

**SUBJECT: ADDRESSING OUR LACK OF A FIVE YEAR HOUSING LAND SUPPLY: REVIEWING MONMOUTHSHIRE'S APPROACH TO UNALLOCATED HOUSING SITES**

**MEETING: COUNCIL**

**DATE: 21 FEBRUARY 2019**

**DIVISION/WARDS AFFECTED: ALL**

**1. PURPOSE:**

- 1.1 The purpose of this report is to seek Council's decision on its approach to tackling its housing land supply shortfall, specifically how we deal with planning applications for unallocated sites<sup>1</sup> in advance of the new Local Development Plan being adopted in December 2021. Council is invited to review its decision taken on 20<sup>th</sup> September 2018 based on corrected data and consideration of updated national planning policy.
- 1.2 This decision relates to the Monmouthshire Local Planning Authority area only: it does not affect that part of the county falling within the Brecon Beacons National Park.

**2. RECOMMENDATION:**

- 2.1 That, when considering planning applications for residential development on unallocated sites, the Council continues to give 'appropriate weight' to its lack of a five year housing land supply, insofar as those development proposals are otherwise acceptable in planning terms and that the 11 'ground rules' set out in paragraph 6.25 are met.

**3. BACKGROUND TO THIS REPORT:**

- 3.1 On 20<sup>th</sup> September 2018, Council resolved that, when considering planning applications for housing development on sites not allocated in the Local Development Plan, 'appropriate weight' would be given to our lack of a five year housing land supply, and proposals that meet 11 'ground rules' would be considered favourably. This was in response to a letter from the then Welsh Government Cabinet Secretary for planning, dated 18<sup>th</sup> July 2018, stating that it is a matter for the decision-maker (i.e. Monmouthshire County Council as local planning authority) to decide how much weight to give its housing land supply shortfall.
- 3.2 Since that date, the Raglan Village Action Group has contacted the planning department to raise concerns that data presented to Council on 20<sup>th</sup> September setting out the housing delivery shortfall against LDP targets was incorrect.
- 3.3 This report seeks to correct that error. It also reviews the approach to unallocated sites in the light of updated national planning policy contained in Planning Policy Wales edition 10 (December 2018). This review is provided in Appendix 1.
- 3.4 Council's decision on 20<sup>th</sup> September 2018 was based on three elements:  
1) Monmouthshire has 3.9 years' housing land supply when measured in accordance with the Welsh Government's *Technical Advice Note 1 (2015): Joint Housing Land*

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<sup>1</sup> The strategic decision will inform decision-making on planning applications for residential development on sites beyond settlement boundaries/not allocated for development in the current LDP (referred to as 'unallocated sites').

*Availability Studies.* Councils are required to have at least 5 years' housing land genuinely available. This is correct and this matter is not in dispute;

- 2) The social, economic and demographic challenges facing Monmouthshire's communities, in particular our demographic imbalance, weak economic base and growing challenges regarding housing affordability. These matters are not in dispute;
- 3) That, by the expiry of the current Local Development Plan in December 2021, housing delivery is projected to be 961 dwellings short of the LDP housing target, of which 337 are affordable units. It is this aspect that is disputed, with the correct total shortfall being 504 dwellings against the LDP housing requirement of 4500 dwellings (policy S2), of which 38 are affordable homes measured against the LDP target of 960 affordable homes (policy S4). This is expanded upon below.

- 3.5 The recommendation remains that, when considering planning applications for residential development on unallocated sites, the Council continues to give 'appropriate weight' to its lack of a five year housing land supply, insofar as those development proposals are otherwise acceptable in planning terms and that the 11 'ground rules' set out in paragraph 6.25 are met.

#### 4. KEY ISSUES:

##### Background

- 4.1 The land use planning system is one of the main tools available to the Council to seek to deliver its purpose, as identified in the Corporate Plan 2017-2022, of helping to build sustainable and resilient communities that support the well-being of current and future generations. The Local Development Plan (LDP) allocates land for types of development (such as housing or employment uses), designates land as open space or green wedge, for example, and provides a policy framework which provides the basis for making decisions on planning applications. It seeks to support good quality development in the right locations, and resist poor quality or inappropriately located development.
- 4.2 The Monmouthshire Local Development Plan (2011-2021) was adopted in February 2014 to become the statutory development plan for the county (excluding that part within the Brecon Beacons National Park, which has its own LDP). Work has commenced on our new LDP which will run to 2033. The agreed timetable will see the new Plan being adopted at the very end of 2021.
- 4.3 The basis of the planning system is that it is Plan-led. Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that all planning applications shall be determined in accordance with the adopted LDP unless material planning considerations indicate otherwise. One of those material considerations is our housing land supply.
- 4.4 Welsh Government sets out national planning policy in Planning Policy Wales and the accompanying Technical Advice Notes (TANs). TAN1 relates to housing land supply and it provides a consistent way of measuring how much housing land each Local Planning Authority (LPA) has. LPAs are required to have **at least** a 5 year supply of genuinely available housing land. Monmouthshire currently has a 3.9 year housing land supply (it was 4.0 years' supply last year and 4.1 years' supply the year before).
- 4.5 Until July 2018, paragraph 6.2 of TAN1 required that, when considering planning applications for housing development on land not allocated in an adopted LDP, 'considerable weight' must be given to the lack of a five year housing land supply. This did not mean that development anywhere, or of any quality, was given planning permission. However, it did mean that otherwise acceptable housing development

would be approved even if the site were not allocated for development in the LDP. Appeal decisions in this regard were consistent and clear. Prior to July 2018, three such planning applications have been determined in Monmouthshire:

- Grove Farm, Llanfoist – up to 115 dwellings including 35% affordable housing – outline planning permission approved;
- Rockfield Road, Monmouth – up to 70 dwellings including 35% affordable housing – outline planning permission approved;
- Mounton Road, Chepstow – outline planning permission refused due primarily to its designation in the current LDP as ‘Green Wedge’.

The two approved schemes are already counted within the housing land supply calculation and tables at appendices 3 and 4. It is worth noting that had the two approved applications been refused, our housing land supply would be 3.7 years not 3.9 years.

4.6 In July 2018, the then Cabinet Secretary with responsibility for planning issued an unexpected consultation on a proposal to ‘suspend’ paragraph 6.2 of TAN1 for an undetermined time period, while a review of housing supply is undertaken. Monmouthshire County Council’s response to that consultation was an objection. However, on 18<sup>th</sup> July 2018 the then Cabinet Secretary issued her decision to dis-apply paragraph 6.2. Her letter, however, goes on to state that it is now for the decision-maker (i.e. Monmouthshire County Council as Local Planning Authority) to decide the weight to give its housing land supply shortfall. A copy of this letter is provided at Appendix 3.

4.7 A Welsh Government consultation on the review of housing delivery closed in October 2018. The consultation emphasised the Welsh Government’s overarching support for a Plan-led approach based on an up-to-date LDP. The consultation stated that Planning Authorities, through their LDPs, must enable the provision of housing to meet the needs of their communities. To ensure sufficient land is brought forward for housing development to meet these needs, planning authorities must identify specific, deliverable sites for the following five year period and monitor this position on an annual basis through the preparation of a Joint Housing Land Availability Study (JHLAS) using the mechanism set out in Technical Advice Note 1. The consultation document stated that the next steps following the completion of this ‘call for evidence’ would be dependent on the responses, but could include changes to Planning Policy Wales, to the forthcoming revised version of the Development Plans Manual and to TAN 1.

4.8 To date, Planning Policy Wales has been replaced by edition 10 (PPW10) in December 2018. The relevant aspects of PPW10 are set out later in this report and in Appendix 1. LPAs were consulted in January 2019 on a draft draft [sic] Development Plans Manual. There has been no change to TAN1. The focus of the changes to date has been on ensuring sites allocated in new LDPs are deliverable.

