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MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Thursday, 14th February, 2019 at 10.00 am

PRESENT: County Councillor A. Davies (Vice Chairman)

County Councillors: J. Becker, D. Dovey, R. Roden, B. Strong and A. Watts

Also in attendance County Councillors: P.A. Fox, R.J.W. Greenland, L. Brown and R. Harris

OFFICERS IN ATTENDANCE:

Frances Williams	Chief Officer, Enterprise
Cath Fallon	Head of Economy and Enterprise
Mark Hand	Head of Planning, Housing and Place-Shaping
Rachel Lewis	Planning Policy Manager
James Woodcock	Business Insights Manager
Richard Williams	Democratic Services Officer

APOLOGIES:

County Councillors M. Feakins and P. Pavia

1. Declarations of Interest

There were no declarations of interests made by Members.

2. Public Open Forum

There were no members of the public present.

3. Economies of the Future Analysis

Context:

Following the decision for the Cabinet Member for Enterprise to commission the 'Economies of the Future' analysis' in December 2017, the Cabinet Member has invited the Select Committee to discuss the findings with a view to determining the next steps with regard to consideration of an ambition and growth plan for the County. This in turn will inform the development of the revised Economic Growth and Inward Investment Strategy for the Council. The 'Economies of the Future' analysis is a fundamental piece of work that will also provide evidence to support the developing Monmouthshire Replacement Local Development Plan (LDP).

Key Issues:

- The Cardiff Capital Region City Deal presents a generational opportunity for Monmouthshire to prosper and play a central role in regional economic growth.

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- In order to fully take advantage of the opportunities of the City Deal, Monmouthshire would need to have a growing, vibrant, high-skilled population.
- The retail market is an extremely competitive market, with town centre high streets across the UK struggling to respond to the growth of online retailing. Stronger growth in the population could add to the surrounding catchments of Monmouthshire's town centres, increasing the potential customer base.
- The demographic and economic characteristics, including trends in coming years, suggest risks to the Monmouthshire economy without significant intervention.
- Continuing with on-trend growth would mean that Monmouthshire would continue to lose ground compared to other economies.
- The ageing population of Monmouthshire suggests that the County is vulnerable to losing further ground as the working age population shrinks.
- As the City Deal is enacted, it is an appropriate time for Monmouthshire to consider the City Deal's opportunities for the County and how it can be leveraged to address the structural issues that are holding back Monmouthshire's economy.

Member Scrutiny:

- The report recognises all of the correct issues. However, concern was expressed whether the Authority has enough ambition with regard to establishing solutions for the issues identified.
- Only 3% of the County is built on. However, 80% of that 3% is located within the south of the County. Therefore, for the people living in Monmouthshire, the idea of further building in areas where the majority of the housing already exists is a concern.
- The key to further development is the housing mix. More community land trusts need to be investigated. A different priority needs to be given to how the Authority sells its assets so that priority is given to the wellbeing of future generations over capital receipts.
- Town centre sites could be investigated as possible areas to provide affordable housing.
- Concern was expressed regarding the City Deal in respect of IQE and the liability of the Authority should the share price fall.
- The future of Monmouthshire's increasing elderly population needs to be addressed. It was considered that the existing provision is not sufficient, going forward.

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- In response to the questions raised, the Leader of the Council stated that he had attended the Cardiff Capital Region Select Committee last week in which IQE and the Compound Semi-Conductor were discussed. Also, the share pricing was discussed. It was noted that this was a long term investment. The Compound Semi Industry is going to be fundamental. Many businesses around the region are already growing and expanding as a result of the operation of the foundry in Newport.
- The Chancellor of the Exchequer has announced £50M to site a Compound Semi-Conductor catapult in the area and is being located in the foundry in Newport. This will be one of 13 catapults built across the United Kingdom. Research, development and expertise will be drawn to the area with this area becoming the world leading region for this growing industry. Surrounding industries will be driven forward by having this foundational market of Compound Semi-Conductors in the locality.
- £39M has been invested into the creation of the foundry. The capital Region has no shares in IQE. It owns the foundry. The £39M will be repaid over a period of several years but it is leveraging in revenue at a ratio of £9.00 for every £1.00 invested equating to £375M of inward investment from IQE.
- The growth expected is anticipated to be significant in all of the other areas. Jobs have also been safeguarded by this inward investment.
- It was acknowledged that there is a need for more affordable housing provision in Monmouthshire. The issues regarding this matter are known and it will be necessary to tackle these issues going forward into the new LDP.
- Concerns were raised with regard to the infrastructure aspects in towns that might have more development, particularly in the south of the County.
- One of the drivers arising from the City Region is to help to create opportunities not just along the M4 corridor but into the surrounding region, including Monmouthshire, both in the north and south of the County.
- A lot of industrial land has been lost to housing development within the County. There is a need to balance future commercial development alongside the need for housing provision, in particular, affordable housing.
- Concern was expressed with regard to the potential for urban sprawl spreading from towns and impinging on villages. Infrastructure and the existing service capacity is struggling to cope. It was considered that the aim should be towards achieving internal employment opportunities along housing provision.
- In terms of the age and demographics of Monmouthshire's population, the County has an average age of 48, with Cardiff's average age being 34. Out commuting rates are 40%.

