

SUBJECT: MONMOUTHSHIRE LOCAL DEVELOPMENT PLAN ANNUAL MONITORING REPORT
MEETING: INDIVIDUAL CABINET MEMBER (Cllr Bob Greenland)
DATE: 27 OCTOBER 2021
DIVISION/WARDS AFFECTED: ALL

1 PURPOSE

- 1.1 The purpose of this report is to consider the extent to which the current Local Development Plan (LDP) is delivering against its objectives and monitoring indicators, as set out in the seventh Annual Monitoring Report (AMR), attached at **Appendix 1**. Although the decision has already been taken to commence work on a new LDP, there is a statutory requirement to continue to monitor the current LDP's performance. In addition, this monitoring report will help inform and shape the Replacement LDP by reflecting on what is working and what is not.

2. RECOMMENDATION

- 2.1 That the Cabinet Member for Governance and Strategic Planning endorses the seventh Local Development Plan Annual Monitoring Report for submission to the Welsh Government on an informal basis.
- 2.2 To note comments raised by Economy and Development Select Committee (21st October 2021). The main issues raised related to the water quality issue (phosphates) in the River Wye and Usk catchment areas, including what measures are being considered to address this issue and what impact this could have on the LDP and RLDP housing trajectories. Comments from the meeting of the Economy and Development Select Committee will added as soon as the minutes of the meeting are received.

3. KEY ISSUES

Background – Adopted Monmouthshire LDP

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

The Annual Monitoring Report

- 3.2 The AMR provides the basis for monitoring the effectiveness of the LDP and ultimately determines whether any revisions to the Plan are necessary. It aims to demonstrate the extent to which the LDP strategy and objectives are being achieved and whether the Plan's policies are functioning effectively. It also allows the Council to assess the impact the LDP is having on the social, economic and environmental well-being of the County and identifies any significant contextual changes that may influence plan implementation or review/revision.
- 3.3 This is the seventh AMR to be prepared since the adoption of the Monmouthshire LDP and is based on the period 1 April 2020 – 31 March 2021.

- 3.4 Although the Council has already made the decision to commence work on a new LDP, this monitoring report will help inform and shape the Replacement LDP by reflecting on what is working and what is not.

LDP Monitoring Framework

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

Key Findings

- 3.6 Section 5 of the AMR provides a detailed assessment of Plan's performance. The results of the monitoring process demonstrate that the majority of the indicator targets and monitoring outcomes are being achieved (green traffic light rating). Some of the most significant findings in relation to these are:
- Progress continues to be made towards the implementation of the spatial strategy.
 - 419 dwelling completions were recorded, including 71 affordable homes. Completions recorded over the past three monitoring periods have been significantly higher than those achieved in the early years of the Plan period, reflecting the progression of the LDP allocated strategic sites in recent years.
 - Six of the seven LDP allocated strategic housing sites have planning permission, of which 4 are under construction (Deri Farm, Abergavenny; Fairfield Mabey, Chepstow; Rockfield Farm, Undy; and Sudbrook Paper Mill) and 1 site is complete (Wonastow Road, Monmouth). An application for the seventh LDP allocated strategic site at Vinegar Hill, Undy is under consideration. Progress has also been made with one Rural Secondary Site and two Main Village sites during the monitoring period:
 - The Rural Secondary site at Cwrt Burrium, Usk (SAH10(i)) was granted planning permission for seven units including 2 affordable homes (29%).
 - The Main Village site at Land east Shirenewton (SAH11(xiv)(a)), including the land adjoining the allocation, gained planning permission for 11 units (7 open market and 4 affordable homes).
 - The Main Village site at Land rear of the Carpenters Arms, Llanishen (SAH11(ix)(a)) gained reserved matters for 8 dwellings (3 open market and 5 affordable homes).
 - The County has a total of 40.16 hectares of employment land available, indicating that sufficient employment land is maintained to meet the identified take up rate.
 - There has been progress in terms of employment permissions within the County, with permissions granted for a range of B use class employment uses on protected employment sites (SAE2) and non-allocated sites (totalling 5.04ha hectares). Several rural diversification and rural enterprise schemes have also been approved (8), providing employment opportunities throughout the County.

- The Council approved proposals for 14 tourism related applications, ranging from holiday lets and hotels to glamping facilities. Comparison with previous AMRs demonstrates that the number of tourism schemes approved during the current monitoring period remains at a positive level. The Sustainable Tourism Accommodation Supplementary Planning Guidance [SPG] (November 2017) has helped clarify our general support for this important sector of our economy.
- Vacancy rates in the central shopping areas of Magor and Usk have decreased since the previous monitoring period, with Raglan remaining at the same level. Vacancy rates recorded in all of the County's central shopping areas, with the exception of Monmouth, were below or broadly in line with the GB High Street vacancy rate (13.7% December 2020, Local Data Company).
- No applications were granted planning permission contrary to TAN15 requirements in either Zone C1 or C2 floodplain over the monitoring period.
- Ample land remains available for potential waste management sites and there has been no reduction in the minerals land bank.
- There were no applications that resulted in the loss of listed buildings or historic sites and no development permitted which would have an adverse impact on the historic environment.