4.9 Since September 2018, Planning Committee has resolved to approve two further planning applications:

- Church Road, Caldicot – up to 130 dwellings including 35% affordable housing – outline planning permission approved;
- Monmouth Road, Raglan – up to 111 dwellings including 35% affordable housing – outline planning permission approved<sup>2</sup>;

The purpose of this report is to review the Council’s strategic approach to its housing land supply shortfall, not to consider individual proposed developments. However, to

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<sup>2</sup> This planning application has been called-in by the Welsh Government for it to determine. The reason given for the call-in is to consider the proposal’s compatibility with new national planning policy on the sustainable transport hierarchy.

set some context to the scale of the matter before us, it is worth noting that adding these two sites to the current housing land availability study would take our housing land supply to 4.2 years<sup>3</sup>.

- 4.10 This report therefore seeks to establish Monmouthshire County Council's decision on the weight to be given to our housing land supply shortfall in the light of the corrected data and the publication of PPW10. The strategic decision will inform decision-making on planning applications for residential development on sites beyond settlement boundaries/not allocated for development in the current LDP (referred to as 'unallocated sites').
- 4.11 It is reiterated that Council's decision on this matter relates solely to Monmouthshire Council's Local Planning Authority area: it does not apply to that part of the county that sits within the Brecon Beacons National Park. The National Park has its own LDP and is the Local Planning Authority for the Park area.
- 4.12 It should also be noted that this decision relates solely to proposed residential development: it does not relate to employment or retail or any other land uses.

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

- 4.13 Members will be familiar with some of the challenging issues and opportunities facing our communities, including:
- The increasing proportion of our population aged over 65 and over 85, increasing well in excess of the Wales average;
  - The relative absence of 20-40 year olds and our median age of 48 years (compared to a median age of 34 years in Cardiff);
  - The resulting impact of the above two factors on our economic base and future prospects of economic growth;
  - Cardiff Capital Region City Deal and associated ambition and opportunities;
  - The economic growth of the Bristol/south-west region and the opportunities for Monmouthshire as a border county and its location between Bristol and Newport and Cardiff, the 'Great Western Cities';
  - The removal of the Severn Bridge tolls;
  - Our average house price now exceeds £300,000<sup>4</sup> and average house prices have increased by £56,173 (22.8%) since November 2010<sup>5</sup> (see Appendix 2);
  - The ratio of house price (for a lower quartile house) to income is 9:1<sup>6</sup>;
  - Our affordable housing waiting list of 2079 in Bands 1–4<sup>7</sup>;
  - Our dual economy, with high-earning residents who work elsewhere, and a low paid workforce who lives elsewhere but work within the county<sup>8</sup>;
  - Associated commuting patterns, with 40% of our economically active resident population commuting out of county<sup>9</sup>;
  - The challenges of rural isolation and sustaining rural services;
  - The wealth of social capital in our communities;
  - Our well-performing schools;

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<sup>3</sup> The change to housing land supply was calculated in November 2018 as increasing to 4.3 years, however the subsequent call-in decision will, from experience, delay site delivery by a year, if the Cabinet Secretary subsequently approves the planning application.

<sup>4</sup> Average house price in Monmouthshire was £302,229 in October 2018 (source: Hometrack based on sales and valuations)

<sup>5</sup> Source: Hometrack November 2010 compared to November 2018

<sup>6</sup> Source: Hometrack September 2018

<sup>7</sup> Source: Monmouthshire Local Housing Market Assessment September 2018 paragraph 7.1

<sup>8</sup> Annual mean pay for resident population in Monmouthshire £39,243. Annual mean pay for people working in Monmouthshire £30,001 (source: ONS, ASHE, 2018)

<sup>9</sup> Source: Census 2011

- The beautiful landscapes and heritage that make Monmouthshire special and an attractive place to live.

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

4.15 When considering the options, regard should be had to the Council's purpose, as set out in the Corporate Business Plan 2017-2022, namely to help to build sustainable and resilient communities that support the wellbeing of current and future generations, together with the organisational goals of being a thriving and connected county, and a forward-looking, future-focussed Council. The Public Service Board's Well-being Assessment identified that low wages and high property prices are making it hard for families to live and work in the county. The Corporate Plan goes on to state:

*"The delivery of quality, sustainable and affordable housing will help enable the retention of young people, helping combat 'brain drain' and managing the social and economic challenges associated with a rapidly ageing population."* (page 14)

and

*"Monmouthshire has a spectacular natural environment, a unique heritage value and a culturally rich identity. We believe that necessary growth, development, and expansion of our place, need not compromise our distinctive offer – indeed it should complement and enhance it."* (page 15)

4.16 Consideration should also be given to the Welsh Government's national strategy 'Prosperity for All' which states that *"the bedrock of living well is a good quality, affordable home which brings a wide range of benefits to health, learning and prosperity"*. The Welsh Government has a target to deliver 20,000 affordable homes within the current Assembly term.

## 5. OPTIONS APPRAISAL

5.1 In its simplest form, Council has two options.

5.2 The first option is that we give **no weight** in our planning decisions to our lack of a five year housing land supply. This means that we retain a Plan-led system, and proposed development on sites outside of settlement boundaries and not allocated within the current LDP will be unacceptable in principle and planning permission would be refused. This option is essentially process-focused and would provide certainty to our communities in that the current LDP would be fully adhered to. This approach would best demonstrate community involvement as a way of working. Development could come forward via the new LDP, and planning permission could be sought in 2022 onwards, however the significant disadvantage of this option is that housing delivery is limited for at least the next three years and the identified issues are not being addressed, and would likely worsen.

5.3 The second option is that we give **some weight** in our planning decisions to our lack of a five year housing land supply. This could be anywhere above 'no weight' to 'considerable weight', i.e. back to where we were in July 2018 before TAN 1 paragraph 6.2 was dis-applied. This option is essentially outcome-focused and would seek to make timely progress in tackling some of the issues identified above. It takes action in the short term as a preventative way of working, to reduce problems in the long term. The significant disadvantage of this option is that we would be departing from the current Local Development Plan in terms of where new development is located (other

policies remain in force). The way in which this could be achieved is broken down into sub-options below (Section 6). The officer recommendation to Council is that it reaffirms its decision made in September 2018 to give 'appropriate weight' to our lack of a five year housing land supply, and to apply the previously agreed 11 ground rules.

### Ground rules

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

- 1) Residential development is unacceptable in principle within undefended flood plain (zone C2) or on greenfield sites within defended flood plain (zone C1), as per national planning policy<sup>10</sup> and TAN15. This affects some significant parts of the county, for example parts of the Gwent Levels primarily south of the B4245, and some areas around Usk and Llanfoist. This in principle policy objection would remain unchanged;
- 2) Residential development is unacceptable in principle within designated Green Wedges. Appeal decisions prior to July 2018 typically uphold the view that LDP 'green wedge' designations take greater weight than the housing land shortfall. Green wedges are LDP designations intended to prevent the coalescence of settlements. We have a number of such designations, for example between Undy and Rogiet, Rogiet and Caldicot, and Chepstow and Pwllmeyric. It is recommended that this stance remains unchanged: the appropriate time to review Green Wedge designations is via the new LDP<sup>11</sup>;
- 3) Residential development is unacceptable in principle on allocated employment sites. Such sites will not be released for housing development unless full compliance with LDP Policy E1 can be demonstrated and there is no realistically likely future demand for the site for employment purposes. Delivering sustainable development and economic growth is about more than just housing developments. This is no change to the current position, but is specifically mentioned here to clarify that, should Council decide to give appropriate weight to our lack of a five year housing land supply, this does not signal the release of employment allocations or land allocated in the LDP for other purposes;
- 4) Unallocated sites are required to deliver 35% affordable housing and no negotiation will be entertained (60% where the development relates to a Main Village);
- 5) The development must be acceptable in other planning terms. If infrastructure is inadequate to support new development, and it cannot be satisfactorily improved via a S106 planning agreement, permission would normally be refused. This includes matters such as highway capacity, school capacity, primary health care, air quality and the sustainable transport hierarchy<sup>12</sup>. This applies to all planning applications for residential development, not just unallocated sites;
- 6) The scale of additional residential development will be considered in the context of the LDP spatial strategy, both in its own right and cumulatively with other approved residential development.
- 7) Development should be restricted to the Main Towns, Severnside, and Rural Secondary Settlements (with the exception of Llanfoist and Raglan<sup>13</sup> where there shall be no additional development on unallocated sites outside of the new LDP);

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<sup>10</sup> Para 6.6.22 of PPW10

<sup>11</sup> Para 3.64 of PPW10

<sup>12</sup> Paras 4.1.12 and 4.1.16 of PPW10

<sup>13</sup> The Planning Committee has resolved to approve a development of up to 111 homes on land at Monmouth Road, Raglan. This application has been called-in by the Welsh Government. Until such time as a final decision is received, it will be assumed that the development will proceed, and as such no additional development on unallocated sites in/adjacent to Raglan will be supported. This position will be reviewed should the application be rejected.

and small 60% affordable housing sites in those Main Villages without an allocated site (namely St Arvans and Llandogo).

