio that reduces from the 2011 Census value (1.12) to 1.10 over the plan period, population and dwelling growth is not as high as under the Radical Structural Change Higher scenario as Monmouthshire would be retaining more of its own population to maintain the job growth (Chart 35).

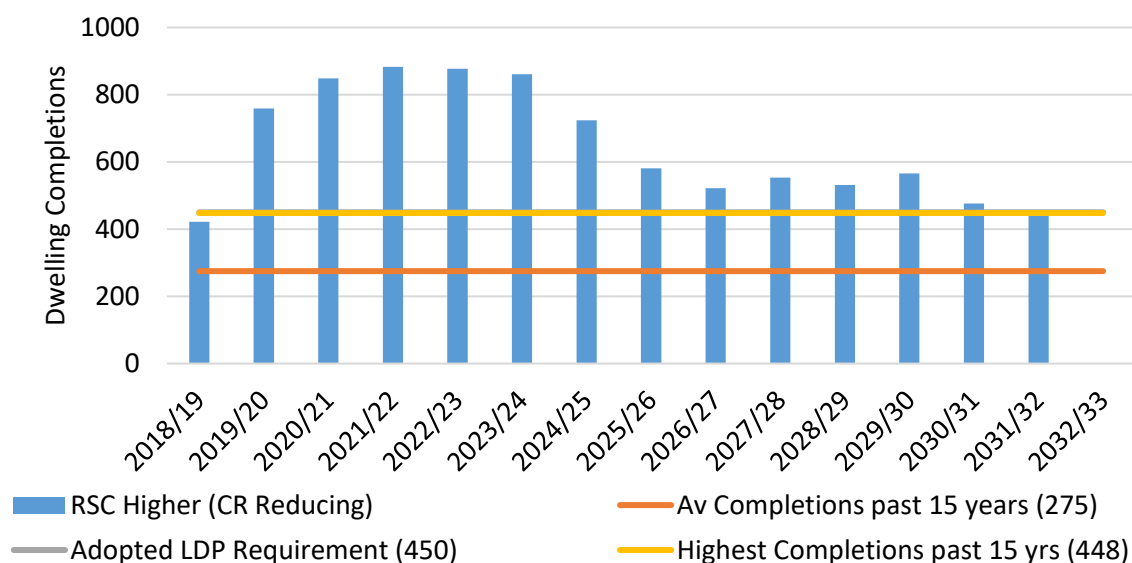
**Chart 35: Implications for Employment Growth**



2.62 This option represents a dwelling growth rate of 631 dpa over the plan period. This is higher than any level of dwelling growth experienced over the past 15 years and is

significantly higher than the adopted LDP requirement. This is a level of dwelling growth that has never been achieved in the County (Chart 36).

**Chart 36: Dwelling Requirement**



2.63 The implications associated with this growth option include:

- A more balanced demography with an increase in the number of older and elderly people living in the County balanced against an increase in the younger age groups, impacting upon the type of housing required and service providers across public and private sectors.
- Significant growth in the number of school aged children, placing more pressure on the capacity of existing schools. However, the level of housing delivery would provide a substantial opportunity to secure additional provision through planning gain to fund extensions and/or new schools.
- Growth in the number of working aged people living in Monmouthshire, with a notable increase in established households around the 35-44 age group, fuelling growth in employment provision.
- A reduction in out-commuting likely to lead to more sustainable travel patterns.
- Opportunities to secure more significant affordable housing through the planning system.
- Opportunities to sustain/enhance services and facilities.
- Increased pressure on the County’s landscape and biodiversity interests but potential to maximise opportunities to secure and/or enhance green infrastructure, public open space and recreation provision through planning gain.
- Increased demands on infrastructure, but potential to deliver infrastructure improvement through increased planning gain from development.

**Table 12: Assessment of Option 7 against LDP Objectives**

| LDP Objective Number                          | LDP Objective - Headline                         | Performance of Option 7 against the LDP Objectives  |
|---|--|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |   |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | Would result in a growth in jobs of 552 pa. This level of growth would encourage greater indigenous business growth and encourage inward investment. Provides opportunity to create a thriving, well-connected, diverse economy.  |
| <b>Objective 2</b>                            | Retail centres                                   | Would provide increased opportunities to add to the customer base in retail centres in the County's towns, with a 20.2% increase in the population. There would be benefits arising from indigenous employment growth in the County, fostering the vitality, viability and attractiveness of the centres. |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |   |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Levels of housing and employment development likely to result in further pressure on the natural environment. New developments could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.  |
| <b>Objective 4</b>                            | Flood risk                                       | Level of development likely to result in development in areas which have floodplains. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | Higher levels of housing and employment development may impact on the safeguarding of the County's mineral resource. Additional waste infrastructure may be required for this level of growth.  |
| <b>Objective 6</b>                            | Land   | Higher levels of development likely to be predominately greenfield. Recognising that brownfield opportunities are limited in Monmouthshire.   |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b>  |  |   |
| <b>Objective 8</b>                            | Health and Well-being                            | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space.   |

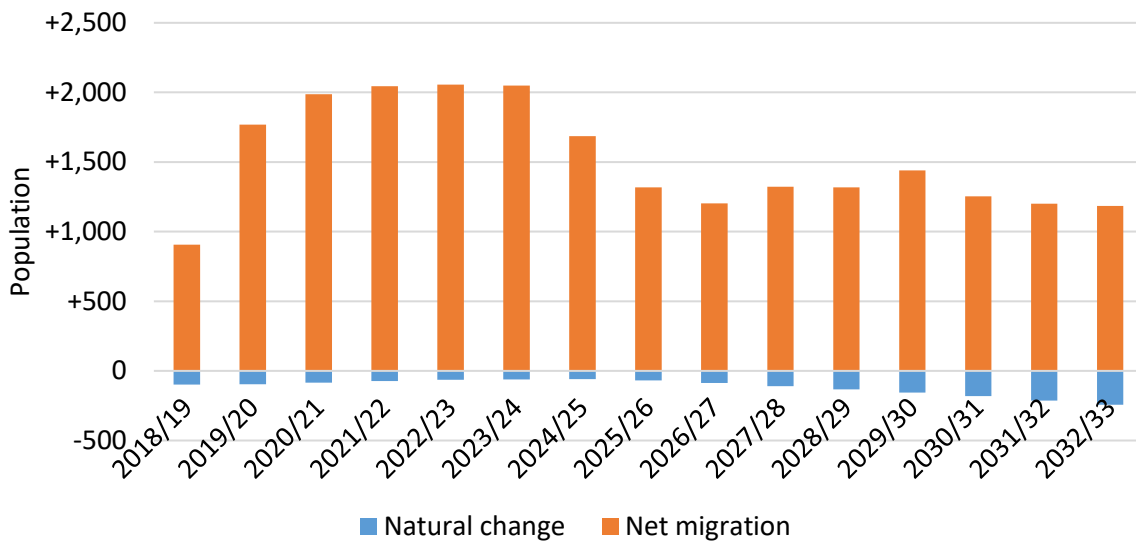
| LDP Objective Number  | LDP Objective Headline               | Performance of Option 2 against the LDP Objectives  |
|---|--------------------------------------|---|
| <b>A More Equal Wales (Well-being Goal 4)</b>                                       |                                      |   |
| <b>Objective 9</b>  | Demography                           | There would be a positive impact on the demography of the County, with a more balanced and greater provision of dwellings and jobs increasing the opportunities for the younger population to both live and work in Monmouthshire.  |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b>                          |                                      |   |
| <b>Objective 10</b>   | Housing                              | Would provide a level of housing that is sufficient to provide a wide ranging choice of homes for both existing and future residents. Level of development would provide opportunity to secure affordable and market homes.   |
| <b>Objective 11</b>   | Place-making                         | Any developments will need to enhance the character and identity of the settlements and be in accordance with national sustainable place-making principles. Growth in employment alongside housing would create more sustainable places.  |
| <b>Objective 12</b>   | Communities                          | A more balanced demographic with new development providing opportunities for job creation alongside housing and improvements to existing services and facilities.   |
| <b>Objective 13</b>   | Rural Communities                    | A more balanced demographic with new development providing opportunities which could help support the rural economy and address rural isolation.  |
| <b>Objective 14</b>   | Infrastructure                       | Appropriate infrastructure could be provided to accommodate any new development.  |
| <b>Objective 15</b>   | Accessibility                        | Promotes a more balanced provision of jobs and housing, reducing the need to travel. Any new developments will need to consider active travel and integrated sustainable transport.   |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Has the potential to impact on the heritage of a number of settlements in Monmouthshire. On the other hand through design developments can protect and enhance the built environment as well as provide benefits for the economy, tourism and well-being of communities. No impact on Welsh Language. |

| LDP Objective Number                                    | LDP Objective Headline | - Performance of Option 2 against the LDP Objectives   |
|---|------------------------|--|
| <b>A Globally Responsible Wales (Well-being Goal 7)</b> |                        |  |
| <b>Objective 17</b>                                     | Climate Change         | There would be no negative impact on climate change as the resilience of new development to aspects of climate change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

### Option 8: Radical Structural Change Higher

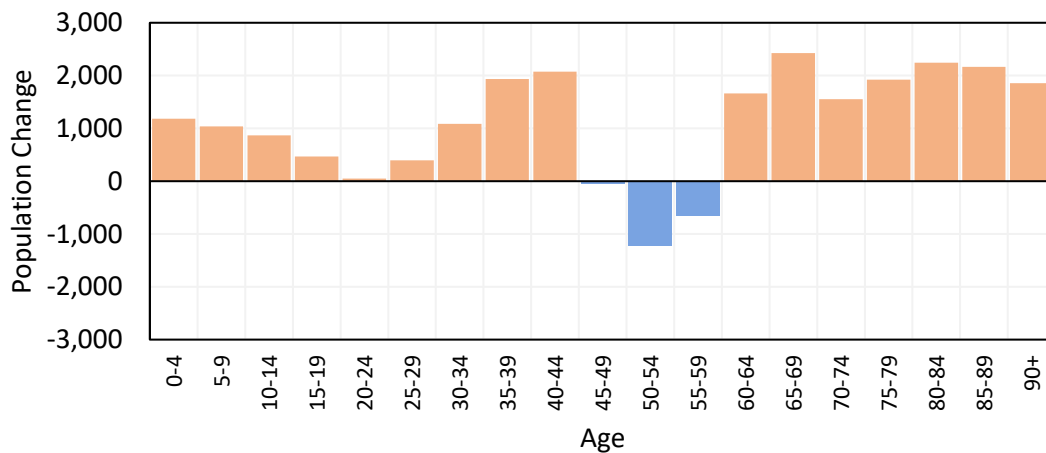
- 2.64 This option, as with options 4, 5 and 7 is employment-led. As a starting point it takes the higher level of job creation under the radical structural change option of the Economies of the Future Report. This estimates an additional 10,000 jobs above the 2017 level by 2037. This equates to an annual growth of some 552 jobs or a total of 8,280 jobs over the plan period.
- 2.65 This option in common with scenario 4, uses economic assumptions that are consistent with those applied to Monmouthshire’s demographic and dwelling-led scenarios as set out in Table 2 above. By applying these principles this employment-led option projects an increase of 21,009 (22.0%) in the population with a corresponding increase of 9,693 (23.8%) in the number of households in the County over the plan period. This represents a projected dwelling growth of 10,155, a rate of 677 dpa, to support this level of employment growth. This level of employment growth requires the highest level of net in-migration per year of all of the options presented, at 1,516 persons per annum, as it assumes that the same number of people will be commuting out to work more of the working age resident population will be needed to fill the jobs.

**Chart 37: Components of Population Change**



- 2.66 This option projects net average in-migration of approximately 1,500 persons pa throughout the plan period, significantly out-weighing the negative impact of natural change, leading to a net growth in the population. This option shows the highest migration levels of any of the employment-led options (Chart 37).
- 2.67 This results in a significant impact on the age profile of the County, and whilst there continues to be growth in the over 60 age groups there is a corresponding growth in the key labour force age groups with this growth mirrored in the 0-19 age groups. This scenario captures increased in-migration in all of these groups (Chart 38 and 39).

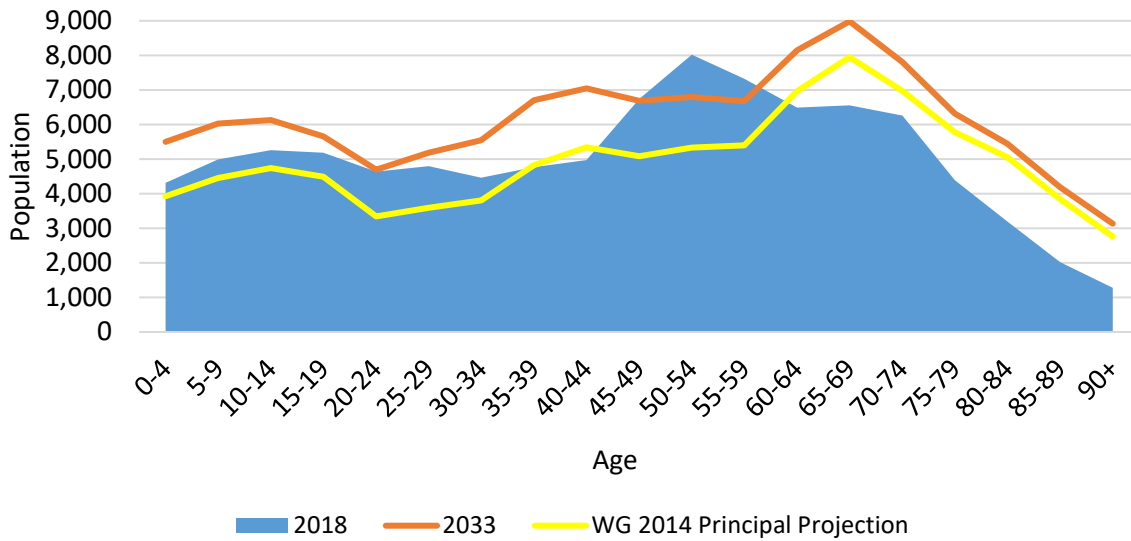
**Chart 38: Population Growth/Decline by Age Group 2018-2033**



Orange = HIGHER in 2033      Blue = LOWER in 2033

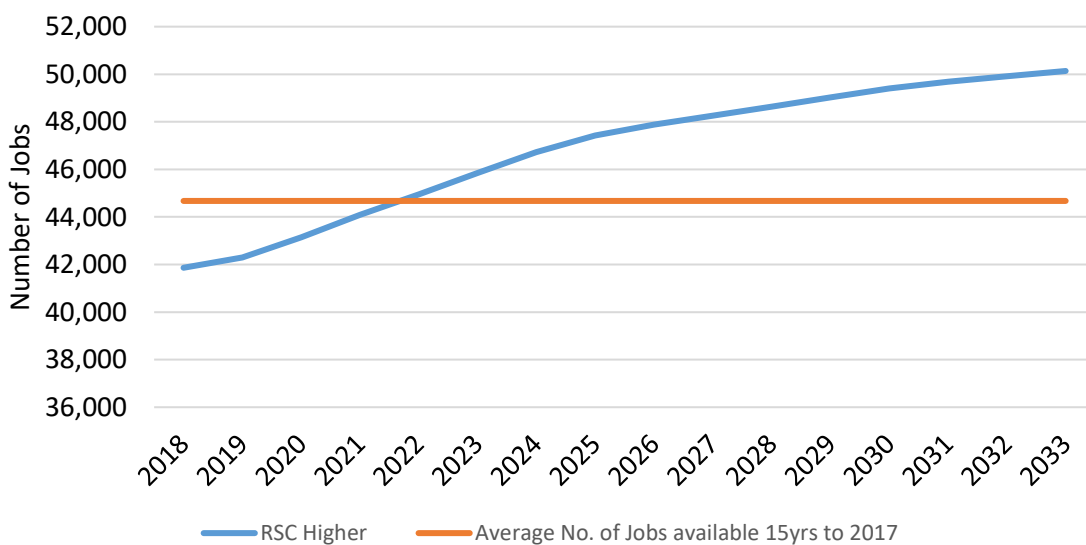


**Chart 39: Implications for the Age Profile of Monmouthshire**



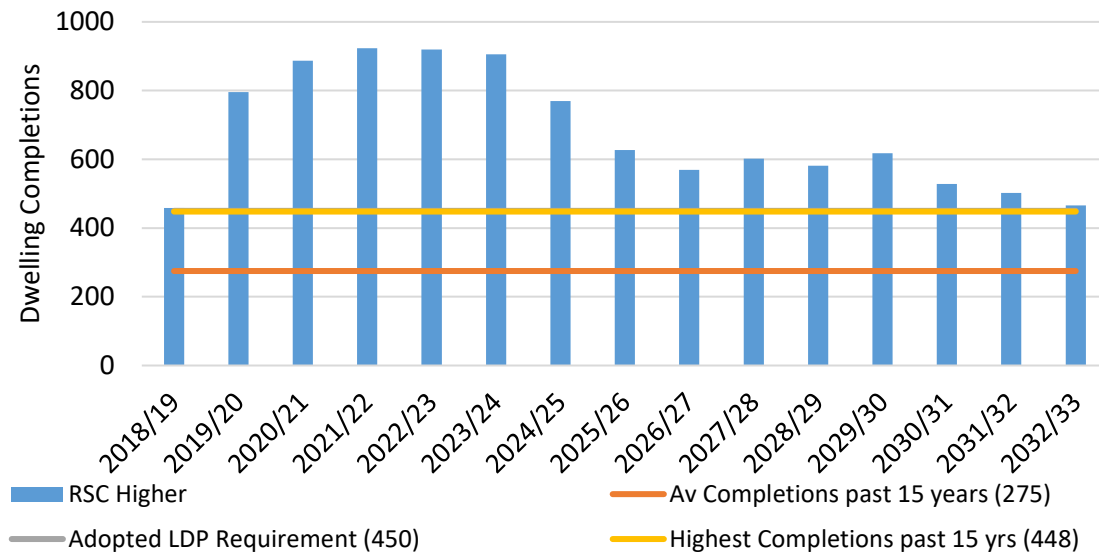
2.68 The growth in jobs under this option is significantly higher than that achieved under the employment-led Radical Structural Change Lower (CR Reducing) option or the Matching UK Growth option with an increase of 552 jobs pa over the plan period. It also leads to a higher average number of jobs within the county than the 44,700 available pa over the 15 years to 2017 at some 46,800. The number of jobs available rises significantly towards the end of the plan period, with over 50,000 jobs available in the County by 2033. This option maintains commuting levels at the 2011 level thus increased in-migration of the key labour force age groups is needed to fuel the employment growth (Chart 40).

**Chart 40: Implications for Employment Growth**



2.69 This option represents a dwelling growth rate of 677 dpa over the plan period. This is higher than any level of dwelling growth experienced over the past 15 years and is significantly higher than the current LDP requirement. This is a level of dwelling growth that has never been achieved in the County (Chart 41).

**Chart 41: Dwelling Requirement**



2.70 The implications associated with this growth option include:

- A more balanced demography with an increase in the number of older and elderly people living in the County balanced against an increase in the younger age groups, impacting upon the type of housing required and service providers across public and private sectors.
- Significant growth in the number of school aged children, placing more pressure on the capacity of existing schools. However, the level of housing delivery would provide a substantial opportunity to secure additional provision through planning gain to fund extensions and/or new schools.
- Growth in the number of working aged people living in Monmouthshire, with a notable increase in established households around the 35-44 age group, fuelling growth in employment provision.
- Increased numbers of people commuting out of the County for work, as the commuting ratio remains fixed at the 2011 level, leading to unsustainable travel patterns.
- Opportunities to secure more significant affordable housing through the planning system.
- Opportunities to sustain/enhance services and facilities.
- Increased pressure on the County’s landscape and biodiversity interests but potential to maximise opportunities to secure and/or enhance green infrastructure, public open space and recreation provision through planning gain.
- Increased demands on infrastructure, but potential to deliver infrastructure improvement through increased planning gain from development.

**Table 13: Assessment of Option 8 against LDP Objectives**

| LDP Objective Number                          | LDP Objective - Headline                         | Performance of Option 8 against the LDP Objectives  |
|---|--|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |   |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | Would result in a growth in jobs of 552 pa. This level of growth would encourage greater indigenous business growth and encourage inward investment. Provides opportunity to create a thriving, well-connected, diverse economy.  |
| <b>Objective 2</b>                            | Retail centres                                   | Would provide increased opportunities to add to the customer base in retail centres in the County's towns, with a 22% increase in the population. There would be benefits arising from indigenous employment growth in the County, fostering the vitality, viability and attractiveness of the centres. |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |   |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Levels of housing and employment development likely to result in further pressure on the natural environment. New developments could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.  |
| <b>Objective 4</b>                            | Flood risk                                       | Level of development likely to result in development in areas which have floodplains. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | Higher levels of housing and employment development may impact on the safeguarding of the County's mineral resource. Additional waste infrastructure may be required for this level of growth.  |
| <b>Objective 6</b>                            | Land   | Higher levels of development likely to be predominately greenfield. Recognising that brownfield opportunities are limited in Monmouthshire.   |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b>  |  |   |
| <b>Objective 8</b>                            | Health and Well-being                            | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space.   |

| LDP Objective Number  | LDP Objective Headline               | Performance of Option 2 against the LDP Objectives  |
|---|--------------------------------------|---|
| <b>A More Equal Wales (Well-being Goal 4)</b>                                       |                                      |   |
| <b>Objective 9</b>  | Demography                           | There would be a positive impact on the demography of the County, with a more balanced and greater provision of dwellings and jobs increasing the opportunities for the younger population to both live and work in Monmouthshire.  |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b>                          |                                      |   |
| <b>Objective 10</b>   | Housing                              | Would provide a level of housing that is sufficient to provide a wide ranging choice of homes for both existing and future residents. Level of development would provide opportunity to secure affordable and market homes.   |
| <b>Objective 11</b>   | Place-making                         | Any developments will need to enhance the character and identity of the settlements and be in accordance with national sustainable place-making principles. Growth in employment alongside housing would create more sustainable places.  |
| <b>Objective 12</b>   | Communities                          | A more balanced demographic with new development providing opportunities for job creation alongside housing and improvements to existing services and facilities.   |
| <b>Objective 13</b>   | Rural Communities                    | A more balanced demographic with new development providing opportunities which could help support the rural economy and address rural isolation.  |
| <b>Objective 14</b>   | Infrastructure                       | Appropriate infrastructure could be provided to accommodate any new development.  |
| <b>Objective 15</b>   | Accessibility                        | Promotes a balanced provision of jobs and housing, but with an increase in population commuting ratio predicted to stay the same, a continuation of unsustainable travel patterns. Any new developments will need to consider active travel and integrated sustainable transport.                     |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Has the potential to impact on the heritage of a number of settlements in Monmouthshire. On the other hand through design developments can protect and enhance the built environment as well as provide benefits for the economy, tourism and well-being of communities. No impact on Welsh Language. |

| LDP Objective Number                                    | LDP Objective Headline | Performance of Option 2 against the LDP Objectives  |
|---|------------------------|---|
| <b>A Globally Responsible Wales (Well-being Goal 7)</b> |                        |   |
| <b>Objective 17</b>                                     | Climate Change         | There could be a negative impact on climate change as despite promoting a balance between job creation and housing development, with these developments providing opportunities to minimise carbon there is likely to still be unsustainable commuting patterns due to the increase in the resident working population. |

### Consultation Questions

- What is your preferred growth option and why?
- How will this option address the issues/challenges Monmouthshire is facing?

**Table 14: Summary of the Implications of Selected Growth Options**

| Growth Option  | Type of Scenario | Population Change 2018-2033 | Population Change % | Average Net Migration per annum | Household Change 2018-2033 | Household Change % | Dwellings per annum | Dwellings 2018-2033 | Jobs per annum | Jobs 2018-2033 |
|--|------------------|-----------------------------|---------------------|---------------------------------|----------------------------|--------------------|---------------------|---------------------|----------------|----------------|
| 1. Net Nil Migration   | Demographic      | -4,136                      | -4.4%               | 0                               | -165                       | -0.4%              | -12                 | -                   | -266           | -3,990         |
| 2. WG 2014-Based Principal Projection                          | Demographic      | 726                         | 0.8%                | 319                             | 1,641                      | 4.1%               | 115                 | 1,725               | -100           | -1,499         |
| 3. Dwelling-led (15yr Average)                                 | Dwelling         | 6,800                       | 7.2%                | 673                             | 4,105                      | 10.2%              | 287                 | 4,305               | 93             | 1,389          |
| 4. Matching UK Growth rate                                     | Employment       | 8,616                       | 9.1%                | 782                             | 4,820                      | 12.0%              | 337                 | 5,055               | 151            | 2,265          |
| 5. Radical Structural Change Lower (Commuting Ratio reducing)  | Employment       | 10,375                      | 11.0%               | 883                             | 5,523                      | 13.7%              | 386                 | 5,790               | 258            | 3,870          |
| 6. PG Long Term Adjusted                                       | Demographic      | 16,825                      | 17.8%               | 1,243                           | 7,652                      | 19.0%              | 534                 | 8,010               | 447            | 6,709          |
| 7. Radical Structural Change Higher (Commuting Ratio reducing) | Employment       | 19,308                      | 20.2%               | 1,412                           | 9,037                      | 22.2%              | 631                 | 9,465               | 552            | 8,280          |
| 8. Radical Structural Change Higher                            | Employment       | 21,009                      | 22.0%               | 1,516                           | 9,693                      | 23.8%              | 677                 | 10,155              | 552            | 8,280          |

### 3 Spatial Strategy Options

- 3.1 In addition to setting out options for the level of growth needed over the plan period (set out in Section 2), the Replacement LDP must put forward a clear spatial strategy for where this development should take place within the County. This section of the report presents a range of spatial strategy options for accommodating housing and employment growth. A total of 5 broad Spatial Distribution Options have been considered.
- 3.2 It is important to note that the Spatial Distribution Options for Growth put forward are not intended to define precise boundaries, sites or land use allocations at this stage. Further detail will be provided as part of the Preferred Strategy and Deposit LDP.
- 3.3 Any new growth areas must be served or be capable of being served, by appropriate infrastructure. This includes physical, digital and social infrastructure including; community and recreational facilities, sewerage, water, transport, schools, health care and broadband. The delivery of new infrastructure in association with development will depend on a number of factors; securing funding for such infrastructure is of particular importance. While consideration of funding opportunities for new infrastructure to support sites is key to the deliverability of sites, not all of the evidence is available at present. This will nevertheless be updated throughout the process as this evidence is prepared. An infrastructure plan will be delivered alongside the Deposit LDP.
- 3.4 The consideration of realistic<sup>7</sup> growth and spatial options is an important part in the preparation of the Replacement LDP, the purpose of which is to facilitate discussion and inform the Preferred Strategy consultation. Each spatial option will need to have regard to legislation, national planning policy, local and regional strategies, as well as, wider contextual issues such as the Cardiff Capital Region City Deal and the removal of the Severn Bridge Tolls. Furthermore, the options must take account of the specific characteristics, assets and issues prevalent in Monmouthshire to guide development in order to promote and deliver sustainable, resilient communities. A number of spatial options have been identified. However, it is considered pertinent to condense these into a number of realistic options for consultation purposes and having regard to the aforementioned issues. An initial assessment of all options has been undertaken as set out in Appendix 3, which includes an assessment of the appropriateness of options previously considered in the Adopted LDP (Para 6.2.1.2 LDP Manual Edition 2, 2015). A total of 5 spatial options, as set out below, have been selected for consideration as spatial options for further assessment and consultation purposes.
- 3.5 The options identified assume that new development will provide the necessary infrastructure improvements, for example to transport networks, utilities, green infrastructure, health, education and social facilities.

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<sup>7</sup> Paragraph 6.2.1.1 LDP Manual - Edition 2 (August 2015)

3.6 A summary table showing how each option performs against the draft Replacement LDP objectives is provided in each of the assessments. The performance is assessed according to the ratings set out in Table 15. A summary of the advantages and disadvantages for each of the options is provided along with a map to portray a spatial illustration. As noted in paragraph 3.2 the individual maps do not identify precise boundaries, sites or land use allocations at this stage.

**Table 15 – Key to Assessment of Options against Draft Replacement LDP Objectives**

| Rating | Predicted effect                |
|--------|---------------------------------|
| Green  | Helps to achieve the objective. |
| Amber  | Neutral impact on objective.    |
| Red    | Unlikely to achieve objective.  |

3.7 At this stage no single spatial strategy option is considered preferable. The alternatives presented provide spatial strategy options for accommodating growth, having regard to the evidence base and policy aspirations.

### Settlement Hierarchy

3.8 A Sustainable Settlements Appraisal has been undertaken as part of the evidence base to support the Replacement LDP. Its purpose is to identify those settlements which are potentially suitable to accommodate future growth in terms of their location, role and function. This paper provides valuable information to allow a settlement hierarchy to be established to indicate a settlement’s potential for accommodating development, and, the hierarchy in relation to other settlements in Monmouthshire. A final decision on how much development a settlement can accommodate will nevertheless depend on a wide range of other factors, such as impact on the character of the settlement along with consideration of its environmental, physical and policy constraints and its location in relation to other settlements.

3.9 Utilising the approach based on the initial findings of the Sustainable Settlements Appraisal as a starting point, it is considered that the Primary, Secondary and Severnside Settlements in the County can be identified as below. This settlement hierarchy is nevertheless subject to change following completion of the Sustainable Settlements Appraisal and additional evidence to support the Replacement LDP is progressed.



## Draft Sustainable Settlement Hierarchy

| <b>Primary Settlements:</b>       | <b>Secondary Settlements:</b> | <b>Severnside:</b> | <b>Rural Settlements:</b>                     |
|-----------------------------------|-------------------------------|--------------------|---|
| Abergavenny (including Llanfoist) | Penperlleni                   | Caerwent           | To be defined at a later stage <sup>8</sup> . |
| Chepstow                          | Raglan                        | Caldicot           |   |
| Monmouth (including Wyesham)      | Usk                           | Crick              |   |
|                                   |                               | Magor/Undy         |   |
|                                   |                               | Portskewett        |   |
|                                   |                               | Rogiet             |   |
|                                   |                               | Sudbrook           |   |

### Spatial Strategy Options for the Distribution of Growth

3.10 A total of 5 broad Spatial Distribution Options have been identified as below:

- **Option 1: Continuation of the existing LDP Strategy** – Distribute development around the County with a particular focus on Main Towns<sup>9</sup>, some development in Severnside<sup>10</sup> and some development in the most sustainable rural areas to enable provision of affordable housing throughout the County. New residential development to be accompanied by new employment opportunities, where possible.
- **Option 2: Dispersed growth and New Settlement** – Distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing. Inclusion of a New Settlement within the County to deliver longer term growth providing housing, employment, retail and associated infrastructure. It is recognised a New Settlement will take a long time to progress and cross over into next plan period, hence additional dispersed growth is required to account for the identified need.
- **Option 3: Distribute growth proportionately across rural and urban areas** – Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing.
- **Option 4: New Settlement with limited growth in Primary Settlements, Secondary Settlements and Severnside only** - Growth to be predominantly accommodated in a New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to meet some of the identified need prior to progression of a New Settlement.

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<sup>8</sup> Through the work being undertaken in the Sustainable Settlements Appraisal.

<sup>9</sup> As identified in Policy S1 of the Adopted Local Development Plan (2014), now renamed to Primary Settlements and includes the addition of Llanfoist.

<sup>10</sup> As identified in Policy S1 of the Adopted Local Development Plan (2014), with the addition of Crick.

- **Option 5: Focus on M4 corridor** – Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48, to capitalise on its strategic links to the Cardiff Capital Region and South West England, existing economic opportunities and regional infrastructure connections.

**Option 1 Continuation of the Existing LDP Strategy**

**Table 16 – Option 1**

| Option 1: Continuation of the Existing LDP Strategy  |
|--|
| <p><b>Description of Option:</b></p> <p>This option follows the existing Adopted LDP Strategy through to the Replacement LDP, which distributes development around the County. There would be a particular focus on Main Towns<sup>11</sup>, some development in Severnside<sup>12</sup> and some development in the most sustainable rural areas to enable provision of affordable housing throughout the County. New residential development would be accompanied by new employment opportunities, where possible.</p> |
| <p><b>Map of Option 1</b></p>  |

<sup>11</sup> See paragraph 3.9 for definition of Primary Settlements, Main Towns are now incorporated into Primary Settlements, with the addition of Llanfoist.

<sup>12</sup> See paragraph 3.9 for definition of Primary Settlements, Secondary Settlements and Severnside, with some areas to be identified at a later stage as Rural Settlements.