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- Officers clarified that in terms of the report, it is actually an additional 10,000 – 15,000 houses and a 20,000 increase in terms of population rather than 20,000 houses and it is a median age of 48 in Monmouthshire.
- The removal of the tolls on the Severn bridges is an opportunity for Monmouthshire and counties over the border.
- Infrastructure within the towns needs to be addressed which will be relevant not just for now but for many years into the future.
- With regard to house building, the Authority cannot rely totally on the commercial enterprises to deliver on the vision. However, as an Authority, we are ambitious but much work is required to develop a strategy to attract industries into the County.
- With the removal of the Severn Bridge tolls, there is joint dialogue between UK Government, Wales Government, Gloucestershire County Council, Forest of Dean District Council and Monmouthshire County Council to unlock the potential for South East Wales by investing in the region and to facilitate the infrastructure growth to create the expansion in all directions including housing and industry.
- Representation from the Select Committee needs to be included in developing the plan for the Economies of the Future, going forward.
- In response to a question raised regarding IQE kills gap, it was noted that there is a significant piece of work which is happening within the region regarding this matter. IQE is keen to talk to young people and to schools. Schools have visited the facilities to identify the opportunities that are potentially there for young people. IQE is keen to take young people directly from school and provide them with in house training for them to become technicians and engineers and provide opportunities for young people to obtain a degree. The young people would receive a high salary for a school leaver.
- IQE has a range of job opportunities for young people within our community. Some of these are highly technical but there are also more vocational roles available.
- Shared work spaces already exist within the region in Caerphilly and Cardiff. There is initial thinking being undertaken regarding the provision of shared work spaces in Monmouthshire and funding has been approved for a co-working / enterprise space within the Community Hub in Caldicot.
- The Economic Growth Partnership met recently which investigates how the investment stream can be delivered from and innovation, infrastructure and via a challenge perspective. The framework for this is being developed and will be presented to Cabinet shortly.

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- In response to a question raised regarding creating a specialised school within Monmouthshire with emphasis on technology development, it was noted that within Wales, the development of specialised schools is not an option for consideration.
- In response to a question raised regarding social care, it was noted that one of the key areas from an innovation perspective is public service test beds and how innovation could be used to unlock opportunities in this field, with the public service sector having huge opportunities as well as the private sector.

Committee's Conclusion:

- There is huge potential within Monmouthshire with many opportunities available.
- The Economy and Development Select Committee is keen to be involved and to provide support.

4. Monmouthshire Replacement Local Development Plan Draft Issues, Vision and Objectives

Context:

To inform the Economy and Development Select Committee of consultation feedback received to date, to seek any further feedback from this Committee, and to seek the Committee's endorsement of the Draft Issues, Vision and Objectives Paper which has been prepared in connection with the Monmouthshire Replacement Local Development Plan (LDP).

Key Issues:

- A full review of the current Monmouthshire Local Development Plan (LDP) commenced in 2017, with the final Review Report published in March 2018. Based on the evidence contained in the Review Report, it was concluded that the LDP should be revised and that this should take the form of a full revision procedure. Council resolved in May 2018 to commence work on a replacement 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

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areas to be protected from development and provide policies against which future planning applications will be assessed.

- The Replacement LDP is being prepared in accordance with the Delivery Agreement (DA) which was agreed by Welsh Government in May 2018. The DA sets out the 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 with the initial call for Candidate Sites and a targeted consultation on the draft Sustainability Appraisal (SA) Scoping Report having recently closed.
- The Draft Paper will be updated, as appropriate, to reflect comments received from the targeted engagement. The Replacement LDP vision and objectives will continue to be refined prior to inclusion in the Preferred Strategy (Autumn 2019) to reflect the outcomes of further stakeholder engagement / consultation in relation to the growth options and a revised evidence base. The spatial element of the vision will also need to be determined following consultation on the LDP growth options and will be set out in the Preferred Strategy. The growth options and Preferred Strategy will be the subject of further engagement and political reporting, including an Economy & Development Select Committee workshop.

Member Scrutiny:

- Infrastructure prior to development taking place is not within the proposed Local Development Plan (LDP) vision.
- It was noted that the rurality and equality of life attracts people to live in Monmouthshire. This is in the previous LDP vision but not in the proposed vision. It was considered that this was a unique selling point with regard to Monmouthshire, as a County.
- A balanced approach is required with regard to future developments within the County.
- Concern was expressed within the replacement LDP vision regarding the best of the County's built heritage countryside landscape, as it was considered to imply that only the top three are taken from the list with the remainder being ignored. A Member considered that 'best of' should be deleted from the replacement vision.
- Consideration should be given to some of the ground rules being put into the replacement LDP in relation to unallocated sites. Monmouthshire comprises of small towns and villages which should not be impinged upon by urban sprawl. The distinct rural character of villages needs to be protected, as well as Monmouthshire's historic villages.
- In response, to the points raised, it was noted that there is a need to achieve the right balance, going forward. There is a need to balance aspirations for

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brownfield development, growth and demography and affordable housing against economic benefits of tourism, the beauty of the County which attracts people to live there and not doing things that might have a negative effect on the things that make the County special.