- 8) The size and mix of the proposed dwellings is both suitable for the location and seeks to address our demographic challenges;
- 9) Any planning permissions will have a reduced lifespan: full planning permissions shall be commenced within 2 years, and outline planning permissions shall be followed by reserved matters within 1 year, with commencement within 1 year of approval of the reserved matters;
- 10) Applications recommended for approval shall be accompanied by a Unilateral Undertaking or signed S106 agreement by the time they are presented to Planning Committee;
- 11) This decision ceases to have effect should we regain a five year land supply and/or meet the LDP housing shortfall identified in this report.

5.5 To clarify what this decision means, if Council reaffirms its decision to give 'appropriate weight' to our lack of a five year housing land supply when considering applications for residential development on unallocated sites, we will be accepting that there will be housing development on land not allocated for such purposes in the current, adopted LDP. However, that development must be acceptable in planning terms, such as design, layout, highway safety, air quality and infrastructure impact, as well as meeting the 11 ground rules. All applications for residential development on unallocated sites would be advertised as 'departure applications' and would be determined by Planning Committee. Proposals for more than 150 dwellings, or on sites exceeding 6 hectares, must be notified to the Welsh Government prior to a decision being issued: the Welsh Government can call-in the applications for determination by the Minister. It is unlikely that we will regain a five year housing land supply between now and December 2021, and it is likely that this policy decision would last for the next three years, until the new LDP is adopted, unless Council decides in the meantime to reverse or amend this decision.

5.6 The lack of a five year housing land supply is a widespread issue throughout Wales, however the reasons for it vary considerably. In Monmouthshire, the issue is predominantly one of timing: all of our strategic housing allocations will come forward with time, but they are far slower than anticipated. This means that, with time, the approval of unallocated sites would result in additional housing in total: the unallocated sites are not instead of LDP allocations, but ultimately would be in addition. However, this is beneficial in terms of seeking to address the challenges outlined at paragraph 4.13 above, including delivery of much needed affordable housing. Housing delivery from sites approved now would carry forward into the new LDP. Decisions on those applications would have to have regard to infrastructure capacity, being mindful of the additionality of the development from the unallocated site. This would be addressed in the normal way via the planning application process, and Section 106 planning contributions.

## **6. EVALUATION CRITERIA**

6.1 If Council is minded to give 'appropriate weight' to our lack of a five year housing land supply, this will mean that, in advance of adoption of the new LDP in December 2021, planning permission would be given for residential development on some sites that are not allocated for development in the current LDP, subject to them meeting the 11 'ground rules'.

6.2 Further information is given below to seek to inform the discussion and understanding of options available, and to enable Council's decision to be evidence-based. As stated above, it is not a case of allowing anything anywhere. The Planning Committee would retain control over what is approved and what is rejected.

6.3 The tables at Appendix 4 and Appendix 5 break down the same data in two different ways. Appendix 4 shows housing delivery broken down by the current LDP strategy, and Appendix 5 shows the same data broken down by our three housing market areas: Southern (Chepstow, Severnside and surroundings), Central (Monmouth, Raglan, Usk, Penperlleni and surroundings), and Northern (Abergavenny, Llanfoist and surroundings). The data is as follows:

- Column 1 shows the settlement name
- Column 2 shows the total actual number of dwellings completed (with the number of those that are affordable units shown in brackets) from the start of the current LDP period (2011) to 31<sup>st</sup> March 2018. This data is from actual physical counts of completed dwellings undertaken by Council officers;
- Columns 3 to 5 show projections for completions for small windfall<sup>14</sup>, large windfall<sup>15</sup> and LDP allocated sites respectively from April 2018 to the end of the Plan period, i.e. to December 2021. These are taken from projections, including the Joint Housing Land Availability trajectory and are the agreed build-out figures for each year until the LDP expires at the end of 2021<sup>16</sup>;
- Column 6 gives a total for columns 2 to 5, i.e. what has been completed and what is predicted to be completed before the LDP expires on 31<sup>st</sup> December 2021;
- Column 7 gives the housing delivery for all LDP allocations and the associated number of affordable homes, assuming policy compliance (25% or 35% or 60%) is achieved. This totals 4957 dwellings, which comprises the LDP's 4500 dwelling housing need plus approximately 10% flexibility to seek to ensure the requirement is met. The affordable housing policy compliance for all allocations totals 1225 affordable homes, while the policy S4 target is 960 affordable homes;
- Column 8 shows the shortfall (-) or surplus (+) of housing by comparing actual completions plus projections by December 2021 with the total LDP allocations and policy compliant affordable housing delivery for each allocation;
- The final row in Appendix 4 gives the delivery shortfall against the LDP housing requirement in policy S2 of 4500 homes (shortfall of 504 homes), and the affordable housing target in policy S4 of 960 affordable homes (shortfall of 38 affordable homes).

6.4 The data clearly shows a significant shortfall in housing delivery based on actual and projected delivery compared with the LDP target. Overall, by 31<sup>st</sup> December 2021 when the current LDP expires, the projections show that we will be 504 homes behind the adopted LDP's housing requirement of 4500 homes by 2021. This shortfall is 11.2% of the LDP's housing requirement and equates to approximately 2 years' delivery at recent build rates:

2011-12	254 homes completed
2012-13	342 homes completed
2013-14	230 homes completed
2014-15	205 homes completed
2015-16	234 homes completed
2016-17	238 homes completed

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<sup>14</sup> A small windfall site is a site of fewer than 10 residential units located within a settlement boundary but not specifically allocated as an LDP development site. An example would be the conversion of the former HSBC building in Usk into apartments;

<sup>15</sup> A large windfall site is a site of 10 or more residential units located within a settlement boundary but not specifically allocated as an LDP development site. An example would be the redevelopment of the Magistrates' Court site in Abergavenny.

<sup>16</sup> Although it should be noted that the delivery projections shown run to 31<sup>st</sup> March 2022 not 31<sup>st</sup> December 2021 when the LDP expires, so they actually slightly over-predict delivery



2017-18      279 homes completed

The LDP sets an annual completion target of 450 dwellings (4500 dwellings over ten years), but due to the delivery shortfall between the Plan's 2011 start-date and its adoption in 2014, that target has increased for monitoring purposes to 488 dwelling completions per annum. Performance is well off target at present (1782 dwellings completed to March 2018 against a pro-rata target of 3150). Although the projections show a significant increase in build rate from April 2018 to December 2021 now that allocated sites are progressing, there would still be a 504 home shortfall. It is acknowledged that this 504 home shortfall is less than the 961 shortfall incorrectly reported to Council in September 2018. However, the 504 home shortfall is considered to be significant, both as a proportion of the total LDP housing requirement (4500 homes) and compared to build rates, and as such warrants intervention for the reasons given above.

- 6.5 As with total housing delivery, the data shows a shortfall of affordable homes based on actual delivery from 2011 to 2018, and projected delivery from 2018 to December 2021. Measured against the LDP affordable housing target set in Policy S4, this shortfall is projected to be 38 affordable homes.