## Option 1: Continuation of the Existing LDP Strategy

### Advantages:

- Would provide growth in sustainable areas that have existing access to facilities, public transport links and employment opportunities.
- Would provide affordable housing across the Primary Settlements<sup>13</sup>, Secondary Settlements<sup>14</sup> and Severnside<sup>15</sup> identified in paragraph 3.9 and some rural settlements.
- Could attract additional facilities in Primary Settlements, Secondary Settlements and Severnside.
- Would help support facilities in existing settlements, particularly in those rural areas where facilities are struggling/declining. Growth may also attract additional facilities where they do not currently exist.

### Disadvantages:

- Many of the Primary Settlements currently have physical infrastructure capacity issues which would need to be addressed to enable significant growth, for example Monmouth in relation to the provision of mains drainage and Chepstow in relation to capacity of road networks.
- Would result in additional pressure on social infrastructure within Primary Settlements and the Severnside area, such as health care facilities. Additional support for facilities in the Secondary Settlements and Rural Settlements not likely to be achieved due to limited growth in these areas.
- The focus of development in the Primary Settlements will result in further pressure on the environment.
- The provision of employment opportunities together with residential developments has not been fulfilled in all of the Strategic Mixed Use Sites allocated in the adopted LDP. Future employment allocations should be based on the findings of the Employment Land Review.
- Some rural areas could be disadvantaged as they would not all benefit from additional housing to help support and attract additional facilities.
- Preference for brownfield development over greenfield development. Growth would be predominately located on greenfield sites, however it is recognised that there are limited opportunities for brownfield development within the County.

<sup>13</sup> Main Towns of Abergavenny, Chepstow and Monmouth as identified in Policy S1 of the Adopted LDP

<sup>14</sup> Secondary Settlements of Llanfoist, Penperlleni, Raglan and Usk as identified in Policy S1 of the Adopted LDP

<sup>15</sup> Severnside sub-region consisting of Caerwent, Caldicot, Magor, Portskewett, Rogiet, Sudbrook and Undy

**Table 17 – Assessment of Option 1 against Draft LDP Objectives**

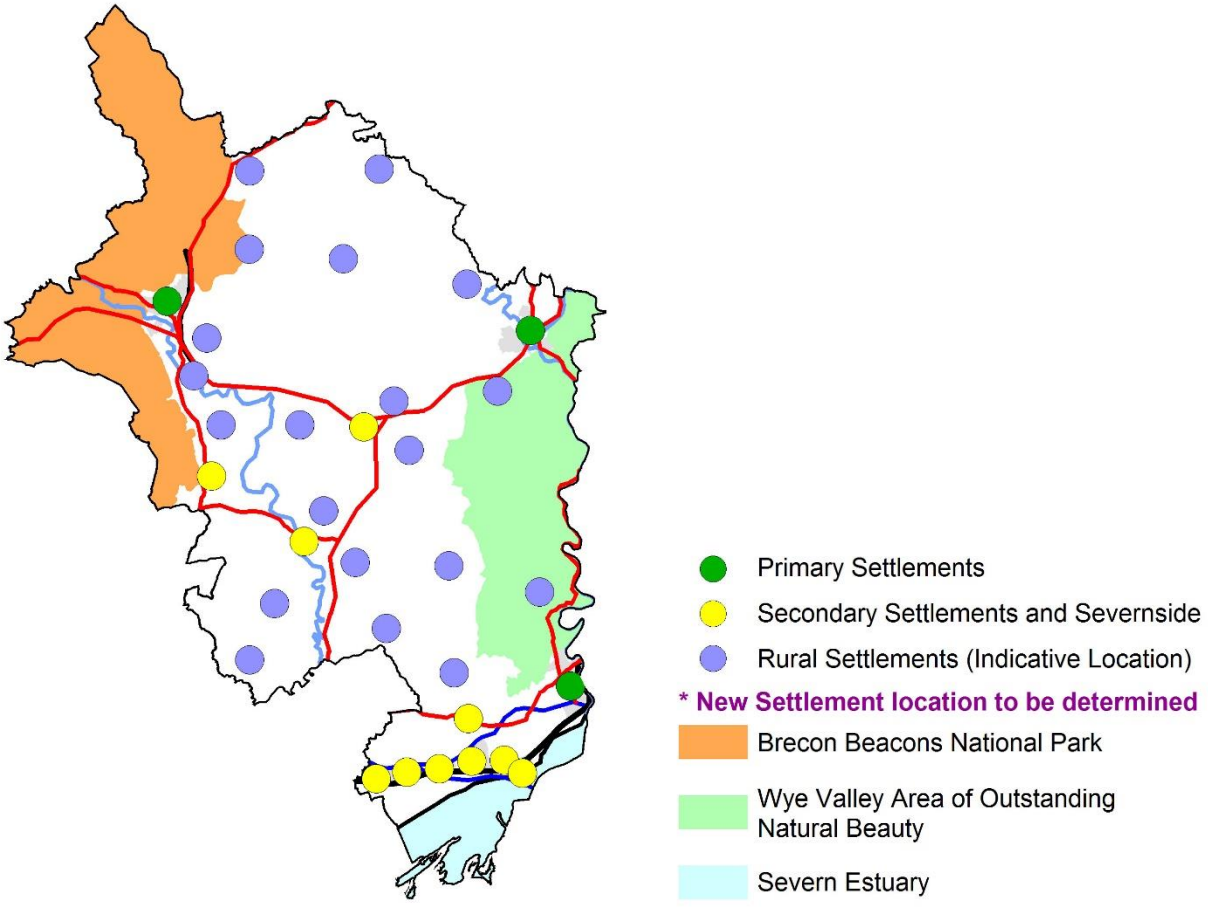
| LDP Objective Number                          | Draft LDP Objective - Headline                   | Performance of Option 1 against the Draft LDP Objectives   |
|---|--|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |  |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | While new residential development will be accompanied by employment opportunities, where possible, development needs to be in the right locations to attract inward investment. There is a focus on Abergavenny, Chepstow and Monmouth, however some growth in the Secondary Settlements, Severnside area and most sustainable rural areas would encourage greater indigenous business growth across the County as a whole while at the same time encouraging inward investment. Provides opportunity to create a thriving, well-connected, diverse economy. |
| <b>Objective 2</b>                            | Retail centres                                   | Would provide the opportunity to add to the customer base/footfall of the main County towns of Abergavenny, Chepstow and Monmouth and support existing/attract additional facilities in these areas. However, limited development in Caldicot, Usk and other rural areas could result in further loss of retail in other areas.  |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |  |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Likely to result in further pressure on the natural environment. New developments in these locations could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages.   |
| <b>Objective 4</b>                            | Flood risk                                       | While Abergavenny, Chepstow and Monmouth have areas of floodplain. Developments can be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.   |
| <b>Objective 5</b>                            | Minerals and Waste                               | There would be no negative impact on minerals and waste, mineral landbank obligations can be met.  |
| <b>Objective 6</b>                            | Land   | Limited opportunities for brownfield development, however, some opportunities exist within the Primary Settlements. Likely to be predominately greenfield development.   |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.  |

| LDP Objective Number                                       | Draft LDP Objective - Headline | Performance of Option 1 against the Draft LDP Objectives  |
|--|--------------------------------|---|
| <b>A Healthier Wales (Well-being Goal 3)</b>               |                                |   |
| <b>Objective 8</b>   | Health and Well-being          | There would be no negative impact on health and well-being. Any developments will be encouraged to support healthier lifestyles and provide sufficient open space.  |
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                                |   |
| <b>Objective 9</b>   | Demography                     | While the majority of market and affordable housing provision will be in the Primary Settlements of Abergavenny, Chepstow and Monmouth, housing will also be provided in Secondary Settlements, the Severnside area and some of the Rural Settlements which will assist in ensuring a balanced demography across the County. Would provide increased opportunities through employment and housing provision for the younger population to live and work in Monmouthshire. |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                                |   |
| <b>Objective 10</b>  | Housing                        | Would provide opportunity for sufficient homes, although recognise this is dependent on the level of growth. Affordable housing will be provided in Primary Settlements, Secondary Settlements, Severnside and some of the Rural Settlements. This will enable provision of market and affordable homes across all housing market areas.  |
| <b>Objective 11</b>  | Place-making                   | Any developments will need to enhance the character and identity of the Primary and Secondary Settlements, Severnside and Rural Settlements in accordance with national sustainable place-making principles.  |
| <b>Objective 12</b>  | Communities                    | Developments will be located in those settlements within Monmouthshire with good access to employment, retail, community facilities and social infrastructure. Will also provide opportunities to support/enhance existing community facilities.  |
| <b>Objective 13</b>  | Rural Communities              | Housing will be distributed in both urban and rural areas, with a focus in rural areas on the most sustainable Rural Settlements. Will help to support those rural areas where facilities are struggling/declining.   |
| <b>Objective 14</b>  | Infrastructure                 | The focus of development in Abergavenny, Chepstow and Monmouth may result in further pressure on social and physical infrastructure in these areas. However, appropriate infrastructure should be in place/can be provided to accommodate any new development in those areas as well as in the Secondary Settlements, Severnside and Rural Settlements.   |

| LDP Objective Number  | Draft LDP Objective - Headline       | Performance of Option 1 against the Draft LDP Objectives  |
|---|--------------------------------------|---|
| <b>Objective 15</b>   | Accessibility                        | While new residential development will be accompanied by employment opportunities, where possible, there is no guarantee that residents will live and work in the same area. While many of the settlements already have sustainable travel links in place through existing rail and bus links, any new developments will need to fully consider active travel and integrated sustainable transport opportunities. |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Consideration will need to be given to ensure there is no adverse impact on the heritage of Abergavenny, Chepstow and Monmouth due to the focus of development in these areas. However, through design developments can protect and enhance the built environment as well as providing benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.                              |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |   |
| <b>Objective 17</b>   | Climate Change                       | Resilience of new development to aspects of Climate Change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure.             |

## Option 2 Dispersed Growth and New Settlement

Table 18 – Option 2

| Option 2: Dispersed Growth and New Settlement   |
|---|
| <p><b>Description of Option:</b></p> <p>The aim of this option would be to distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing. The option also includes the addition of a New Settlement within the County to deliver longer term growth providing housing, employment, retail and associated infrastructure. It is recognised a New Settlement will take a long time to progress and cross over into the next plan period, hence additional dispersed growth is required to account for the identified need.</p> |
| <p><b>Map of option:</b></p>   |
| <p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Although a New Settlement could not be considered alone due to protracted delivery timescales, this option would ensure growth in the County across the whole Plan Period and beyond.</li> <li>• Would meet affordable housing needs throughout the County, particularly rural areas where growth has been limited previously.</li> </ul>  |

## Option 2: Dispersed Growth and New Settlement

- Would limit the amount of pressure on infrastructure by dispersing development across a range of settlements.
- Would help to support facilities in existing settlements, particularly in those rural areas where facilities are struggling/declining. Growth may also attract additional facilities where they do not currently exist.
- Would provide growth in the most sustainable areas of Monmouthshire whilst at the same time providing opportunities for specific rural areas to become more sustainable.
- The allocation of employment land in line with the findings of the Employment Land Review will ensure employment land is located in the right areas to attract specific sectors/employers.
- A new settlement would be self-contained and provide its own facilities, schools and infrastructure network, resulting in less pressure on existing services and infrastructure.

### Disadvantages:

- Preference for brownfield development over greenfield development. Growth would be predominately located on greenfield sites, however it is recognised that there are limited opportunities for brownfield development within the County.
- Small-scale piecemeal development in the short term would not necessarily generate sufficient infrastructure improvements and gains.
- A new settlement has protracted timescales due to the extensive nature of development, which would be delivered towards the latter part of the plan period and would extend into the next Plan period.
- Some rural areas could be disadvantaged as they would not all benefit from additional housing to help support and attract additional facilities.

Table 19 – Assessment of Option 2 against Draft LDP Objectives

| LDP Objective Number                          | Draft LDP Objective - Headline | Performance of Option 2 against the Draft LDP Objectives  |
|---|--------------------------------|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |                                |   |
| <b>Objective 1</b>                            | Economic Growth/<br>Employment | Dispersed growth across the Primary Settlements, Secondary Settlements, Severnside area and most sustainable rural areas would encourage greater indigenous business growth across the County as a whole while at the same time encouraging inward investment. Provides opportunity to create a thriving, well-connected, diverse economy. A new settlement would be self-contained and would include employment uses as appropriate. |



| LDP Objective Number                         | Draft LDP Objective - Headline                   | Performance of Option 2 against the Draft LDP Objectives  |
|--|--|---|
| <b>Objective 2</b>                           | Retail centres                                   | Would provide the opportunity to add to the customer base in existing settlements but would be less focus on the main County Towns of Abergavenny, Chepstow and Monmouth, which would offer limited potential to significantly add to footfall/trips. A new settlement would be self-contained and provide its own facilities, including retail. Dispersed growth may also attract additional facilities where they do not currently exist in other areas.  |
| <b>A Resilient Wales (Well-being Goal 2)</b> |  |   |
| <b>Objective 3</b>                           | Green Infrastructure, Biodiversity and Landscape | Dispersed development is likely to result in further pressure on the natural environment. New developments in these locations could nevertheless improve Green Infrastructure and ecological connectivity through opportunities to create new linkages. A new settlement presents benefits through new opportunities and linkages.  |
| <b>Objective 4</b>                           | Flood risk                                       | Dispersed development could result in development in areas such as Abergavenny, Chepstow, Monmouth, Raglan and Usk, which all have areas of floodplain. Developments can nevertheless be located away from areas at risk of flooding, particularly in relation to a new settlement and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation. Specific parts of a new settlement could also be subject to flood risk, however, can steer highly vulnerable development away from such areas. |
| <b>Objective 5</b>                           | Minerals and Waste                               | There would be no negative impact on minerals and waste, mineral landbank obligations can be met. Additional waste infrastructure may be required to support a new settlement.  |
| <b>Objective 6</b>                           | Land   | Limited opportunities for brownfield development, however, some opportunities exist within the Primary Settlements. Likely to be predominately greenfield development, particularly a new settlement.   |
| <b>Objective 7</b>                           | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b> |  |   |
| <b>Objective 8</b>                           | Health and Well-being                            | There would be no negative impact on health and well-being. Any developments will be encouraged to support healthier lifestyles and provide sufficient open space. A new settlement can provide its own facilities to support healthier lifestyles/promote well-being.  |

| LDP Objective Number                                       | Draft LDP Objective - Headline | Performance of Option 2 against the Draft LDP Objectives   |
|--|--------------------------------|--|
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                                |  |
| <b>Objective 9</b>   | Demography                     | Housing would be distributed across Primary Settlements, Secondary Settlements, Severnside and the most sustainable rural areas to meet housing needs, including the provision of affordable housing in both urban and rural areas, which would assist in ensuring a balanced demography. Would provide increased opportunities through employment and housing provision for the younger population to live and work in Monmouthshire. A new settlement would ensure growth in the County across the Plan Period and beyond. |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                                |  |
| <b>Objective 10</b>  | Housing                        | Would provide opportunity for sufficient homes across the plan period and beyond, although recognise this is dependent on the level of growth. Housing would be distributed to meet housing needs including provision of affordable housing in both urban and rural areas. This will enable provision of market and affordable homes across all housing market areas. A new settlement would provide the opportunity for a wide range and choice of homes in a new community.  |
| <b>Objective 11</b>  | Place-making                   | Any developments would need to enhance the character and identity of the Primary, Secondary and Rural Settlements and Severnside area in accordance with national sustainable place-making principles. A new settlement can ensure all aspects of the place-making agenda are fully considered and achieved.   |
| <b>Objective 12</b>  | Communities                    | Developments would be located in both urban and rural areas in those settlements within Monmouthshire with best access to employment, retail, community facilities and social infrastructure (Primary Settlements, Secondary Settlements, Severnside and Rural Settlements). A new settlement would be self-contained and provide its own facilities, schools and infrastructure network, comprising its own community.  |
| <b>Objective 13</b>  | Rural Communities              | Housing would be distributed in both urban and rural areas, with a focus on the most sustainable Rural Settlements. Would help support those rural areas where facilities are struggling/declining.  |

| LDP Objective Number  | Draft LDP Objective - Headline       | Performance of Option 2 against the Draft LDP Objectives  |
|---|--------------------------------------|---|
| <b>Objective 14</b>   | Infrastructure                       | Pressure on infrastructure will be limited through dispersed development across a range of settlements. However, appropriate infrastructure should be in place/can be provided to accommodate any new development in these areas. A new settlement would be self-contained and provide its own facilities, schools and infrastructure network, resulting in less pressure on existing services and infrastructure.  |
| <b>Objective 15</b>   | Accessibility                        | New residential development would be dispersed, providing more choice of areas for people to live and work, however, there is no guarantee that residents will live and work in the same area. While many of the settlements already have sustainable travel links in place through existing rail and bus links, any new developments will need to fully consider active travel and integrated sustainable transport opportunities. A new settlement could ensure this is in place. |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Dependent on location of sites, has the potential to impact on the heritage of a number of settlements in Monmouthshire. However, through design developments can protect and enhance the built environment as well as providing benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |   |
| <b>Objective 17</b>   | Climate Change                       | Resilience of new development to aspects of Climate Change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure.   |

### Option 3 Distribute Growth Proportionately across Rural and Urban Areas

Table 20 – Option 3

| Option 3: Distribute Growth Proportionately across Rural and Urban Areas   |
|--|
| <p><b>Description of Option:</b><br/>           Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing.</p>  |
| <p><b>Map of option:</b></p>   |
| <p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Would meet housing needs, including affordable housing, throughout the County, particularly in rural areas where growth has been limited previously.</li> <li>• Would limit the amount of pressure on infrastructure, particularly in the Primary Settlements, by distributing development across a range of settlements.</li> <li>• Would help to support facilities in existing settlements, particularly in those rural areas where facilities are struggling/declining. Proportionate growth may also attract additional facilities where they do not currently exist.</li> </ul> |

### Option 3: Distribute Growth Proportionately across Rural and Urban Areas

- Would provide growth in the most sustainable areas of Monmouthshire whilst at the same time providing opportunities for specific rural areas to become more sustainable.
- The allocation of employment land in line with the findings of the Employment Land Review will ensure employment land is located in the right areas to attract specific sectors/employers.

#### Disadvantages:

- While the pressure on existing infrastructure in Primary Settlements, Secondary Settlements and Severnside would be limited, small-scale piecemeal development would not necessarily generate sufficient infrastructure improvements and gains.
- Some rural areas could be disadvantaged as they would not all benefit from additional housing to help support existing facilities or attract additional facilities.
- Preference for brownfield development over greenfield development. Growth would be predominately located on greenfield sites, however, it is recognised that there are limited opportunities for brownfield development within the County.

Table 21 – Assessment of Option 3 against Draft LDP Objectives

| LDP Objective Number                          | Draft LDP Objective - Headline                   | Performance of Option 3 against the Draft LDP Objectives   |
|---|--|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |  |
| <b>Objective 1</b>                            | Economic Growth/ Employment                      | Proportionate growth across the Primary Settlements, Secondary Settlements, Severnside area and most sustainable rural areas would encourage greater indigenous business growth across the County as a whole while at the same time encouraging inward investment. Provides opportunity to create a thriving, well-connected, diverse economy. |
| <b>Objective 2</b>                            | Retail centres                                   | Would provide opportunity to add to the customer base in existing settlements through proportionate development. Proportionate growth may also attract additional facilities where they do not currently exist in other areas.   |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |  |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Likely to result in further pressure on the natural environment. New developments in these locations could nevertheless improve Green Infrastructure and Ecological connectivity through opportunities to create new linkages.   |

| <b>LDP Objective Number</b>                                | <b>Draft LDP Objective - Headline</b> | <b>Performance of Option 3 against the Draft LDP Objectives</b>   |
|--|---------------------------------------|---|
| <b>Objective 4</b>   | Flood risk                            | Proportionate development could result in development in areas such as Abergavenny, Chepstow, Monmouth, Raglan and Usk, which all have areas of floodplain. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.              |
| <b>Objective 5</b>   | Minerals and Waste                    | There would be no negative impact on minerals and waste, mineral landbank obligations can be met.   |
| <b>Objective 6</b>   | Land                                  | Limited opportunities for brownfield development, however, some opportunities exist within the Primary Settlements. Likely to be predominately greenfield development.  |
| <b>Objective 7</b>   | Natural resources                     | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b>               |                                       |   |
| <b>Objective 8</b>   | Health and Well-being                 | There would be no negative impact on health and well-being. Any developments will be encouraged to support healthier lifestyles and provide sufficient open space.  |
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                                       |   |
| <b>Objective 9</b>   | Demography                            | Housing would be distributed proportionately across all housing market areas to meet housing needs, including provision of affordable housing, which would assist in ensuring a balanced demography. Would provide increased opportunities through employment and housing provision for the younger population to live and work in Monmouthshire. |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                                       |   |
| <b>Objective 10</b>  | Housing                               | Would provide opportunity for sufficient homes, although recognise this is dependent on the level of growth. Housing would be distributed proportionately to meet housing needs including provision of affordable housing.  |
| <b>Objective 11</b>  | Place-making                          | Any developments will need to enhance the character and identity of the Primary, Secondary and Rural Settlements in accordance with national sustainable place-making principles.   |

| LDP Objective Number  | Draft LDP Objective - Headline       | Performance of Option 3 against the Draft LDP Objectives   |
|---|--------------------------------------|--|
| <b>Objective 12</b>   | Communities                          | Developments would be located in both urban and rural areas in those settlements within Monmouthshire with best access to employment, retail, community facilities and social infrastructure (Primary Settlements, Secondary Settlements, Severnside and Rural Settlements).   |
| <b>Objective 13</b>   | Rural Communities                    | Housing would be distributed in both urban and rural areas, with a focus on the most sustainable Rural Settlements. Would help to support those rural areas where facilities are struggling/declining.   |
| <b>Objective 14</b>   | Infrastructure                       | Pressure on infrastructure would be limited through proportionate development across a range of settlements. However, appropriate infrastructure should be in place/can be provided to accommodate any new development in these areas. Would also provide additional support for facilities in areas where growth has previously been limited.   |
| <b>Objective 15</b>   | Accessibility                        | New residential development would be proportionate, providing more choice of areas for people to live and work, however, there is no guarantee that residents would live and work in the same area. While many of the settlements already have sustainable travel links in place through existing rail and bus links, any new developments will need to fully consider active travel and integrated sustainable transport opportunities. |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |  |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Dependent on location of sites, has the potential to impact on the heritage of a number of settlements in Monmouthshire. However, through design developments can protect and enhance the built environment as well as providing benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.   |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |  |
| <b>Objective 17</b>   | Climate Change                       | Resilience of new development to aspects of Climate Change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure.                                    |

**Option 4 New Settlement with Limited Growth in Primary Settlements, Secondary Settlements and Severnside only**

**Table 22 – Option 4**

| Option 4: New Settlement with Limited Growth in Primary Settlements, Secondary Settlements and Severnside only  |  |
|---|--|
| <p><b>Description of Option:</b><br/>                     Growth to be predominantly accommodated in a New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to meet some of the identified need prior to progression of a New Settlement.</p>  |  |
| <p><b>Map of option:</b></p>  |  |
| <p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• A new settlement would be self-contained and provide its own facilities, schools and infrastructure network, resulting in less pressure on existing services and infrastructure in other parts of the County.</li> <li>• Less pressure on greenfield edge of settlement sites due to limited growth in these areas.</li> <li>• Would have a limited impact on the environment in the areas outside of a New Settlement.</li> </ul> |  |



### Option 4: New Settlement with Limited Growth in Primary Settlements, Secondary Settlements and Severnside only

#### Disadvantages:

- A new settlement would take a long time to progress and development would not likely commence until the latter part of the Replacement Plan Period and would extend into the next plan period. Housing need, both market and affordable, would likely not be met throughout the whole of the Plan Period and as a consequence would not meet the requirements of Welsh Government guidance set out in Technical Advice Note 1 (TAN1) relating to 5 year land supply.
- Would not address market and affordable housing need across all housing market areas as growth would be predominantly focused in one housing market area.
- Places pressure on Primary Settlements, Secondary Settlements and Severnside in the interim until the New Settlement progresses.
- Preference for brownfield development over greenfield development. Growth would be predominately located on a greenfield site, however, it is recognised that there are limited opportunities for brownfield development within the County.
- Would not provide for a choice of location for housing or address housing need in other settlements.
- Affordable housing provision would not be met across rural areas that are currently in need as development would be restricted to a New Settlement with limited growth in Primary Settlements, Secondary Settlements and Severnside.
- Rural areas would be disadvantaged as they would not benefit from additional housing to help support/attract additional facilities and would not meet a key objective of ensuring sustainable resilient communities.

Table 23 – Assessment of Option 4 against Draft LDP Objectives

| LDP Objective Number                          | Draft LDP Objective - Headline | Performance of Option 4 against the Draft LDP Objectives   |
|---|--------------------------------|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |                                |  |
| <b>Objective 1</b>                            | Economic Growth/<br>Employment | Unlikely to have a significant impact on employment growth in short term or across the County as a whole, particularly rural areas as no development will be directed to these areas. A new settlement will however be self-contained and could include employment uses as appropriate in the longer term. |
| <b>Objective 2</b>                            | Retail centres                 | Would provide limited opportunity to add to the customer base/footfall in existing settlements due to limited growth in these areas. A new settlement will be self-contained and provide its own facilities, including retail.   |

| LDP Objective Number                         | Draft LDP Objective - Headline                   | Performance of Option 4 against the Draft LDP Objectives  |
|--|--|---|
| <b>A Resilient Wales (Well-being Goal 2)</b> |  |   |
| <b>Objective 3</b>                           | Green Infrastructure, Biodiversity and Landscape | Likely to result in minimal pressure on the natural environment although growth will be limited. Limited growth in these locations could nevertheless improve Green Infrastructure and Ecological connectivity through opportunities to create new linkages. A new settlement would enable benefits through new opportunities and linkages.   |
| <b>Objective 4</b>                           | Flood risk                                       | Limited development in the Primary Settlements, Secondary Settlements and Severnside area could result in development in areas such as Abergavenny, Caldicot, Chepstow, Monmouth, Raglan and Usk, which all have areas of floodplain. Developments could nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation. Specific parts of a new settlement could also be subject to flood risk, however, can steer highly vulnerable development away from such areas. |
| <b>Objective 5</b>                           | Minerals and Waste                               | There would be no negative impact on minerals and waste, mineral landbank obligations can be met. Additional waste infrastructure may be required to support a new settlement.  |
| <b>Objective 6</b>                           | Land   | Limited opportunities for brownfield development, while some opportunities exist within the Primary Settlements, growth is limited in these locations. Likely to be predominately greenfield development, particularly a new settlement.  |
| <b>Objective 7</b>                           | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments will be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b> |  |   |
| <b>Objective 8</b>                           | Health and Well-being                            | There would be no negative impact on health and well-being. Any developments would be encouraged to support healthier lifestyles and provide sufficient open space. A new settlement could provide its own facilities to support healthier lifestyles/promote well-being.   |

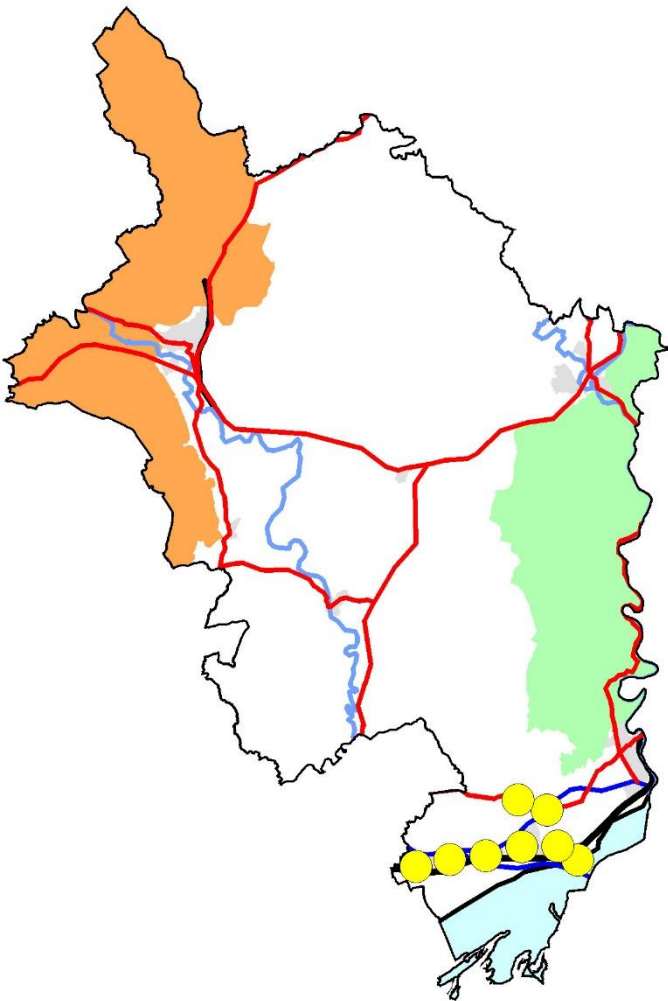
| LDP Objective Number                                       | Draft LDP Objective - Headline | Performance of Option 4 against the Draft LDP Objectives  |
|--|--------------------------------|---|
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                                |   |
| <b>Objective 9</b>   | Demography                     | Some market and affordable housing would be provided in Primary and Secondary Settlements and the Severnside area, although growth would be limited and unlikely to address demographic issues. No growth is proposed in the Rural Settlements impacting on market and affordable housing provision, which would in turn impact on demography as the younger population will be priced out in these areas. This option could also lead to rural isolation. Would provide some opportunities through employment and housing provision for the younger population to live and work in Monmouthshire however, growth would be limited in the short term. A new settlement would nevertheless ensure growth in the County in the latter part of the Plan Period and beyond. |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                                |   |
| <b>Objective 10</b>  | Housing                        | A limited amount of housing would be provided in the Primary Settlements, Secondary Settlements and Severnside area which will not meet housing need across all housing market areas and would negatively impact on the provision of both market and affordable housing. This would in turn impact on demography as the younger population would be priced out of these areas. A new settlement would, however, provide opportunity for a wide range and choice of homes in a new community over the longer term.   |
| <b>Objective 11</b>  | Place-making                   | While growth will be limited, any developments will need to enhance the character and identity of the Primary, Secondary, Severnside area and Rural Settlements in accordance with national sustainable place-making principles. A new settlement can ensure all aspects of the place-making agenda are fully considered and achieved.  |
| <b>Objective 12</b>  | Communities                    | Developments in the short term would only be located in urban areas with the best access to employment, retail, community facilities and social infrastructure and would provide little opportunity to support/enhance existing community facilities. Likely to result in a detrimental impact on rural areas which could lead to rural isolation. However, in the longer term a new settlement would be self-contained and provide its own facilities, schools and infrastructure network.   |

| LDP Objective Number  | Draft LDP Objective - Headline       | Performance of Option 4 against the Draft LDP Objectives  |
|---|--------------------------------------|---|
| <b>Objective 13</b>   | Rural Communities                    | Housing would only be directed to Primary Settlements, Secondary Settlements and Severnside area in the short term and would not address rural housing need. This would in turn impact on demography as the younger population will be priced out in these areas and this option could also lead to rural isolation. This would also impact on the sustainability of existing rural areas as there would be no additional support to help maintain rural facilities nor would there be any rural developments to attract additional rural employment opportunities. |
| <b>Objective 14</b>   | Infrastructure                       | While growth would be limited in Primary Settlements, Secondary Settlements and the Severnside area, appropriate infrastructure should be in place/can be provided to accommodate any new development in these areas. Additional support for facilities in other areas unlikely to be achieved due to limited growth. A new settlement would be self-contained and provide its own facilities, schools and infrastructure network.  |
| <b>Objective 15</b>   | Accessibility                        | Development in the short term, while limited, would be focused in Primary Settlements, Secondary Settlements and the Severnside area where there are existing employment opportunities, however, there is no guarantee that residents will live and work in the same area. While many of the settlements already have sustainable travel links in place through existing rail and bus links, any new developments will need to fully consider active travel and integrated sustainable transport opportunities. A new settlement can ensure this is in place.       |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Dependent on location of sites, has the potential to impact on the heritage of a number of settlements in Monmouthshire, albeit with limited growth, in these areas. However, through design developments can protect and enhance the built environment as well as providing benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |   |
| <b>Objective 17</b>   | Climate Change                       | Resilience of new development to aspects of Climate Change can be achieved via the design and location of new developments. Developments can provide  |

| LDP Objective Number | Draft LDP Objective - Headline | Performance of Option 4 against the Draft LDP Objectives   |
|----------------------|--------------------------------|--|
|                      |                                | opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure. |

**Option 5 Focus on the M4 corridor**

**Table 24 – Option 5**

| <b>Option 5: Focus on the M4 corridor</b>   |
|---|
| <p><b>Description of Option:</b><br/>           Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48, to capitalise on its strategic links to the Cardiff Capital Region and South West England, existing economic opportunities and regional infrastructure connections.</p>   |
| <p><b>Map of option:</b></p>  <p> <span style="display: inline-block; width: 10px; height: 10px; background-color: yellow; border-radius: 50%;"></span> Severnside<br/> <span style="display: inline-block; width: 20px; height: 10px; background-color: orange;"></span> Brecon Beacons National Park<br/> <span style="display: inline-block; width: 20px; height: 10px; background-color: lightgreen;"></span> Wye Valley Area of Outstanding Natural Beauty<br/> <span style="display: inline-block; width: 20px; height: 10px; background-color: lightblue;"></span> Severn Estuary         </p> |

### Option 5: Focus on the M4 corridor

#### Advantages:

- Would provide opportunity for building more sustainable communities and achieving infrastructure improvements/provision in the South of the County.
- Opportunity to enable investment in public transport and possibly promote a modal shift from car to more sustainable means of travel in the South of the County.
- Less pressure on greenfield edge of settlement sites outside the Severnside area.
- Would provide the potential to link housing and employment growth due to opportunities for a choice and range of employment land with good links to the M4 corridor.