3.7 The monitoring process also indicates that there are various policy indicators which are not being achieved but there are no fundamental issues with the implementation of the LDP policy framework or strategy at this time (amber traffic light rating). Some of the key findings in relation to these are as follows:

- A total of 86 new dwellings were permitted during the monitoring period which is notably lower than the previous three years (1,238 in 2017-2018, 598 in 2018-2019, 251 in 2019-2020). This decrease is a result of a combination of factors but is primarily due to the majority of allocated sites already having planning permission and the LDP reaching the latter stages of the Plan period, hence the importance of progressing the RLDP at pace. Other factors include the Covid-19 lockdown and the restrictions that were in place throughout the monitoring period. The introduction in January of the new measures to control phosphate levels in the River Usk and River Wye Catchment areas, which cover a large proportion of the County, has also started to impact on permission numbers.
- The total number of affordable dwelling completions recorded since the Plan's adoption (495 units) remains below the required delivery target of 672 affordable units for the same period.

3.8 There are, however, two policy monitoring outcomes that are not progressing as intended (red traffic light rating):

- Housing completion rates represent an under delivery of -1,500 units (-33.3%) for the Plan period when measured against the newly introduced cumulative annual average requirement (AAR).
- Vacancy rates in the central shopping areas of Abergavenny and Monmouth have risen for two consecutive years. Notwithstanding this, the vacancy rate in Abergavenny, at 7.6%, remained below Great Britain High Street vacancy rate (13.7%) over the monitoring period.

- 3.9 In line with removal of the five-year housing land supply policy and the publication of the revised Development Plans Manual (Edition 3, Welsh Government, March 2020) setting out guidance on how housing delivery is now to be monitored, two new indicators were included in last year's AMR, which replace the previous indicator measuring the five-year housing land supply. The first of these indicators measures the annual level of housing completions monitored against the Average Annual Requirement (AAR). Whilst the Plan under delivered in the early years of the Plan period, in the most recent monitoring periods housing completions have been much closer to the AAR, -7 units (-1.6%) in 2018/19, -94 units (-20.9%) in 2019/20 and -31 units (-6.9%) in 2020/21. This is due in main to the speed with which the allocated strategic sites have come forward in recent years. Of the 7 strategic sites, 6 now have planning permission (four of which are under construction and one is complete), consequently it is likely that completions will be more in line with the AAR going forward.
- 3.10 The second of these indicators measures the total cumulative completions monitored against the cumulative requirement (Cumulative AAR). There has been under delivery of cumulative completions since the beginning of the Plan period of -1,500 units meaning that the trigger for this indicator has been met. This shortfall is largely attributable to the lead in period of the strategic housing sites. However, in more recent AMRs the percentage of under delivery has steadily declined as the strategic sites have progressed (-43.4% in 2017-18; -38.2% in 2018-19; -36.3% in 2019-20; -33.3% in 2020-21). As the Strategic Sites have gained permission their contribution to total completions has increased and are projected to meet or exceed the annual average requirement over the next 4 years as the remaining sites build out, reducing the shortfall.
- 3.11 With regard to retail and towns centres, Abergavenny and Monmouth have seen central shopping area vacancy rates increase for two consecutive years and as a result the trigger for further investigation has been reached. It is widely recognised across the country that many town centres have been adversely impacted by the Covid-19 pandemic, including the loss of some national chains from our high streets. In response, recent WG guidance¹ recognises that whilst retail development should continue to be focussed in town centres, these centres should be enabled to operate as flexibly as possible. This will ensure that going forward retail and commercial centres are hubs of social and economic activity and the focal point for a diverse range of services and cultural activities/functions, which support the needs of local communities. This approach should enable the planning system to be responsive, flexible and pragmatic to assist with the recovery from Covid-19. Any impacts from the implementation of this approach on the County's town centres will be recorded in the annual retail surveys and as part of future AMRs.

Contextual Information

- 3.12 Section Three of the AMR provides an analysis of the relevant contextual material that has been published during the current monitoring period at a national, regional and local level, along with general economic trends. This includes the publication of Welsh Government documents including Future Wales the National Plan 2040, Planning Policy Wales Edition 11 and Building Better Places – Placemaking and the Covid-19 Recovery. The latter sets out the Welsh Government's planning policy priorities to assist in taking action in the recovery period after the Covid-19 pandemic crisis. The

¹ Building Better Places - The Planning System Delivering Resilient and Brighter Futures: Placemaking and the Covid-19 recovery (WG, July 2020); Welsh Government letter regarding temporary permitted development rights in town centres, 30 March 2021.

potential implications of such contextual material for the LDP/ RLDP are outlined in the AMR where appropriate.

Supplementary Planning Guidance (SPG)

- 3.13 SPG preparation and adoption will progress as appropriate. However, resources will be focused on the preparation of the Replacement Plan.

Sustainability Appraisal (SA) Monitoring

- 3.14 Section Six of the AMR expands on the assessment of LDP performance against the SA Monitoring Objectives, setting out the performance of the Plan against a number of sustainability indicators. There is an overlap between some of the LDP and SA indicators helping to demonstrate how the two monitoring processes are interlinked.