2011-12	}	
2012-13	}	163 affordable homes completed
2013-14	}	
2014-15		17 affordable homes completed
2015-16		63 affordable homes completed
2016-17		47 affordable homes completed
2017-18		84 affordable homes completed

The LDP sets an annual completion target of 96 affordable homes (960 affordable homes over ten years). Delivery to March 2018 totals 374 affordable homes against a pro-rata target of 672 affordable homes. Although the projections show a significant increase in build rate from April 2018 to December 2021 now that allocated sites are progressing, there would still be a 38 affordable home shortfall. It is acknowledged that this 38 affordable home shortfall is substantially less than the 337 shortfall incorrectly reported to Council in September 2018. The 337 shortfall was calculated against a policy compliant affordable housing delivery for all LDP allocated sites (1225 affordable homes) rather than against the LDP target of 960 as stated in policy S4. In addition, an additional 34 affordable homes were delivered in Caldicot when Pobl completed the development of a site that was given permission in 2009 and abandoned by another developer. However, the wider context of housing need and delivery and contextual changes are considered to warrant intervention for a number of reasons.

- 6.6 The LDP housing targets originate from modelling carried out in 2006 for the Newport, Torfaen and Monmouthshire Local Housing Market Assessment (May 2007), subsequently updated in June 2010. The original survey in 2006 estimated there was an affordable housing need in the sub-region of 2,521 dwellings<sup>17</sup> and a net five year overall housing requirement of 5,489 dwellings. The model was re-run based on an agreed regional apportionment which increased the overall housing requirement to 7,438 dwellings with an estimated affordable housing need of 2,720 affordable homes. This was subsequently disaggregated to each of the three Authorities, giving Monmouthshire a five year housing requirement of 1,636 dwellings with an affordable housing need of 478 dwellings. The housing need over a five year period was divided into an annual requirement of 327 dwellings and then rounded up to reflect a regionally agreed build rate of 350 dwellings per annum, and then extended to cover the ten year LDP period (3500 dwelling requirement). Similarly, the 478 affordable housing need over a 5 year period was divided into an annual requirement of 96 affordable homes then extended to cover the ten year LDP period, giving the LDP's

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<sup>17</sup> Local Housing Market Assessment May 2007 para 5.34

960 affordable home target in Policy S4. The LDP overall housing requirement was increased during the Plan examination process from 3500 dwellings to 4000 dwellings and again to 4500 dwellings, with the 960 affordable homes requirement remaining static as an absolute requirement (rather than a proportion of total housing delivery).

- 6.7 It is widely recognised that there have been marked changes in the housing market since LDP adoption in 2011. Average house prices in the county (based on sales and valuations) have increased sharply:
- £224,606 in August 2006<sup>18</sup>
  - £229,715 in February 2013<sup>19</sup>
  - £244,574 in April 2015<sup>20</sup>
  - £302,229 in October 2018<sup>21</sup>

Further house price data is provided at Appendix 2. Between November 2010 and November 2018, average house prices within the county have increased by £56,173 (22.8%), compared to a £19,637 (11.7%) increase in Wales.

- 6.8 The Housing Register comprises 2079 households in Bands 1 to 4<sup>22</sup>. Meeting the needs of these 2079 households includes securing new-build affordable housing (which to date is failing to meet the LDP target of 96 affordable homes per annum), together with vacated existing stock due to occupiers relocating, being able to secure market housing, or passing away, and other measures to secure affordable housing for example buying back former stock lost via the right to buy when it becomes available. Some of the 2079 households would also likely move away, either to an adjacent Authority where homes are cheaper, or wider afield. The Local Housing Market Assessment (LHMA) (September 2018) also factors in newly emerging housing need, arising due to new household formation, in-migration or changing financial circumstances. The LHMA gives a theoretical annual requirement of 468 affordable homes for the next five years, however it should be noted that an element of this theoretical need will not arise due to people moving to an area where they can afford a home, and assistance from the 'bank of mum and dad'.
- 6.9 According to Hometrack's Intermediate Housing Market statistics, 51% of 20-39 year olds living in Monmouthshire are unable to purchase at lower quartile prices for two and three bedroom homes. The lower quartile house price to income ratio in the county, is currently 9:1. Of the 831 newly arising households in the next 5 years, only 314 are predicted to be able to afford a mortgage<sup>23</sup>.
- 6.10 In this context, and in the light of the challenges and opportunities outlined in paragraph 4.13, it is considered that the LDP target of 960 affordable homes is not a cap at which efforts to address this growing problem should be halted. To the contrary, proactive and positive action is needed to prevent the situation continuing or worsening. The wider context of housing need and delivery and contextual changes are considered to warrant intervention for the above reasons. This requires some brave decisions.

### **National Planning Policy**

- 6.11 Updated national planning policy was released in December 2018 (Planning Policy Wales edition 10: PPW10). Unlike previous updates, PPW10 has been thoroughly reviewed to better reflect and embed the principles of the Wellbeing of Future

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<sup>18</sup> Source: Hometrack, reported in Local Housing Market Assessment April 2015

<sup>19</sup> Source: Hometrack, reported in Local Housing Market Assessment April 2015

<sup>20</sup> Source: Hometrack, reported in Local Housing Market Assessment April 2015

<sup>21</sup> Source: Hometrack, reported in Local Housing Market Assessment September 2018

<sup>22</sup> Local Housing Market Assessment September 2018 para 7.1

<sup>23</sup> Local Housing Market Assessment September 2018

Generations Act. It is considered appropriate to review the proposed approach to unallocated sites for housing development in Monmouthshire against this new framework, given the extent of the changes to PPW. This review is provided at Appendix 1.

### **Spatial options**

- 6.12 If a decision were made to seek to address this housing shortfall and/or seek to address the challenges set out above, by giving weight to our lack of housing land (option 2, paragraph 5.3 above), there are several options for an evidence-based approach.

#### Option 2a

- 6.13 The evidence clearly shows that the greatest shortfall in housing delivery (both market and affordable) has occurred in the Main Town of Chepstow and in the area of Severnside, both of which are key parts of the LDP settlement hierarchy.
- 6.14 One option is to allow otherwise acceptable unallocated sites here based on the current LDP's settlement hierarchy (i.e. adjacent to Chepstow and Severnside). However, likely available and acceptable options in the short term known to officers mean we would be a considerable way off meeting the 504 dwelling gap, particularly given infrastructure constraints. Options are limited by the suggested approach of rejecting development within Green Wedge designations and by adhering to national planning policy on flood risk, however the proposed stance on these matters is considered to be well-founded and justified and accords with PPW10.

#### Option 2b

- 6.15 The evidence clearly shows that the greatest shortfall in housing delivery (both market and affordable) has occurred in the Southern local housing market area, primarily Chepstow and in Severnside.
- 6.16 One option is to allow otherwise acceptable unallocated sites within the Southern local housing market area. However, as above, likely available and acceptable options in the short term known to officers mean we would be a considerable way off meeting the 504 dwelling gap, particularly given infrastructure constraints.
- 6.17 For the two options above, the choice is then to either seek to address the shortfall as far as possible within Chepstow and Severnside, or within the Southern local housing market area respectively, accepting that this does not fully address the housing land supply shortfall, or to look to other areas of the county to be part of the solution. It is worth noting that the affordability challenges and growth pressures/opportunities are county-wide, albeit growth pressures are greatest in the south of the county.

#### Option 2c

- 6.18 If the decision were made to look beyond Chepstow and Severnside, to make a bigger impact in addressing the housing land shortfall, one option is to stick to the current LDP spatial strategy. Following the LDP spatial strategy and settlement hierarchy would see development focused primarily on the three Main Towns of Chepstow, Abergavenny and Monmouth; followed by Severnside; followed by the Rural Secondary Settlements of Llanfoist, Penperlleni, Raglan and Usk, and then the Main Villages. It is worth noting that the only development allocated within the LDP in Main Villages is 60% affordable housing sites of between 5 and 15 dwellings. It should also be noted that Llanfoist has already had permission granted for up to 115 additional dwellings outside of the LDP, and consideration should be given to whether or not additional development outside of the next LDP in Llanfoist would be unreasonable. Similarly, Planning Committee resolved to approve 111 dwellings in Raglan, and this decision noted that there should be no additional housing development in Raglan

outside of the next LDP. Although this decision has been called-in by the Welsh Government, until such time as a final decision is known, it should be assumed that the development will proceed. As such, it is recommended that no further unallocated sites should be approved in the Rural Secondary Settlements of Llanfoist or Raglan.