#### Disadvantages:

- Does not enable opportunities for sustainable development in all of the Primary and Secondary Settlements and runs the risk of perpetuating existing problems of lack of social and community facilities and high levels of out-commuting in Severnside if opportunities to achieve mixed development are not harnessed effectively.
- Lack of employment opportunities outside the Severnside area would exacerbate out-commuting in other areas and would not assist in improving self-containment of the main County towns outside this area (i.e. Abergavenny/Llanfoist, Chepstow and Monmouth).
- Would not support existing facilities or enable provision of additional facilities and infrastructure in areas outside of Severnside. Rural areas outside Severnside in particular will be disadvantaged as they would not benefit from additional housing to help support existing facilities or attract additional facilities.
- Does not directly assist in sustaining rural communities.
- Affordable housing provision would not be met across all areas both urban and rural that are currently in need as it would be limited to the South of the County only.
- Would not address market and affordable housing need across all housing market areas.
- Preference for brownfield development over greenfield development. Growth would be predominately located on greenfield sites, however, it is recognised that there are limited opportunities for brownfield development within the County.

**Table 25 – Assessment of Option 5 against Draft LDP Objectives**

| LDP Objective Number                          | Draft LDP Objective - Headline | Performance of Option 5 against the Draft LDP Objectives   |
|---|--------------------------------|--|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |                                |  |
| <b>Objective 1</b>                            | Economic Growth/ Employment    | While this option would provide the opportunity to link housing and employment growth, particularly due to proximity of the M4, it would be unlikely to have a significant impact on employment growth across the County as a whole as development would be limited to the South of the County in the Severnside area. |

| LDP Objective Number                          | Draft LDP Objective - Headline                   | Performance of Option 5 against the Draft LDP Objectives   |
|---|--|--|
| <b>Objective 2</b>                            | Retail centres                                   | Would provide opportunity to add to the customer base/footfall in the Severnside area but would be less of a focus on the main County Towns of Abergavenny, Chepstow and Monmouth. Growth in this area may nevertheless attract additional facilities where they do not currently exist and support regeneration aspirations of Caldicot Town Centre, but would not offer the same to the town of Usk. |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |  |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | Likely to result in further pressure on the natural environment. New developments in these locations could nevertheless improve Green Infrastructure and Ecological connectivity through opportunities to create new linkages.   |
| <b>Objective 4</b>                            | Flood risk                                       | Development across the Severnside area could result in development in the Gwent Levels, which is designated as floodplain. Developments can nevertheless be located away from areas at risk of flooding and will incorporate SUDs in accordance with National Planning Policy and SUDs legislation.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | There could be potential impact on minerals and waste, however, mineral landbank obligations can be met. Due to the focus of development in the South of the County, there could be some impact on the Limestone Mineral Safeguarding Area.  |
| <b>Objective 6</b>                            | Land   | Limited opportunities for brownfield development in the Severnside area, likely to be predominately greenfield development.  |
| <b>Objective 7</b>                            | Natural resources                                | There would be no negative impact on ability to promote the efficient use of natural resources. Any developments would be encouraged to be water and energy efficient.   |
| <b>A Healthier Wales (Well-being Goal 3)</b>  |  |  |
| <b>Objective 8</b>                            | Health and Well-being                            | There would be no negative impact on health and well-being. Any developments will be encouraged to support healthier lifestyles and provide sufficient open space.   |
| <b>A More Equal Wales (Well-being Goal 4)</b> |  |  |
| <b>Objective 9</b>                            | Demography                                       | Market and affordable housing provision would be focussed in the South of the County in the Severnside area. No growth is proposed in other Primary and  |

| LDP Objective Number                                       | Draft LDP Objective - Headline | Performance of Option 5 against the Draft LDP Objectives   |
|--|--------------------------------|--|
|  |                                | Secondary Settlements outside of this area or the Rural Settlements impacting on both market and affordable housing provision, which would in turn impact on demography as the younger population would be priced out in these areas. This option could also lead to rural isolation. Would provide some opportunities through employment and housing provision for the younger population to live and work in Monmouthshire in the Severnside area only and would not increase opportunities across the County as a whole.  |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                                |  |
| <b>Objective 10</b>  | Housing                        | Housing would be provided in the South of the County in the Severnside area and would not meet housing needs across all housing market areas, negatively impacting on the provision of affordable housing. This would in turn impact on demography as the younger population will be priced out in these areas.  |
| <b>Objective 11</b>  | Place-making                   | Any developments would need to enhance the character and identity of the Settlements in the South of the County in accordance with national sustainable place-making principles.   |
| <b>Objective 12</b>  | Communities                    | Developments would only be located in the South of the County in the Severnside area with best access to employment, retail, community facilities and social infrastructure. Likely to result in a detrimental impact on rural areas, particularly in relation to rural isolation and also the Primary and Secondary Settlements as no development would be directed to these locations.   |
| <b>Objective 13</b>  | Rural Communities              | Housing would only be directed to the South of the County in the Severnside area and would not address rural need in other rural areas across the County. This would in turn impact on demography as the younger population would be priced out in these other rural areas. This would also impact on the sustainability of existing rural areas as there would be no additional support to help maintain rural facilities nor would there be any rural developments to attract additional rural employment opportunities. This option could also lead to rural isolation. |
| <b>Objective 14</b>  | Infrastructure                 | Pressure on infrastructure would be limited to the South of the County in Severnside, in an area with good links to the M4 and other sustainable travel links including rail at  |



| LDP Objective Number  | Draft LDP Objective - Headline       | Performance of Option 5 against the Draft LDP Objectives  |
|---|--------------------------------------|---|
|   |                                      | Caldicot and Severn Tunnel Junction Train Stations. However, appropriate infrastructure should be in place/can be provided to accommodate for any new development in this area. Lack of development outside this area would not generate sufficient infrastructure improvements and gains in other areas across the County. Would provide additional support for facilities in the Severnside area only, additional support for facilities in other areas unlikely to be achieved.  |
| <b>Objective 15</b>   | Accessibility                        | Development would be focused in the South of the County in the Severnside area where there are existing employment opportunities, however, there is no guarantee that residents will live and work in the same area. While many of the Severnside settlements already have sustainable travel links in place through existing rail and bus links, any new developments will need to fully consider active travel and integrated sustainable transport opportunities. Development in this area benefits from good links to Cardiff Capital Region and the South West via the M4. |
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | Dependent on location of sites, has the potential to impact on the heritage of a number of settlements in the South of Monmouthshire, however, would be minimal development in the historic towns of Abergavenny, Chepstow and Monmouth. However, through design developments can protect and enhance the built environment as well as providing benefits for the economy, tourism and well-being of communities. No impact on Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |   |
| <b>Objective 17</b>   | Climate Change                       | Resilience of new development to aspects of Climate Change can be achieved via the design and location of new developments. Developments can provide opportunities to minimise carbon by providing opportunities for renewable energy generation, seeking to reduce commuting, supporting use of ultra-low emission vehicles and public transport, and the provision of quality Green Infrastructure.   |

### **Consultation Questions**

- What is your preferred spatial option (as detailed in the options above) and why?
- How will this option address the issues/challenges Monmouthshire is facing?

## **4 Next Steps**

- 4.1 Feedback from the engagement/consultation on the Growth and Spatial Options Paper will be considered and, where appropriate, will inform the preferred growth and spatial strategy options which will be set out in the Preferred Strategy. The Replacement LDP Preferred Strategy will be the subject of engagement/consultation towards the end of 2019.

## **APPENDIX 1 – Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence Demographic Report: Executive Summary (Edge Analytics, Draft June 2019)**

The full version of the Draft Report can be viewed via the Planning Policy pages of the Council's website. The Draft Report has been amended to remove key references/outcomes relating to Torfaen and Blaenau Gwent as the report is currently draft. When finalised, the report will be published to include key references/outcomes relating to Torfaen and Blaenau Gwent.

# Executive Summary to Edge Analytics Report

- E.1 Blaenau Gwent County Borough Council (CBC), Torfaen County Borough Council (CBC) and Monmouthshire County Council are seeking to formulate a new Local Development Plan (LDP), due for adoption in 2021. To inform the emerging LDP, this report has presented a range of demographic and economic evidence, taking account of the latest available statistics and meeting the requirements of the Welsh Government (WG) Draft Development Plan Manual.
- E.2 Since 2001, the three authorities have experienced very different population change profiles, with Monmouthshire recording a growth rate (10%) that is higher than the national rate (7%), whilst Torfaen and Blaenau Gwent are notably lower (+1.5% and -0.6% respectively). Whilst the direction and rate of population change is very different between the authorities, migration has been a key driver of change in each.
- E.3 For Monmouthshire, net migration has been a key driver of population growth, whilst Blaenau Gwent has experienced a predominantly net out-migration flow. Net in-migration to Torfaen has been subject to an annual increase over the last four years, reflecting a rise in housing completions.
- E.4 Whilst all areas have experienced growth in the 65+ age groups, it is Monmouthshire that has seen the highest rate of change, which when coupled with relatively little change in the 'working age' group, has resulted in an increasing imbalance between the two.
- E.5 The latest WG 2014-based population projections capture a period of relatively low migration in its assumptions for all three authorities, resulting in low population change estimated over the plan period. These underpin the WG 2014-based household projections which estimate lower growth than the WG 2008-based equivalent, driven by assumptions on a larger average household size.
- E.6 For comparison with the WG 2014-based principal and variant projections and using the latest statistics available, a range of demographic trend and dwelling-led scenarios have been developed. Under the 'PG' trend-based scenarios, a continuation of alternative migration histories (i.e. short term and long term) would point to higher levels of population and dwelling growth than estimated by the WG projections. Following the recent removal of the Severn Bridge Tolls, the potential implications of increased migration flows to the three authorities would result in notable population growth and a more youthful age profile, particularly in Monmouthshire which has the strongest migration linkages with the South West region.
- E.7 Under the dwelling-led scenarios, the potential implications of a continuation of completion rates is considered. For Monmouthshire a continuation of completions over the last five, ten and fifteen years would result in higher population growth than the WG 2014-based projection but lower than that estimated under a continuation of historical migration trends.
- E.8 In addition, evidence from Monmouthshire's economic growth strategies provides an indication of the range and scale of employment growth that the authority is seeking to achieve over its LDP horizon. The potential population and dwelling growth implications associated with the employment growth has been considered using key assumptions on economic activity rates, unemployment rates and

commuting ratio to link demographic and economic change. Variations in each of these key assumptions influences the relationship between demographic and economic change.

- E.9 The relationship between population change and dwelling growth has been estimated using assumptions from the WG 2014-based household projection model. The potential implications of higher household formation have also been considered using assumptions from the WG 2008-based household model (Figure 1).
- E.10 For Monmouthshire the demographic, dwelling-led and employment-led scenarios result in a population change range of -4% (Net Nil scenario) to +22% (Employment-led RSC Higher scenario). This results in an average annual dwelling change range of -12 dpa to +677 dpa. Under the WG 2008-based household assumptions, the average annual dwelling growth range increases to 76–871 dpa over the plan period. The employment-led Radical Structural Change (RSC) scenarios result in higher population growth, driven by larger net inflows required to support the forecast change in employment. Changes to the commuting ratio ('CR Reducing' and 'CR Balanced' variants) retains more of the resident labour force to fulfil the employment growth, thus resulting in lower net in-migration and population change. The trend-based scenarios sit within the population and dwelling growth range, but remain higher than estimated under the WG 2014 Principal and WG 2014 (10yr Average Migration) variant projections.

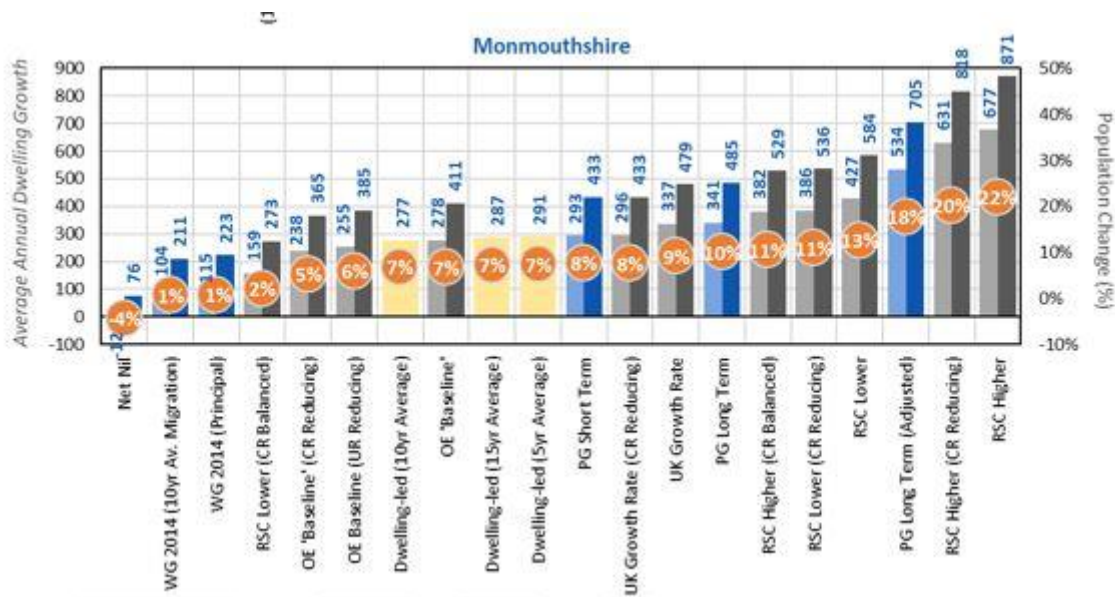


Figure 1: Average annual dwelling growth 2018–2033

## APPENDIX 2 – Replacement LDP Draft Objectives

| LDP Objective Number                          | Headline   | LDP Objective   |
|---|--|---|
| <b>A Prosperous Wales (Well-being Goal 1)</b> |  |   |
| <b>Objective 1</b>                            | Economic Growth/<br>Employment                   | To support a thriving, well-connected, diverse economy, which provides a range of good quality employment opportunities to enable and encourage indigenous business growth and attract inward investment and competitive innovative businesses in appropriate growth sectors, including through the provision of start-ups and grow on spaces.  |
| <b>Objective 2</b>                            | Retail centres                                   | To sustain and enhance the County towns of Abergavenny, Chepstow, Monmouth, Caldicot and Usk as vibrant and attractive retail centres serving their own populations and those of their surrounding hinterlands, along with increasing the potential customer base through future growth whilst recognising that the role of these centres is evolving.  |
| <b>A Resilient Wales (Well-being Goal 2)</b>  |  |   |
| <b>Objective 3</b>                            | Green Infrastructure, Biodiversity and Landscape | To protect, enhance and manage Monmouthshire’s natural environment and ecosystems. This includes, the Wye Valley Area of Outstanding Natural Beauty, the County’s other high quality and distinctive landscapes, protected sites, protected species and other biodiversity interests, along with the connectivity between them by creating new linkages for them to adapt while at the same time maximising benefits for the economy, tourism, health and well-being. |
| <b>Objective 4</b>                            | Flood risk                                       | To ensure that new development takes account of the risk of flooding, both existing and in the future, including the need to avoid inappropriate development in areas that are at risk from flooding or that may increase the risk of flooding elsewhere and the need to design development to appropriately manage surface water run-off.  |
| <b>Objective 5</b>                            | Minerals and Waste                               | To meet the County’s regional and local obligations to manage and dispose of its waste and to safeguard and exploit its mineral resource in a sustainable fashion.  |
| <b>Objective 6</b>                            | Land   | To promote the efficient use of land, including the need to maximise opportunities for development on previously developed land, whilst recognising that brownfield opportunities are limited in Monmouthshire.   |
| <b>Objective 7</b>                            | Natural resources                                | To promote the efficient use of natural resources including providing increased opportunities for water efficiency, energy efficiency, renewable energy, recycling and waste reduction.   |

| LDP Objective Number                                       | Headline              | LDP Objective   |
|--|-----------------------|---|
| <b>A Healthier Wales (Well-being Goal 3)</b>               |                       |   |
| <b>Objective 8</b>   | Health and Well-being | To improve access for all ages to recreation, sport, leisure activities, open space and the countryside and to enable healthier lifestyles.   |
| <b>A More Equal Wales (Well-being Goal 4)</b>              |                       |   |
| <b>Objective 9</b>   | Demography            | To increase opportunities for the younger population to both live and work within Monmouthshire to assist in ensuring a balanced demography.  |
| <b>A Wales of Cohesive Communities (Well-being Goal 5)</b> |                       |   |
| <b>Objective 10</b>  | Housing               | To provide a level of housing that is sufficient to provide a wide ranging choice of homes both for existing and future residents, while ensuring that local needs for appropriate, affordable and accessible housing are met as far as possible, particularly in towns but also in rural areas, so long as such housing can assist in building sustainable balanced communities. |
| <b>Objective 11</b>  | Place-making          | To promote good quality sustainable design and layouts that enhance the character and identity of Monmouthshire's settlements and countryside; create attractive, safe and accessible places to live, work and visit; and promote people's prosperity, health, happiness and well-being.  |
| <b>Objective 12</b>  | Communities           | To build sustainable resilient communities where people have good access to employment, shops, housing, public transport, active travel, healthcare, community and cultural facilities.   |
| <b>Objective 13</b>  | Rural Communities     | To sustain existing rural communities as far as possible by providing development opportunities of an appropriate scale and location in rural areas in order to assist in building sustainable rural communities and strengthening the rural economy.   |
| <b>Objective 14</b>  | Infrastructure        | To ensure that appropriate physical and digital infrastructure (including community and recreational facilities, sewerage, water, transport, schools, health care and broadband etc.) is in place or can be provided to accommodate new development.  |
| <b>Objective 15</b>  | Accessibility         | To seek to reduce the need to travel by promoting a mix of land use allocations and improved internet connectivity, and where travel is required, to provide opportunities for active travel and integrated sustainable transport.  |



| LDP Objective Number  | Headline                             | LDP Objective   |
|---|--------------------------------------|---|
| <b>A Wales of Vibrant Culture &amp; Thriving Welsh Language (Well-being Goal 6)</b> |                                      |   |
| <b>Objective 16</b>   | Culture, Heritage and Welsh Language | To protect and enhance the built environment, culture and heritage of Monmouthshire for the future while maximising benefits for the economy, tourism and social well-being, including supporting and safeguarding the Welsh Language.  |
| <b>A Globally Responsible Wales (Well-being Goal 7)</b>                             |                                      |   |
| <b>Objective 17</b>   | Climate Change                       | To strive to limit the increase in global temperatures to 1.5oC, supporting carbon reduction through a variety of measures including the use of renewable energy, the design and location of new development, encouraging balanced job and population growth to reduce out-commuting, the provision of broadband connectivity to reduce the need to travel, the provision of ultra-low emission vehicle charging infrastructure to reduce emissions and improve air quality, and the provision of quality Green Infrastructure. |

### APPENDIX 3 - Long list of Growth Scenarios

| Scenario          | Description   | Initial Assessment   | Take Forward |
|-------------------|---|--|--------------|
| <b>Scenario 1</b> | WG 2014-based (Principal): this replicates the WG 2014-based population projection. Migration assumptions are based on the five-year period prior to 2014 (i.e. 2009/10– 2013/14).  | This scenario is included within the options for further consideration in response to Welsh Government guidance which recommends that the latest local authority population and household projections should be used as a fundamental part of the evidence base for development plans. This includes the principal projection. | Yes          |
| <b>Scenario 2</b> | WG 2014-based (10yr Average Migration): replicates the WG 2014-based '10yr Average Migration' variant population projection. Migration assumptions on the ten year period prior to 2014 (i.e. 2004/05–2013/14).   | This scenario takes no account of increased migration to the County in more recent years, there is more recent evidence available. This more recent data and the implications of long term migration trends are covered by scenario 5.   | No           |
| <b>Scenario 3</b> | PG Short Term <sup>16</sup> : Internal migration rates and international migration flow assumptions are based on a six-year historical period (2011/12– 2016/17). This is a similar time period to the WG 'Principal' projection (i.e. 5–6 years), but includes the latest three years of population statistics in the derivation of assumptions. | Takes account of increased migration to the County in more recent years, but too short a time period to provide a robust basis for a 15-year plan. The implications of long term migration trends are covered by scenario 5.   | No           |
| <b>Scenario 4</b> | PG Long Term: Internal migration rates and international migration  | Represents what would happen over the plan period if migration flows remain the same as over the past 16 years, i.e. 'business as usual'. Similar  | No           |

<sup>16</sup> PG refers to POPGROUP forecasting model used to develop the trend-based scenarios.

| Scenario          | Description   | Initial Assessment  | Take Forward |
|-------------------|---|---|--------------|
|                   | flow assumptions are based on the full sixteen-year historical period (2001/02–2016/17).  | approach to scenario 9, but dwelling completions are considered a more robust basis for evaluating this scenario.   |              |
| <b>Scenario 5</b> | PG Long Term Adjusted – Internal in-migration rates for each authority are adjusted to reflect higher in-migration (based on the last 5-years) from Bristol and South Gloucestershire, following the removal of the Severn Bridge toll. All other migration flow assumptions are consistent with the PG Long Term scenario. | Based on the same base assumptions as scenario 4 but takes account of the possible increase in in-migration associated with the removal of the Severn Bridge Tolls. This scenario is included within the options for further consideration as it is the only scenario that takes this into account. | Yes          |
| <b>Scenario 6</b> | Net Nil – Internal and international migration flows are balanced between in- and out-flows, resulting in zero net migration.   | This scenario is included within the options for further consideration as it provides a baseline of what would happen if there was to be no migration, with all growth reliant on natural change i.e. the balance between births and deaths.  | Yes          |
| <b>Scenario 7</b> | Dwelling-led (5yr Average): Annual dwelling growth is applied from 2019/20 onward, based on the last five years of completions (2014/15–2018/19). An annual dwelling growth of +280 is applied.   | This scenario is based on data from too short a time period to provide a robust basis for a 15-year plan. Small changes in the recent dwelling delivery rate would impact disproportionately on the projections.  | No           |
| <b>Scenario 8</b> | Dwelling-led (10yr Average): Annual dwelling growth is applied from 2019/20 onward, based on the last ten years of completions (2009/10–2018/19). An average annual   | This scenario is based on data from too short a time period to provide a robust basis for a 15-year plan. Small changes in the recent dwelling delivery rate would impact disproportionately on the projections.  | No           |

| Scenario           | Description  | Initial Assessment   | Take Forward |
|--------------------|--|--|--------------|
|                    | dwelling growth of +265 pa is applied.   |  |              |
| <b>Scenario 9</b>  | Dwelling-led (15yr Average): Annual dwelling growth is applied from 2019/20 onward, based on the last fifteen years of completions (2004/05–2018/19). An average annual dwelling growth of +275 pa is applied.   | This scenario is included within the options for further consideration as it represents what would happen over the plan period if dwelling delivery remains the same as over the past 15 years, i.e. 'business as usual'.                                      | Yes          |
| <b>Scenario 10</b> | Baseline: Oxford Economics 'Baseline' forecast.  | The baseline is an employment-led scenario which sets economic growth on a low trajectory in the County, so would not support Council aspirations or meet key LDP objectives.  | No           |
| <b>Scenario 11</b> | Baseline (UR reducing): Unemployment rate reduces from current levels (3.0%) to 2.0% over the plan period, in line with the underpinning Oxford Economic 'Baseline' forecast. Economic activity rate adjustments in line with the OBR forecast, commuting ratio remains fixed at the 2011 Census value (1.12). | The baseline is an employment-led scenario which sets economic growth on a low trajectory in the County, so would not support Council aspirations or meet key LDP objectives.  | No           |
| <b>Scenario 12</b> | Baseline (CR reducing): Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period. Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).   | The baseline is an employment-led scenario which sets economic growth on a low trajectory in the County. It is deemed unrealistic to assume that there would be a reduced commuting ratio by the end of the plan period without significant employment growth. | No           |

| Scenario           | Description   | Initial Assessment   | Take Forward |
|--------------------|---|--|--------------|
| <b>Scenario 13</b> | UK Growth Rate: Incorporates uplifts in identified underperforming sectors to match UK growth levels.   | This is considered a realistic scenario to model as it would illustrate the implications of bringing Monmouthshire's employment growth in underperforming sectors in line with that of the UK. This scenario is included within the options for further consideration. | Yes          |
| <b>Scenario 14</b> | UK Growth Rate (CR reducing): Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period. Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).                  | It is deemed unrealistic to assume that there would be a reduced commuting ratio by the end of the plan period without significant employment growth across all sectors.   | No           |
| <b>Scenario 15</b> | Radical Structural Change Lower: Consider the potential impact of substantial economic changes in Monmouthshire's economy, resulting in significantly higher employment growth range than under the 'Baseline' equivalent.  | This scenario considers the impact of employment growth above the baseline, but takes no account of the impact on commuting of this higher level of job provision.   | No           |
| <b>Scenario 16</b> | Radical Structural Change Lower (CR reducing): Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period. Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%). | This scenario is included within the options for further consideration as with the provision of more jobs in the County it is realistic to assume that the commuting ratio would reduce, with Monmouthshire retaining more of its resident workforce.                  | Yes          |
| <b>Scenario 17</b> | Radical Structural Change Lower (CR balanced): Commuting ratio reduces from 2011 Census value (1.12) to a   | Despite the provision of a higher level of employment it is deemed unrealistic to assume that there would be a balanced commuting ratio by the end of the plan period, i.e. there would be the same number of  | No           |

| Scenario           | Description  | Initial Assessment  | Take Forward |
|--------------------|--|---|--------------|
|                    | balanced commuting ratio of 1.00 by the end of the plan period. Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).   | residents commuting out as employees commuting into the County for work.  |              |
| <b>Scenario 18</b> | Radical Structure Change Higher: Considers the potential impact of substantial economic changes in Monmouthshire's economy, resulting in significantly higher employment growth range than under the 'Baseline' equivalent.  | This scenario is included within the options for further consideration as it provides a useful scenario of the implications for the Council of going for this high level of growth over the plan period. The inclusion of this scenario provides a complete range of options from the baseline to the option with the highest growth. | Yes          |
| <b>Scenario 19</b> | Radical Structure Change Higher (CR reducing): Assumes the commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period. Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%).        | This scenario is included within the options for further consideration as it is realistic to assume that the commuting ratio would reduce if this high level of growth was considered, with more of Monmouthshire's residents employed within the County  | Yes          |
| <b>Scenario 20</b> | Radical Structure Change Higher (CR balanced): Commuting ratio reduces from 2011 Census value (1.12) to a balanced commuting ratio of 1.00 by the end of the plan period. Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains fixed at current value (3.0%). | Even with this high level of employment growth it is deemed unrealistic to assume that there would be a balanced commuting ratio by the end of the plan period, i.e. there would be the same number of residents commuting out as employees commuting into the County for work.   | No           |

## APPENDIX 4 - Long list of Spatial Options

| Option  | Description  | Initial Assessment   | Take Forward |
|---|--|--|--------------|
| <b>Option 1 – Continuation of existing LDP Strategy</b> | Distribute development around the County with a particular focus on Main Towns <sup>17</sup> , some development in Severnside <sup>18</sup> and some development in the most sustainable rural areas to enable provision of affordable housing throughout the County. New residential development to be accompanied by new employment opportunities, where possible. | <p>This option replicates the existing strategy of the Adopted LDP. Evidence from the Annual Monitoring Report’s suggest progress continues to be made towards the implementation of the spatial strategy, however, it does identify that the current housing provision policies are not being delivered as quickly as anticipated which in turn impacts on housing land supply, progress is nevertheless still being made in bringing the strategic sites forward. Further consideration will be given to a range of factors as part of the assessment of the option including infrastructure capacity, policy constraints, affordable housing and employment provision.</p> <p>This option is considered to be realistic and has been selected as an option for consultation purposes.</p> | Yes          |
| <b>Option 2 – Dispersed Growth and New Settlement</b>   | Distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a   | This option would support the delivery of housing land in sustainable locations for development through the distribution of growth in both urban areas and the most sustainable rural areas, in accordance with PPW 10 (December 2018). This combined with a New Settlement would ensure growth across the Plan Period and beyond. Further consideration will be given to a range of factors as part of the assessment of the option including infrastructure capacity, policy constraints, affordable housing and employment provision.   | Yes          |

<sup>17</sup> As identified in Policy S1 of the Adopted Local Development Plan (2014)

<sup>18</sup> As identified in Policy S1 of the Adopted Local Development Plan (2014)

| Option  | Description  | Initial Assessment  | Take Forward |
|---|--|---|--------------|
|   | <p>small amount of development in the most sustainable Rural Settlements to bring forward affordable housing. Inclusion of a New Settlement within the County to deliver longer term growth providing housing, employment, retail and associated infrastructure. It is recognised a New Settlement will take a long time to progress and cross over into next plan period, hence additional dispersed growth is required to account for the identified need.</p> | <p>This option is considered to have sufficient merit to warrant being carried forward to a short list of options.</p>  |              |
| <p><b>Option 3 – Distribute growth proportionately across rural and urban areas</b></p> | <p>Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most</p>  | <p>This option would support the delivery of housing land in sustainable locations for development through distribution of growth in both urban areas and the most sustainable rural areas, in accordance with PPW 10. Further consideration will be given to a range of factors as part of the assessment of the option including infrastructure capacity, policy constraints, affordable housing and employment provision.</p> <p>This option is considered to be realistic and has been selected as an option for consultation purposes.</p> | <p>Yes</p>   |



| Option  | Description   | Initial Assessment   | Take Forward |
|---|---|--|--------------|
|   | sustainable Rural Settlements to bring forward affordable housing.  |  |              |
| <b>Option 4 – New Settlement with limited growth in Primary Settlements, Secondary Settlements and Severnside only.</b> | Growth to be predominantly accommodated in a New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to meet some of the identified need prior to progression of a New Settlement.  | <p>This option focusses growth on a New Settlement with a limited amount of growth in sustainable urban areas, in accordance with PPW 10. Further consideration will be given to a range of factors as part of the assessment of the option including infrastructure capacity, policy constraints, affordable housing and employment provision.</p> <p>This option is considered to be realistic and has been selected as an option for consultation purposes.</p> | Yes          |
| <b>Option 5 – Focus on M4 corridor</b>  | Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48, to capitalise on its strategic links to the Cardiff Capital Region and South West England, existing economic opportunities and regional infrastructure connections. | <p>This option focusses growth in areas in Severnside close to the M4/M48 corridor. Impact on housing need across the County as a whole, including, rural areas will need to be factored into a full appraisal.</p> <p>This option is considered to be realistic and has been selected as an option for consultation purposes.</p>   | Yes          |
| <b>Option 6 – Former Option A of Adopted</b>  | Focus development within or adjoining the three main towns of Abergavenny, Chepstow and   | This relates to an option considered previously in the Adopted LDP.  | No           |

| Option   | Description  | Initial Assessment  | Take Forward |
|--|--|---|--------------|
| <p><b>Local Development Plan</b></p>                                       | <p>Monmouth where there is the best access to jobs services and public transport.</p>  | <p>There is limited scope for significant or long term expansion of the Main Towns within the County due to a mix of physical, environmental and Policy constraints. Further significant or long term expansion in these areas would place additional pressure which outweighs the balance of benefits in terms of accessibility to existing services and jobs. This option would not meet housing or economic need across the County as a whole.</p> <p>This option is not considered to be realistic and as a consequence has not been selected as an option for consultation purposes.</p>   |              |
| <p><b>Option 7 – Former Option D of Adopted Local Development Plan</b></p> | <p>Focus development on sites and settlements where opportunities exist for large scale mixed development to enable new residential development to be accompanied by an associated increase in employment opportunities.</p> | <p>This relates to an option considered previously in the Adopted LDP. The current LDP Strategy includes a number of Strategic Mixed Use Sites, however the provision of employment opportunities together with residential developments has not been fulfilled in all of the Strategic Mixed Use Sites allocated in the adopted LDP. This option would take this further by only allocating Mixed Use Sites which based on previous experience are likely to be subject to viability and deliverability issues and would not be a realistic option going forward. While a focus on mixed use sites would not be appropriate, where such sites are considered to be viable and deliverable they should be given further consideration. It would nevertheless be more beneficial to allocate Employment land in line with the findings of the Employment Land Review.</p> <p>This option would not meet housing need across Monmouthshire as a whole, particularly in rural areas of need. The inclusion of large scale development would also likely impact build rates, with a preference towards large house builders limiting the amount of small/medium house builders working across the County.</p> | <p>No</p>    |

| Option                                | Description          | Initial Assessment   | Take Forward |
|---------------------------------------|----------------------|--|--------------|
|                                       |                      | This option is not considered to be realistic and as a consequence has not been selected as an option for consultation purposes.   |              |
| <b>Option 8 – New Settlement only</b> | New settlement only. | <p>The length of time necessary to deliver a new settlement combined with the lack of other housing allocations in the Plan to support growth would result in limited housing delivery over the entire plan period. A new settlement would take a long time to progress and development would not likely commence until the latter part of the Replacement Plan Period. Housing need – both market and affordable would not likely be met throughout the whole of the Plan Period and as a consequence would not meet the requirements of Welsh Government guidance set out in Technical Advice Note 1 (TAN1) relating to 5 year land supply.</p> <p>This option would not meet housing or employment needs across Monmouthshire as a whole as all growth would be focused in one area. This would have a negative impact on provision of services, facilities and infrastructure in all other areas of the County and would not adequately address the issues and objectives.</p> <p>This option would not provide adequate housing provision over the whole plan period and consequently is not considered to be realistic and has not been selected as an option for consultation purposes.</p> | No           |

