

SUBJECT: MONMOUTHSHIRE LOCAL DEVELOPMENT PLAN ANNUAL MONITORING REPORT
MEETING: INDIVIDUAL CABINET MEMBER DECISION – COUNCILLOR PAUL GRIFFITHS
DATE: 26th OCTOBER 2022
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 eighth 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 (RLDP) by reflecting on what is working and what is not.

2. RECOMMENDATION

- 2.1 That the Cabinet Member for Sustainable Economy and Deputy Leader endorses the eighth Local Development Plan Annual Monitoring Report for submission to the Welsh Government by 31st October 2022.

3. KEY ISSUES

Background – Adopted Monmouthshire LDP

- 3.1 The Monmouthshire LDP 2011-2021 was formally adopted by the Council on 27th 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 eighth AMR to be prepared since the adoption of the Monmouthshire LDP and is based on the period 1st April 2021 – 31st March 2022. The Adopted LDP covers the period 2011 – 2021, with 10 years' worth of housing delivery monitoring reached in March 2021 and reported in the previous AMR. However, as set out in the Minister for Housing and Local Government's letter of September 2020 which clarified the provisions in the Planning Wales Act 2015 relating to Local Plan expiry dates, plans adopted prior to 4th January 2016 will remain the LDP for determining planning applications until replaced by a further LDP.

- 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, with 361 dwelling completions recorded during the monitoring period, 236 (65%) of which were on LDP allocated sites.
 - Six of the seven LDP allocated strategic housing sites have planning permission, of which four are under construction (Deri Farm, Abergavenny; Fairfield Mabey, Chepstow; Rockfield Farm, Undy; and Sudbrook Paper Mill). One site is partially complete (Wonastow Road, Monmouth), with the remaining phase at Drewen Farm awaiting a phosphate solution before it can be progressed. An application for the seventh LDP allocated strategic site at Vinegar Hill, Undy was approved in June 2022 and will therefore be recorded in the next monitoring period. All of the allocated LDP sites within the Rural Secondary settlements have planning permission, two of which are complete (Land south of School Lane, Penperlleni and Cwrt Burrium, Usk).
 - 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 good progress in terms of employment permissions within the County, with a further 19 permissions granted for a range of B use class employment uses on protected employment sites (SAE2) and elsewhere in the County, for example as rural diversification and rural enterprise schemes providing employment opportunities in a range of sectors.
 - The Council approved proposals for 17 tourism related applications, relating to 10 holiday let proposals and seven 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 Abergavenny, Caldicot, Chepstow and Usk have decreased since the previous monitoring period, and two centres saw no change, Raglan and Magor, with Magor having no vacant units for the second consecutive year. Vacancy rates recorded in all of the County's central shopping areas, with the exception of Monmouth, were below the GB High Street

vacancy rate (14.5% June 2021, Local Data Company). It is recognised that high street vitality plays a key role in the character and attractiveness of our market towns. WG Transforming Towns funding seeks to support town centres, and Monmouthshire has submitted a comprehensive bid for this grant funding. The cost of living and energy costs crises pose additional threats to businesses as costs increase and customer spending decreases and this challenge will require careful consideration going forwards in terms of regeneration projects and future policy.

- 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). A key finding is:

- Dwelling permissions during 2021/22 were lower than recorded in any of the previous monitoring periods at 39 dwellings¹, all of which were for general market homes. This decrease is due to a combination of factors including the majority of LDP allocated sites already having planning permission with the LDP having reached the end of the Plan period, hence the importance of progressing the RLDP at pace. In addition, the introduction of the measures in January 2021 to control phosphate levels in the River Usk and River Wye Catchment areas, which cover a large proportion of the County, has impacted on our ability to grant planning permissions in a significant proportion of the County. Officers and Cabinet Members are working hard to secure a solution to this challenge.

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

- Housing delivery records covering the 10-year plan period 2011 - 2021 set out that the Plan had delivered a shortfall of 1,500 homes (33.3%) when compared to the 10-year Plan requirement of 4,500 dwellings. However, in more recent AMRs the % under delivery has steadily declined as the strategic sites have come forward. This shortfall is largely attributable to the lead in period of the strategic housing sites, many of which continue to deliver homes now which contributes to the RLDP housing delivery: it is worth noting that 1,263² homes have planning permission and are due to be built in the near future. The impact of phosphates restrictions is also now affecting site commencements and therefore completions. During this monitoring period, 361 dwellings were completed.
- 35 affordable homes were completed during the monitoring period accounting for 9.7% of total completions recorded (361). This is well below the LDP target of 96 affordable homes per annum. Housing delivery records covering the 10-year plan period 2011 - 2021 set out that the Plan has delivered 658 affordable homes

¹ Dwelling permissions: 1,238 in 2017-2018, 598 in 2018-2019, 251 in 2019-2020, 86 in 2020-21.