#### Option 2d

- 6.19 Alternatively, if the decision were made to look beyond Chepstow and Severnside, to make a bigger impact in addressing the housing land shortfall, another option is to move progressively northwards, addressing the greatest growth pressures as close to the south of the county as our geography and settlement patterns allow. This would effectively mean that a level of development is considered in Rural Secondary Settlements such as Raglan, Usk, Penperlleni and Llanfoist, before the Main Towns of Abergavenny and Monmouth. As stated above, it should be noted that Llanfoist and Raglan have already had applications approved for up to 115 and 111 additional dwellings respectively outside of the LDP, and consideration should be given to whether or not additional development outside of the next LDP in Llanfoist and Raglan would be unreasonable.

#### Option 2e

- 6.20 One final option would be a hybrid of the above options, namely to allow otherwise acceptable development on unallocated sites throughout the county, with the extent of housing reflecting the current LDP's spatial strategy as set out above, but also recognising that the greatest shortfall and pressure is in the south of the county. In other words, the Main Towns would see a greater level of potential growth, followed by Severnside, then Rural Secondary Settlements, with a slightly greater provision in the latter category than under option 2c, given their proximity to the south of the county. As stated above, consideration should be given to whether or not additional development outside of the next LDP in Llanfoist and Raglan would be unreasonable.
- 6.21 Taking this approach would give the best chance of tackling the housing shortfall. It would mean that some areas that have effectively delivered on their LDP housing allocations potentially have some more development to help support the county as a whole.

#### **Dŵr Cymru Welsh Water Infrastructure**

- 6.22 It should be noted that there is an issue with drainage capacity in Monmouth including Wyesham, meaning that Dŵr Cymru Welsh Water has advised that it would object to new development in those areas unless infrastructure upgrades are provided. The chances of those upgrades being delivered quickly, in order to assist with the housing shortfall in the short term, are slim. Consequently, the extent to which Monmouth and Wyesham can assist with housing delivery in the short term is limited.

#### **Development adjacent to Main Villages (60/40 sites)**

- 6.23 In order to help support and sustain our rural communities and deliver much-needed affordable housing, the adopted LDP allocates small (5 to 15 dwelling) sites within Main Villages, of which 60% must be affordable housing. This policy was drafted acknowledging that, although national planning policy allows for 100% rural exception affordable housing sites, finances means these rarely happen. The success of this policy approach, which is unique to Monmouthshire, will be reviewed as part of the new LDP. In the interim, it is recommended that the level of development adjacent to Main Villages via unallocated sites is restricted to only those Main Villages, as defined in the LDP, that do not have a current housing allocation, namely St Arvans and Llandogo, and that the 60% affordable housing requirement remains. Officers consider that the new LDP is the appropriate time to consider whether or not there should be additional development in Main Villages that already have an allocation. Similarly, to adjust the 60% policy requirement now would be unfair on those

developers that have already come forward, and would prejudice any review of that policy for the new LDP.

- 6.24 As a reminder, option 1 set out above was 'do nothing'. Although this maintains the Plan-led approach, which is the ideal scenario in terms of process and community engagement, it does not assist in addressing the challenges of affordability and economic growth, or seizing those current opportunities, in advance of the new LDP.

**Recommendation:**

- 6.25 It is therefore recommended that Council agrees to give **appropriate weight** to our lack of a five year housing land supply. The term 'appropriate weight' allows a degree of flexibility by location, having regard to the LDP spatial strategy and settlement character, and with time, with weight decreasing as the housing shortfall is addressed. In considering planning applications for residential development on unallocated sites, decisions should be evidence based, considering the LDP spatial strategy and growth focus in the south of the county, as set out in **option 2e**. Proposals must still be acceptable in planning terms, and the 'ground rules' set out in paragraph 5.4 apply, namely:

- 1) Residential development is unacceptable in principle within undefended flood plain (zone C2) or on greenfield sites within defended flood plain (zone C1), as per national planning policy<sup>24</sup> and TAN15;
- 2) Residential development is unacceptable in principle within designated Green Wedges: the appropriate time to review Green Wedge designations is via the new LDP<sup>25</sup>;
- 3) Residential development is unacceptable in principle on allocated employment sites. Such sites will not be released for housing development unless full compliance with LDP Policy E1 can be demonstrated and there is no realistically likely future demand for the site for employment purposes;
- 4) Unallocated sites are required to deliver 35% affordable housing and no negotiation will be entertained (60% where the development relates to a Main Village);
- 5) The development must be acceptable in other planning terms. If infrastructure is inadequate to support new development, and it cannot be satisfactorily improved via a S106 planning agreement, permission would normally be refused. This includes matters such as highway capacity, school capacity, primary health care, air quality and the sustainable transport hierarchy<sup>26</sup>;
- 6) The scale of additional residential development will be considered in the context of the LDP spatial strategy, both in its own right and cumulatively with other approved residential development.
- 7) Development should be restricted to the Main Towns, Severnside, and Rural Secondary Settlements (with the exception of Llanfoist and Raglan<sup>27</sup> where there shall be no additional development on unallocated sites outside of the new LDP); and small 60% affordable housing sites in those Main Villages without an allocated site (namely St Arvans and Llandogo).
- 8) The size and mix of the proposed dwellings is both suitable for the location and seeks to address our demographic challenges;
- 9) Any planning permissions will have a reduced lifespan: full planning permissions shall be commenced within 2 years, and outline planning

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<sup>24</sup> Para 6.6.22 of PPW10

<sup>25</sup> Para 3.64 of PPW10

<sup>26</sup> Paras 4.1.12 and 4.1.16 of PPW10

<sup>27</sup> The Planning Committee has resolved to approve a development of up to 111 homes on land at Monmouth Road, Raglan. This application has been called-in by the Welsh Government. Until such time as a final decision is received, it will be assumed that the development will proceed, and as such no additional development on unallocated sites in/adjacent to Raglan will be supported. This position will be reviewed should the application be rejected.

- permissions shall be followed by reserved matters within 1 year, with commencement within 1 year of approval of the reserved matters;
- 10) Applications recommended for approval shall be accompanied by a Unilateral Undertaking or signed S106 agreement by the time they are presented to Planning Committee;
  - 11) This decision ceases to have effect should we regain a five year land supply and/or meet the LDP housing shortfall identified in this report.

## **7. REASONS:**

- 7.1 If we are serious about addressing the challenges of affordability and economic growth, 'do nothing' is not a sensible or viable option. We will not close the 504 dwelling shortfall by the end of 2021, however giving 'appropriate weight' to our housing land supply shortfall, and following option 2e) gives us the best chance of achieving it. It would also mean that we start our new LDP period with development activity ongoing, compared to the significant lead-in time experienced with the current LDP before sites progressed. Proposals must still be acceptable in other planning terms, and this is not a case of any development anywhere: the ground rules set out in paragraph 6.25 above apply. Communities would be engaged via the planning application process. The scale of development will need to be carefully considered in the context of the capacity of the settlement, the level of growth allowed via the LDP, and any decisions already made for unallocated sites (with particular reference at present to Llanfoist and Raglan). This complies with the strategic and spatial choices in PPW10. The 'ground rules' set out above (paragraph 6.25) provide further reassurance and safeguards to the proposals to be supported via the planning application process. The benefits of addressing the affordability and economic growth challenges are considered to outweigh the strict 'Plan-led' approach during these unprecedented times.