## APPENDIX 5 – Summary Matrix of Growth Options against Replacement LDP Draft Objectives

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|  | Option 1 – Net Nil Migration | Option 2 – WG Principal Projection | Option 3 – Dwelling-led (15yr average) | Option 4 – Matching UK Growth | Option 5 _ RSC* Lower (Commuting ratio reducing) | Option 6 – POPGROUP Long Term (Adjusted) | Option 7- RSC* Higher (Commuting ratio reducing) | Option 8 – RSC* Higher |
|--|------------------------------|------------------------------------|--|-------------------------------|--|--|--|------------------------|
| Economic Growth/Employment                       | Red                          | Red                                | Yellow                                 | Yellow                        | Green  | Green                                    | Green  | Green                  |
| Retail centres                                   | Red                          | Red                                | Yellow                                 | Yellow                        | Green  | Green                                    | Green  | Green                  |
| Green Infrastructure, Biodiversity and Landscape | Yellow                       | Yellow                             | Yellow                                 | Yellow                        | Yellow   | Yellow                                   | Yellow   | Yellow                 |
| Flood risk                                       | Green                        | Green                              | Green                                  | Green                         | Green  | Green                                    | Green  | Green                  |
| Minerals and Waste                               | Green                        | Green                              | Green                                  | Yellow                        | Yellow   | Red                                      | Red  | Red                    |
| Land   | Red                          | Red                                | Yellow                                 | Yellow                        | Yellow   | Red                                      | Red  | Red                    |
| Natural resources                                | Yellow                       | Green                              | Green                                  | Green                         | Green  | Green                                    | Green  | Green                  |
| Health and Well-being                            | Red                          | Red                                | Green                                  | Green                         | Green  | Green                                    | Green  | Green                  |
| Demography                                       | Red                          | Red                                | Red                                    | Red                           | Yellow   | Green                                    | Green  | Green                  |
| Housing  | Red                          | Red                                | Green                                  | Green                         | Green  | Green                                    | Green  | Green                  |
| Place-making                                     | Red                          | Red                                | Green                                  | Green                         | Green  | Green                                    | Green  | Green                  |
| Communities                                      | Red                          | Red                                | Yellow                                 | Yellow                        | Green  | Green                                    | Green  | Green                  |
| Rural Communities                                | Red                          | Red                                | Yellow                                 | Yellow                        | Green  | Green                                    | Green  | Green                  |
| Infrastructure                                   | Red                          | Yellow                             | Green                                  | Green                         | Green  | Green                                    | Green  | Green                  |
| Accessibility                                    | Red                          | Red                                | Yellow                                 | Yellow                        | Green  | Yellow                                   | Green  | Yellow                 |
| Culture, Heritage and Welsh Language             | Yellow                       | Yellow                             | Yellow                                 | Yellow                        | Yellow   | Yellow                                   | Yellow   | Yellow                 |
| Climate Change                                   | Yellow                       | Yellow                             | Yellow                                 | Yellow                        | Yellow   | Red                                      | Yellow   | Red                    |

\*Radical Structural Change

**APPENDIX 6 – Summary Matrix of Spatial Options against Replacement LDP Draft Objectives**

|  | Option 1 -Continuation of existing LDP Strategy | Option 2 – Dispersed Growth and New Settlement | Option 3 – Distribute growth proportionately across rural and urban areas | Option 4 – New Settlement with limited growth in Primary Settlements, Secondary Settlements and Sevenside only. | Option 5 – Focus on M4 corridor |
|--|---|--|---|---|---------------------------------|
| Economic Growth/Employment                       | Green   | Green  | Green   | Yellow  | Yellow                          |
| Retail centres                                   | Green   | Green  | Green   | Red   | Red                             |
| Green Infrastructure, Biodiversity and Landscape | Yellow  | Yellow   | Yellow  | Yellow  | Yellow                          |
| Flood risk                                       | Green   | Green  | Green   | Green   | Green                           |
| Minerals and Waste                               | Green   | Yellow   | Green   | Yellow  | Red                             |
| Land   | Yellow  | Yellow   | Yellow  | Red   | Red                             |
| Natural resources                                | Green   | Green  | Green   | Green   | Green                           |
| Health and Well-being                            | Green   | Green  | Green   | Green   | Green                           |
| Demography                                       | Green   | Green  | Green   | Red   | Red                             |
| Housing  | Green   | Green  | Green   | Red   | Red                             |
| Place-making                                     | Green   | Green  | Green   | Green   | Green                           |
| Communities                                      | Green   | Green  | Green   | Yellow  | Yellow                          |
| Rural Communities                                | Green   | Green  | Green   | Red   | Red                             |
| Infrastructure                                   | Green   | Green  | Green   | Yellow  | Yellow                          |
| Accessibility                                    | Green   | Green  | Green   | Green   | Green                           |
| Culture, Heritage and Welsh Language             | Yellow  | Yellow   | Yellow  | Yellow  | Yellow                          |
| Climate Change                                   | Yellow  | Yellow   | Yellow  | Yellow  | Yellow                          |

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# **Monmouthshire Replacement Local Development Plan**

## **GROWTH AND SPATIAL OPTIONS PAPER: EXECUTIVE SUMMARY**

**June 2019**



**monmouthshire**  
**sir fynydd**

## Executive Summary

- i. The Council is preparing a new Local Development Plan (LDP) for Monmouthshire (excluding the part of the County that is within the Brecon Beacons National Park). The new LDP will identify where and how much new development will take place during the 'plan period' (2018-2033). It will allocate land for development, identify areas to be protected, and contain policies to guide decisions on applications for planning permission. We aim to adopt the new LDP at the end of 2021/early 2022.
- ii. The LDP will be accompanied by an Integrated Sustainability Appraisal (ISA) which will consider the environmental, equalities, health and well-being impacts of the Plan. The Integrated Sustainability Appraisal is a working document, updated as the LDP progresses. The LDP will include an Infrastructure Plan, setting out what is needed to support the development of the allocated sites, and will sit alongside a Local Transport Plan and Economic Strategy. Together, these Plans will seek to deliver on the Council's economic ambition and its core purpose to build sustainable and resilient communities that support the well-being of current and future generations.
- iii. This Paper sets out alternative growth and spatial options for the Replacement LDP, together with the implications of each option and the extent to which they will achieve the Replacement LDP objectives. At this stage no decision has been made on a preference. The options presented in this Paper provide an indication of the scale of growth (housing and employment) that the Replacement LDP will potentially need to include and broad options of where that growth could be located (spatial option), having regard to the evidence base and policy aspirations.

### Growth Options

- iv. Section 2 of the Paper presents a range of alternative housing and economic growth options for consideration to inform the Replacement LDP (2018-2033).
- v. Monmouthshire, Torfaen and Blaenau Gwent County Councils have jointly commissioned Edge Analytics to prepare a range of demographic, housing and employment growth scenarios to inform LDP growth options.
- vi. A total of 20 different scenarios have been generated for Monmouthshire. From these, eight growth options have been selected for consultation (see Table 4). It should be noted that the growth outcomes of each scenario generated includes that part of Monmouthshire that falls within the Brecon Beacons National Park.
- vii. The Paper considers the population, household, dwelling and employment implications associated with each of the alternative growth options set out below, together with their wider implications for the County and the extent to which they will achieve the Replacement LDP's objectives. A summary of the implications associated with each option is provided in Table 14. A number of consultation questions are set out at the end of Section 2.
- viii. To provide an indication of the baseline position, the 2017 Office for National Statistics Mid-Year Estimate gives Monmouthshire a population of 93,590; the 2011 Census recorded 38,233 households in Monmouthshire; and the 2011 Census recorded 40,044 dwellings in Monmouthshire.



## Summary of Selected Growth Options

| Options (type)   |  | Assumptions   | Additional homes by 2033 | Additional jobs by 2033 |
|--|--|---|--------------------------|-------------------------|
| <b>Low Growth Options</b>  |  |   |                          |                         |
| Option 1 (Demographic)   | Net Nil Migration                              | Internal and international migration flows are balanced between in- and out-flows, resulting in zero net migration.   | -173 homes               | -3990 jobs              |
| Option 2 (Demographic)   | WG 2014-based Principal                        | Replicates the WG 2014-based population projection. Migration assumptions are based on the five-year period prior to 2014 (i.e. 2009/10–2013/14).   | +1725 homes              | -1499 jobs              |
| <b>Mid Growth Options</b>  |  |   |                          |                         |
| Option 3 (Dwelling)  | Dwelling-led 15 year average                   | Annual dwelling growth is applied from 2019/20 onward, based on the last fifteen years of completions (2004/05–2018/19). This gives an average annual dwelling growth of +287 pa in Monmouthshire.  | +4305 homes              | +1389 jobs              |
| Option 4 (Employment)  | UK Growth Rates                                | Incorporates uplifts in identified underperforming sectors to match UK growth levels. Estimates employment growth of +2,265 jobs (+151 pa) over the plan period.  | +5055 homes              | +2265 jobs              |
| Option 5 (Employment)  | Radical Structural Change* Lower (CR reducing) | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains at current value (3.0%).   | +5790 homes              | +3870 jobs              |
| <b>High Growth Options</b>   |  |   |                          |                         |
| Option 6 (Demographic)   | PG Long Term (adjusted)                        | Internal in-migration rates are adjusted to reflect higher in-migration (based on the last 5-years) from Bristol and South Gloucestershire, following the removal of the Severn Bridge tolls. All other migration flow assumptions are consistent with the PG Long Term scenario. | +8010 homes              | +6709 jobs              |
| Option 7 (Employment)  | Radical Structural Change Higher (CR reducing) | Commuting ratio reduces from 2011 Census value (1.12) to 2001 Census value (1.10) over the plan period.<br>Economic activity rate adjustments in line with the OBR forecast, unemployment rate remains at current value (3.0%).   | +9465 homes              | +8280 jobs              |
| Option 8 (Employment)  | Radical Structural Change* Higher              | Assumes no change in the commuting ratio balance and unemployment rate.   | +10,155 homes            | +8280 jobs              |
| *‘Radical Structural Change’ (RSC) scenarios consider the potential impact of substantial economic changes in Monmouthshire’s economy, resulting in a significantly higher employment growth range than under the ‘Baseline’ and UK Growth equivalent. Under these scenarios, employment growth ranges from +3,866 to +8,273 jobs over the plan period, averaging +258 and +552 pa respectively. |  |   |                          |                         |

## Spatial Strategy Options

- ix. Section 3 of the Paper sets out five spatial strategy options for accommodating the housing and employment growth:
- **Option 1: Continuation of the Existing LDP Strategy** – Distribute development around the County with a particular focus on Main Towns, some development in Severnside and some development in the most sustainable rural areas to enable provision of affordable housing throughout the County. New residential development to be accompanied by new employment opportunities, where possible.
  - **Option 2: Dispersed Growth and New Settlement** – Distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing. Inclusion of a New Settlement within the County to deliver longer term growth providing housing, employment, retail and associated infrastructure. It is recognised a New Settlement will take a long time to progress and cross over into the next plan period, hence additional dispersed growth is required to account for the identified need.
  - **Option 3: Distribute Growth Proportionately Across Rural and Urban Areas** – Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and/or in need of development to sustain them, including, a small amount of development in the most sustainable Rural Settlements to bring forward affordable housing.
  - **Option 4: New Settlement with Limited Growth in Primary Settlements, Secondary Settlements and Severnside only** - Growth to be predominantly accommodated in a New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to meet some of the identified need prior to progression of a New Settlement.
  - **Option 5: Focus on M4 Corridor** – Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48, to capitalise on its strategic links to the Cardiff Capital Region and South West England, existing economic opportunities and regional infrastructure connections.
- x. The advantages and disadvantages of each spatial option and the extent to which they will achieve the Replacement LDP objectives are set out in Section 3, together with an indicative map of each option. A number of consultation questions are set out at the end of Section 3.

## Engagement/Consultation

- xi. There is no statutory requirement for consultation on the growth and spatial options, however, in accordance with the LDP Revision Delivery Agreement (May 2018) we are

engaging with consultees at this early stage to help build consensus and to fully understand the pros and cons of the options.

- xii. Non-statutory engagement and consultation on the Growth and Spatial Options Paper will take place for a four week period from 8<sup>th</sup> July 2019, whereby comments will be invited on the consultation questions set out in Sections 2 and 3. An Easy Read version of this document has also been prepared which is available to view via the Planning Policy pages of the Council's website.
- xiii. Feedback from the consultation/engagement on the Growth and Spatial Options Paper will be considered and, where appropriate, will inform the preferred growth and spatial strategy options which will be set out in the Preferred Strategy. The Replacement LDP Preferred Strategy will be the subject of engagement/consultation towards the end of 2019.

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# Monmouthshire

Replacement Local Development Plan

**Growth & Spatial Options**  
**An easy-read guide**

**JUNE 2019**



monmouthshire  
sir fynwy

# Introduction

We're producing a new Local Development Plan (LDP) to shape and guide development in Monmouthshire up to 2033. The LDP will identify land for development, areas to be protected, and contain policies that we'll use when making decisions on applications for planning permission.

To help us decide on how to plan for the future of Monmouthshire we have identified a wide range of issues facing our communities. We have drafted a vision for what Monmouthshire looks and feels like by 2033, and have written objectives that we want to meet to achieve the vision.

The key issues identified are:

- Our population is getting older. By 2033 we will have more older people living in the County but fewer younger people.
- This changes the kind of services our communities will need, but also reduces the number of people using and financially supporting businesses and services. We will have a smaller economically active population making Monmouthshire a less attractive place for businesses to locate. This impacts on our future economic prospects.
- We have the highest average house price in Wales. This means lots of people cannot afford to buy a home so either leave the County or have to live with their parents or in shared housing for longer.
- We have over 2,000 households identified as being in need of affordable housing.
- There are opportunities associated with the removal of Severn Bridge tolls and growth from both the Cardiff Capital Region City Deal and Bristol region.
- There are challenges of rural isolation and sustaining rural communities.
- We want to protect the landscapes and heritage that make Monmouthshire a unique and attractive place to live.
- A need to tackle climate change and carbon reduction.

We are now asking your opinions on different options for how much the County should grow and where that growth should happen. These 'growth and spatial options' need to be thought about to ensure they achieve the objectives and tackle the issues identified.

We are considering **8 different growth options** and **5 different spatial options**. These are set out within this document.

## Continued..

We want to hear your opinion on the different growth and spatial options. At this stage no single growth or spatial option is considered preferable.



For further information on the rationale behind the different growth options and spatial options and their detailed analysis, you can find the full report at:

[www.monmouthshire.gov.uk/planning-policy](http://www.monmouthshire.gov.uk/planning-policy)

## How much growth should we plan for?

We need to think about how much new development should take place in the County. We have selected a range of low, mid and high growth options which are set out below. We have taken account of Welsh Government forecasts, as well as different forecasts on migration, dwellings and employment.



# Growth options 1 & 2



## Option 1: Low Growth

In-migration and out-migration would balance so any population change would be solely due to natural change (births and deaths). This would result in:



-3,990 Jobs

0 new homes by 2033  
Loss of 3,990 jobs by 2033

0 new homes each year  
Loss of 266 jobs each year



## Option 2: Low Growth

Reflects Welsh Government demographic projections using trends on births, deaths and migration from the preceding 5 years. This would result in:



-1,499 Jobs

1,725 new homes by 2033  
Loss of 1,499 jobs by 2033

115 new homes each year  
Loss of 100 jobs each year

### Pros:

- Limited impact upon Monmouthshire's biodiversity and landscape
- Limited climate change impact

### Cons:

- A decline in Monmouthshire's economy as working age population unable to support local employment provision leading to job losses.
- Increase in the proportion of the older and elderly people living in the County putting pressure on services and types of housing required.
- Option 1 results in loss of dwellings thus leading to a restricted supply and further increasing house prices.
- Limited affordable housing would be provided.



# Growth options 3 & 4



## Option 3: Mid Growth

A projection based on housing completions in Monmouthshire in the last 15 years. This would result in:



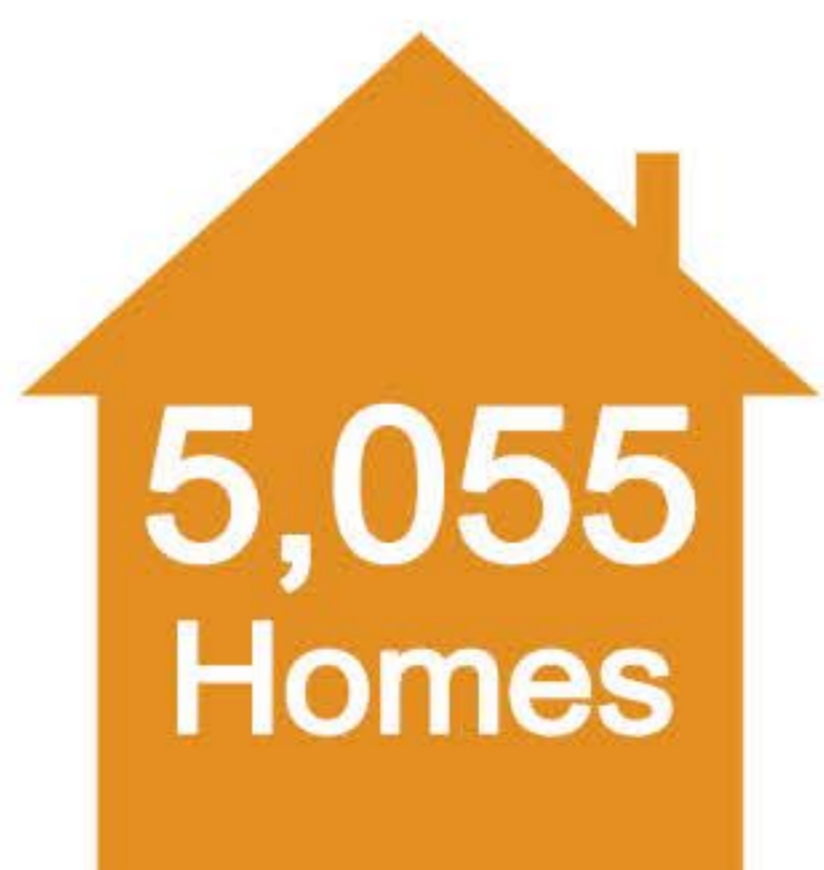
+1,389 Jobs

4,305 new homes by 2033

1,389 new jobs by 2033

287 new homes each year

93 new jobs each year



## Option 4: Mid Growth

An employment-led projection that identifies uplifts in Monmouthshire's underperforming economic sectors to match UK economic growth rates. This would result in:



+2,265 Jobs

5,055 new homes by 2033

2,265 new jobs by 2033

337 new homes each year

151 new jobs each year

### Pros:

- Demographic growth established in the 35 - 44 age group.
- Opportunities to secure affordable housing, infrastructure improvements, green infrastructure and recreation provision.

### Cons:

- Low economic growth with moderate job creation. However, overall number of jobs at a level lower than the previous 15 years indicating that people will need to leave the County or out-commute to access employment.
- Would not drive significant job creation and unlikely to keep younger people within the County to live and work.

# Growth option 5



## Option 5: Mid Growth

An employment-led projection that proposes Monmouthshire's economic growth rate at a higher level than UK growth rates. This would result in:



+3,870 Jobs

5,790 new homes by 2033  
3,870 new jobs by 2033

386 new homes each year  
258 new jobs each year

### Pros:

- Further growth established in the working age 35 - 44 age group plus some growth in the slightly younger working age group 30 - 34 age group.
- Opportunities to secure affordable housing, infrastructure and green infrastructure improvements, open space and recreation provision.
- Opportunities to sustain services/facilities.

### Cons:

- Level of economic growth and job creation lower than the previous 15 years indicating that people will need to leave the County or out-commute to access employment.
- Higher proportion of the older and elderly people living in the County putting pressure on services and types of housing required.
- A growth in the number of school aged children placing some pressure on schools.

# Growth option 6



## Option 6: High Growth

A demographic-led projection that reflects higher in-migration rates from the preceding 5 year trends in order to reflect the possible impact of the removal of the Severn Bridge tolls.

This would result in:



+6,709 Jobs

8,010 new homes by 2033

6,709 new jobs by 2033

534 new homes each year

447 new jobs each year

### Pros:

- A more balanced demography, although there is still a greater number of 60+age group.
- Significant growth established in the 30 - 44 age group fuelling growth in employment provision.
- Opportunities to secure significant affordable housing.
- Opportunities to secure infrastructure and green infrastructure improvements, open space and recreation provision.
- Opportunities to sustain services/facilities.

### Cons:

- Increased number of the older and elderly people living in the County putting pressure on services and types of housing required.
- Large numbers of the population would need to commute out of the County for employment.
- A growth in the number of school aged children placing some pressure on schools.
- Increased pressure on Monmouthshire's landscape and biodiversity interests.
- Increased pressure on Monmouthshire's infrastructure.

# Growth option 7



**+8,280 Jobs**

## Option 7: High Growth

Like option 5, this reflects an employment-led projection that further uplifts Monmouthshire's economic growth rate. This estimates that by 2037 we'll have 10,000 more jobs than in 2017. The projection also makes a reduction to the commuting ratio as if there are more jobs, then fewer people have to travel out of the County for work. This means fewer new homes need to be built compared to option 8, resulting in:

**9,465 new homes** by 2033  
**8,280 new jobs** by 2033

**631 new homes** each year  
**552 new jobs** each year

### Pros:

- Significant growth established in the working age people group fuelling growth in employment provision.
- A more balanced demography, with the 60+ age group balanced against the younger age groups.
- High level of job creation combined with a reduction in the commuting levels resulting in an increased amount of employment generated for the residents of the county.
- Reduction in out-commuting leading to more sustainable travel patterns.

### Cons:

- Increased pressure on Monmouthshire's landscape and biodiversity interests.
- Increased pressure on Monmouthshire's infrastructure.
- Significant growth in the number of school aged children placing pressure on schools.
- Challenges in reducing climate change impact but opportunities to design for carbon neutral development.

# Growth option 8



+8,280 Jobs

## Option 8: High Growth

This employment led projection uses the same growth rate as applied to Option 7, which estimates an additional 10,000 jobs in Monmouthshire. However Option 8 assumes no change in the commuting ratio balance, therefore the requirement for more people to in-migrate to fill the jobs, so more homes need to be built.

This will result in:

10,155 new homes by 2033

8,280 new jobs by 2033

677 new homes each year

552 new jobs each year

### Pros:

- Significant growth established in the working age people group fuelling growth in employment provision.
- A more balanced demography, with the 60+ age group balanced against the younger age groups.
- High level of job creation.

### Cons:

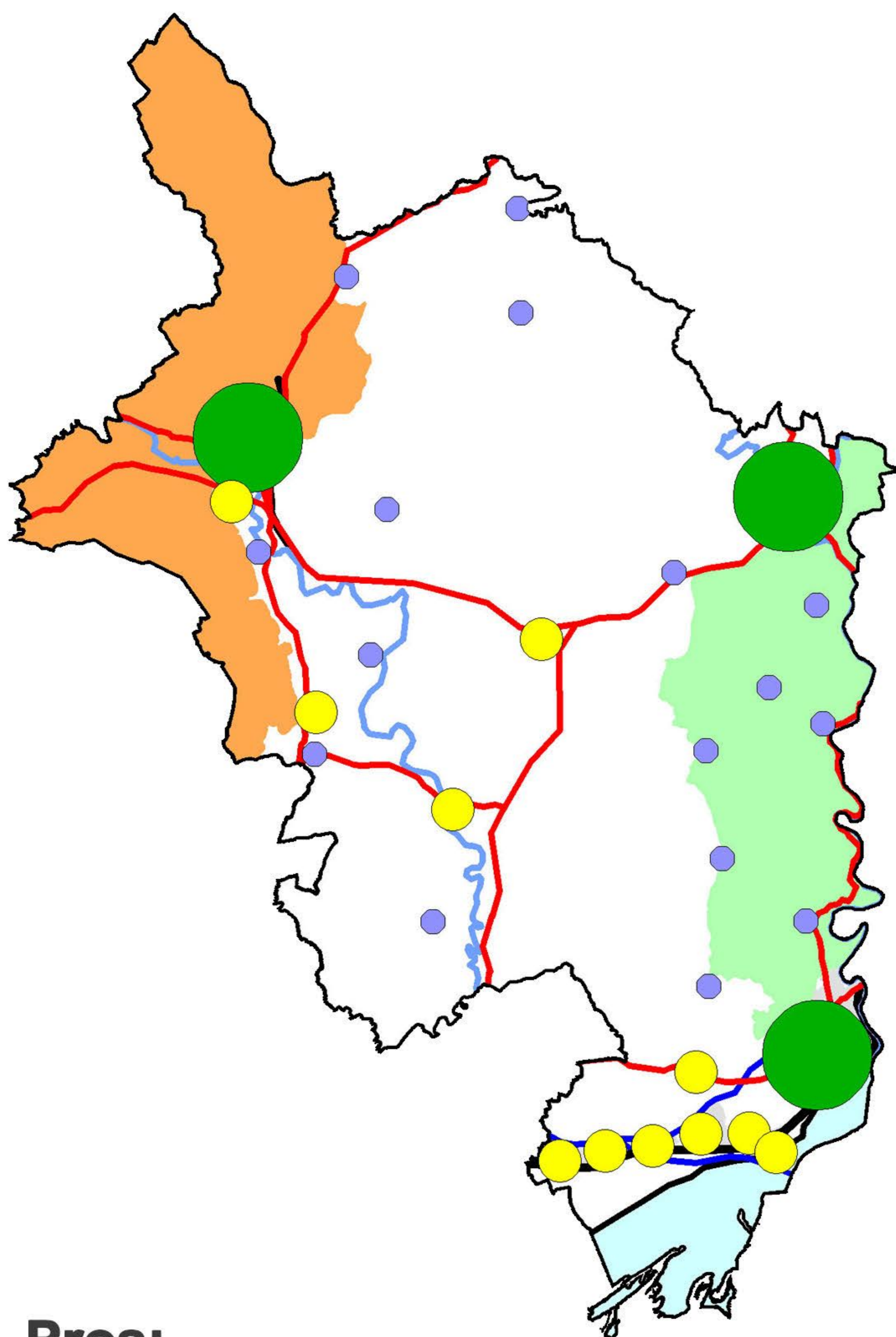
- Increased pressure on Monmouthshire's landscape and biodiversity interests.
- Increased pressure on Monmouthshire's infrastructure.
- Challenges in reducing climate change impact but opportunities to design for carbon neutral development.
- Significant growth in the number of school aged children placing pressure on schools.

# Where should growth take place?

We have identified 5 different options for accommodating growth. These are the 'spatial options' and are set out below.

## Option 1:

### Continuation of the existing LDP Strategy



Distributes development with a focus on Primary Settlements (main towns, in the adopted LDP), some development in Severnside and some development in the most sustainable rural areas. New residential development to be accompanied by new employment opportunities, where possible.

- Main Towns
- Rural Secondary Settlements and Severnside
- Rural Settlements
- Brecon Beacons National Park
- Wye Valley Area of Outstanding Natural Beauty
- Severn Estuary

#### Pros:

- Growth in sustainable areas that have existing access to facilities, services and transport links and could help secure infrastructure improvements.
- Good existing transport links to these areas.
- Existing employment opportunities within these areas.

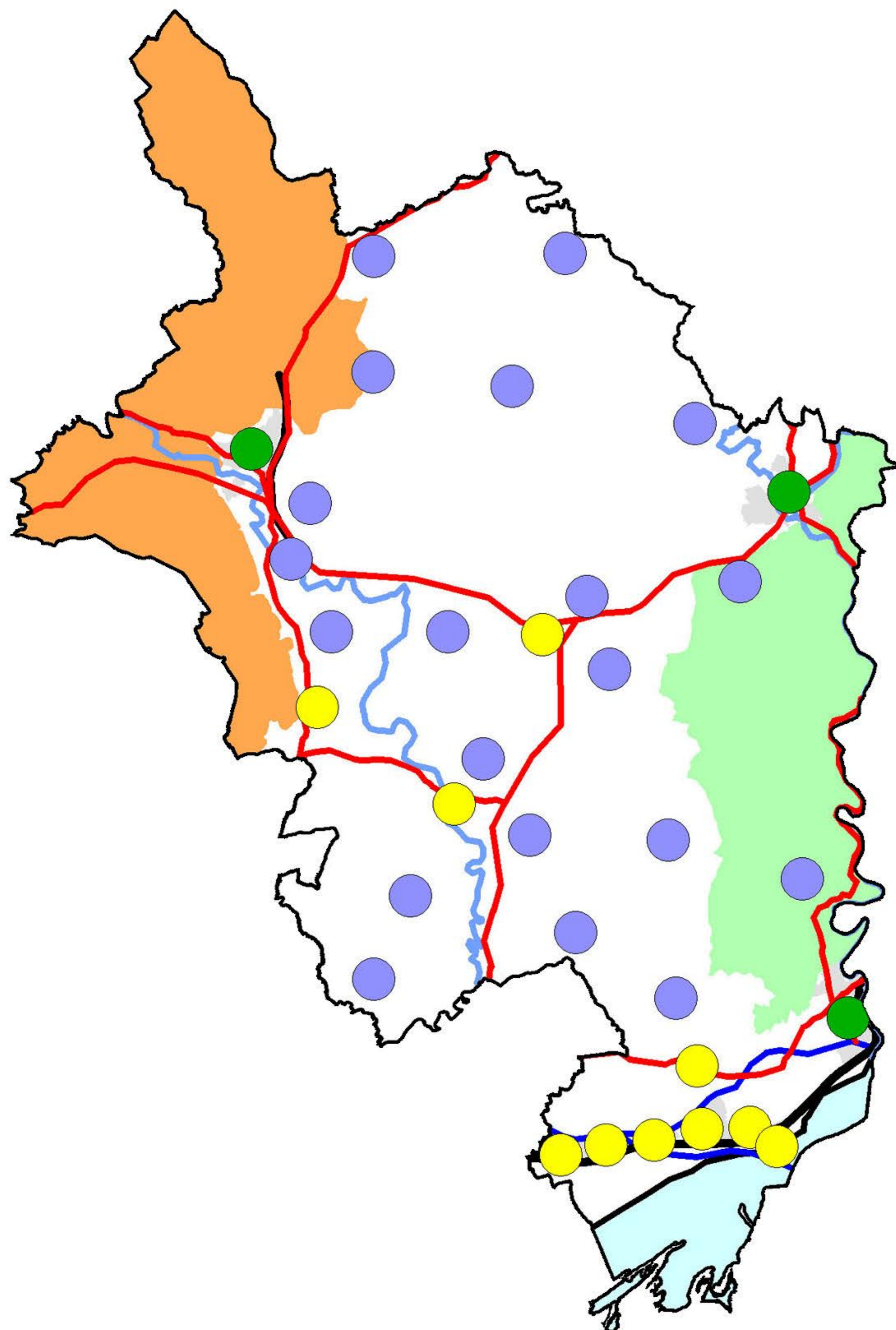
#### Cons:

- Longer term ability of Primary Settlements to absorb additional growth.
- Environmental impact resulting from expansion of Primary Settlements into open countryside.
- Some rural areas could be disadvantaged.