² This figure excludes sites in the upper Wye catchment which are unlikely to come forward in the near future until as phosphates solution is identified and implemented.

compared to a target of 960 affordable homes (a shortfall of 302 affordable homes). Proportionately, this shortfall is almost identical to the shortfall in total housing delivery. Furthermore, there were no new planning permissions for 5 or more dwellings during the monitoring period that triggered the delivery of on-site affordable housing. This shortfall is largely attributable to the lead in period of the strategic housing sites, many of which continue to deliver homes now which contributes to the RLDP housing delivery: it is worth noting that there are 280 affordable homes with planning permission and due to be built in the near future³. The impact of phosphates restrictions is also now affecting site commencements and therefore completions in large parts of the County. This reduced trend of affordable housing delivery is therefore anticipated to continue in the short-term awaiting progress on the RLDP.

- Vacancy rates in the Central Shopping Area of Monmouth have risen for the third consecutive years. While Monmouth only saw a marginal increase in vacancy rates from 15.4% to 15.5% in this monitoring period, this is an overall increase from 10.1% in the 2018 monitoring period.

Contextual Information

- 3.9 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 included the publication of Technical Advice Note (TAN) 15 Development, Flooding and Coastal Erosion in September 2021, in advance of its coming into effect and formal publication on 1st December 2021. However, on 23rd November 2021 Julie James, the Minister for Climate Change, wrote to local authorities to advise that in order for LPAs to consider fully the impact of climate change projections on their respective areas, the Welsh Government were suspending the coming into force of the new TAN 15 and the Flood Map for planning until 1st June 2023. The existing TAN 15 (2004) and the Development Advice Map are to continue in the meantime as the framework for assessing flood risk. With regard to the Replacement LDP the minister, in a further letter on 15th December 2021, clarified that when plans are reviewed, the flood risk considerations that feed into the settlement strategy and site allocations must be in accordance with the new TAN 15 and the Flood Map for Planning. Officers across Wales are working with WG to help address the concerns raised with the suspended TAN15.

Supplementary Planning Guidance (SPG)

- 3.10 SPG preparation and adoption will be limited over coming years as resources will be focused on the preparation of the Replacement Plan.

³ This figure excludes sites in the upper Wye catchment which are unlikely to come forward in the near future until as phosphates solution is identified and implemented.

Sustainability Appraisal (SA) Monitoring

- 3.11 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

- 3.12 Section Seven sets out the conclusions and recommendations of the eighth AMR. Overall, the 2021-22 AMR indicates that good progress continues to be made in implementing many of the Plan's policies and that overall, the strategy remains sound. However, three key policy indicator targets are not progressing as intended. While progress has been made in relation to the Plan's Strategic Housing Sites, cumulative housing completions and affordable housing delivery rates for the Plan period are significantly lower than the Plan requirement and remain a matter of concern if Monmouthshire's housing needs are to be met. However, this is due to a time-lag in site delivery rather than an issue with the sites not happening at all: it is worth noting that 1,263 homes (including 280 affordable homes) have planning permission and due to be built in the near future⁴. In addition, the vacancy rates in Monmouth's Central Shopping Area have increased for three consecutive years and are above the GB High Street vacancy rate of 14.5% (June 2021, Local Data Company).
- 3.13 While the LDP strategic housing 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 (39 permissions for market homes) during the current monitoring period is cause for concern. Similar concerns are shared with the level of affordable housing secured and completed during the monitoring period. These issues are considered to be reflective of a combination of the LDP strategic sites already having permission and the restrictions on development as a result of phosphates constraints. Officers and Cabinet Members are working with stakeholders to identify and delivery solutions to water quality issues affecting the upper Wye and upper Usk river catchments.
- 3.14 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. The progression of the RLDP to provide a continued and up-to-date policy framework and mechanism for addressing the County's key demographic and affordability issues is a key priority of the Council. Progress on the RLDP has been delayed for a number of reasons, but on 27th September 2022 Council endorsed a new way forward: this will be advanced as quickly as possible.
- 3.15 The announcement during the last monitoring period regarding phosphate water quality issues in the River Usk and Wye Catchments continues to have implications for the ongoing delivery of development in the County. The Council is committed to seeking solutions to the phosphate issue and is in proactive discussions with the key organisation, including NRW, Welsh Government, DCWW and the development

⁴ This figure excludes sites in the upper Wye catchment which are unlikely to come forward in the near future until as phosphates solution is identified and implemented.

industry, to seek viable and timely solutions in the affected settlements. Of note DCWW recently announced an investment programme to seek to address strategic phosphate mitigation to enable development in the future. Nevertheless, the short-term implications on the delivery of new homes raises concerns. This situation will be kept under review in collaboration with DCWW, NRW and other stakeholders.