## **8. RESOURCE IMPLICATIONS:**

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

## **9. WELL-BEING OF FUTURE GENERATIONS IMPLICATIONS:**

### Sustainable Development

- 9.1 The concept of sustainable development is at the core of the planning system and should be central to decisions made. The LDP was subject to a Sustainability Appraisal (SA), the purpose of which was to assess the extent to which planning policies would help to achieve the wider environmental, economic and social objectives of the LDP. This was supplemented by the Strategic Environmental Assessment. It is recognised that this proposal would see planning applications being considered for sites that are not allocated in the LDP, and therefore have not gone through that rigorous appraisal process. However, the planning applications themselves would continue to be assessed against national planning policy and against the LDP's policies, and this would include consideration of the environmental, social, economic and cultural impact of the proposed development.
- 9.2 There is inevitably a degree of conflict between the preferences of many people within our existing communities with our need and desire to address the needs of current and future generations (for example home owners with a pleasant view from their home versus people in need of a safe, efficient and affordable home). The recommendation seeks to take a long term and outcome-focussed approach, integrating the opportunities and challenges identified via the Wellbeing Assessment and seeking to prevent the worsening of the affordability challenge that is having a very real impact on our communities, our demography and therefore our economic sustainability. It is acknowledged that the extensive community engagement possible via the LDP process would, by definition, not be possible as a result of the proposed decision,

because proposed sites would come forward outside of the LDP process. However, this is mitigated by the consultation required for the planning applications, which for schemes of 10 or more dwellings will also include pre-application community engagement by the developer in addition to consultation by the Council once an application is submitted.

- 9.3 Future Generations Evaluation (including equalities and sustainability impact assessment) is attached to this report at Appendix 6.

#### Equalities

- 9.4 The proposed recommendation to give appropriate weight to our lack of a five year housing land supply is intended to support housing delivery, in part to support the delivery of affordable housing which supports all age groups but in particular supports those who are economically disadvantaged, and partly to help address our demographic challenge, which would indirectly benefit our younger people by delivering housing to provide options to support the retention of younger people. However, the housing would not be reserved for people of any particular age group, and there is no legitimate or appropriate way to enforce such a control. The proposed recommendation is intended to promote equality of opportunity and access to housing.

#### Safeguarding and Corporate Parenting

- 9.5 There are no safeguarding or corporate parenting implications arising directly from this report or its recommendation.

### **10. CONSULTEES**

- Colleagues within the planning service have been engaged via team meeting discussions to consider an evidence base for decision-making. The draft Council report has been circulated for comment. The team supports the recommendation as the best way of achieving the desired outcome, namely housing delivery, subject to the proposed ground rules;
- Planning Committee has been provided with an initial brief on the options for information only;
- Economy and Development Select Committee and Adults Select Committee held a joint meeting on 7<sup>th</sup> September 2018, with an open invitation to all Members, to discuss this matter. The main feedback is provided via the Chair's Summary:

It was felt that the current plan has not delivered what we had hoped for in terms of housing and it was asked whether Members felt we should continue with the plan as is.

The need for affordable housing across the county is great and is needed now. It was felt that we as an authority should not take forward such a shortfall without attempting to do something in the interim.

After looking at smaller development sites it was suggested that smaller developers could possibly help us with a solution.

In terms of the LDP review we must challenge the sixty forty concept and consider the affordability factor. We must be mindful of infrastructure challenges, with particular attention to the south east of the county in terms of being impacted by the Forest of Dean and Gloucestershire.

Practical infrastructure such as cemeteries were of particular concern.

In regard to the officer's recommendations, option 2E, a hybrid option was felt to be the most favourable.

Upon being put to the vote (for the purpose of understanding whether or not there was a consensus of opinion from the Select Committee) the following votes were recorded;

For - 8

Against - 1

Abstentions – 1

- SLT

#### 11. **BACKGROUND PAPERS:**

**Appendix 1:** Review of the recommended approach against Planning Policy Wales edition 10 (PPW10) (December 2018)

**Appendix 2:** House price data for Monmouthshire from November 2010 to November 2018

**Appendix 3:** Letter from Welsh Government Cabinet Secretary dated 18<sup>th</sup> July 2018

**Appendix 4:** Housing delivery projections shown by LDP strategy and settlement hierarchy

**Appendix 5:** Housing delivery projections shown by local housing market area

**Appendix 6:** Well-being Assessment

#### 12. **AUTHOR & CONTACT DETAILS:**

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## **Appendix 1: Review of the recommended approach against Planning Policy Wales edition 10 (PPW10) (December 2018)**

- A1.1 Updated national planning policy was released in December 2018 (Planning Policy Wales edition 10: PPW10). Unlike previous updates, PPW10 has been thoroughly reviewed to better reflect and embed the principles of the Wellbeing of Future Generations Act. It is considered appropriate to review the proposed approach to unallocated sites for housing development in Monmouthshire against this new framework, given the extent of the changes to PPW. This review is provided at Appendix 1.
- A1.2 PPW10 maintains and reiterates the importance of an effective Plan-led system, including the opportunities for community engagement in Plan preparation. The disadvantage of this recommendation to Council in this regard is considered in paragraphs 5.2 and 5.3 of the report. This disadvantage would be mitigated to some extent by the legislative requirement for developers to undertake pre-application community consultation on proposals for 10 or more dwellings, and by the consultation carried out by the Council when a planning application is formally submitted.
- A1.3 PPW10 paragraph 1.17 maintains the presumption in favour of sustainable development in accordance with the Development Plan, unless material considerations indicate otherwise to ensure social, economic, cultural and environmental issues are balanced and integrated. This recommendation to Council identifies the current social, economic and demographic imbalances and housing affordability challenge, as substantial material considerations that justify departure from the Local Development Plan subject to the 11 ground rules. PPW10 paragraph 3.37 states that development plans provide the basis for identifying sites for development, ensuring strong rural and urban communities which are resilient to the effects of social and economic change. This recommendation to Council seeks to ensure greater resilience to social and economic change during the interim period while the new Local Development Plan is being prepared. It seeks to take short term pro-active steps to prevent the identified social, economic and demographic challenges worsening in the longer term. The proposal recognises that the planning system should be part of an integrated approach, in collaboration with other agencies in particular housing providers and health agencies with regards to the clear links between physical and mental health and having a safe, warm and suitable home. This reflects keys aspects of the five ways of working as set out in the Well-being of Future Generations Act.
- A1.4 PPW10 identifies strategic and spatial choices as a key gateway test to assessing development proposals, to identify opportunities and potential mitigation measures. The detailed impact of a proposal is then considered under the three themes of Active and Social Places; Productive and Enterprising Places; and Distinctive and Natural Places. The process will result in a strategy or proposal which contributes to the sustaining of, or creation of, sustainable places and which delivers the national sustainable placemaking outcomes. Ground rules 6 and 7 ensure that the scale and location of additional residential development will be considered in the context of the LDP spatial strategy, both in its own right and cumulatively with other approved residential development. Ground rule 5 ensures the detailed impact of a proposal is considered.
- A1.5 PPW10 maintains and strengthens the prioritisation of brownfield and under-utilised sites within settlements, and then adjacent to settlements, prior to the consideration of sustainable and suitable greenfield sites within or on the edge of settlements. The consideration of sites within the open countryside including new settlements must only be considered in exceptional circumstances (paragraphs 3.39 - 3.40). PPW10 includes a requirement to consider brownfield sites in adjacent Authorities prior to

considering greenfield sites. This approach is noted and works well in a more urban environment. However, rural counties such as Monmouthshire have very few opportunities for brownfield development and, of particular significance, diverting housing development to other counties would fail to address the identified social, economic and demographic challenges facing our communities.