# Where should growth take place?

## Option 2:

### Dispersed Growth and New Settlement



Distribute growth across Primary Settlements, Secondary Settlements, Severnside and those Rural Settlements identified as having capacity for growth and / or in need of development to sustain them. The option also includes the addition of a New Settlement within the county to accommodate longer term growth.

- Primary Settlements
- Secondary Settlements and Severnside
- Rural Settlements (Indicative Location)
- \* New Settlement location to be determined
- Brecon Beacons National Park
- Wye Valley Area of Outstanding Natural Beauty
- Severn Estuary

#### Pros:

- Provides growth in the most sustainable areas while at the same time providing opportunities for specific rural areas to become more sustainable.
- Limits pressure on infrastructure by dispersing development across a range of settlements.
- A New Settlement would be self-contained and provide its own facilities, schools and infrastructure network resulting in less pressure on existing infrastructure.

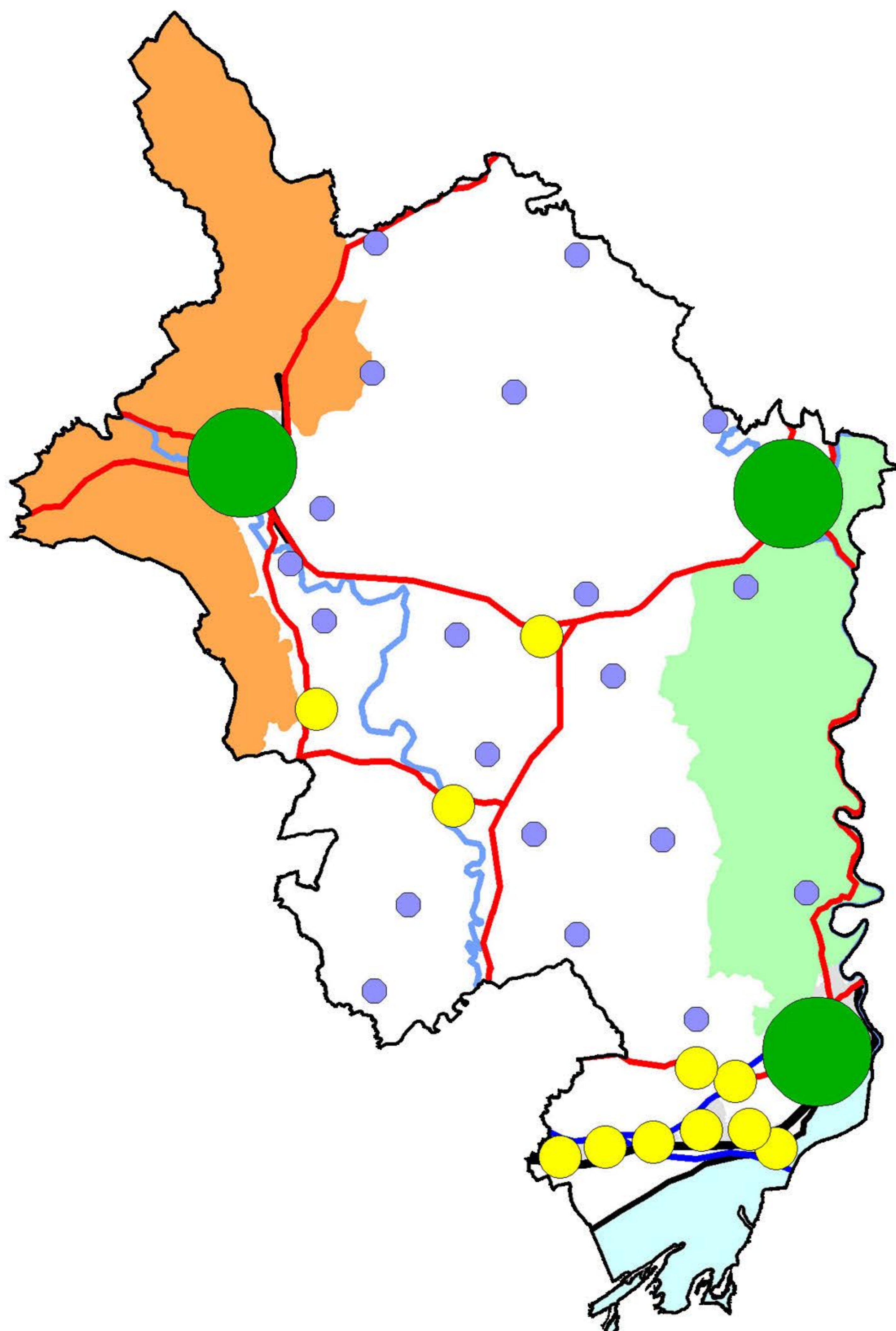
#### Cons:

- A New Settlement would take a long time to progress.
- Small scale piecemeal development in the short term would not necessarily generate sufficient infrastructure improvements and gains.

# Where should growth take place?

## Option 3:

### Distribute Growth Proportionately across Rural and Urban areas



Distribute growth proportionately across Primary Settlements, Secondary Settlements, Severnside and those rural settlements identified as having capacity for growth and/or in need of development to sustain them.

- Primary Settlements
- Secondary Settlements and Severnside
- Rural Settlements (Indicative Location)
- Brecon Beacons National Park
- Wye Valley Area of Outstanding Natural Beauty
- Severn Estuary

#### Pros:

- Would meet housing needs including affordable housing, particularly in rural areas where growth has been limited previously.
- Limits the amount of pressure on infrastructure by distributing development across a range of settlements.

#### Cons:

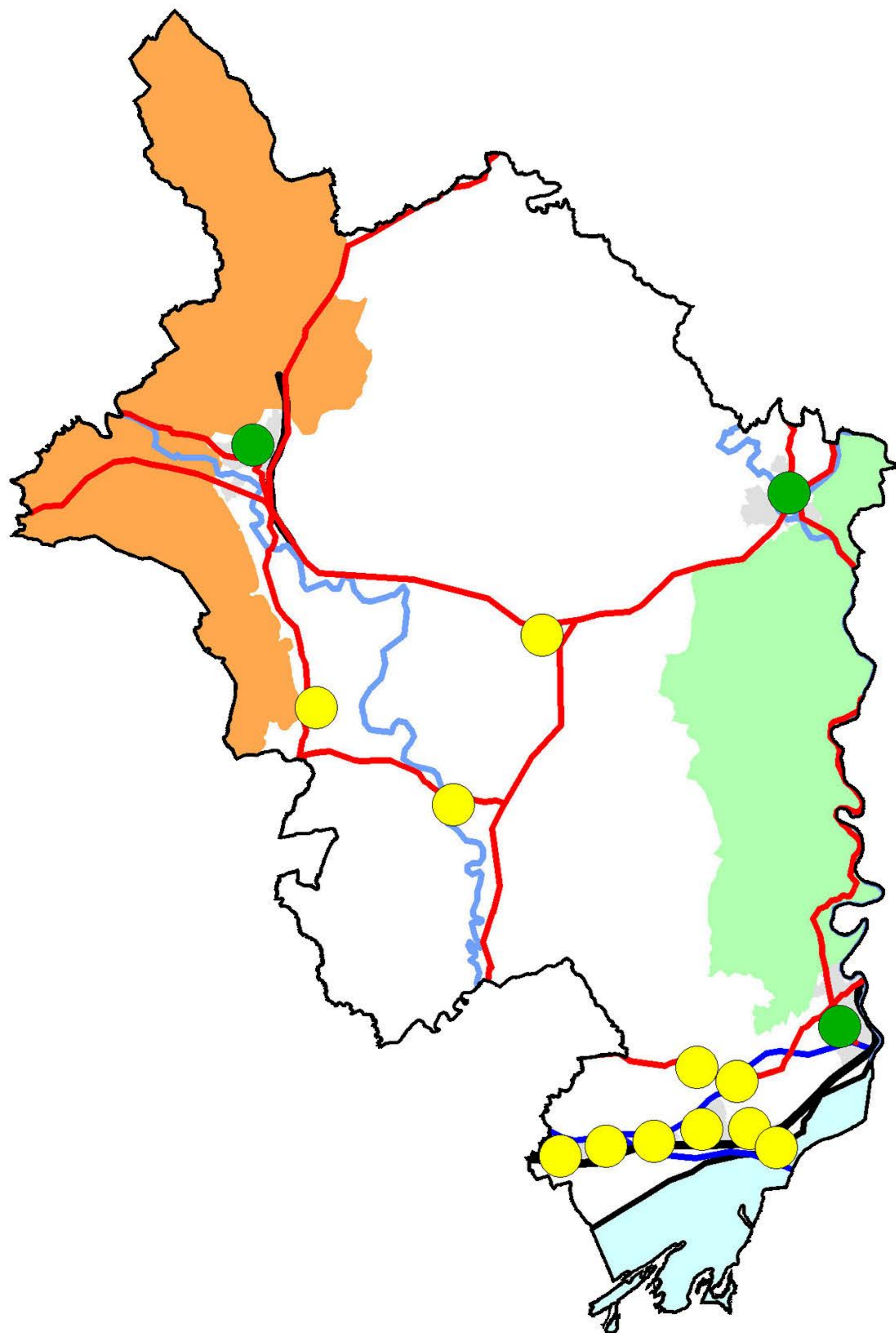
- Could result in development in unsustainable locations.
- Small scale development in the short term would not necessarily generate sufficient infrastructure improvements and gains.



# Where should growth take place?

## Option 4:

### New Settlement with Limited Growth in Primary Settlements, Secondary Settlements and Severnside only



Growth to be predominantly accommodated in a New Settlement. Limited growth in Primary Settlements, Secondary Settlements and Severnside to account for some of the identified need.

- Primary Settlements
- Secondary Settlements and Severnside
- \* New Settlement Location to be determined
- Brecon Beacons National Park
- Wye Valley Area of Outstanding Natural Beauty
- Severn Estuary

#### Pros:

- A New Settlement would be self-contained and provide its own facilities, schools and infrastructure network resulting in less pressure on existing infrastructure.
- Less pressure on infrastructure and greenfield sites around settlements.

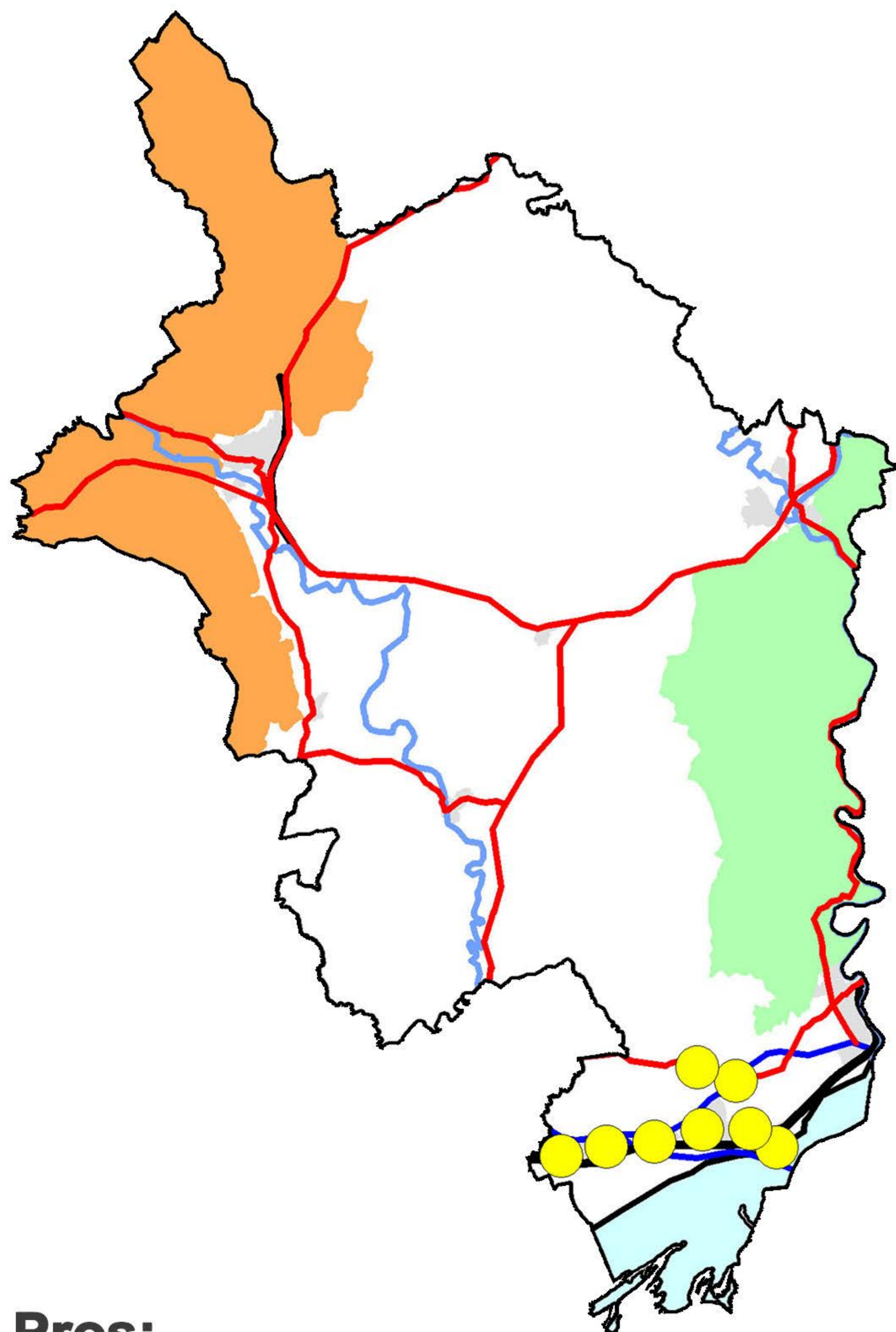
#### Cons:

- A New Settlement would take a long time to progress.
- A New Settlement alone would not address market and affordable housing need across all Housing Market Areas.
- Rural areas would be disadvantaged.

# Where should growth take place?

## Option 5:

### Focus on M4 Corridor



'Growth to be predominantly located in the South of the County in the Severnside area close to the M4/M48'

- Severnside
- Brecon Beacons National Park
- Wye Valley Area of Outstanding Natural Beauty
- Severn Estuary

### Pros:

- Provides opportunity to link housing and employment growth due to opportunities for a choice and range of employment land.
- Provides opportunity to build more sustainable communities and achieve infrastructure improvements in the south of the County.
- Provides opportunity to capitalise on strategic M4 links to the Cardiff Capital Region and South West England.

### Cons:

- Does not assist in sustaining rural communities.
- Ignores the rest of the County.
- There are already infrastructure capacity issues along the section of the M4 through Monmouthshire.
- Would not address market and affordable housing need across all Housing Market Areas.

## Next steps

We want to prepare a plan with input from local people and we need to understand what is important to the communities of Monmouthshire.

We need to hear your thoughts and ideas on the growth and spatial options.

### Questions to think about:

- What is your preferred growth option and why?
- How will this growth option address the issues Monmouthshire is facing?
- What is your preferred spatial option and why?
- How will this spatial option address the issues Monmouthshire is facing?



For further detailed information and to leave comments, please visit the full report at:

[www.monmouthshire.gov.uk/planning-policy](http://www.monmouthshire.gov.uk/planning-policy)

Alternatively, you can come along to our community engagement drop-in session on **16<sup>th</sup> July 2019** at **County Hall, Usk** (1pm - 7pm).

## Find out more

### Website:

Monmouthshire County Council  
[monmouthshire.gov.uk/planning-policy](http://monmouthshire.gov.uk/planning-policy)

### Email:

[planningpolicy@monmouthshire.gov.uk](mailto:planningpolicy@monmouthshire.gov.uk)

### Twitter:

[@MCCPlanning](https://twitter.com/MCCPlanning)

### Facebook:

[facebook.com/MonmouthshireCC](https://facebook.com/MonmouthshireCC)

### Phone:

01633 644429



monmouthshire  
sir fynwy

## APPENDIX 4



# Equality and Future Generations Evaluation

|   |  |
|---|--|
| <p><b>Name of the Officer</b> completing the evaluation<br/>Mark Hand</p> <p><b>Phone no:</b> 01633 644803<br/><b>E-mail:</b> markhand@monmouthshire.gov.uk</p> | <p><b>Please give a brief description of the aims of the proposal</b> To inform the Economy and Development Select Committee of the non-statutory consultation on the Replacement Local Development Plan (LDP) Growth and Spatial Options Paper, and to seek Committee's feedback/comments on the Paper.</p> |
| <p><b>Name of Service area</b></p> <p>Planning (Planning Policy)</p>  | <p><b>Date</b></p> <p>08/07/2019</p>   |

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1. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below.

| Protected Characteristics | Describe any positive impacts your proposal has on the protected characteristic   | Describe any negative impacts your proposal has on the protected characteristic | What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?  |
|---------------------------|---|---|--|
| Age                       | The Growth and Spatial Options Paper considers the demographic profile of Monmouthshire and aims to have a positive impact on people of all ages, particularly through increasing opportunities for the younger population to both live and work with Monmouthshire to assist in ensuring a balanced demography whilst also supporting the needs of the older population. | None.   | The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It sets out options to provide a more balanced demographic profile for Monmouthshire. The Growth and Spatial Options will inform the Replacement LDP Preferred Strategy which will set out the Preferred Option for growth/spatial distribution. |

| Protected Characteristics     | Describe any positive impacts your proposal has on the protected characteristic  | Describe any negative impacts your proposal has on the protected characteristic | What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?  |
|-------------------------------|--|---|--|
| Disability                    | The Growth and Spatial Options paper includes the need to ensure the provision of a wide-ranging choice of homes including meeting affordable and accessible housing needs as far as possible. The Growth and Spatial Options recognise the importance of the health and well-being of people and aims to create attractive, safe and accessible places to live, work and visit. | None.   | The Growth and Spatial Options aim to support the well-being of current and future generations that are more inclusive, cohesive, prosperous and vibrant. The Growth and Spatial Options will inform the Replacement LDP Preferred Strategy which will set out the Preferred Option for growth/spatial distribution. |
| Gender Reassignment           | None.  | None.   | N/A.   |
| Marriage or civil partnership | None.  | None.   | N/A.   |
| Pregnancy or maternity        | None.  | None.   | N/A.   |
| Race                          | None.  | None.   | N/A.   |
| Religion or Belief            | None.  | None.   | N/A.   |
| Sex                           | One of the challenges facing the County is the imbalance between male and female earnings, although this situation is improving. The Growth and Spatial Options aim to provide economic growth and employment provision, which could indirectly impact on wage equality.   | None.   | The Growth and Spatial Options aim to support economic growth and prosperity. The Growth and Spatial Options will inform the Replacement LDP Preferred Strategy which will set out the Preferred Option for growth/spatial distribution.   |
| Sexual Orientation            | None.  | None.   | N/A.   |

| Protected Characteristics | Describe any positive impacts your proposal has on the protected characteristic  | Describe any negative impacts your proposal has on the protected characteristic | What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?  |
|---------------------------|--|---|--|
| Welsh Language            | .The Welsh Language is a material planning consideration. The Growth and Spatial Options are assessed against the draft Objective relating to Culture, Heritage and Welsh Language to ensure there is no impact. | None.   | The Growth and Spatial Options aim to support culture and the Welsh Language. The Growth and Spatial Options will inform the Replacement LDP Preferred Strategy which will set out the Preferred Option for growth/spatial distribution. |
| Poverty                   | None.  | None.   | N/A.   |

1. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!



| Well Being Goal  | Does the proposal contribute to this goal? Describe the positive and negative impacts.   | What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?  |
|--|--|--|
| <b>A prosperous Wales</b><br>Efficient use of resources, skilled, educated people, generates wealth, provides jobs | <b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It sets out the growth and spatial options which as well as housing growth aim to provide economic growth and employment provision in both urban and rural areas.<br><br><b>Negative:</b> None. | The Growth and Spatial Options are assessed against the Replacement LDP draft Objectives relating to economic growth/employment and retail centres, which have been set in order to address the identified issues relating to creating a prosperous Wales. |
| <b>A resilient Wales</b><br>Maintain and enhance biodiversity and ecosystems that support resilience and           | <b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the   | The Growth and Spatial Options are assessed against the Replacement LDP draft Objectives   |

| Well Being Goal   | Does the proposal contribute to this goal?<br>Describe the positive and negative impacts.   | What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?   |
|---|---|---|
| can adapt to change (e.g. climate change)   | <p>Replacement LDP period and where this growth should take place. It sets out the growth and spatial options which are assessed against the Replacement LDP draft Objectives including the impact of development on the natural environment in already constrained areas. It is however recognised that developments could improve connectivity through opportunities to create new linkages. The limited supply of brownfield land within the County is a common theme for all of the spatial options presented in the paper.</p> <p><b>Negative:</b> None.</p> | relating to Green Infrastructure, Biodiversity and Landscape, Flood risk, Minerals and Waste, Land and Natural Resources which have been set in order to address the identified issues relating to creating a resilient Wales.  |
| <p><b>A healthier Wales</b><br/>People's physical and mental wellbeing is maximized and health impacts are understood</p> | <p><b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It is recognised that any developments will be encouraged to support healthier lifestyles and provide sufficient open space.</p> <p><b>Negative:</b> None.</p>  | The Growth and Spatial Options area are assessed against the Replacement LDP draft Objectives including Health and Well-being in order to address the identified issues relating to creating a healthier Wales.   |
| <p><b>A Wales of cohesive communities</b><br/>Communities are attractive, viable, safe and well connected</p>             | <p><b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It sets out the growth and spatial options which considers the balance of housing, employment and infrastructure in both urban and rural areas.</p> <p><b>Negative:</b> None.</p>   | The Growth and Spatial Options area are assessed against the Replacement LDP draft Objectives including housing, place-making, communities, rural communities, infrastructure and accessibility in order to address the identified issues relating to creating a Wales of cohesive communities. |





| Well Being Goal   | Does the proposal contribute to this goal?<br>Describe the positive and negative impacts.   | What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?   |
|---|---|---|
| <p><b>A globally responsible Wales</b><br/>Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>                                | <p><b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It sets out the growth and spatial options which are assessed against the Replacement LDP draft Objectives including the impact of options on climate change.</p> <p><b>Negative:</b> None.</p>                           | <p>The Growth and Spatial Options area are assessed against the Replacement LDP draft Objectives including climate change which has been set in order to address the identified issues relating to creating a globally responsible Wales.</p>   |
| <p><b>A Wales of vibrant culture and thriving Welsh language</b><br/>Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p> | <p><b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It sets out the growth and spatial options which are assessed against the Replacement LDP draft Objectives including the impact of options on Culture, Heritage and the Welsh Language.</p> <p><b>Negative:</b> None.</p> | <p>The Growth and Spatial Options area are assessed against the Replacement LDP draft Objectives including Culture, Heritage and the Welsh Language which has been set in order to address the identified issues relating to creating a Wales of vibrant culture and thriving Welsh Language.</p> |
| <p><b>A more equal Wales</b><br/>People can fulfil their potential no matter what their background or circumstances</p>   | <p><b>Positive:</b> The Growth and Spatial Options Paper considers how much growth is needed over the Replacement LDP period and where this growth should take place. It sets out the growth and spatial options which through housing and economic growth in both urban and rural areas aims to assist in balancing the demography across the County.</p> <p><b>Negative:</b> None.</p>        | <p>The Growth and Spatial Options are assessed against the Replacement LDP draft Objective relating to demography which has been set in order to address the identified issues relating to creating a more equal Wales.</p>   |

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

| Sustainable Development Principle  | Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.   | Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?  |
|--|---|--|
|  <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p> | <p>The Growth and Spatial Options Paper will play a key role in informing the Replacement Local Development Plan (LDP) Preferred Strategy which will be made available for consultation towards the end of 2019. The Preferred Strategy will set out the Preferred Option for housing/employment growth and spatial distribution of this growth across the County, including the identified level of growth and broad locations for development for the period 2018 - 2033.</p> | <p>The Growth and Spatial Options have been prepared and assessed against the draft Replacement LDP Objectives in order to address the issues, challenges, opportunities and drivers facing the County.</p>  |
|  <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>       | <p>The Growth and Spatial Options Paper has been informed by a range of evidence. There is no statutory requirement for formal consultation on the growth and spatial options, however, in accordance with the LDP Revision Delivery Agreement (May 2018) we are engaging with consultees at this early stage to help build consensus on the options.</p>   | <p>Following consultation the Preferred Option for housing/employment growth will be set out in the Preferred Strategy which will be made available for further engagement/consultation with a wide range of internal and external stakeholders towards the end of 2019.</p> |

| Sustainable Development Principle   | Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.   | Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?  |
|---|---|--|
|  <p>Involving those with an interest and seeking their views</p> <p><b>Involvement</b></p> | <p>The Growth and Spatial Options has been informed by a range of evidence. An informal consultation on the Options is taking place for a four week period between 8 July 2019 and 5 August 2019. The following engagement/consultation is being undertaken:</p> <ul style="list-style-type: none"> <li>• Discussions through Area Committee and Area Cluster meetings during July 2019;</li> <li>• Attendance at the Youth Forum on 5<sup>th</sup> July 2019;</li> <li>• A Members' Workshop on 11<sup>th</sup> July 2019 (hosted by the Economy &amp; Development Select Committee);</li> <li>• LDP Growth and Spatial Options Drop-in Session on 16<sup>th</sup> July 2019 at County Hall, Usk between 13:00 and 19:00 which is open for all to attend;</li> <li>• Scrutiny by Economy &amp; Development Select Committee on 17<sup>th</sup> July 2019;</li> <li>• Internal discussions within the Council through DMT/SLT</li> <li>• Notify all parties on the LDP database of the consultation.</li> </ul> | <p>There is no statutory requirement for formal consultation on the growth and spatial options, however, in accordance with the LDP Revision Delivery Agreement (May 2018) we are engaging with consultees at this early stage to help build consensus on the options. Feedback from these meetings will be noted and considered, and, where appropriate inform the preferred options which will be set out in the Preferred Strategy.</p> |

| Sustainable Development Principle  | Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.   | Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?  |
|--|---|--|
|  <p data-bbox="152 628 293 655">Prevention</p> <p data-bbox="344 389 506 687">Putting resources into preventing problems occurring or getting worse</p> | <p data-bbox="546 256 1323 751">The Growth and Spatial Options Paper will play a key role in informing the Replacement Local Development Plan (LDP) Preferred Strategy which will be made available for consultation towards the end of 2019. The Preferred Strategy will set out the Preferred Option for housing/employment growth and spatial distribution of this growth across the County, including the identified level of growth and broad locations for development for the period 2018 – 2033 to address housing and employment needs, assist in ensuring a balanced demography and support sustainable, resilient communities.</p> | <p data-bbox="1352 256 2085 584">The Growth and Spatial Options Paper will inform the Replacement LDP Preferred Strategy which will be subject to statutory consultation towards the end of 2019. The LDP will seek to address the issues/challenges/opportunities identified (in a land use context) and support delivery of the Council's vision for the future of the County and its communities.</p> |

| Sustainable Development Principle   | Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.  | Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?   |
|---|--|---|
|  <p>Considering impact on all wellbeing goals together and on other bodies</p> | <p>The Growth and Spatial Options Paper will play a key role in informing the Replacement Local Development Plan (LDP) Preferred Strategy which will be made available for consultation towards the end of 2019. The Preferred Strategy will set out the Preferred Option for housing/employment growth and spatial distribution of this growth across the County, including the identified level of growth and broad locations for development for the period 2018 – 2033. The Growth and Spatial Options has been informed by the PSB Well-being Plan and are assessed against the Replacement LDP draft Objectives which seek to address the issues/challenges/opportunities identified (in a land use context) and support delivery of the Council’s vision/objectives for the future of the County and its communities. The Replacement LDP will be subject to an Integrated Sustainability Appraisal (including Strategic Environmental Assessment (SEA), Well-being of Future Generations (WBFG), Health Impact Assessment (HIA), Equality Impact Assessment (EqIA), and Welsh Language Impact Assessment (WLIA)), whose findings will be used to inform the development of the Replacement LDP strategy, policies and site allocations in order to ensure that the Plan will be promoting sustainable development.</p> | <p>The Growth and Spatial Options Paper will inform the Replacement LDP Preferred Strategy which will be subject to statutory consultation towards the end of 2019. The Replacement LDP will be subject to an Integrated Sustainability Appraisal (including Strategic Environmental Assessment (SEA), Well-being of Future Generations (WBFG), Health Impact Assessment (HIA), Equality Impact Assessment (EqIA), and Welsh Language Impact Assessment (WLIA)), whose findings will be used to inform the development of the Replacement LDP strategy, policies and site allocations in order to ensure that the Plan will be promoting sustainable development.</p> |

**3. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Social Justice, Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

|                     | <b>Describe any positive impacts your proposal has</b> | <b>Describe any negative impacts your proposal has</b> | <b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b> |
|---------------------|--|--|---|
| Social Justice      | None.  | None.  | N/A.  |
| Safeguarding        | None.  | None.  | N/A.  |
| Corporate Parenting | None.  | None.  | N/A.  |

**4. What evidence and data has informed the development of your proposal?**

An extensive range of data sets have been used to prepare the Growth and Spatial Options Paper, from a wide range of sources both internal and external to the Council. These are clearly referenced in the Paper and appendices, but include:

- Issues, Vision and Objectives Paper (June 2019) <https://www.monmouthshire.gov.uk/planning-policy/pre-deposit-ldp-documents/>
- Monmouthshire Public Service Board Well-being Plan (April 2018) [https://www.monmouthshire.gov.uk/app/uploads/2017/10/Monmouthshire-PSB\\_well-being-plan\\_3.0.pdf](https://www.monmouthshire.gov.uk/app/uploads/2017/10/Monmouthshire-PSB_well-being-plan_3.0.pdf)
- Monmouthshire County Council Corporate Business Plan 2017 – 2022 (February 2018) [https://www.monmouthshire.gov.uk/app/uploads/2018/03/Monmouthshire-Council\\_Corporate-Plan\\_1.0.pdf](https://www.monmouthshire.gov.uk/app/uploads/2018/03/Monmouthshire-Council_Corporate-Plan_1.0.pdf)
- Monmouthshire Local Development Plan Review Report (March 2018) <https://www.monmouthshire.gov.uk/app/uploads/2018/03/Final-Review-Report-1.pdf>
- Monmouthshire Local Development Plan Annual Monitoring Reports (2015- 2018) <https://www.monmouthshire.gov.uk/planning-policy/annual-monitoring/ldp-annual-monitoring-report>
- The Draft Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence produced by Edge Analytics (May 2019)
- Monmouthshire Replacement Local Development Plan Candidate Sites Register (February 2019): <https://www.monmouthshire.gov.uk/planning-policy/candidate-sites/monmouthshire-replacement-ldp-candidate-sites-register-february-2019/>

**5. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?**

**Positive -**

The Growth and Spatial Options will play a key role in informing the Replacement LDP Preferred Strategy which will set out the Preferred Option for growth/spatial distribution. In the creation of sustainable places, the first step is to consider the level of development required, and the location of where any growth should go within the County. This paper sets out a number of growth and spatial options to achieve this over the Replacement LDP period.

The Growth and Spatial Options will inform the Replacement LDP Preferred Strategy which will set out the Preferred Option for growth/spatial distribution.

**Negative –** None. There are no implications, positive or negative, for social justice, corporate parenting or safeguarding.