- 3.16 With regard to the increased vacancy rates in the central shopping area of Monmouth, it is notable that the rise in vacancy rates has been experienced in the primary frontage only, with a decrease in rates across the secondary frontages. This may, in part reflect the continued impact of the Covid-19 pandemic on high streets across the UK, particularly given the loss of some national chains from the town centre. WG funding is being sought for a Placemaking Plan for Monmouth this financial year. Working with the Town Council, this co-produced document will help set out a masterplan and identify priorities for bids for WG grant funding under the Transforming Towns programme. The RLDP provides an opportunity to review high street planning policies to fit the needs of the future. The cost of living and energy costs crisis presents a new risk to town centre businesses both in terms of their own outgoings and retail spend by residents and visitors.
- 3.17 WG guidance published in response to the Covid-19 pandemic recognises that whilst retail development should continue to be focussed in town centres, retail and commercial 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. Locally, the Council put in place a number of interim measures during the height of the Covid-19 pandemic, such as street café licences and prioritising pedestrian movements throughout the town centres, many of which have remained in place as ongoing trials since the Covid restrictions have been lifted. In addition, the Council through its Regeneration team has submitted funding bids to secure a share of Central Government's 'Levelling Up Fund' to make improvements to Market Hall and Shire Hall, two key buildings in the town centre as well as improvements to Monnow Street and Blestium Street. A 'Levelling Up Fund' bid was also submitted for the acquisition of 7-43 Newport Road, Caldicot, public realm improvements to Caldicot town centre and refurbishment of Caldicot Wellbeing Centre.

Next Steps

- 3.18 The concerns outlined reinforce the need to progress with the RLDP at pace to provide a continued policy framework and mechanism for addressing the County's key housing and affordability issues. The Council reached the Preferred Strategy stage of the RLDP process in Summer 2021, with stakeholder consultation in July and August 2021, alongside the second call for candidate sites. Following this, a number of challenges have arisen which have impacted on the progression of the RLDP and require further consideration, namely the Welsh Government Planning Division's objection to the Sustainable and Resilient Communities Preferred Strategy and phosphate water quality issues in the Rivers Wye and Usk.
- 3.19 On 27th September 2022 Council endorsed the proposal to progress the RLDP with a new growth and spatial strategy that delivers on the Council's objectives and addresses the core issues of delivering much needed affordable housing at pace and scale, responding to the climate and nature emergencies by delivering zero carbon

ready new homes for our communities, and ensuring our communities are socially and economically sustainable by attracting and retaining younger people to rebalance our ageing demographic. A revised Preferred Strategy will be reported to Council in December 2022 for endorsement to be issued for statutory consultation/engagement in December 2022 - January 2023. This meeting will also seek Council's agreement of the RLDP Revised Delivery Agreement, which will amend the project timetable for Plan preparation, for submission to the Welsh Government for Ministerial approval.

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

- Cabinet
- Senior Leadership Team
- Performance and Overview Scrutiny Committee, via meeting on 11th October 2022. Scrutiny Committee raised a number of queries regarding performance against current LDP policies and how we move forwards to achieve the objectives set out

for the RLDP. Key topics for discussion were housing delivery, the vitality of high streets, provision of infrastructure to achieve modal shift, and the impact of phosphates on delivery over the last 12 months. Two specific amendments were requested and these have been agreed:

- Strategic policy S5 Community and Recreation Facilities - analysis for Indicator 2 has been amended to reflect community facilities provision in Raglan:
‘There has been one loss of a community facility over the period monitored. This is in relation to the loss of Kingdom Hall Raglan, a dis-used meeting hall which was granted a change of use to residential. Although not explicitly referred to in the planning application report, the local community is served by alternative facilities, including the existing village hall and other venues suitable for public meetings within Raglan. It is noted that the existing village hall is not accessible to all and would benefit from replacement, and a community-driven project is under way to seek a replacement facility. The principle of losing the meeting hall was therefore considered to be acceptable having regard to Policies S5 and CRF1 and its loss is justified within the context and requirements of the LDP policy framework.’
- Strategic policies S1/S2 Spatial Strategy – analysis of dwelling completions in main towns has been amended to take account of the impact of phosphates in Monmouth compared to other parts of the county:
‘In view of the above, while there is not considered to be any significant issue with the implementation of the Plan’s spatial strategy in relation to delivery of new housing in the Main Towns, with most of the allocated strategic sites either complete or under construction, it is recognised that phosphates is impacting on the delivery of new homes in Monmouth.’

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 & 2020-21.

Monmouthshire County Council publications:

- Monmouthshire LDP ‘Retail Background Paper’, August 2022.
- Monmouthshire LDP ‘Employment Background Paper’, May 2022.

9. AUTHORS

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11. APPENDICES

Appendix 1: Annual Monitoring Report 2021-22

Appendix 2: Wellbeing of Future Generations equality impact assessment