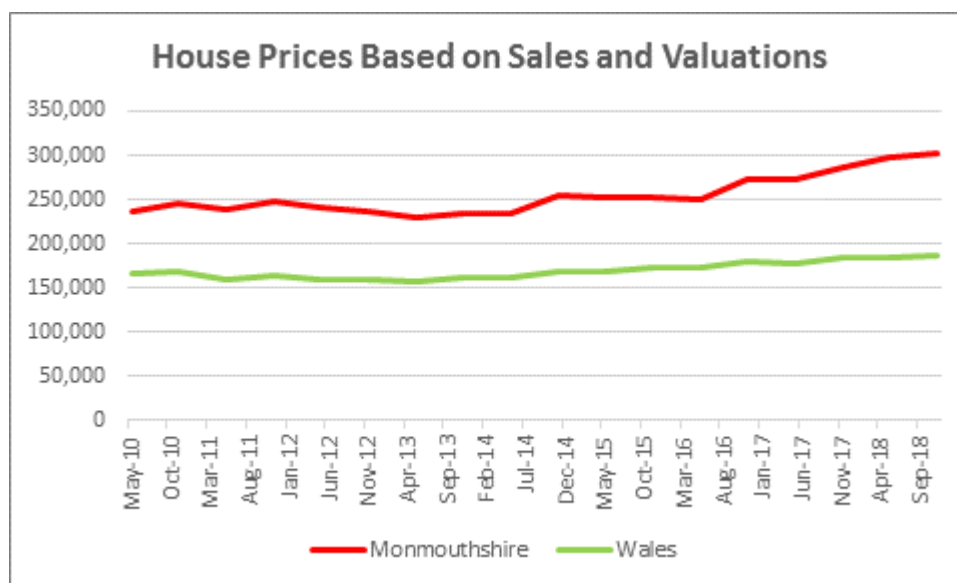
- A1.6 PPW10 paragraphs 4.2.8 and 4.2.9 state that the relevant planning and housing authorities should work in partnership with local stakeholders, including private house builders, to produce LHMA's. These assessments allow authorities to develop a detailed understanding of the nature and level of market and affordable housing demand and need in their communities. Planning authorities, in partnership with the community, including the private sector, must develop policies to meet the challenges and particular circumstances evident in their area. This recommendation to Council seeks agreement for a strategic policy approach to the housing issues facing our communities in the interim period while our new LDP is being prepared. Ground rule 8 ensures that the size and mix of the proposed dwellings is both suitable for the location and seeks to address our demographic challenges.
- A1.7 Although paragraph 6.2 of TAN1 has been dis-applied by the Welsh Government, PPW10 paragraph 4.2.1 states that planning authorities must understand all aspects of the housing market in their areas (including the requirement, supply and delivery of housing). This will allow planning authorities to develop evidence-based market and affordable housing policies in their development plans and make informed development management decisions that focus on the creation and enhancement of sustainable places. New housing and development in both urban and rural areas should incorporate a mix of market and affordable house types, tenures and sizes to cater for the range of identified housing needs and contribute to the development of sustainable and cohesive communities. Ground rule 4 of this proposal ensures 35% affordable housing is secured.
- A1.8 PPW10 goes on to state that the planning system must:
- Identify a supply of land to support the delivery of the housing requirement to meet the differing needs across communities of all tenures;
  - Enable provision of a range of well-designed, energy efficient, good quality market and affordable housing that will contribute to the creation of sustainable places; and
  - Focus on the delivery of the identified housing requirement and the related land supply (PPW10 paragraph 4.2.2). The supply of land to meet the housing requirement proposed in a development plan must be deliverable. To achieve this, development plans must include a supply of land which delivers the identified housing requirement figure and makes a locally appropriate additional flexibility allowance for sites not coming forward during the Plan period (PPW10 paragraph 4.2.10).
- A1.9 PPW10 paragraph 4.2.15 maintains the TAN1 requirement for a genuinely available five year housing land supply, stating that planning authorities must ensure that sufficient land is genuinely available or will become available to provide a five-year supply of land for housing judged against the general objectives, scale and location of development required in the development plan. This means sites must be free, or readily freed, from planning, physical and ownership constraints and be economically viable, in order to support the creation of sustainable communities. For land to be regarded as genuinely available it must be a site included in either a Joint Housing Land Availability Study (JHLAS) or until a JHLAS is required to inform the first annual monitoring report (AMR), in the housing trajectory agreed as part of an adopted development plan. The housing trajectory demonstrates how the planning authority will maintain a five year supply of housing land over the Plan period.

- A1.10 Ground rule 1 addresses the issue of development and flood risk (PPW10 paragraphs 6.6.24 - 6.6.26 in particular).
- A1.11 Paragraph 3.64 states that Green Wedges should be proposed and reviewed as part of the LDP process. Paragraph 3.73 identifies appropriate types of development within Green Wedges: this does not include residential development. Ground rule 2 addresses this matter.
- A1.12 PPW10 paragraph 3.38 refers to the need for a balance between housing and jobs. Ground rule 3 serves to protect allocated employment sites from residential development. The LDP contains some 40 hectares of available employment land, which allows for job creation in addition to housing development. The new LDP will review employment requirements and allocations.
- A1.13 Ground rule 5 requires that development must be acceptable in other planning terms. PPW10 provides a welcome and notable new emphasis on the importance of placemaking (i.e. not just the buildings themselves, but the environment and spaces around them, connectivity to amenities and green infrastructure, and the sense of community created) (paragraph 2.3, 3.34 and pages 16 and 21 in particular). This ground rule also covers matters such as good design (PPW10 paragraph 3.12 and page 28), provision of health infrastructure and community assets (PPW10 paragraph 3.21), protection of the historic environment (PPW paragraphs 6.1.5 and 6.1.7) and air quality (PPW10 paragraph 6.7.6). Ground rule 5 has been amended to add specific reference to the new emphasis on a sustainable transport hierarchy (PPW10 paragraphs 4.1.9, 4.1.11 and 4.1.16 in particular).

## Appendix 2: House price data for Monmouthshire from November 2010 to November 2018

	Monmouthshire	% increase	% & £ increase 2010 to 2018	Wales	% increase	% & £ increase 2010 to 2018
Nov-10	£246,341			£167,656		
Nov-11	£247,689	0.5%		£164,936	-1.6%	
Nov-12	£236,093	-4.7%		£160,457	-2.7%	
Nov-13	£234,323	-0.7%		£161,836	0.9%	
Nov-14	£254,287	8.5%		£169,446	4.7%	
Nov-15	£252,458	-0.7%		£173,890	2.6%	
Nov-16	£272,939	8.1%		£179,137	3.0%	
Nov-17	£286,077	4.8%		£185,584	3.6%	
Nov-18	£302,514	5.7%	22.8% £56,173	£187,293	0.9%	11.7% £19,637

Source: Hometrack



### Lower Quartile House Price to Income Ratios for a Sample of Rural Wards

Crucorney*	10:1
Llanbadoc	6:1
Raglan	7:1
Mitchel Troy	16:1
Trellech	11:1
St Arvans	9:1
Portskewett	6:1
Goetre*	7:1
Llanfoist*	7:1

\*these wards lie partly within the Brecon Beacons National Park area.

Source: Hometrack September 2018 (Table 5 LHMA September 2018)



**Lesley Griffiths AC/AM**  
**Ysgrifennydd y Cabinet dros Ynni, Cynllunio a Materion Gwledig**  
**Cabinet Secretary for Energy, Planning and Rural Affairs**

Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: Housing

To: Heads of Planning  
(CC: PINS & HBF)

18 July 2018

Dear Colleague,

On 10 May I announced my intention to undertake a wide-ranging review into the delivery of housing through the planning system. This was in response to the current housing land supply position and directly related to the under delivery of Local Development Plan (LOP) housing requirements.

As an initial part of the wide-ranging review, I am issuing a 'Call for Evidence' to explore ways the planning system can assist in increasing the delivery of new homes in sustainable locations. The 'Call for Evidence' starts today, 18 July, and will run for a 12 week period.

The 'Call for Evidence' provides stakeholders with the opportunity to put forward views and proposals, supported by evidence, to address housing land supply and delivery issues. However, I believe the following overarching principles apply and should be addressed through the evidence submitted:

- Planning decisions must be based on an up-to-date development plan - the plan-led approach to development management;
- Housing requirements should be based on evidence and all sites identified to meet the requirement must demonstrate they are deliverable;
- Monitoring arrangements and any associated actions must reinforce the plan-led approach to development management.