**6. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.**

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| What are you going to do   | When are you going to do it?  | Who is responsible  |
|--|---|---|
| <p>Inform the Economy and Development Select Committee of the non-statutory consultation on the Replacement Local Development Plan (LDP) Growth and Spatial Options Paper, and to seek Committee's feedback/comments on the Paper. Feedback from this Committee will be noted and considered, and, where appropriate inform the preferred options which will be set out in the Preferred Strategy.</p> | <p>Scrutiny by Economy &amp; Development Select Committee on 17<sup>th</sup> July 2019.</p> | <p>Head of Planning, Housing and Place-Shaping<br/>Planning Policy Team</p> |

**7. VERSION CONTROL:** The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

| Version No. | Decision making stage                                       | Date considered | Brief description of any amendments made following consideration |
|-------------|---|-----------------|--|
|             | <i>e.g. budget mandate, DMT, SLT, Scrutiny, Cabinet etc</i> |                 |  |
|             |   |                 |  |
|             |   |                 |  |



## REPORT

|                                     |  |
|-------------------------------------|--|
| <b>SUBJECT</b>                      | <b>REVENUE &amp; CAPITAL MONITORING 2018/19<br/>OUTTURN STATEMENT</b>                                |
| <b>DIRECTORATE</b>                  | <b>Resources</b>   |
| <b>MEETING</b>                      | <b>Economy and Development Select Committee</b>  |
| <b>DATE</b>                         | <b>17<sup>th</sup> July 2019 ( deferred from cancelled meeting of 27<sup>th</sup><br/>June 2019)</b> |
| <b>DIVISIONS/<br/>WARD AFFECTED</b> | <b>All Authority</b>   |

### 1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the revenue and capital outturn position of the Authority based on capital slippage and reserve approval and deferment.
- 1.2 This report will also be considered by Select Committees as part of their responsibility to,
  - assess whether effective budget monitoring is taking place,
  - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
  - challenge the reasonableness of projected over or underspends, and
  - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.
- 1.3 Recognising the twofold purpose to brief Cabinet/all members of the collective position, and individual scrutiny committees of specific aspects affecting their portfolio interests, the latter have been colour coded (green) to assist scrutiny members of particular committees

### 2. RECOMMENDATIONS PROPOSED TO CABINET

- 2.1 That Members consider a net revenue outturn of £49k surplus.
- 2.2 That members endorse the revenue surplus for the year being used to replenish Capital Receipts generation reserve, and notes the effective closure of the priority investment reserve, appreciating the use of reserve balances at outturn, the slippage to 2019-20 proposed and the low level of earmarked reserves, which will notably reduce the flexibility the Council has in re-engineering services and facilitating change to mitigate the challenges of scarce resources going forward.
- 2.3 Members note the extent of movements in individual budgeted draws on school balances, and reported recovery plan intentions as a consequence of their approving changes to Fairer Funding guidelines since month 2
- 2.4 That Members note the 81% delivery of the budget setting savings agreed by full Council previously and the implicit remedial action/savings included in the financial monitoring to

compensate for circa 20% savings (£951k) reported as delayed or unachievable by service managers.

- 2.5 That Members note the enhanced monitoring of Children's services and additional learning needs proposed, to supply details for instance of average unit costs, the activity and predicted volume of presentations used in forecasting, to allow services an earlier opportunity to highlight cost pressures and more time to resolve such by remedial action in year.
- 2.6 That Members consider the capital outturn spend of £70.31m, introducing a £1.015m anticipated overspend, accepts slippage requests of £9.9m being endorsed and the related presumptions made around net financing consequences as per section 3.5.

### 3. MONITORING ANALYSIS

#### 3.1 Revenue Position

Table 1: Council Fund 2018/19 Outturn Forecast Summary Statement at Outturn

| Service Area                             | Initial<br>2018-19<br>Annual<br>Budget | Virements<br>to budget<br>since<br>Month 7 | Revised<br>Annual<br>Budget | Forecast<br>Outturn | Forecast<br>Over/<br>(Under) @<br>Outturn | Forecast<br>Over/<br>(Under)<br>@ Month<br>7 | Variance<br>between<br>monitoring<br>periods |
|--|--|--|-----------------------------|---------------------|---|--|--|
|  | £'000                                  |  | £'000                       | £'000               | £'000                                     | £'000  |  |
| Adult Services                           | 7,501                                  |  | 7,412                       | 7,593               | 181                                       | -24  | 205  |
| Children Services                        | 11,373                                 |  | 11,460                      | 12,911              | 1,451                                     | 562  | 889  |
| Community Care                           | 22,704                                 |  | 22,768                      | 21,695              | -1,073                                    | -794   | -279   |
| Commissioning                            | 1,631                                  |  | 1,627                       | 1,523               | -104                                      | -85  | -19  |
| Partnerships                             | 366                                    | 99   | 465                         | 465                 | 0   | 0  | 0  |
| Public Protection                        | 1,417                                  |  | 1,410                       | 1,420               | 10  | -9   | 19   |
| Resources & Performance                  | 676                                    |  | 655                         | 662                 | 7   | -40  | 47   |
| <b>Total Social Care &amp; Health</b>    | <b>45,668</b>                          | <b>99</b>                                  | <b>45,797</b>               | <b>46,269</b>       | <b>472</b>                                | <b>-390</b>                                  | <b>862</b>                                   |
| Individual School Budget                 | 43,620                                 |  | 43,621                      | 43,554              | -67                                       | -185   | 118  |
| Resources                                | 1,440                                  | -135                                       | 1,305                       | 1,272               | -33                                       | -50  | 17   |
| Standards                                | 5,113                                  |  | 5,111                       | 5,848               | 737                                       | 471  | 266  |
| <b>Total Children &amp; Young People</b> | <b>50,173</b>                          | <b>-135</b>                                | <b>50,037</b>               | <b>50,674</b>       | <b>637</b>                                | <b>236</b>                                   | <b>401</b>                                   |
| Business Growth & Enterprise             | 1,456                                  | -100                                       | 1,232                       | 1,080               | -152                                      | -124   | -28  |
| Operations                               | 15,394                                 | -130                                       | 15,375                      | 15,696              | 321                                       | 621  | -300   |
| Planning & Housing                       | 1,815                                  | -32  | 1,695                       | 1,416               | -279                                      | -151   | -128   |
| Tourism Life & Culture (Monlife)         | 3,445                                  |  | 3,419                       | 3,696               | 177                                       | 257  | -80  |

|   |                 |             |                 |                 |             |             |             |
|---|-----------------|-------------|-----------------|-----------------|-------------|-------------|-------------|
| <b>Total Enterprise</b>                     | <b>22,110</b>   | <b>-188</b> | <b>21,821</b>   | <b>21,888</b>   | <b>67</b>   | <b>603</b>  | <b>-536</b> |
| Legal & Land Charges                        | 458             |             | 456             | 489             | 33          | 45          | -12         |
| Governance, Democracy and Support           | 3,893           |             | 3,880           | 3,781           | -99         | -60         | -39         |
| <b>Total Chief Executives Unit</b>          | <b>4,351</b>    |             | <b>4,336</b>    | <b>4,270</b>    | <b>-66</b>  | <b>-15</b>  | <b>-51</b>  |
| Finance                                     | 2,486           | -43         | 2,441           | 2,221           | -220        | -156        | -64         |
| Information Communication Technology        | 2,679           | -62         | 2,617           | 2,603           | -14         | 61          | -75         |
| People                                      | 1,680           | -132        | 1,498           | 1,556           | 58          | 30          | 28          |
| Future Monmouthshire                        |                 | 10          | 133             | 150             | 17          | 20          | -3          |
| Commercial and Corporate Landlord Services  | 844             | -401        | 429             | 398             | -31         | 81          | -112        |
| <b>Total Resources</b>                      | <b>7,689</b>    | <b>-628</b> | <b>7,118</b>    | <b>6,928</b>    | <b>-190</b> | <b>36</b>   | <b>-226</b> |
| Precepts and Levies                         | 18,467          | 0           | 18,467          | 18,472          | 5           | -1          | 6           |
| Corporate Management (CM)                   | 120             | 0           | 251             | -161            | -412        | -323        | -89         |
| Non Distributed Costs (NDC)                 | 669             | 0           | 669             | 701             | 32          | 38          | -6          |
| Strategic Initiatives                       | 493             | 0           | 424             | 0               | -424        | -332        | -92         |
| Borrowing Cost Recoupment                   |                 | -9          | -9              | -9              | 0           |             | 0           |
| Insurance                                   | 1,333           | 26          | 1,359           | 1,359           | 0           | -96         | 96          |
| <b>Total Corporate Costs &amp; Levies</b>   | <b>21,082</b>   | <b>17</b>   | <b>21,161</b>   | <b>20,362</b>   | <b>-799</b> | <b>-714</b> | <b>-85</b>  |
| <b>Net Cost of Services</b>                 | <b>151,073</b>  | <b>-835</b> | <b>150,270</b>  | <b>150,391</b>  | <b>121</b>  | <b>-244</b> | <b>365</b>  |
| Fixed Asset disposal costs                  | 153             | -35         | 118             | 118             | 0           | 7           | -7          |
| Interest and Investment Income              | -56             | 0           | -56             | -243            | -187        | -58         | -129        |
| Interest payable & Similar Charges          | 3,326           | 111         | 3,448           | 3,531           | 83          | 36          | 47          |
| Charges required under regulation           | 4,500           | 125         | 4,562           | 4,533           | -29         | -7          | -22         |
| Contributions to Reserves                   | 224             | 562         | 655             | 685             | 30          | 0           | 30          |
| Contributions from Reserves                 | -1,408          | 70          | -1,187          | -1,214          | -27         | 0           | -27         |
| <b>Appropriations</b>                       | <b>6,739</b>    | <b>833</b>  | <b>7,540</b>    | <b>7,410</b>    | <b>-130</b> | <b>-22</b>  | <b>-108</b> |
| General Government Grants                   | -63,091         | 0           | -63,091         | -63,091         | 0           | 0           | 0           |
| Non Domestic rates                          | -30,177         | 0           | -30,177         | -30,177         | 0           | 0           | 0           |
| Council Tax                                 | -70,838         | 0           | -70,838         | -70,741         | 97          | 60          | 37          |
| Council Tax Benefits Support                | 6,294           | 2           | 6,296           | 6,159           | -137        | -110        | -27         |
| <b>Financing</b>                            | <b>-157,812</b> | <b>2</b>    | <b>-157,810</b> | <b>-157,850</b> | <b>-40</b>  | <b>-50</b>  | <b>10</b>   |
| <b>Net Council Fund (Surplus) / Deficit</b> | <b>0</b>        | <b>0</b>    | <b>0</b>        | <b>-49</b>      | <b>-49</b>  | <b>-316</b> | <b>267</b>  |

3.1.1 This outturn forecast presumes the beneficial effect of £894k of revenue cost meeting capital definitions, and being capitalised against the additional national capital resources (£1.3m) notified by Welsh Government as per para 3.4.2, and without such the Council would have incurred a material deficit. Specific pressures exist around Additional learning needs (ALN), Children’s Services, passenger transport, car parking where activity no longer reflects the budget provided given the savings previously volunteered by services colleagues.

3.1.2 Putting such variances in context, they both CYP and SCH significant deficit positions still equate to less than 0.8% variation against the net cost budget before financing. This is an incredibly close correlation given the volume of budget holders involved in the process, the volatility in pressures and savings proposals experienced during the year, and the need to secure compensatory savings to mitigate adverse positions highlighted earlier in the year. However clearly a surplus is more attractive to the Council than an equivalent deficit, so the use of periodic monitoring as a tool for change during the year should not be underestimated.

3.1.3 A comparison of the Net Council fund line against previous years activity indicates the following,

| Net Council Fund Surplus | 2018-19     | 2017-18     | 2016-17       | 2015-16       | 2014-15     |
|--------------------------|-------------|-------------|---------------|---------------|-------------|
|                          | £'000       | £'000       | £'000         | £'000         | £'000       |
| Period 1                 | 379 deficit | 164 deficit | 1,511 deficit | 867 deficit   | 219 deficit |
| Period 2                 | 316 surplus | 62 deficit  | 839 deficit   | 1,066 deficit | 116 deficit |
| Period 3                 |             |             | 79 surplus    | 162 deficit   | 144 deficit |
| Outturn                  | 49 surplus  | 652 surplus | 884 surplus   | 579 surplus   | 327 surplus |

3.1.4 The above table indicates a potentially significant change in trend, such that the outturn is less beneficial than the previous period’s reported forecast. This hasn’t been the case in any of the previous 4 years. There is no one panacea reason for this, it can be affected, for instance, by

- Declining national funding
- A reliance on adhoc grants through the year leading to more reactive and less planned outcomes
- An increasing difficulty in successfully managing and delivering the savings targets agreed with members
- More limited opportunities to find adhoc reactive savings in year
- Limited reserve cover to smooth peaks in unforeseen financial activity

**3.2. Directorate Monitoring Positions organised by Select portfolio**

3.2.1 Revenue budget monitoring information for each directorate’s directly managed budgets is provided together with information on corporate areas through the hyperlink in section 8 below. A summary of main pressures and under spends within the Net Cost of Services Directorates include,

**3.2.2 Stronger Communities Select Portfolio (£1.225m net underspend)**

- Chief Executives Unit (£66k underspend)

**Legal division** exhibited a £33k overspend, due to staff cost pressure and a shortfall in land charges income. **Governance, development and support** incurred a £99k surplus due to

staff vacancies and windfall electoral management grant more than compensating for the pressure in Contact centre and inability to make staff vacancy efficiencies in support and scrutiny positions.

- Resources Directorate (£190k underspend)

**Finance Division predict an underspend of £220k**, predominantly predicted savings in Revenues and Exchequer sub division and saving in management cost. **IT predicts an £14k underspend**, due to laptop purchases being deferred being more significant than the deficit introduced by shortfall in SRS reserve returned to MCC at year end, and a degree of salary savings not yet delivered within SRS. **People services predicts £58k deficit**, mainly the result of sickness and maternity cover within the division. **Corporate Landlord division** exhibited a net **£31k surplus** which hides large variances within monitoring, such that savings in staffing and management of asset management of £154k compensate exactly for procurement savings not made. The net savings effectively come from the net extent of programme repair work that would have been charged to revenue had extra schools capital funding not been manifest. **Future Monmouthshire** responsibility has moved across to Resources during the financial year, and exhibits a **£17k deficit**, being a proportion of digitisation and agency cost savings not yet attributable to particular services.

- Corporate (£799k underspend)

The net effect of the unutilised redundancy budget (£424k), together with one off rate refund receipts in respect of Council's buildings and an extraordinary dividend from the Crematoria Joint Committee. Please note the cost of redundancies unless subject to the traditional 2 stage approval process agreed with members show as overspends within service budgets rather than corporate.

- Appropriations (£130k underspend)

Reserve usage has been adjusted in both Appropriations and service Directorates hence the volume of budgetary virements and variability between month 7 and outturn exhibited in the table 3.1.2. Small savings accrue from minimum revenue provision required (£29k) to repay borrowing experienced during the year. The interest savings and costs can simplistically be netted off as a £104k saving. They are a mixture of additional interest receivable on investments, additional interest on necessary unsupported borrowing with all activity being affected by an increase in base interest rates during the year and reported previously.

With regard to treasury management and interest rate speculation, the last quarter introduced a heightened challenge to predict forward interest rates and act accordingly. This was due to uncertainty as how smooth the Brexit process would be, but Treasury advisor had instead indicated a sense in having a balanced loan portfolio with a mixture of short/long term debt and proportion of variable/fixed debt. Over the medium term we have tended to take short term recurrent borrowing at effectively variable rate. This has provided Treasury savings over the last 3 years. It is more likely that we will be locking a higher proportion of that short term recurrent borrowing into more fixed rate longer term instruments. Longer term rates are more expensive than recurrent short term rates, so this is anticipated to mitigate the positive effect that Treasury traditionally brings in balancing the budget in future years.

- Financing (£40k underspend)

Council tax receipts indicate a £97k shortfall given an increasing level of discounts and allowances being requested. The traditional underspend in anticipated Council tax benefit payments was at the end of the year very close to the monitoring prediction throughout the year, providing £137k benefit. However, going forward this is an area where activity is likely

to be more volatile than traditionally given advertising campaign undertaken by Welsh Government and the advent of universal credit bringing focus to individual's financial circumstances. .

## **RESOURCES DIRECTOR'S CONTEXT & COMMENTARY**

Concerted efforts through the financial year and in particular the last quarter has resulted in a £191k under spend, a £226k positive variance from the £35k over spend reported at month 7 and assisting the overall Authority outturn position.

Savings of £148k within Estates, an increase of £99k from month 7, have been derived from further staff vacancies, additional income and lower than anticipated expenditure on professional fees. There will soon be a restructuring of the Estates team that will look to ensure that we have the capacity and capability to continue progress with the delivery of the revised Asset Management and Commercial strategies. Improved income generation of £70k with the solar farm were generated due to more beneficial export tariffs being secured.

Additional premises cost have resulted with our Industrial Units and County Farms have incurred cost pressures resulting from a compensation payment and professional fees together with strain on rental incomes being achieved from farm holdings (£27k). An under spend of £57k has resulted on corporate building maintenance budgets as a result of school maintenance grant being received late in the financial year from Welsh Government. This has been offset by an over spend of £9k on accommodation costs across our main office sites due to additional maintenance costs and an over spend in Property Services of £18k due to lower than anticipated fee income.

Procurement is still reporting an over spend resulting from the non-delivery of an element of the authority wide savings (£155k). This was subsequently factored into budget proposals and thus removed as a pressure for 19/20. Alongside this targeted resources are being directed into identifying and exploiting further procurement opportunities consistent with taking forward the revised procurement strategy.

Finance reported an increased underspend of £221k (£156k at month 7). Savings have resulted from further staff vacancies, one-off grant received from DWP in respect of Housing Benefits and the cost of the cash system and merchant fees being less than anticipated. The introduction of the new cash system will increase costs but the saving was at least welcomed in allowing the directorate to put downward pressure on costs.

The Future Monmouthshire budget exhibiting some strain (£18k over spend) as a result of cross authority savings not yet being allocated in respect of digitisation, agency costs and mileage allowances offset through downward pressure being placed on professional fees. Targeted work is being undertaken to ensure that cross authority savings are being delivered in 19/20 and such that over spend pressures are not repeated.

ICT and the specifically the Shared Resource Service delivered a £14k under spend at outturn (£61k over spend at month 7) have resulted from savings in supplies and services budgets along with the benefit of a one-off capital grant being received late in the financial year from Welsh Government.

The picture is completed by net cost pressures of £58k continuing within People Services (£31k at month 7) and resulting from increasing staff costs as a result of the need to cover staff sickness, one-off costs with HMRC regarding historic mileage claims and increased training costs at Raglan Training Centre offset by savings in Corporate Training with a delay in recruiting a modern apprentice and a reduction in corporate healthcare costs within Occupational Health.

Efforts now quickly turn to 19/20 and delivery of savings proposals and further work to manage and contain expenditure within the directorate and across the Authority.

### **3.2.3 Economy & development Select Portfolio (£78k net overspend)**

- Enterprise Directorate (£67k net overspend)

**Business growth and enterprise** predict a net **£152k underspend**, being effect of staffing savings, and a small net income from Events firework display. The staffing has been core funded through a reduction to corporate redundancy budget, but there is still no formal Events strategy to indicate how events income will contribute a holistic benefit in sustaining services. This remains similar to the Borough Theatre situation.

**Planning & Housing (net £279k underspend)** – Development control has historically experienced a significant deficit in income against budget. The extent of some larger sites coming online during the year has meant higher than usual income levels, however the majority of saving comes in the form of professional and specialist costs not incurred in facilitating LDP process. The pressure accommodated in respect of lodging scheme as part of 2018-19 budget process and ad hoc grant has allowed the Housing service to exhibit £99k surplus.

**Operations incurred a collective £321k deficit.** The position for each of main Operations areas is as follows, Transport Garage and car parks £382k deficit (in the form of £118k additional maintenance costs to older vehicles and £274k income deficit from car parking), catering £32k surplus (caused by adhoc free school meals grant), cleaning £20k surplus (caused by additional income from “new” sites) , Passenger Transport £248k deficit (caused by a mixture of additional staffing costs, additional repair costs, and additional resulting hire costs), Waste and Streetscene £115k deficit (caused by abortive recycling saving with neighbouring authority £110k, and CA site savings from reduced opening hours not enacted £13k) and Highways £373k surplus (the net result of redirecting revenue expenses to be afforded by additional capital funding, and a mild winter reducing winter maintenance liability).

**Tourism, leisure & culture - Monlife (£177k overspend)** – The final position is artificial to the MCC bottom line as it masks the significant recurrent deficit situation experienced within Outdoor Education service. The outdoor education partnership was dissolved since month 7 reporting, and the balance of the partnership reserve (£129k surplus) credited to revenue account. This has largely compensated for £119k trading deficit. The risk to MCC is that service still has to be re-engineered to become sustainable, those costs will fall to MCC in recognition that partners have agreed to forego any reserve distribution Unfortunately the reserve has been utilised predominantly to afford the year’s trading deficit (£119k) and will not be available to support re-engineering costs. The trading pressure within Outdoor Education relates to an eroding income base as historic partners looked to withdraw their core support.

Attractions incurred £71k deficit pressure predominantly £62k in respect of redundancies.

Leisure centres incurred a net £11k income deficit, with the encouraging income surplus at Monmouth LC of £89k, (testament to its redevelopment and work of staff) not being fully sufficient to cover for shortfalls in income at its southern establishments. Youth has incurred a £7k due to unbudgeted training expenses. Museums anticipated a £42k overspend mainly for staff and sickness cover, and remediation consequences of withdrawing from using the Caldicot storage facility.

- Social Care & Health (£10k overspend)

**Public Protection (£10k overspend)** – predominantly the net effect of minor pressures across registrars, public health and trading standards.

## **ENTERPRISE DIRECTOR'S CONTEXT & COMMENTARY**

The outturn for the end of the financial year sets out a continued underspend for the Enterprise Directorate. The final outturn presented is an under spend of £110k. This is a significant achievement and officers have continued throughout the year to manage adverse positions as they have been identified.

### **Economy and Enterprise**

The economy division is reporting underspends these are due primarily to staff vacancies. Within Business and Enterprise, in the financial year 2019/20 these underspends are not projected to continue as these funds will cover salary contributions for the Strategic Lead for Regeneration and the Town Centre Engagement Project Officer. The underspend on Communities and Partnerships Development is due to a vacant post and a decrease in spend against supplies and services. It is anticipated that this will be fully spent in 2019/20 due to a small restructure within this team.

### **Planning and Housing**

Planning and Housing have continued to report underspends and the final outturn underspend is £278,531. A large proportion (£186k) of this is due to an underspend in Professional and Specialist Fees that were anticipated for the key elements of the LDP evidence base that require the commissioning of external consultants. This will commence in 2019/20 so no major costs have been incurred. The underspend in Housing has arisen due to two key aspects, firstly the lodgings scheme, a change in designation of the properties has led to an increase in rental income plus an ability to claim property maintenance expenses from one off grant funding has led to the variance from month 7. Secondly, Private Sector Leasing, this is the first year these properties have been back within MCC control and it was unclear how much work would be needed to repair and maintain them. It has also been possible to claim large refurbishment and maintenance works from the one off grant funding.

### **Operations:**

There are deficit trends within Operations that have caused concern and have been reported upon throughout the year. The resultant outturn of a £320k adverse position for this division is an improved position since the Month 7 report.



### Cleaning and Catering

The catering section has underspent by £32k, the swing between the outturn and month 7 is mainly due to additional grant funding that was not expected at month 7 (£30k). In addition there were lower than anticipated material and consumable costs. The cleaning section has underspent by £20k due to higher than anticipated income this relates to additional sites being acquired during the year leading to increased income.

### Highways

Highways Development & Flooding has overspent by £52,000. There have been swings between individual costs centres within the unit but the main reason for the overspend relates to consultancy costs incurred in the setup of the authority's Civil Parking Enforcement team. We were hopeful that these costs could be covered by improved fee income during the year but fell short of the amount required. Highways Operations has underspent by £424,000 due to increased capital income that has been received throughout the financial year. A windfall capital allocation increase in 2018/19 allowed us to rearrange our repair programme to better displace core costs with capital funding. In addition to this the mild winter meant that gritting and snow clearance works were under what we had predicted for the year. Highways External Clients and the SWTRA Collaboration have come in on budget.

### Home to school transport

The section has overspent by £248k. The changes from month 7 to outturn relates to higher than anticipated vehicle repairs costs which have also resulted in increased vehicle hire charges whilst these vehicles have been off the road to allow the repairs to be completed. The main budget pressures during the year have been increased vehicle hire charges due to a number of vehicles off the road requiring major repairs, this has impacted on the expected savings that were anticipated through the dynamic purchasing scheme procurement exercise but these works are essential to ensure our fleet is safe and resilient. Secondly, the overspend also related to increased employee costs which have been incurred through the rearrangement of our staffing structures and to correct a contractual arrangement which have led to additional employee payments.

### Fleet management and Transport

Transport are over spent by £118k due an increase in maintenance costs due to the ongoing maintenance of a number of older vehicles and additional new depot costs due to essential works to allow the occupation of the new building in Caldicot. The variance from month 7 to the final outturn is due to the level of maintenance increasing throughout the year.

### Car Parking

The over spend of £275k is due to a number of areas. Morrisons in Abergavenny provides free parking in the town for two hours and in the proximity people choose to park in this

car park, which means a loss of car parking income, this has been estimated as £2k per week. Car Parking fees were increased by 10% for 2018/19 however, these charges didn't come into force until July 2018 so a full year of increased fees has not been realised. Two car parks have also been closed for part of the year due to engineering works which has meant a further loss in income. The variance from month 7 is due to a further decrease in income levels. A small under spend has been generated through the green car scheme. The under spend will never be known until year end due to members of the scheme joining and leaving throughout the year.

### Waste and Street Scene

The Waste and Street Scene section is £115k over spent. This is due to £100k savings proposal to Blaenau Gwent not being progressed and the CA site savings of £13k from reduced opening hours not currently being implemented.

The final outturn position for the MonLife portfolio is £177,168 over, a reduction from month 7 of £80,000 but a large proportion of this relates to the Outdoor Education service which draws upon the trading reserve for an extra £72,000. Throughout the financial year officers have worked hard to maintain existing services to ensure that the end of year position was as anticipated. This set of services moves into an exciting next stage over the forthcoming years as the services move into transformation and implementation of the MonLife brand.

Following the restructure of the Attractions Service in the summer of 2018 the resultant redundancy costs of £62k were incurred. Museums have overspent by £50k mainly due to staffing costs because of the need to provide front of house cover when staff are on leave or sick (£43k). A further £7k of this was design work for the structure at Abergavenny Castle which because it is not proceeding cannot be offset against the grant funding.

The Gwent Outdoor Education Service was formally dissolved in March 2019, with the Talybont site being returned to Newport City Council. Over the past few years the service has suffered from the loss of partner subsidies and has seen a general decline in usage with increasing costs. There has been a significant overspend which has been met in part by the Outdoor Education reserve leaving £13k to be met from the service.

Countryside is overspent by £26k mainly due to unplanned expenditure to adapt and complete the Black Rock access barrier as well as rights of way maintenance pressures.

Other minor overspends included £11k in Leisure where high income targets were not achieved; Youth Service, £7k because of additional training requirements and the remainder in repairs and improvements to Old Station Tintern.

### **3.2.4 Adult Select Portfolio (net £989k underspend)**

- Social Care & Health

**Adult Services (£181k overspend)** – resulting from a significant drop off in community meals income of £80k has been reported by service, together with £155k staffing pressures (sickness cover and ERS pension saving not realised) within net direct care establishments (Severn View and Mardy Park), a £120k net pressure caused by limited capacity in the

external domiciliary care provider market, compensated for by vacancies and management savings of £97k.

**Community Care (£1.073m underspend)** – net savings within Mental Health Care team budget and Frailty pooled budget (collective £1.4m) compensate for an inherent pressure to adult disability care provider costs and client needs (£323k overspend).

**Commissioning (£104k underspend)** – predominantly the effect of reviewing service contracts, and a staffing saving, compensating for Drybridge Gardens income shortfall caused by a tenancy vacancy.

**Resources (£7k overspend)** – net effect of increased transport costs.

### **SOCIAL CARE & HEALTH DIRECTOR'S CONTEXT & COMMENTARY**

The year-end outturn overspend of £472K includes £13K of redundancy costs to be met from equivalent underspends held centrally, with the outturn position benefiting from a £345K in year Social Care Pressures grant from Welsh Government and £40K of capitalised IT costs, accounted for within the Adult Services budget.

At month 7 forecast prediction was a £390K underspend, but at that time of reporting it was highlighted we were moving into the winter months and with a back drop of Adult care hours that were awaiting brokerage from reablement, and the increase in Looked After Children numbers it would be a challenge to remain within budget. At M7 £406K was predicted from the Social Care Pressures grant but the final award was £61K less and since M7 the directorate travel budget was reduced by £30K.

Within Adults Services the year end outturn underspend of £989K is much better than that predicted at M7 (£943K) mainly as a result of continued care provision mainly within Usk and the South of the County delivered through reablement as opposed to the external domiciliary market. Also there have been some additional property sale income received prior to year-end which had previously been expected in April.

Children's Services have experienced significant demands since M7 resulting in an outturn overspend of £1.45M, compared to that previously forecast at M7 of £561K. Legal costs have overspent by £230K, with £252K spent on Legal costs after the M7 forecast. Alternative legal provision has been mapped out with the Head of Law as we move into the new financial year. Looked After Children numbers have significantly increased from 148 reported at M7 to 172 at outturn a rise of 24, with an additional 18 placement since M7 costing £341K and within younger people's accommodation 6 placements costing a total of £489K.

Public Protection overspent by £10K which given it operates on a very small budget of just £1.4M to provide its wide range of services such as Trading Standards, Environmental and Public Protection, Licensing, Health & Safety and Registrars is a pleasing result.

### **3.2.5 Children & Young People Select Portfolio (net £2.088m overspend)**

SLT received month 10 monitoring information. At which time Director of Resources met with Director of Social Care and Director of Children and Young People. No additional remediation actions were agreed, but there was a commitment that adverse variances would be contained at month 10 levels. The equivalent forecast information at month 10 was £1.3m adverse

variance in Children's service, so outturn exhibits a further £118k adverse variance with extra service costs being mitigated by unbudgeted intermediate care funding so extra overspend is predominantly in staffing costs which is one of more controllable aspect of Children's services budget.

CYP Directorate exhibited a forecast deficit to Standards Division of £695k at month 10, mainly in respect of additional learning needs pressure. At outturn this has risen by £42k to £737k. The budget has been subject to a variety of changes in recent years, and savings of circa £800k volunteered over the last 3 years. The budget historically reflected 2 special needs units operating across the County. More recently there has been an acknowledgement to operate in each of the secondary schools, and, where reasonable, to support pupils in Monmouthshire schools rather than out of County.

In both cases, service colleagues volunteer that service demand has increased and introduced an equivalent additional financial pressure, and that individual decisions can have a very significant consequence. To enable members to better appreciate such, it is recommended that the financial monitoring going forward needs to be more sophisticated to provide a context about the volume of customers/recipients actually supported and their average cost of provision and to evidence what assumptions and volume have been used to forecast outturn activity upon.

- Social Care & Health (£1.451m overspend)

**Children's Services (net £1.451m overspend)** – this can be a fairly volatile area to manage budget wise, with individual placements potentially having a significant effect. The service concludes pressures resulting from a greater volume of placements and consequent transport costs thereafter totalling circa net £1m, and staffing costs above budget of £440k.

In comparison to 2017-18 activity which was £1.6m overspend, the 2018-19 forecast does indicate a slightly improving position consistent with the recovery plan prepared by Children's service that advocated £113k saving in 2018-20. However that presumption was based on a perceived £534k unsustainability rather than £1m.

**Youth offending team partnership (breakeven)** – this partnership is managed in a similar fashion to Outdoor Education, in so far as surpluses or deficits do not affect MCC outturn position and are instead transferred to their trading account. The Board overseeing the management of the service has agreed to hold the combined surplus at £150k, which means that circa £99k beneficial effect has been redirected back through to partners at year end, MCCs proportion is circa £40k. Service colleagues have chosen to use this credit to reduce Children's services costs, accepting the risk of needing to absorb any future volatility in Youth Offending costs above budget, rather than more prudently establishing a reserve to smooth such peaks and troughs in service provision.

## **SOCIAL CARE & HEALTH DIRECTOR'S CONTEXT & COMMENTARY**

The year-end outturn overspend of £472K includes £13K of redundancy costs to be met from equivalent underspends held centrally, with the outturn position benefiting from a £345K in year Social Care Pressures grant from Welsh Government and £40K of capitalised IT costs, accounted for within the Adult Services budget.

At month 7 forecast prediction was a £390K underspend, but at that time of reporting it was highlighted we were moving into the winter months and with a back drop of Adult care hours that were awaiting brokerage from reablement, and the increase in Looked After Children numbers it would be a challenge to remain within budget. At M7 £406K was predicted from

the Social Care Pressures grant but the final award was £61K less and since M7 the directorate travel budget was reduced by £30K.

Within Adults Services the year end outturn underspend of £989K is much better than that predicted at M7 (£943K) mainly as a result of continued care provision mainly within Usk and the South of the County delivered through reablement as opposed to the external domiciliary market. Also there have been some additional property sale income received prior to year-end which had previously been expected in April.

Children's Services have experienced significant demands since M7 resulting in an outturn overspend of £1.45M, compared to that previously forecast at M7 of £561K. Legal costs have overspent by £230K, with £252K spent on Legal costs after the M7 forecast. Alternative legal provision has been mapped out with the Head of Law as we move into the new financial year. Looked After Children numbers have significantly increased from 148 reported at M7 to 172 at outturn a rise of 24, with an additional 18 placement since M7 costing £341K and within younger people's accommodation 6 placements costing a total of £489K.

Public Protection overspent by £10K which given it operates on a very small budget of just £1.4M to provide its wide range of services such as Trading Standards, Environmental and Public Protection, Licensing, Health & Safety and Registrars is a pleasing result.