- With regard to the wording on the vision protecting the best of Monmouthshire's heritage and landscape, this is deliberately put into the vision as the vast majority of the County is countryside. The Authority cannot have some growth and protect all of the countryside. Therefore, there is a need to state that the best of the countryside is being protected.
- With regard to people choosing to live in villages and reference made to infrastructure and character, this is part of the LDP and the planning process. Therefore, there is a need to balance the scale of growth with maintaining the infrastructure and character.
- In terms of the unallocated site ground rules, they would be incorporated via the LDP policies but would not form part of the vision. Green wedges are designations made via the LDP process. Current green wedges would be reviewed and re-instated, amended or deleted as part of that process.
- With regard to a more specific mention of villages in the vision, specific wording would not be incorporated at this stage as it might pre-empt what the strategy is and where growth might go. This consultation process has not yet been undertaken.
- In terms of having infrastructure in place before development, it was noted that infrastructure is largely funded by developments, so obtaining the infrastructure before development takes place is a challenging process. Infrastructure needs have to be assessed as part of the LDP process. A local transport plan is being undertaken which will sit alongside the LDP.
- It was acknowledged that there is a need for affordable housing provision within Monmouthshire, particularly for younger people. Therefore, it might be necessary to build on some greenfield sites as there are only a limited number of brownfield sites available.
- There are two statutory consultation points in respect of the LDP. However, various non-statutory engagement and consultation points have been introduced. The next two key consultation points being, consulting for four weeks in the coming months around growth and spatial options to be followed by statutory consultation, which will be a six week engagement process around the preferred strategy. Both consultation processes will take place this calendar year.
- The Economy and Development Select Committee will host a series of workshops in which all members will be invited to attend, with a view to obtaining healthy challenge and consensus during this process.

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- In response to a question raised regarding the LDP being used to change the housing mix, going forward, it was noted that with regard to affordable housing, the Authority has a considerable degree of say in this matter. The Authority can state what mix is required. The size and standards are governed by Welsh Government's design quality and energy efficiency requirements. With regard to market housing, builders tend to build what they will be able to sell. This is an area that needs further investigation.
- Discussions are being held with the main developers regarding broadband infrastructure. A workshop in respect of this matter could be held in due course.
- There is a requirement in new Planning Policy Wales edition 10 to have a provision for SME builders within the LDP.
- In response to a Member's question regarding adopted roads, it was noted that the Authority can require, via the planning process, that roads should be built to adoptable standards but not require them to be adopted.
- Both the Economies of the Future Analysis and the draft replacement LDP will be presented to Cabinet in March 2019. A paper will then be presented to Full Council to obtain agreement on a strategy in the autumn of 2019.
- The manual of streets with regard to garages had found that more than half of households use their garages for storage.
- A question was raised as to whether the electricity infrastructure on new estates has the capacity to accommodate an anticipated rise in the number of electric vehicles likely to be on the road, going forward. Also, it was considered that there is a need to identify areas on new estates for hydrogen storage for these type of vehicles. Cycle racks, paths and cycle tracks could also be considered.
- In response to a question raised regarding a potential amendment to the LDP vision regarding protection of the environment, it was noted that there is a need to bring forward new housing and some of that will be located on greenfield sites. However, it will not be at such a level where that would result in the development becoming an urban area.
- Before a strategy is decided in respect of the new LDP, the strategy for Monmouthshire's future economies has to be established first.
- The LDP timetable will be issued to all Members in due course.
- Currently, affordable housing targets are: 25% in the south of the County, 35% in Chepstow and the north of the County and small rural exception sites are 65%. These targets will be subject to review under the new LDP.
- Affordable housing provision is required to be neutral tenure.

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Committee's Conclusion:

- It was recognised that there are many challenges ahead but doing nothing was not an option, going forward.
- In order to gain a consensus across the Council, Members need to be consulted and be actively involved in the new LDP process.
- The new LDP will affect future generations within Monmouthshire, so there is a need to obtain a consensus of understanding in order to address the hard decisions that are likely to come.

5. Confirmation of the following minutes:

5.1. Special Meeting - Economy and Development Select Committee dated 18th December 2018

The minutes of the Special Meeting of the Economy and Development Select Committee dated 18th December 2018 were confirmed and signed by the Vice-Chair.

5.2. Ordinary Meeting - Economy and Development Select Committee dated 10th January 2019

The minutes of the Economy and Development Select Committee dated 10th January 2019 were confirmed and signed by the Vice-Chair.

6. List of actions arising from the previous meetings

We noted the actions arising from the previous meetings.

7. Economy and Development Select Committee Forward Work Programme

We received the Economy and Development Select Committee Forward Work Programme.

In doing so, it was agreed that a further Planning Workshop be arranged regarding design issues.

8. Council and Cabinet Forward Work Programme

We received the Council and Cabinet Business Forward Plan.

9. Next Meeting

Thursday 28th March 2019 at 10.00am.

The meeting ended at 12.18 pm.

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