Bae Caerdydd • Cardiff Bay  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

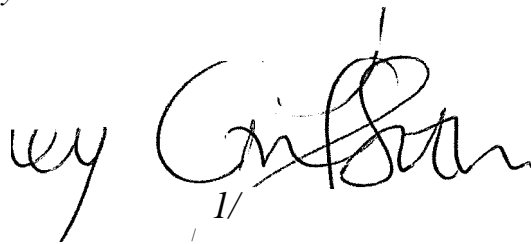
As a result of the current housing land supply position across Wales some Local Planning Authorities (LPAs) are receiving 'speculative' applications for housing on sites not allocated for development in LDPs. This is generating uncertainty for communities and is to the detriment of the plan-led system. Therefore, in support of the review and to alleviate some of the immediate pressure on LPAs, I have decided to dis-apply paragraph 6.2 of Technical Advice Note (TAN) 1, *Joint Housing Land Availability Studies*, following the consultation on this matter. This removes the paragraph which refers to attaching "considerable" weight to the lack of a 5-year housing land supply as a material consideration in determining planning applications for housing.

As a result of the dis-application of paragraph 6.2 of TAN 1, it will be a matter for decision makers to determine the weight to be attributed to the need to increase housing land supply where an LPA has a shortfall in its housing land.

The dis-application of paragraph 6.2 of TAN 1 takes effect from 18 July 2018. The planning applications affected will include all those which have been made but not determined by the relevant authority. The dis-application will not apply to planning applications where it has been resolved to approve subject to the signing of a section 106 agreement.

I would encourage anyone with an interest in increasing housing delivery to meet the needs of communities across Wales to respond to the 'Call for Evidence'.

*Yours sincerely*

A handwritten signature in black ink, appearing to read 'Lesley Griffiths', with a vertical line to the right of the signature.

**Lesley Griffiths AC/AM** (

Ysgrifennydd Cabinet dro Cynllunio a Materion Gwledig  
Cabinet Secretary for Energy, Planning and Rural Affairs

**Appendix 4: Housing delivery projections shown by LDP strategy and settlement hierarchy**

	Completions	Small Site Windfalls	Large Site Windfalls	Allocated Site Completions	Total	LDP Allocations with policy compliant % Affordable Housing	Balance of delivery against all LDP allocations/policy compliant AH
	2011 - 2018	2018 – 2021	2018 - 2021	2018-2021		2011 – 2021	
Abergavenny	179 (56)	25	45 (16)	230 (67)	479 (139)	566 (181)	-87 (-42)
Chepstow	135 (26)	31	135 (6)	150 (15)	451 (47)	675 (155)	-224 (-108)
Monmouth	367 (62)	47	81 (29)	377 (127)	872 (218)	825 (218)	47 (=)
<b>MAIN TOWNS</b>	<b>681 (144)</b>	<b>103</b>	<b>261 (51)</b>	<b>757 (209)</b>	<b>1802 (404)</b>	<b>2066 (554)</b>	<b>-264 (-150)</b>
Caldicot	214 (90)	11	25 (25)	0 (0)	250 (115)	210 (81)	
Portskewett	29 (0)	0	0 (0)	120 (30)	149 (30)	324 (71)	
Magor Undy	118 (18)	8	0 (0)	273 (69)	399 (87)	631 (142)	
Caerwent	133 (26)	6	0 (0)	0 (0)	139 (26)	152 (26)	
Rogiet	37 (33)	5	11 (0)	0 (0)	53 (33)	53 (33)	
Sudbrook	13 (0)	1	46 (15)	133 (15)	193 (30)	244 (63)	
<b>SEVERNSIDE</b>	<b>544 (167)</b>	<b>31</b>	<b>82 (40)</b>	<b>526 (114)</b>	<b>1183 (321)</b>	<b>1614 (416)</b>	<b>-431 (-95)</b>
Usk	15 (0)	11	0 (0)	20 (7)	46 (7)	53 (7)	-7 (=)
Raglan	24 (11)	4	0 (0)	45 (16)	73 (27)	75 (27)	-2 (=)
Penperlleni	7 (0)	5	0 (0)	65 (23)	77 (23)	122 (25)	-45 (-2)
Llanfoist	244 (29)	7	80 (28)	0 (0)	331 (57)	245 (57)	86 (=)
<b>RSS</b>	<b>290 (40)</b>	<b>27</b>	<b>80 (28)</b>	<b>130 (46)</b>	<b>527 (114)</b>	<b>495 (116)</b>	<b>32 (-2)</b>
<b>RURAL</b>	<b>267 (23)</b>	<b>88</b>	<b>39 (7)</b>	<b>90 (53)</b>	<b>484 (83)</b>	<b>782 (141)</b>	<b>-298 (-58)</b>
<b>TOTAL</b>	<b>1782 (374)</b>	<b>249</b>	<b>462 (126)</b>	<b>1503 (422)</b>	<b>3996 (922)</b>	<b>4957 (1225)</b>	
<b>Balance against LDP housing requirement of 4500 homes (policy S2) and affordable target of 960 homes (policy S4)</b>							<b>-504 (-38)</b>

**Appendix 5: Housing delivery projections shown by local housing market area**

	<b>Completions</b>	<b>Small Site Windfalls</b>	<b>Large Site Windfalls</b>	<b>Allocated Site Completions</b>	<b>Total</b>	<b>LDP Allocations with policy compliant % Affordable Housing 2011 – 2021</b>	<b>Balance of delivery against all LDP allocations/ policy compliant AH</b>
	<b>2011 - 2018</b>	<b>2018 - 2021</b>	<b>2018 - 2021</b>	<b>2018-2021</b>			
<b>Housing Market Area: South - (AH need June 2017 Bands 1-4: General Needs 767 + OAP and Adapted 216 = 983)</b>							
<b>Main Towns:</b>							
Chepstow	135 (26)	31	135 (6)	150 (15)	451 (47)	675 (155)	<b>-224 (-108)</b>
<b>Severnside:</b>							
Caldicot	214 (90)	11	25 (25)	0 (0)	250 (115)	210 (81)	
Portskewett	29 (0)	0	0 (0)	120 (30)	149 (30)	324 (71)	
Magor Undy	118 (18)	8	0 (0)	273 (69)	399 (87)	631 (142)	
Caerwent	133 (26)	6	0 (0)	0 (0)	139 (26)	152 (26)	
Rogiet	37 (33)	5	11 (0)	0 (0)	53 (33)	53 (33)	
Sudbrook	13 (0)	1	46 (15)	133 (15)	193 (30)	244 (63)	
<b>SEVERNSIDE TOTAL</b>	<b>544 (167)</b>	<b>31</b>	<b>82 (40)</b>	<b>526 (114)</b>	<b>1183 (321)</b>	<b>1614 (416)</b>	<b>-431 (-95)</b>
<b>Housing Market Area: Monmouth and Central- (AH need June 2017 Bands 1-4: General Needs 400 + OAP and Adapted 178 = 578)</b>							
<b>Main Towns:</b>							
Monmouth	367 (62)	47	81 (29)	377 (127)	872 (218)	825 (127)	<b>47 (=)</b>
<b>Rural Secondary Settlements:</b>							
Usk	15 (0)	11	0 (0)	20 (0)	46 (7)	53 (7)	<b>-7 (=)</b>
Raglan	24 (11)	4	0 (0)	45 (16)	73 (27)	75 (27)	<b>-2 (=)</b>
Penperlleni	7 (0)	5	0 (0)	65 (23)	77 (23)	122 (25)	<b>-45 (-2)</b>
<b>Housing Market Area: Abergavenny - (AH need June 2017 Bands 1-4: General Needs 554 + OAP and Adapted 228 = 782)</b>							
<b>Main Towns:</b>							
Abergavenny	179 (56)	25	45 (16)	230 (67)	479 (139)	566 (109)	<b>-87 (-42)</b>
<b>Rural Secondary Settlements:</b>							
Llanfoist	244 (29)	7	80 (28)	0 (0)	331 (57)	245 (0)	<b>86 (=)</b>