- Children and Young People (net £637k overspend)

Service colleagues reported **School Budget Funding** moved from breakeven at month 2 to £185k surplus at month 7, based largely on capitalising expenditure (£125k) and anticipating redundancy and settlement agreements being borne by corporate redundancy budget. The outturn was an uncommitted **£67k surplus** not allocated to schools. **Resources Divisions** are now anticipating a £33k surplus, caused by net vacancies and reduced hours. **Standards subdivision** exhibited an **outturn overspend of £737k**. It had previously anticipated a forecast £471k overspend reported as largely the consequence of continued reduced residential place numbers at Mounton House as MCC considers the future use for the facility. Since month 7 the cost deficit in Standards Division has increased by a further £266k.

## **CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY**

The Directorate's Month 12 position is a forecasted overspend of £637,390 which is an increase on the month 7 forecast over spend of £307,942. Included in the overspend are two areas of expenditure that were not reported in the directorate for month 7, the first is £108,500 relating to severance agreements in schools, where some of the costs have been borne by the directorate, in the previous forecast these were reported centrally. The second is £48,907 which is provision for school based redundancies. The redundancies will not take place until August, but have already been agreed by the Governing Body.

The Additional Learning Needs budget continues to remain under significant pressure due to the requirement to support more of our pupils with complex needs. This is not a simple picture of additional costs, officers have been managing these costs to keep these to a minimum while ensuring the young person is supported. In addition, there have been new complex additions to the number of children requiring support; these can be significant and

the part year impact of one of these placements is as much as £50,000. It is important to note that the pressure of supporting children within mainstream Monmouthshire schools is a more significant pressure than the out of county pressure.

While the recoupment income for the authority has increased since month 7, the pressure for Mounton House remains. The future of Mounton House is a key focus of the Additional Learning Needs (ALN) Review.

Schools and CYP budgets remain exceptionally challenging across Wales and Monmouthshire is no different. The year end balances for our schools show a collective deficit of £232,404. However this is an improvement of £496,352 since month 7. Recovery plans are a significant focus for schools in a deficit, with the Governing Body and Local Authority working collectively to agree the improvements required.

### 3.3 2018/19 Budget Savings Progress

3.3.1 This section monitors the specific savings initiatives and the progress made in delivering them during 2018-19 as part of the MTFP budgeting process.

In summary they are as follows,

| <b>Disinvestment by Directorate 2018-19</b> | <b>2018/19 Budgeted Savings</b> | <b>Value of Saving achieved at Outturn</b> | <b>Delayed Savings</b> | <b>Savings deemed Unachievable YTD</b> |
|---|---------------------------------|--|------------------------|--|
| <b>REVENUE MONITORING 2018-19</b>           | <b>£000</b>                     | <b>£000</b>                                | <b>£000</b>            | <b>£000</b>                            |
| <b>Children &amp; Young People</b>          | <b>(631)</b>                    | <b>(475)</b>                               | <b>0</b>               | <b>(156)</b>                           |
| <b>Social Care &amp; Health</b>             | <b>(925)</b>                    | <b>(795)</b>                               | <b>0</b>               | <b>(130)</b>                           |
| <b>Enterprise</b>                           | <b>(242)</b>                    | <b>(138)</b>                               | <b>(94)</b>            | <b>(10)</b>                            |
| <b>Resources</b>                            | <b>(746)</b>                    | <b>(508)</b>                               | <b>(239)</b>           | <b>0</b>                               |
| <b>Chief Executives Units</b>               | <b>(1,296)</b>                  | <b>(1,060)</b>                             | <b>(78)</b>            | <b>(159)</b>                           |
| <b>Corporate Costs &amp; Levies</b>         | <b>(25)</b>                     | <b>0</b>                                   | <b>(25)</b>            | <b>0</b>                               |
| <b>Appropriations</b>                       | <b>(396)</b>                    | <b>(396)</b>                               | <b>0</b>               | <b>0</b>                               |
| <b>Financing</b>                            | <b>(800)</b>                    | <b>(740)</b>                               | <b>0</b>               | <b>(60)</b>                            |
| <b>DIRECTORATE Totals</b>                   | <b>(5,061)</b>                  | <b>(4,112)</b>                             | <b>(436)</b>           | <b>(515)</b>                           |

3.3.2 Mandated saving performance is running at 81% of budgeted levels, with currently £515,000 being deemed potentially unachievable, and a further £436,000 to be delayed to later years. This decrease in achievability forecasting (5%) is predominantly shown in Social Care and Children and Young People Directorates

3.3.3 The emphasis of reporting savings has changed from previously where savings were reported when they were manifest, however the judgement is now whether saving is forecast to be achieved.

3.3.4 Consequently the savings appendix (appendix 1) also has a traffic light system to indicate whether savings are likely to be achieved or have justifiable reasons explaining delayed implementation. The following summary of savings mandates are highlighted as requiring further work to crystallise or exhibit an anticipated degree of volatility.

### **3.3.5 Stronger Communities Select Portfolio**

Resources Directorate & Corporate

- Delayed savings are anticipated in respect of the likely introduction of the Revenues sub division's new document image system (£10k), the Procurement gateway review £150k appears to exhibit little progress to date, savings from more zealous use of duplicate payment software (£25k), and the reviewing of technology and systems and introduction of chatbot functionality (£79k) all report delays in implementation and the timing when savings crystallise.

Ex Enterprise (ENT) Directorate

- The Future Monmouthshire initiative was part of Enterprise Directorate at budget setting time, but has since moved to Resources Directorate. A Council wide target, overseen by Future Monmouthshire colleagues, to reduce agency costs by £80k is reported unlikely to be delivered. Similarly a shortfall to increase fees and income by £32k has fallen short by £10k and the presumption to reduce Council travel costs by £72k this year is likely to fall short of aspiration by circa £14k.

### **3.3.6 Economy & Development Select Portfolio**

Ex Chief Executive's Office/Operations now Enterprise Directorate

- Approved car park price increases weren't introduced in April reducing the anticipated income levels (£21k). The civic amenity (CA) site opening time reductions haven't been introduced resulting in £13k saving shortfall. The matter has fallen into a wider CA sustainability review during 2019-20 commissioned with Waste and Resources Action programme (WRAP).
- The savings agenda within PTU were significant and wide ranging and involved significant officer time outside of core PTU team. Latest anticipation from a current retendering exercise still suggests a £29k shortfall on the £171k estimated. The £30k saving from reducing payments to contractors but providing a more timely cashflow has been reviewed, as it potentially discourages take up, and perpetuates a need for multiple approaches. The service has trialled a successful payment on account process, and has instead chosen to take an increased saving from the successful pilot of personal transport budgets. The extended provision of in-house Additional Learning Needs (ALN) transport service designed to deliver £41k, is not as advanced as other PTU practice changes currently, and the saving of £49k from Raglan training is only anticipated to deliver £20k additional income this year.
- The £100k proposal to effectively sell Recycling activity targets to a neighbouring authority to avoid their penalisation hasn't been progressed, as they've received a relaxation to potential sanctions. £35k of the seasonal garden waste income saving has been achieved leaving a £5k shortfall.

### **3.3.7 Adult Select Portfolio**

Social Care & Health (SCH) Directorate Page 169

- Adult social care proposals are reported to have delivered the full extent of proposed £638k efficiencies. Adult services exhibited £181k overspend during the year, mainly in Adult disability service provision. Members may wish to explore the Adult practice change savings presumption in respect of how and if it relates to disability services.
- The additional income predicted from Meals on wheels (£15k) isn't yet manifest, and the increasing cost of meals on wheels has had a perceived reduction in demand resulting in a greater pressure to service.

### **3.3.8 Children and Young People Select Portfolio**

#### Social Care & Health (SCH) Directorate

- Whilst not a “true” net saving, a 4 year financial recovery improvement target was established by the Children’s service to compensate for £560k pressure anticipated. Up until month 7, the financial volatility experienced within Children’s Services was absorbed by wider Social Care savings. However the Children’s Services outturn instead introduced a net £1.1m demand pressure (excluding staffing overspends). So the recovery plan Social Care are working with would seem to benefit from review/update especially as Children’s’ services remains one of the more volatile budgets within the Council, where individual decisions can result in significant consequences, so the position will need to be closely monitored through the year.

#### Children and Young People (CYP) Directorate

- Children and Young people Directorate colleagues reported at month 7 that a £20k shortfall in anticipated income from breakfast club income, and £15k shortfall in being able to adjust premature retirement budget. At outturn it instead reports that shortfall in income from breakfast clubs is £78k, that the shortfall on premature retirement saving has improved and reduced to £10k, but that none of the saving in relation to Mouton House (£68k) has been achieved.



### 3.4 Capital Position

3.4.1 The summary Capital position at outturn was as follows,

| <b>MCC CAPITAL BUDGET MONITORING 2018-19 AT Outturn by SELECT COMMITTEE</b> |                                |                                 |                                      |                                    |                                       |                                     |
|---|--------------------------------|---------------------------------|--------------------------------------|------------------------------------|---------------------------------------|-------------------------------------|
| <b>SELECT PORTFOLIO</b>   | <b>Actual Spend at Outturn</b> | <b>Slippage Brought Forward</b> | <b>Total Approved Budget 2018/19</b> | <b>Capital Slippage to 2019/20</b> | <b>Revised Capital Budget 2018/19</b> | <b>Capital Expenditure Variance</b> |
|   | <b>£000</b>                    | <b>£000</b>                     | <b>£000</b>                          | <b>£000</b>                        | <b>£000</b>                           | <b>£000</b>                         |
| <b>Children &amp; Young People</b>  | 23,024                         | 9,360                           | 24,406                               | (2,219)                            | 22,187                                | 837                                 |
| <b>Adult</b>  | 1,268                          | 0                               | 1,268                                | 0                                  | 1,268                                 | (0)                                 |
| <b>Economic &amp; Development</b>   | 31,626                         | 98                              | 32,100                               | (465)                              | 31,635                                | (9)                                 |
| <b>Strong Communities</b>   | 14,393                         | 2,376                           | 21,372                               | (7,166)                            | 14,206                                | 187                                 |
| <b>Capital Schemes Total</b>  | <b>70,311</b>                  | <b>11,836</b>                   | <b>79,146</b>                        | <b>(9,850)</b>                     | <b>69,296</b>                         | <b>1,015</b>                        |

#### 3.4.2 Additions

Major revisions to the capital programme within year included Cabinet approvals for The Asset Investment Fund (£50m over 3 years), 'J' Block at Usk County Hall (£1,300K), The Cardiff Region City Deal (£1.004k), £1,040k for the Crick Road Care Home and £994k for the Abergavenny Public Realm scheme.

The Council derived an extra £1.3m in year in the form of additional capital grant. £894k of this was utilised in improving the revenue position exhibited in above. A report was presented to Council on 21<sup>st</sup> February indicating the use of the extra £1.34 capital grant, at the time there was still £416k to be allocated to particular schemes. The residual has been subsequently utilised upon,

|  |       |
|--|-------|
| Further capitalising major vehicle repair costs      | £320k |
| Provision of catering trailer/pod at Caldicot castle | £14k  |
| Cleaning equipment and machinery                     | £14k  |
| Biotech machine for health spa                       | £8k   |
| Laptops  | £46k  |
| Borough Theatre Sound & Lighting Equipment           | £14k  |

In March 19 the Council also received details of an extraordinary schools capital grant award totalling £994k, such that the capital monitoring workbook is further complicated at year end by the need to manufacture a position acceptable to Welsh Government (WG) around this award, as despite it being very late in the financial year it was important for WG to report it as 2018-19 spending. So rather than pragmatically agreeing for it to be rolled forward to 2019-20 intact, Welsh Government required it be demonstrably used on any existing schemes (in MCC case property maintenance schemes) with a proviso that the extra headroom that it released be made available in 2019-20 to allow works on “new” school schemes. The way it has been shown is artificial in suggesting that grant award was double what was actually received (i.e. £1.99m) but with a related Property maintenance budget reduction the overall budget and spend activity remains correct at outturn.

### 3.4.3 Outturn

Capital expenditure forecasts during the year anticipated an overspend in respect of 21<sup>st</sup> Century Schools building projects at the old Caldicot Comprehensive (£738,612) and at the old Monmouth Comprehensive (£346,230) due to project management costs incurred over a longer timeframe and greater incidence of asbestos remediation from ground and demolished buildings than anticipated upon survey. The Monmouth school overspend is still predicted but not incurred as at end of 2018-19 and so will fall into 2019-20 as a funding pressure. The prospective Caldicot school activity has resulted in a year end overspend of £737k which has been financed by unsupported borrowing.

Vehicle purchases financed by borrowing (£330k) show as an overspend as the decision to purchase rather than lease introduces a capital expenditure commitment to the capital programme not budgeted for, the reality is that traditional revenue leasing payments are instead utilised in affording capital repayments.

IT in schools also exhibited a £160k overspend, as service colleagues underestimated the work still to be completed on this project when calculating 2017-18 slippage. The balance of funding has been afforded by IT reserve.

### 3.4.4 Slippage to 2019-20

Service officers have to provide details of any slippage requests at outturn, for consideration by section 151 officer. Commonly there is a trend for colleagues to assume spend on budget through the year, but then report a need for slippage at outturn due to inclement weather, a health and safety need or not being able to plan the spend at schools for periods when pupils are absent. In previous years a detailed assessment was undertaken as to whether the requests were true slippage or more reasonably simply an underspend. Unfortunately for 2018-19 this level of analysis hasn't been possible due to capacity aspects, and consequently most slippage requests have been accepted on face value. Ignoring the commercial investments volatility caused by presuming 3 equal budgets over next 3 years, the upshot is since month 7 that slippage levels reported as necessary have doubled.

Total Slippage at Outturn was (£9,858k), which mainly relates to Abergavenny Community Hub (2,231k), the Usk County Hall 'J' block refurbishment program (£2,139k), Future Schools (£981k) and School Maintenance schemes (£994k).

There is also slippage of £1,606k in Grant funded Infrastructure and Waste Recycling schemes due to very late awards from the Welsh Government during the financial year.

Slippage of .£733k is contained within 22 individual S106 schemes reportably the consequence of mainly non Council controllable influences, and this is reasonable for new schemes where there is commonly a degree of consultation and engagement necessary, however it is noticeable that some schemes slipped from previous years also indicate limited activity.

Further schemes slipped include, The Capital Region City Deal (£331k), Car Park refurbishments and Ticket Machine improvements (£257k) specifically £223k in relation to the Granville Street / Wyebridge Street car parks.

### 3.5 Capital Financing and Receipts

3.5.1 Given the anticipated capital spending profile reported in para 3.4.1, the following financing mechanisms are expected to be utilised.

| <b>CAPITAL FINANCING SCHEME</b>     | <b>Annual Financing</b> | <b>Total Approved Financing Budget 2018/19</b> | <b>Budget Slippage to 2019/20</b> | <b>Revised Financing Budget 2018/19</b> | <b>Forecast Capital Financing Variance 2018/19</b> |
|-------------------------------------|-------------------------|--|-----------------------------------|---|--|
|                                     | <b>£000</b>             | <b>£000</b>                                    | <b>£000</b>                       | <b>£000</b>                             | <b>£000</b>  |
| Supported Borrowing                 | 2,410                   | 2,410  | (0)                               | 2,410                                   | 0  |
| General Capital Grant               | 2,824                   | 2,824  | 0                                 | 2,824                                   | 0  |
| Grants and Contributions            | 13,157                  | 13,238   | 0                                 | 13,238                                  | (81)   |
| S106 Contributions                  | 985                     | 2,302  | (1,317)                           | 985                                     | (0)  |
| Unsupported borrowing               | 42,216                  | 48,132   | (6,956)                           | 41,176                                  | 1,040  |
| Earmarked reserve & Revenue Funding | 281                     | 174  | (169)                             | 5                                       | 276  |
| Capital Receipts                    | 8,401                   | 10,032   | (1,408)                           | 8,624                                   | (223)  |
| Low cost home ownership receipts    | 37                      | 34   | 0                                 | 34                                      | 3  |
| Unfinanced                          | 0                       | 0  | 0                                 | 0                                       | 0  |
|                                     |                         |  |                                   |   |  |
| <b>Capital Financing Total</b>      | <b>70,311</b>           | <b>79,146</b>                                  | <b>(9,850)</b>                    | <b>69,296</b>                           | <b>1,015</b>                                       |

#### 3.5.2 Variance in Funding Explanations

- Unsupported borrowing £1,040k over due to Caldicot Schools overspend (£738k) and the financing of vehicle purchases instead of being leased (£303k).
- Earmarked Reserves overspend, are for the unbudgeted ICT Schools (£159k) scheme and an unbudgeted call on the Plant & Equipment Reserve of (£116k) for Highways vehicles
- Underspends on Capital Receipts funded schemes due to non- slippage of the County Farms Maintenance (£98k), Caldicot Cross destination scheme (£35k), Fixed Asset disposal costs (£57k) and Upgrades to School kitchens (£20k).

### 3.6 Useable Capital Receipts Available

3.6.1 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments is shown. This is also compared to the balances forecast within the 2018/22 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast at outturn

| <b>TOTAL RECEIPTS</b>   | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/22</b> |
|---|----------------|----------------|----------------|----------------|
|   | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    |
| Balance b/f 1 <sup>st</sup> April                                       | 3,411          | 4,425          | 9,738          | 15,515         |
| <b>Add:</b>   |                |                |                |                |
| Receipts received in YTD  | 9,321          |                |                |                |
| Receipts forecast received  | 0              | 7,570          | 6,236          | 1,000          |
| Deferred capital receipts   | 94             | 98             | 100            | 102            |
| <b>Less:</b>  |                |                |                |                |
| Receipts to be applied  | (8,401)        | (2,355)        | (559)          | (559)          |
| Set aside   | 0              | 0              | 0              | 0              |
| <b>Predicted Year end receipts balance</b>                              | <b>4,425</b>   | <b>9,738</b>   | <b>15,515</b>  | <b>16,058</b>  |
| <b>Financial Planning Assumption 2018/22 MTFP Capital Budget</b>        | <b>856</b>     | <b>6,122</b>   | <b>8,861</b>   | <b>10,599</b>  |
| <b>Increase / (Decrease) compared to MTFP Capital Receipts Forecast</b> | <b>3,569</b>   | <b>3,616</b>   | <b>6,654</b>   | <b>5,459</b>   |

3.6.2 At outturn, a total of £1,406k Capital receipts will be slipped, consisting mainly of £981k for the New Monmouth Comp – 21c Schools scheme, which will be slipped due to contract delays, £335k will be slipped in Highways, £41k for the Replacement Cattle Market adaptations and £51k for The Caerwent House repairs.

- 3.6.3 The balances forecast to be held at the 31<sup>st</sup> March each year are higher than original MTFP forecast due to a re-profiling of the LDP receipts for land at Undy (Rockfield Farm) and Crick Road.
- 3.6.4 As part of 2019-20 budget deliberations it was anticipated that 2018-19 year end receipt balances would be sufficient to allow proactive setaside to reduce the capital financing requirement and resulting in a saving of £120k in minimum revenue provision payments in 2019-20. However the Crick Road element of the receipts balance (£2.7m) is effectively fettered from use by a negotiated condition that compels the Council upon request to repay the receipt back to Melin should it not be in a position to facilitate a workable and affordable drainage solution for the site by September. Consequently it would be imprudent to set aside that balance or use it to afford capital expenditure until that condition has fallen away. As a result this paragraph forewarns of a need for Council services to afford that £120k shortfall in 2019-20.
- 3.6.5 There is still an increasingly significant risk to the Council resulting from the need to utilise capital receipts in the same year that they come into the Council. This provides no tolerance or flexibility should the receipts be delayed, which isn't uncommon, and would necessitate compensatory temporary borrowing which is more costly than utilising capital receipts and would necessitate additional revenue savings annually to afford.

### **3.7 Reserves**

#### **Reserve Usage**

- 3.7.1 Revenue and Capital monitoring reflects an approved use of reserves. The expenditure element is shown in Directorate budgets, but the financing is part of the appropriations budget. A specific analysis is undertaken at every formal periodic monitoring exercise to establish whether reserve cover conveyed to them by members will be fully utilised within the financial year. Where it is apparent this will not be the case, both the reserve movement budget in appropriations budget and the expenditure within service directorate is adjusted. This is to prevent any imbalance in the bottom line position for net cost of services.
- 3.7.2 Obviously at the year end the situation is far more explicit, and instead the review revolves around whether reserve cover is slipped forward, or whether the original approval is so historic in nature as to lapse and require officers to reconfirm costs and intentions with members. The position implicit in the outturn activity is as follows,

|                               | 2017/18            | 2018/19                         |                                 |   |   |  | C/F                |
|-------------------------------|--------------------|---------------------------------|---------------------------------|---|---|--|--------------------|
|                               | C/F                | Slipped Reserve Usage from 1718 | In Year Contribution To Reserve | In Year Contribution from Reserves for Revenue Purposes | In Year Contribution from Reserves for Capital Purposes | Delayed Expenditure Contributions Slipped forward into 19/20 |                    |
| Council Fund (Authority)      | -7,111,078         |                                 |                                 |   |   |  | -7,111,078         |
| School Balances               | -175,225           |                                 |                                 | 407,629   |   |  | 232,404            |
| <b>Sub Total Council Fund</b> | <b>-7,286,303</b>  |                                 |                                 | <b>407,629</b>  |   |  | <b>-6,878,674</b>  |
| <b>Earmarked Reserves</b>     |                    |                                 |                                 |   |   |  |                    |
| Invest to Redesign            | -1,302,343         | 29,000                          | -68,476                         | 258,652   |   | 0  | -1,083,167         |
| IT Transformation             | -734,881           | 111,913                         | 0                               | 114,000   | 159,505   | -129,675   | -479,138           |
| Insurance and Risk Management | -1,046,416         | 0                               | 0                               | 27,673  |   | 0  | -1,018,744         |
| Capital Receipt Generation    | -347,139           | 72,072                          | -49,688                         | 81,343  |   | -35,468  | -278,880           |
| Treasury Equalisation         | -990,024           | 0                               | 0                               | 0   |   | 0  | -990,024           |
| Redundancy and Pensions       | -496,813           | 0                               | 0                               | 163,978   |   | 0  | -332,835           |
| Capital Investment            | -648,336           | 0                               | 0                               | 0   | 4,999   | 0  | -643,337           |
| Priority Investment           | -686,751           | 88,000                          | 0                               | 598,752   |   | -405,000   | -405,000           |
| Other Earmarked Reserves      | -1,121,237         | 0                               | -615,934                        | 325,724   | 116,458   | -86,471  | -1,381,460         |
| <b>Total Earmarked</b>        | <b>-7,373,942</b>  | <b>300,985</b>                  | <b>-734,098</b>                 | <b>1,570,121</b>  | <b>280,962</b>  | <b>-656,615</b>  | <b>-6,612,587</b>  |
| <b>Total Reserves</b>         | <b>-14,660,245</b> | <b>300,985</b>                  | <b>-734,098</b>                 | <b>1,977,750</b>  | <b>280,962</b>  | <b>-656,615</b>  | <b>-13,491,261</b> |

3.7.3 The Council fund balance ended the financial year at £6.9million. As a financial planning assumption, the level of Council Fund reserves should be between 4% - 6% of net expenditure. Based on a budgeted net expenditure (excluding Police and Community Council precepts) and before financing totalling £144.2 million, the outturn Council fund reserve level equates to 4.8%, which remains towards the middle of agreed acceptable levels.

3.7.4 Consequently it is proposed to utilise the small year end revenue surplus in replenishing earmarked reserves. The £49k surplus is advocated to replenish the capital receipts regeneration reserve, which is used to afford a proportion of Valuations team costs going forward associated with incentivising and bringing forward improved capital receipts to assist with affording Member capital expenditure funding aspirations.

3.7.5 Invest to redesign also received a small in year bolster in the form of Social care repaying the last instalment (£40k) of their software system costs. Priority investment reserve has had a declining balance in recent years, without significant replenishment, as service managers are directed toward invest to redesign and the need to consider potential payback/save mechanisms. After existing commitments expire there would be a £28k uncommitted sum on the priority Investment Reserve, it is proposed to move that to Invest to Redesign reserve effectively closing and expiring the priority investment reserve.

3.7.6 Despite these movements, earmarked reserves remain at limited levels unlikely to provide any material capacity/headroom to meet unanticipated volatility or significantly facilitate future service re-engineering and design.

3.7.7 Other earmarked reserve balances have received service specific contributions of £616k in the form of,

|   |          |
|---|----------|
| CYP maternity                           | -135,653 |
| Homeless Prevention Reserve Fund        | -40,267  |
| Solar Farm Maintenance & Community Fund | -18,000  |

|  |          |
|--|----------|
| Newport Leisure Park Reserve                   | -61,899  |
| Castlegate Reserve                             | -79,500  |
| Local Resilience Forum Reserve (Gwent PCC Tfr) | -115,090 |
| Elections Reserve                              | -25,000  |
| Grass Routes Buses Reserve                     | -5,000   |
| Rural Development Plan Reserve                 | -135,525 |

### Schools Reserves

3.7.8 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing their school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools.

3.7.9 The net effect of an individual school's annual surplus or deficit is shown in a ring-fence reserve for the particular school. Details of which for each school are included in Appendix 2, together with an indication of any recovery plan targets agreed and how close the Governing Body is in satisfying that responsibility.

3.7.10 In summary form the outturn school balances were,

|                         | Opening Reserves<br>2018-19 (surplus)/deficit | In year position at<br>Outturn (surplus)/deficit | Outturn Position<br>(surplus)/deficit |
|-------------------------|---|--|---------------------------------------|
| <b>Combined balance</b> | <b>(£175,225)</b>                             | <b>£407,629</b>                                  | <b>£232,404</b>                       |

3.7.11 Whilst any extraordinary funding from WG and beneficial revisions to budgeted draw on reserves will sustain the reserve situation for longer than is often forecast or predicted, it remains unlikely that the collective level of reserves will sustain the traditional annual draw by schools on reserves in recent years, which will add additional impetus to governing bodies to address the need to remain within budget going forward rather than passporting the consequences to their reserves, given that collective flexibility is now pretty much exhausted.

3.7.12 Our Fairer Funding Regulations agreed between Council and Governing Bodies have traditionally precluded governing bodies from planning for a deficit position. This was changed in 2016-17, (which coincides quite closely with declining net balance above) to allow licensed deficits where a collective schools balance can afford, and changed again in 2018 to allow deficits where a recovery plan is agreed and followed.

The following table exhibits the net trend in use, indicating collectively schools are currently using reserves at a considerably faster rate than they have replenished them traditionally.

| Financial Year-end | Net level of School Balances £'000 |
|--------------------|------------------------------------|
| 2011-12            | (965)                              |
| 2012-13            | (1,240)                            |
| 2013-14            | (988)                              |
| 2014-15            | (1,140)                            |
| 2015-16            | (1,156)                            |

|                 |       |
|-----------------|-------|
| 2016-17         | (269) |
| 2017-18         | (175) |
| 2018-19 outturn | 232   |

3.7.13 There are however weaknesses in the forecasting approaches of individual schools, such that the budgeted forecast will seldom match the reality, this is compromised still further where Welsh Government continue to provide beneficial adhoc funding late in the year, rather than allowing a more planned and future generations compliant assessment of need.

For instance, whilst extraordinary Welsh Government grant of £344k in the last quarter of 2017-18 would have had a beneficial effect on balance levels, collectively schools only actually used £94k of their reserves for the year, a £900k variation in original forecasting. That sort of volatility potentially makes it very difficult for senior education authority (LEA) colleagues and Members to predict the necessary action from year to year.

During this year (2018-19), schools were predicting a budgeted collective use of balances of £658k in agreeing their sc52 budgets with LEA colleagues. At month 2 schools revised this to £798k, at month 7 revised it again to £926k, and internally at month 10 the forecast was further revised to £777k. The outturn activity was actually a collective use of reserves of £407k, a beneficial effect of over £0.5m since members last formally saw proposed reserve level predictions.

3.7.14 Members may recall during the year, (at month 2) Cabinet agreed to alterations to Fairer Funding guidance available to governing bodies, in an attempt to strengthen forecasting arrangements helpfully recognising that the problem is not so much with schools actual use of reserves but more to do with their forecast or budgeted draw. The bringing forward of Recovery Plan submissions, to be consistent with annual budget consideration, was designed to provide a better quality of data/information on which to consider the approval of any deficit budget, and would be reassuring to Members that any annual deficit volatility is accommodated within a multi year budget strategy.

3.7.15 There is some evidence from narratives in Appendix 2 and extent of recovery figures provided, that this change is reducing the hiatus between reporting problem and reporting solution, as far fewer schools end the year in deficit without an agreed recovery plan, and those in deficit (in the main) exhibit progress consistent with planned reduced deficit .

3.7.16 Based on school's predictions, general trends can be extrapolated, so 12 schools started this year in deficit. 15 schools finished the year in deficit, and that position remains particularly acute in the 4 secondary schools, despite being mitigated by some encouraging practice with 1 secondary school coming out of deficit in 2017-18 and remaining in surplus for 2018-19, of 2 making material inroads into their deficit position during 2018-19, however the deficit position at Monmouth Comprehensive skews reporting as it exhibits a deficit position ultimately more significant than the rest of net school balances combined. The school is one of those updated through the 1<sup>st</sup> tranche of future schools funding, so should have facilities most advantageously designed around improved efficiency and pedagogical requirements, so Children & Young People Select members should retain a focus during 2019-20 to check that circa £300k of savings remain on track during the year consistent with recovery plans agreed.

3.7.17 Also of heightened focus to Select members going forward should be those primary schools with a deficit balance of over £50k at end of 2018-19, most of which, other than Raglan exhibited a declining position during 2018-19 i.e. Magor, Undy, Llandogo, St Mary's, Raglan and Thornwell.



3.7.18 Within the reserve balance movements, the most significant and advantageous replenishment within the year related to Mounon House special school, which has moved from deficit to £141k surplus by year end, which is prudent recognising that costs of future change associated with the school are probable.