Conclusions and Recommendations

- 3.15 Section Seven sets out the conclusions and recommendations of the seventh AMR. The 2020-21 AMR indicates that good progress continues to be made in implementing many of the Plan's policies and that overall the strategy remains sound. There was, however, a slight increase in 'red ratings' recorded during the current monitoring period (3 'red ratings'), compared to the 2019-20 AMR (1 'red rating'), due to the increase in vacancy rates in the central shopping areas of Abergavenny and Monmouth. Furthermore, while progress has been made in relation to the Plan's Strategic Housing Sites, cumulative completion rates for the Plan period continue to be lower than the Plan requirement and remain a matter of concern if the housing needs of Monmouthshire's communities are to be met.
- 3.16 Given the importance attached to delivering and maintaining a constant supply of housing land to support sustainable and resilient communities, the Council resolved in May 2018 to commence work on a Replacement Local Development Plan (RLDP) for the County (excluding the area within the BBNP) which will cover the period 2018-2033.

Next Steps

- 3.17 The RLDP is being prepared in accordance with the Delivery Agreement, which was subject to a second revision in October 2020 to take account of delays in the Plan process as a result of Covid-19 and the publication of updated corrected population projections by Welsh Government. Consultation on a revised set of Growth and Spatial options took place during January-February 2021 to take account of the updated population projections. A revised Preferred Strategy was published for statutory consultation for an eight-week period during July/August 2021.
- 3.18 The delays noted above have unavoidably delayed the preparation and programmed adoption of the RLDP, with consultation on the Deposit Plan scheduled for Autumn 2022 and adoption of the RLDP anticipated in late 2023. Serious concerns were raised in the last AMR in relation to the legislation in place at the time regarding the LDP expiry dates and the 'drop dead date' whereby the Adopted LDP ceases to have any weight at all after its end date of 31st December 2021, with no local planning policy framework to inform decision making. In September 2020, Welsh Government published a letter from the Minister for Housing and Local Government clarifying that the provisions in the Planning Wales Act 2015 regarding the period to which a plan has effect do not apply to LDPs adopted prior to 2016. Plans adopted prior to 4th January 2016, including the adopted Monmouthshire LDP, will remain the LDP for

determining planning applications until replaced by a new LDP. This is welcomed clarification and ensures a policy framework remains in place while the RLDP progresses and the existing LDP allocations that have yet to gain planning permission can progress through the policies of the Adopted Plan, providing a policy framework for continued economic development and windfall opportunities.

- 3.19 However, the LDP is reaching the end of its 10-year plan period with six of the seven strategic housing allocations progressing. While these sites will continue to play an important role in housing delivery and completion rates in the short term as the sites build out, the reduction in dwellings permitted during the current monitoring period is cause for concern. The progression of the RLDP to provide a continued policy framework and mechanism for addressing the County's key demographic and affordability issues is therefore a key priority of the Council.
- 3.20 While the full the impacts of the Covid-19 pandemic are not yet known, it is clear that the planning system has a fundamental role in supporting sustained recovery post Covid-19, as reflected in the Minister's letter (7 July 2020) which recognises that "up to date agile development plans are the cornerstone of our planning system" and that Welsh Government's commitment to a plan-led system has been reinforced by the current pandemic. Welsh Government's 'Building Better Places – Placemaking and the Covid-19 Recovery' (July 2020) document further highlights the importance of planning in supporting the Covid-19 recovery. It identifies numerous planning priorities as being fundamental in the response to Covid-19 including place-making, Green Infrastructure, de-carbonisation and town centres.

4 SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS

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

Sustainable Development

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

Safeguarding and Corporate Parenting

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

5. OPTIONS APPRAISAL

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

6. RESOURCE IMPLICATIONS

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

7. CONSULTEES

- Economy and Development Select Committee, via meeting on 21st October 2021.

8. BACKGROUND PAPERS

European Legislation:

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

National Legislation and Guidance:

- Planning (Wales) Act 2015
- Planning and Compulsory Purchase Act 2004.
- Town and Country Planning (Local Development Plan) (Wales) Regulations 2005
- Town and Country Planning (Local Development Plan) (Wales) (Amendment) Regulations 2015
- Development Plans Manual Edition 3, Welsh Government, March 2020
- Planning Policy Wales (Edition 11), Welsh Government, February 2021
- Future Wales The National Plan 2040, Welsh Government, February 2021
- Building Better Places - Placemaking and the Covid-19 Recovery, Welsh Government, July 2020

Monmouthshire LDP:

- Monmouthshire Adopted LDP, Monmouthshire County Council, February 2014.
- Monmouthshire LDP 'Sustainability Appraisal/Strategic Environmental Assessment Report Addendum', February 2014.
- Monmouthshire Local Development Plan Annual Monitoring Reports, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20.

Monmouthshire County Council publications:

- Monmouthshire LDP 'Retail Background Paper', March 2021.
- Monmouthshire LDP 'Employment Background Paper', July 2021.

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11. Appendices

1. Local Development Plan Annual Monitoring Report
2. Future Generations Evaluation