#### **4 REASONS**

4.1 To improve budget monitoring and forecasting information being provided to Senior Officers and Members.

#### **5 RESOURCE IMPLICATIONS**

5.1 As reported.

#### **6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS**

6.1 The decisions highlighted in this report have no equality and sustainability implications.

#### **7 CONSULTEES**

Strategic Leadership Team  
All Cabinet Members  
All Select Committee Chairs  
Head of Legal Services

#### **8 BACKGROUND PAPERS**

Outturn Monitoring Reports  
<http://corphub/initiatives/Budgetmon/Lists/20182019%20links/Tiles.aspx>

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#### **Appendices (attached below)**






Appendix 1 Mandated Savings Progress Report  
Appendix 2 School Reserves

**Appendix 1 – Savings Matrix**

| <b>Disinvestment by Directorate 2018-19</b> | <b>2018/19 Budgeted Savings</b> | <b>Value of Saving achieved at Outturn</b> | <b>Delayed Savings</b> | <b>Savings deemed Unachievable YTD</b> | <b>Traffic Light based Risk Assessment</b> | <b>ASSESSMENT of Progress</b> | <b>Risk of current forecast saving NOT being achieved ( High / Medium / Low )</b> |
|---|---------------------------------|--|------------------------|--|--|-------------------------------|---|
|   | <b>£000</b>                     | <b>£000</b>                                | <b>£000</b>            | <b>£000</b>                            | <b>£000</b>                                |                               |   |
| <b>REVENUE MONITORING 2018-19</b>           |                                 |  |                        |  |  |                               |   |
| Children & Young People                     | (631)                           | (475)                                      | 0                      | (156)                                  |  |                               |   |
| Social Care & Health                        | (925)                           | (795)                                      | 0                      | (130)                                  |  |                               |   |
| Enterprise                                  | (242)                           | (138)                                      | (94)                   | (10)                                   |  |                               |   |
| Resources                                   | (746)                           | (508)                                      | (239)                  | 0                                      |  |                               |   |
| Chief Executives Units                      | (1,296)                         | (1,060)                                    | (78)                   | (159)                                  |  |                               |   |
| Corporate Costs & Levies                    | (25)                            | 0  | (25)                   | 0                                      |  |                               |   |
| Appropriations                              | (396)                           | (396)                                      | 0                      | 0                                      |  |                               |   |
| Financing                                   | (800)                           | (740)                                      | 0                      | (60)                                   |  |                               |   |
| <b>DIRECTORATE Totals</b>                   | <b>(5,061)</b>                  | <b>(4,112)</b>                             | <b>(436)</b>           | <b>(515)</b>                           |  |                               |   |

| Children & Young People                                   |   | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment   | ASSESSMENT of Progress  | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|---|---|--------------------------|-------------------------------------|-----------------|-----------------------------|---|---|---|
|   |   | £000                     | £000                                | £000            | £000                        | £000  |   |   |
| CYP1  | Federated school model  | (32)                     | (32)                                |                 |                             |  | Saving achieved   | low   |
| CYP3  | General 5% reduction on supplies & services                         | (132)                    | (132)                               |                 |                             |  | Saving achieved   | Low   |
| CYP4  | Reduce school premature retirement budget                           | (50)                     | (40)                                |                 | (10)                        |  | Partially achieved  | Medium  |
| CYP2  | CYP - Increased fee & charges income - Breakfast clubs              | (125)                    | (47)                                |                 | (78)                        |  | Income reduced by £50k and additional staffing cost to cover sickness absence   | High  |
|   | CYP Acceleration of ALN review                                      | (107)                    | (107)                               |                 |                             |  | The overspend of £251k for school resource and action fund is a result of pupils being supported in their local school. The alternative would be expensive placement costs.                           | Medium  |
|   | CYP - Mouton House Increase Charges                                 | (68)                     |                                     |                 | (68)                        |  | The overspend is £277k, which is an improvement of £60k from month 7. This will include mainstream recoupment income. The number of pupils attending both day and residential placements has reduced. | High  |
|   | CYP - Reduction in ISB for new schools maintenance budget reduction | (117)                    | (117)                               |                 |                             |  | Saving achieved   | Low   |
| <b>CHILDREN &amp; YOUNG PEOPLE Budgeted Savings Total</b> |   | <b>(631)</b>             | <b>(475)</b>                        | <b>0</b>        | <b>(156)</b>                |   |   |   |

| Social Care & Health                                   |   | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment   | ASSESSMENT of Progress   | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|--|---|--------------------------|-------------------------------------|-----------------|-----------------------------|---|--|---|
|  |   | £000                     | £000                                | £000            | £000                        | £000  |  |   |
| SCH1   | Adult Services Practice Change  | (638)                    | (638)                               |                 |                             |  |  | Low   |
| SCH2   | Childrens Services (Saving £680k, pressure £561k, net saving in yr 4 £119k) | (113)                    | 0                                   |                 | (113)                       |  | This savings target was seen as high risk and as such effectively cancelled out by an equivalent pressure in the MTFP.                         | High  |
|  | SCH - Increased fee & charges income - Meals on wheels                      | (15)                     | 0                                   |                 | (15)                        |  | Meals sales have fallen since the increased price to below 1,000 weekly sales at times, with no additional private meal sales during the year. | High  |
|  | SCH - Increased fee & charges income - Registrars                           | (12)                     | (12)                                |                 |                             |  | Additional income has been made from an alternative source through increased wedding ceremonies  | Low   |
|  | SCH Targetted reduction high cost placements posts                          | (147)                    | (145)                               |                 | (2)                         |  |  | Low   |
| <b>SOCIAL CARE &amp; HEALTH Budgeted Savings Total</b> |   | <b>(925)</b>             | <b>(795)</b>                        | <b>0</b>        | <b>(130)</b>                |   |  |   |









| Enterprise                               |   | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment   | ASSESSMENT of Progress  | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|--|---|--------------------------|-------------------------------------|-----------------|-----------------------------|---|---|---|
|  |   | £000                     | £000                                | £000            | £000                        | £000  |   |   |
| ENT (Fut Mon)                            | Increased fee & charges income - Further 2.5% increase for                        | (32)                     | (22)                                |                 | (10)                        |  | Not all fee income streams could be increased by 2.5%                         | Medium  |
| ENT (Fut Mon)                            | Targetted reduction in agency costs   | (80)                     |                                     | (80)            |                             |  | No savings were forthcoming in 19/20. Further work to be undertaken in 19/20. | High  |
| ENT (Fut Mon)                            | Decrease travel costs (travel free weeks, digital use, car sharing, pool car use) | (72)                     | (58)                                | (14)            |                             |  | Not all savings could be achieved. Further work to be undertaken in 19/20.    | Medium  |
| ENT (Fut Mon)                            | Targetted reduction in overtime   | (28)                     | (28)                                |                 |                             |  | Achieved  | Low   |
| ENT                                      | Community hubs- vacant post freeze and software savings                           | (30)                     | (30)                                |                 |                             |  | Achieved  | Low   |
| <b>ENTERPRISE Budgeted Savings Total</b> |   | <b>(242)</b>             | <b>(138)</b>                        | <b>(94)</b>     | <b>(10)</b>                 |   |   |   |

| Chief Executive's Unit |  | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment | ASSESSMENT of Progress   | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|------------------------|--|--------------------------|-------------------------------------|-----------------|-----------------------------|-------------------------------------|--|---|
|                        |  | £000                     | £000                                | £000            | £000                        | £000                                |  |   |
| OPS2                   | Car Parks Net 7.5% increase in charges above 2.5% RPI (10% in total)       | (100)                    | (83)                                | (17)            |                             |                                     | Price increase was implemented but not until June hampering the level of income achievable in the year. An overall downturn in car park income has meant that these savings could not influence the budget position as intended. | Low   |
| OPS3a                  | Car Parks 10% increase in permits  | (10)                     | (9)                                 | (1)             |                             |                                     | Mostly achieved, although an overall downturn in car park income has meant that these savings could not influence the budget position as intended.   | Low   |
| OPS3b                  | Car Parks Increase resident permits from £40-£60                           | (3)                      | (3)                                 |                 |                             |                                     | Achieved, although an overall downturn in car park income has meant that these savings could not influence the budget position as intended.  | Low   |
| OPS5                   | Car Parks Penalties increase to £70 discounted £35                         | (9)                      | (7)                                 | (2)             |                             |                                     | Achieved, although an overall downturn in car park income has meant  | Low   |
| OPS6                   | Grounds/waste - Reduced opening hours at all CA sites                      | (13)                     | 0                                   |                 | (13)                        |                                     | Not Achieved - Changes were not agreed   | high  |
| OPS8                   | Grounds/waste - Stop Bailey park bowls maintenance                         | (10)                     | (10)                                |                 | 0                           |                                     | Achieved   | Low   |
| OPS9                   | Grounds/waste - Rationalise shrub bed maintenance                          | (12)                     | (12)                                |                 | 0                           |                                     | Achieved   | Low   |
| OPS11                  | Grounds/waste - 1 year freeze of Head of waste post                        | (40)                     | (40)                                |                 | 0                           |                                     | Achieved   | Low   |
| RES1                   | Property - School meals Price Increase (net after 2.5% RPI)                | (23)                     | (23)                                |                 |                             |                                     | Achieved   | Low   |
| RES2                   | Property income - External Fees (net after 2.5% RPI)                       | (19)                     | (19)                                |                 |                             |                                     | Achieved through alternate means.  | Low   |
| RES3                   | Property - Council wide Postage savings                                    | (5)                      | (5)                                 |                 |                             |                                     | Achieved through alternate means.  | Low   |
| OPS12                  | Highways - Road Traffic Incident recovery of costs                         | (15)                     | (15)                                |                 |                             |                                     | Achieved   | Low   |
| OPS13                  | Highways - Improved Plant utilisation/recovery                             | (40)                     | (40)                                |                 |                             |                                     | Achieved   | Low   |
| OPS14                  | Passenger Transport - Route 65 changes                                     | (25)                     | (25)                                |                 |                             |                                     | Achieved   | Low   |
| OPS15                  | Passenger Transport - CPC Staff Training                                   | (9)                      | (9)                                 |                 |                             |                                     | Achieved   | Low   |
| OPS16                  | Passenger Transport - S106 Funding to support Sunday Routes 74, 69, 83, 60 | (26)                     | (26)                                |                 |                             |                                     | Achieved   | Low   |
|                        | CEO/OPS - PTU Improved payment terms at 2.5% reduction in costs            | (30)                     | 0                                   |                 | 0                           |                                     | Service decision not to compromise payments to providers, and instead take a greater proportion from personal travel budget initiative.  | Low   |
|                        | CEO/OPS - PTU- DPS retendering and route optimisation                      | (171)                    | (142)                               | (29)            |                             |                                     | Mostly achieved.   | Low   |
|                        | CEO/OPS - TRANS - Independent fleet review                                 | (20)                     | (20)                                |                 |                             |                                     | Fleet review was undertaken and savings identified but a general increase in repair costs meant that the saving could not influence the outturn  | Low   |

|  |                |                |             |              |  |   |        |
|--|----------------|----------------|-------------|--------------|--|---|--------|
| CEO/OPS - PTU Introduction of personal transport budgets   | (31)           | (61)           |             |              |  | Achieved, £89k saving in practice   | Low    |
| CEO/OPS - PTU extended provision of MCC inhouse ALN transport service  | (41)           | 0              |             | (41)         |  | Unachievable - Not progressed   | High   |
| CEO/OPS Highways - Insuring Full overhead recovery on all works  | (140)          | (140)          |             |              |  | Achieved  | Low    |
| CEO/OPS Highways - displace core costs with grant  | (200)          | (200)          |             |              |  | Achieved  | Low    |
| CEO/OPS Raglan Training Centre income increase   | (49)           | (20)           | (29)        |              |  | Part achieved - further work to be undertaken in 19/20 to increase income.  | Medium |
| CEO/OPS - Catering Increased fee & charges income - School meals, extra 25p per meal in addition to 2.5% annual increase agreed for fees & charges | (100)          | (100)          |             |              |  | Achieved  | Low    |
| CEO/OPS -PTU school transport concessionary fares increase from £390 to £440 pa.   | (16)           | (16)           |             |              |  | Achieved  | Low    |
| CEO/OPS Apportionment of Waste Recycling (BGCBC)   | (100)          |                |             | (100)        |  | Not Achieved - The proposal was stopped by BGBC as their SLT/CLT decided against it. We don't have any other sources of income or scope for efficiency savings. | High   |
| CEO/OPS Seasonal Garden Waste  | (40)           | (35)           |             | (5)          |  | Part Achieved - Reduction in numbers.   | Medium |
| <b>CHIEF EXECUTIVES' UNIT Budgeted Savings Total</b>   | <b>(1,296)</b> | <b>(1,060)</b> | <b>(78)</b> | <b>(159)</b> |  |   |        |

| Resources                               |   | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment | ASSESSMENT of Progress   | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|---|---|--------------------------|-------------------------------------|-----------------|-----------------------------|-------------------------------------|--|---|
|   |   | £000                     | £000                                | £000            | £000                        | £000                                |  |   |
| RES7                                    | Schools based Revenues SLA (to reflect actual)                              | (39)                     | (39)                                |                 |                             |                                     | Achieved   | Low   |
| RES8                                    | Comino system change  | (10)                     | 0                                   | (10)            |                             |                                     | Not Achieved - Delays in introducing new system meant we could not cancel contract as originally planned, as Torfaen had some unexpected delays  | High  |
| RES9                                    | Housing Benefit team savings  | (8)                      | (8)                                 |                 |                             |                                     | Achieved   | Low   |
| RES10                                   | Insurance staff saving  | (26)                     | (26)                                |                 |                             |                                     | Achieved   | Low   |
| RES11                                   | IT Equipment budget saving  | (30)                     | (30)                                |                 |                             |                                     | Achieved   | Low   |
| RES12                                   | SRS saving  | (50)                     | (50)                                |                 |                             |                                     | Achieved   | Low   |
| RES13                                   | Public Sector Broadband Agreement PSBA saving (£155k-£22k)                  | (133)                    | (133)                               |                 |                             |                                     | Achieved   | Low   |
|   | RES (Corp Lan) Commercial Property investment income                        | (30)                     | (30)                                |                 |                             |                                     | Achieved   | Low   |
|   | RES (Procurement - freeze, cease or consolidate non essential spend)        | (155)                    | (155)                               |                 |                             |                                     | Achieved   | Low   |
|   | RES (Procurement - third party supplier spend reduction)                    | (29)                     | (29)                                |                 |                             |                                     | Achieved   | Low   |
|   | RES (Procurement - Gateway Review)  | (150)                    | 0                                   | (150)           |                             |                                     | Not achieved   | High  |
|   | RES (Reviewing Technology and Systems and Utilisation of Automation and AI) | (87)                     | (8)                                 | (79.0)          |                             |                                     | Not Achieved - Digital works programme is continuing to be implemented. Outcomes currently being assessed to measure extent of additional service resillience, cost reduction, quality improvements and resource efficiency, in order to assess extent of financial savings possible in 19/20. | High  |
| <b>RESOURCES Budgeted Savings Total</b> |   | <b>(746)</b>             | <b>(508)</b>                        | <b>(239)</b>    | <b>0</b>                    |                                     |  |   |



| Corporate Costs & Levies                      |  | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment   | ASSESSMENT of Progress   | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|---|--|--------------------------|-------------------------------------|-----------------|-----------------------------|---|--|---|
|   |  | £000                     | £000                                | £000            | £000                        | £000  |  |   |
|   | RES (Procurement - supplementary duplicate payment review)     | (25)                     |                                     | (25)            |                             |  | Exercise not undertaken within timeframes                        | High  |
| <b>CORPORATE COSTS Budgeted Savings Total</b> |  | <b>(25)</b>              | <b>0</b>                            | <b>(25)</b>     | <b>0</b>                    |   |  |   |
| Appropriations                                |  | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment   | ASSESSMENT of Progress   | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|   |  | £000                     | £000                                | £000            | £000                        | £000  |  |   |
|   | Interest Payable   | (533)                    | (533)                               |                 |                             |  | on target  | Low   |
|   | Interest Receivable  | 136                      | 136                                 |                 |                             |  | on target  | Low   |
|   | MRP  | 51                       | 51                                  |                 |                             |  | on target  | Low   |
|   | APP - Utilise more short term variable borrowing               | (50)                     | (50)                                |                 |                             |  | on target  | Low   |
| <b>APPROPRIATIONS Budgeted Savings Total</b>  |  | <b>(396)</b>             | <b>(396)</b>                        | <b>0</b>        | <b>0</b>                    |   |  |   |
| Financing                                     |  | 2018/19 Budgeted Savings | Value of Saving achieved at Outturn | Delayed Savings | Savings deemed Unachievable | Traffic Light based Risk Assessment   | ASSESSMENT of Progress   | 'Risk of current forecast saving NOT being achieved ( High / Medium / Low ) |
|   |  | £000                     | £000                                | £000            | £000                        | £000  |  |   |
| FIN1  | Council Tax Increase from Base changes (net of CTRS)           | (435)                    | (375)                               |                 | (60)                        |  |  | Medium  |
|   | FIN - Council tax gain upon completions                        | (220)                    | (220)                               |                 |                             |  | Depends upon completion activity                                 | Medium  |
|   | CTRS   | (95)                     | (95)                                |                 |                             |  | Adoption of universal credit may influence extent of CTRS demand | Medium  |
|   | FIN - Further Reduction in Council tax reduction scheme budget | (50)                     | (50)                                |                 |                             |  | on target  | Medium  |
| <b>FINANCING Budgeted Savings Total</b>       |  | <b>(800)</b>             | <b>(740)</b>                        | <b>0</b>        | <b>(60)</b>                 |   |  |   |

## Appendix 2 – Individual Schools Reserves

|   | Opening reserves<br>2018-19<br>(Surplus)/Deficit | Outturn Position<br>(Surplus)/Deficit | Projected carry<br>forward at year<br>end 2018-19<br>(Surplus)/Deficit | Notes   | Recovery               | Recovery               | Recovery               | Recovery               | Recovery Plan<br>Comments   |  |
|---|--|---------------------------------------|--|---|------------------------|------------------------|------------------------|------------------------|---|--|
|   |  |                                       |  |   | Plan Target<br>balance | Plan Target<br>balance | Plan Target<br>balance | Plan Target<br>balance |   |  |
|   |  |                                       |  |   | 2018-19                | 2019-20                | 2020-21                | 2021-22                |   |  |
| <b>Abergavenny cluster</b>                            |  |                                       |  |   |                        |                        |                        |                        |   |  |
| E003 King Henry VIII Comprehensive                    | 162,460  | (79,663)                              | 82,797   | The income forecast for Education Achievement Service School2School Support and Pioneer School income was conservatively estimated at Month 7 as the full extent of the projects was not known. The actual income generated by the School was at least £34,000 more at Year End.        |                        | 71,901                 | (7,045)                | (77,960)               | 5 year recovery plan required and confirmation of Education Achievement Service income awaited. |  |
| E073 Cantref Primary School                           | (65,965)   | (22,426)                              | (88,391)   | Education Achievement Service income received at Year End was £6,000 more than forecast at Month 7. Additionally, £3,000 Donations and £4,000 Additional Learning Needs income has been received since Month 7. Premises costs £4,000 less due to final Energy recharges to the School. |                        |                        |                        |                        |   |  |
| E072 Deri View Primary School                         | (40,000)   | (40,000)                              | (80,000)   | Additional Learning Needs funding awarded post Month 7 to support staff costs that were already in place due to an identified need.   |                        | (30,402)               | (7,690)                |                        | Senior Teacher Secondment and Support Staff reorganisation                                      |  |
| E035 Gilwern Primary School                           | (52,253)   | (2,998)                               | (55,251)   | Confirmation of Education Achievement Service income for Pioneer School projects received after the Month 7 meeting coupled with refurbishment costs eligible for Capital funding.  |                        |                        |                        |                        |   |  |
| E037 Goytre Fawr Primary School                       | (10,803)   | 8,066                                 | (2,737)  |   |                        |                        |                        |                        |   |  |
| E093 Llanfistrot Fawr Primary School                  | (49,580)   | 35,238                                | (14,342)   |   |                        |                        |                        |                        |   |  |
| E044 Llanfihio Pertholey CiW Primary School (VC)      | (4,440)  | 14,082                                | 9,643  | Staff absence during the second part of the financial year is some £30,000 more than at the Month 7 forecast. Although there is an element of offset due to compensation income.  |                        | (2,866)                | (17,755)               |                        | Full year effect of 3 Teaching Assistant redundancies.  |  |
| E045 Llanfangel Crucorney Primary School              | (511)  | (33,830)                              | (34,341)   | The Federation of the School with a shared Head teacher which was partially funded by the Small and Rural Schools grant resulted in substantial savings.  | (4,857)                |                        |                        |                        |   |  |
| E090 Our Lady and St Michael's RC Primary School (VA) | 7,084  | 7,086                                 | 14,170   |   |                        | 10,182                 | (1)                    |                        | Additional pupil numbers, Full Year Effect of Staff changes and revised contracts.              |  |
| E067 Ysgol Gymraeg Y Fenni                            | (58,965)   | 7,659                                 | (51,306)   | Secondment of Deputy Head teacher from 1/1/19 (£15,200) , Local Authority Early Years funding (£15,000) , and Education Achievement Service income not anticipated at Month 7 (£10,000)   |                        |                        |                        |                        |   |  |

|  | Opening reserves<br>2018-19<br>(Surplus)/Deficit | Outturn Position<br>(Surplus)/Deficit | Projected carry<br>forward at year<br>end 2018-19<br>(Surplus)/Deficit | Notes   | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery Plan<br>Comments  |
|--|--|---------------------------------------|--|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
|  |  |                                       |  |   | 2018-19                            | 2019-20                            | 2020-21                            | 2021-22                            |  |
| <b>Caldicot cluster</b>                                |  |                                       |  |   |                                    |                                    |                                    |                                    |  |
| E001 Caldicot School                                   | 100,637  | (35,624)                              | 65,013   | Additional Education Achievement Service income received for projects and initiatives and only confirmed after the Month 7 Budget Monitoring Meeting.   |                                    | 30,645                             |                                    | 1.35% of funding (£6.2)            | Meeting with the school at Month 3. It is anticipated that sufficient efficiencies will be identified to bring school back into surplus by end of 19-20. |
| E068 Archbishop Rowan Williams CiW Primary School (VA) | (79,455)   | 6,049                                 | (73,406)   | Executive Head arrangement with Magor School continued for the Autumn and Spring terms which resulted in a further £24,900 saving.  |                                    |                                    |                                    |                                    |  |
| E094 Castle Park Primary School                        | 43,659   | (19,887)                              | 23,772   |   | 0                                  | (1,422)                            | (19,802)                           | (25,229)                           | Recovery Plan reviewed with new Head teacher   |
| E075 Dewstow Primary School                            | (105,626)  | (3,016)                               | (108,642)  | Resources allocations under spent by a total of £15,000, Additional Learning Needs funding of a further £15,000, Thrive training income of £7,000 and Teacher Maternity Leave savings of £10,000 from the later part of the Autumn term.  |                                    |                                    |                                    |                                    |  |
| E034 Durand Primary School                             | (71,665)   | 42,578                                | (29,087)   | Education Achievement Service income received at Year End was £3,500 more than forecast at Month 7. Grounds Maintenance Costs were £3,000 less and Utility Costs were £1,000 less than forecast. A £2,200 Property Services accrual relating to 2017/18 was dropped   |                                    |                                    |                                    |                                    |  |
| E048 Magor CiW Primary School (VA)                     | 19,227   | 35,424                                | 54,651   | Share of severance costs payment and the continuation of the Executive Head teacher arrangement with Archbishop Rowan Williams School.  | (20,015)                           | 13,348                             |                                    |                                    | The long term effect of the staff changes implemented by the Executive Head teacher to be built into an amended recovery plan.                           |
| E056 Roger Primary School                              | (26,145)   | 6,130                                 | (20,015)   |   |                                    |                                    |                                    |                                    |  |
| E063 Under Primary School                              | 28,221   | 101,313                               | 129,534  | Staff absence and Foundation Phase class size pressure resulted in an additional £30,000 of cover/supply/agency costs, Premises costs were £6,000 more in terms of Building Maintenance and Energy, and there were an additional £11,000 of support staff costs linked to Additional Learning Needs pupils. |                                    | 55,358                             | 39,123                             | 9,808                              | School will need 4 years to recover  |
| E069 Ysgol Gymraeg Y Ffin                              | 37,616   | (4,637)                               | 32,979   | Education Achievement Service income received at Year End was £14,200 more than forecast at Month 7. Additionally, £1,200 more income regarding Maternity Compensation has been received. Other marginal savings totalling £760 were made during the last 5 months  |                                    |                                    |                                    |                                    | The school are in the process of revising the recovery plan.   |

|  | Opening reserves<br>2018-19<br>(Surplus)/Deficit | Outturn Position<br>(Surplus)/Deficit | Projected carry<br>forward at year<br>end 2018-19<br>(Surplus)/Deficit | Notes  | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery Plan<br>Comments   |
|--|--|---------------------------------------|--|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---|
|  |  |                                       |  |  | 2018-19                            | 2019-20                            | 2020-21                            | 2021-22                            |   |
| <b>Chepstow cluster</b>                        |  |                                       |  |  |                                    |                                    |                                    |                                    |   |
| E002 Chepstow School                           | (158,456)  | 107,795                               | (50,661)   | Additional Education Achievement Service income received for projects and initiatives and only confirmed after the Month 7 Budget Monitoring Meeting. Income of £21,200 re SBM grant was received, which had not been forecast             |                                    |                                    |                                    |                                    |   |
| E091 Pembroke Primary School                   | (181)  | 13,420                                | 13,239   |  | 63,593                             | (209)                              | (3,760)                            |                                    | A recovery plan was agreed with the Head and Deputy Head teacher on 13/7/18.                          |
| E057 Shirenewton Primary School                | (118,599)  | (13,494)                              | (132,093)  | Income generation by the Head teacher increased in Quarter 3 and 4 coupled with extra Additional Learning Needs funding.   |                                    |                                    |                                    |                                    |   |
| E058 St Mary's Chepstow RC Primary School (VA) | (6,055)  | 69,648                                | 63,593   |  |                                    |                                    |                                    |                                    | The head has returned to the school and is currently agreeing a recovery plan with the Governing Body |
| E060 The Dell Primary School                   | (22,165)   | 5,776                                 | (16,389)   | Education Achievement Service income received at Year End was £11,200 more than forecast at Month 7. Additionally, £7,600 Donations income has been received since Month 7 and there has been a slight increase in costs overall of £2,800 |                                    |                                    |                                    |                                    |   |
| E061 Thornwell Primary School                  | 9,565  | 44,157                                | 53,722   | Additional supplies and services expenditure (Resources) of £10,000, £7,000 extra spent on Premises maintainance costs plus £4,000 additional supply/agency costs.   | 0                                  | (645)                              | (24,372)                           | (25,417)                           | Additional Pupil Numbers anticipated to be on roll January 2019.                                      |

|                                       | Opening reserves<br>2018-19<br>(Surplus)/Deficit | Outturn Position<br>(Surplus)/Deficit | Projected carry<br>forward at year<br>end 2018-19<br>(Surplus)/Deficit | Notes   | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery Plan<br>Comments   |
|---------------------------------------|--|---------------------------------------|--|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---|
|                                       |  |                                       |  |   | 2018-19                            | 2019-20                            | 2020-21                            | 2021-22                            |   |
| <b>Monmouth cluster</b>               |  |                                       |  |   |                                    |                                    |                                    |                                    |   |
| E004 Monmouth Comprehensive           | 423,951  | 114,375                               | 538,326  |   |                                    | 240,781                            | 56,720                             | (67,015)                           | School presented recovery plan in June 2018 to Cabinet Member. Currently on target.   |
| E032 Cross Ash Primary School         | (59,356)   | 5,206                                 | (54,150)   | Additional £7,000 Education Achievement Service income received after Month 7 and not expected at that time. Additional £4,000 Additional Learning Needs income received to fund existing Support Staff.  |                                    |                                    |                                    |                                    |   |
| E092 Kymin View Primary School        | (34,657)   | 29,050                                | (5,607)  |   |                                    |                                    |                                    |                                    |   |
| E039 Llandogo Primary School          | 12,449   | 71,067                                | 83,516   | Supply costs due to staff absence and support for pupils.   | (1,141)                            | (1,141)                            |                                    |                                    |   |
| E074 Osbaston CiW Primary School (VC) | (635)  | 629                                   | (6)  | Savings on staffing costs and additional grant income   |                                    |                                    |                                    |                                    |   |
| E051 Overmonnow Primary School        | (28,389)   | 46,862                                | 18,473   |   |                                    | 0                                  |                                    |                                    | Meeting scheduled for 11/12/18 however Nursery teacher to be replaced as at 1/1/19 and an experienced teacher retiring 31/8/19 so opportunities to reduce costs are available to the Head teacher |
| E055 Raglan CiW Primary School (VC)   | 147,743  | (39,292)                              | 108,451  | Additional costs for utilities and reduction in income previously forecast.   |                                    | 62,644                             | 35,366                             | 17,177                             | Recovery plan projects surplus of £24,921 in 2022/23  |
| E062 Trellech Primary School          | (87,650)   | 15,667                                | (71,983)   | Education Achievement Service income received at Year End was £7,500 more than forecast at Month 7. Additionally, £6,000 of income was received for NPQH Moderation and Assessors & £7,500 was received from University of Wales (UOW). The school incurred £5,700 less premises costs than expected and £3,000 less IT costs. Other marginal savings totalling £3,000 were made during the last 5 months |                                    |                                    |                                    |                                    |   |
| E064 Usk CiW Primary School (VC)      | (62,920)   | 53,009                                | (9,911)  | Education Achievement Service income totalled £40,000 at year end the vast majority of this income was not included in the forecast for Month 7 as the bids had not been confirmed.   |                                    |                                    |                                    |                                    | Education Achievement Grants anticipated but not yet confirmed plus confirmation and details of a Water Leak Rebate required  |
|                                       | (151,857)  | 545,419                               | 393,562  |   |                                    |                                    |                                    |                                    |   |
|                                       | Opening reserves<br>2018-19<br>(Surplus)/Deficit | Outturn Position<br>(Surplus)/Deficit | Projected carry<br>forward at year<br>end 2018-19<br>(Surplus)/Deficit | Notes   | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery<br>Plan Target<br>balance | Recovery Plan<br>Comments   |
|                                       |  |                                       |  |   | 2018-19                            | 2019-20                            | 2020-21                            | 2021-22                            |   |
| <b>Special Schools</b>                |  |                                       |  |   |                                    |                                    |                                    |                                    |   |
| E020 Mounton House Special School     | 33,584   | (175,089)                             | (141,505)  | Education Achievement Service income received at Year End was £15,700 more than forecast at Month 7. Other additional income streams totalled £2,400. £24,500 additional SEN funding received. Saving of £5,400 re Transport costs. £20,000 of Thrive Training costs not incurred. £20,500 more costs re Staffing, offset partially by £13,000 of Supply and Maternity Compensation income                | 28,968                             | 4,947                              | (39,683)                           |                                    | Month 2 indicates school will return to surplus this financial year.  |
| E095 PRU                              | (56,951)   | 37,299                                | (19,652)   |   |                                    |                                    |                                    |                                    |   |
|                                       | (23,367)   | (137,790)                             | (161,157)  |   |                                    |                                    |                                    |                                    |   |
|                                       | (175,225)  | 407,629                               | 232,404  |   |                                    |                                    |                                    |                                    |   |



|                                     | Opening reserves 2018-19 (Surplus)/Deficit | In Year position at Month 7 (Surplus)/Deficit | Projected carry forward at year end 2018-19 (Surplus)/Deficit | Notes   | Recovery Plan Y/E target balance 2018-19 | Recovery Plan Y/E target balance 2019-20 | Recovery Plan Y/E target balance 2020-21 | Recovery Plan Y/E target balance 2021-22 | Recovery Plan Comments  |
|-------------------------------------|--|---|---|---|--|--|--|--|---|
| <b>Monmouth cluster</b>             |  |   |   |   |  |  |  |  |   |
| E004 Monmouth Comprehensive         | 423,951                                    | 121,843                                       | 545,794   | Staffing changes including one off costs for the school. The school are still looking to recover in the agreed time scale   |  | 240,781                                  | 56,720                                   | (67,015)                                 | School presented recovery plan in June 2018 to Cabinet Member. Currently on target.   |
| E032 Cross Ash Primary School       | (59,356)                                   | 23,878  | (35,479)  | Support Staff have resigned as at 31/8/18, a Maternity Leave has resulted in savings and Education Achievement Service Income has been anticipated within the forecast  |  |  |  |  |   |
| E092 Kymin View Primary School      | (34,657)                                   | 20,228  | (14,429)  | Staff changes required for the new academic year have resulted in a projected overspend. These changes include: part time deputy head teacher being replaced with a full time deputy; a class teacher on main pay scale leaving and being replaced by a teacher on upper pay scale, and an additional TA required to support a pupil with ALN |  |  |  |  |   |
| E039 Llandogo Primary School        | 12,449                                     | 54,941  | 67,390  | The school have faced high levels of sickness resulting in supply costs.  | (1,141)                                  | (1,141)                                  |  |  |   |
| E074 Osprey CiW Primary School (VC) | (635)                                      | 17,592  | 16,957  | Staffing changes for maternity and sickness has led to the increase in costs.   |  |  |  |  |   |
| E051 Osmonnow Primary School        | (28,389)                                   | 44,190  | 15,801  | Staff have been employed to provide one to one support for pupils with Additional Learning Needs and funding has not been back dated.   |  |  |  |  | Meeting scheduled for 11/12/18 however Nursery teacher to be replaced as at 1/1/18 and an experienced teacher retiring 31/8/18 so opportunities to reduce costs are available to the Head teacher |
| E055 Raglan CiW Primary School (VC) | 147,743                                    | (58,972)                                      | 88,771  | Staffing changes have resulted in additional savings  |  | 62,644                                   | 35,366                                   | 17,177                                   | Recovery plan projects surplus of £24,921 in 2022/23  |
| E062 Trellech Primary School        | (87,650)                                   | 48,427  | (39,223)  |   |  |  |  |  |   |
| E064 Usk CiW Primary School (VC)    | (62,920)                                   | 80,331  | 17,411  | Additional Foundation Phase teacher and Teaching Assistant to be employed from 1/9/18 which has resulted in a planned deficit. Additional Key Stage 1 top up funding will be triggered in 2019/20 and there will be an increasing pupil roll.   |  |  |  |  | Education Achievement Grants anticipated but not yet confirmed plus confirmation and details of a Water Leak Rebate required  |
| Teachers pay award                  |  | (17,750)                                      | (17,750)  | This will be allocated across the cluster to offset the pay award pressure for teaching staff   |  |  |  |  |   |
|                                     | (151,857)                                  | 904,161                                       | 752,304   |   |  |  |  |  |   |
| <b>Special Schools</b>              |  |   |   |   |  |  |  |  |   |
| E020 Mounton House Special School   | 33,584                                     | (115,464)                                     | (81,880)  | Some staff savings due to a member of staff finishing in August and not being replaced.   | 28,968                                   | 4,947                                    | (39,683)                                 |  | Month 2 indicates school will return to surplus this financial year.  |
| E095 PRU                            | (56,951)                                   | 44,284  | (12,667)  |   |  |  |  |  |   |
|                                     | (23,367)                                   | (71,180)                                      | (94,547)  |   |  |  |  |  |   |
| <b>Total for all clusters</b>       | <b>(175,225)</b>                           | <b>832,981</b>                                | <b>657,756</b>  |   |  |  |  |  |   |

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