

**SUBJECT: MONMOUTHSHIRE LOCAL DEVELOPMENT PLAN ANNUAL MONITORING REPORT**  
**MEETING: INDIVIDUAL CABINET MEMBER DECISION – COUNCILLOR PAUL GRIFFITHS**  
**DATE: 20<sup>th</sup> DECEMBER 2023**  
**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 2011-2021 (LDP) is delivering against its objectives and monitoring indicators, as set out in the ninth Annual Monitoring Report (AMR), attached at **Appendix 1**. Although work has already commenced 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 ninth Local Development Plan Annual Monitoring Report for submission to the Welsh Government (WG).

## **3. KEY ISSUES**

### Background – Adopted Monmouthshire LDP

- 3.1 The Monmouthshire LDP 2011-2021 was formally adopted by the Council on 27<sup>th</sup> 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 ninth AMR to be prepared since the adoption of the Monmouthshire LDP and is based on the period 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023. The Adopted LDP covers the period 2011 – 2021, with 10 years' worth of housing delivery monitoring reached in March 2021 and reported in the 2020-21 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 4<sup>th</sup> January 2016 will remain the LDP for determining planning applications until replaced by a further LDP.

- 3.4 Although the Council has already commenced 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 LDP allocations, with 343 dwelling completions recorded during the monitoring period, 211 (61.5%) of which were on LDP allocated sites.
- All seven LDP allocated strategic housing sites have planning permission, with Vinegar Hill, Undy having gained planning permission during the monitoring period. Four of these sites are under construction (Fairfield Mabey, Chepstow; Crick Road, Portskewett; Rockfield Farm, Undy; Vinegar Hill, Undy) and two are complete (Sudbrook Paper Mill and Deri Farm, Abergavenny). One site is partially complete (Wonastow Road, Monmouth), with the remaining phase at Drewen Farm currently engaged in pre-application discussions following a strategic phosphate solution being secured in Monmouth by 31<sup>st</sup> March 2025 that would enable this site to come forward.
- Two planning permissions for 5 or more dwellings triggered the delivery of on-site affordable housing (100% affordable housing scheme in Chepstow for 8 homes, and Vinegar Hill, Undy 39 affordable homes (policy compliant at 25%)).
- Although data shows that 97% of existing office space and 99% of industrial space is occupied, the County has a total of 40.16 hectares of undeveloped employment land available, indicating that sufficient employment land is maintained to meet the identified take up rate. Work on the RLDP is exploring why the remaining employment sites have not yet come forward, and will consider whether or not they should be de-allocated or if alternative interventions would secure their delivery.
- There has been good progress in terms of employment permissions within the County, with 10 permissions granted for a range of B use class employment uses on allocated employment sites (SAE1), protected employment sites (SAE2) and sites elsewhere in the County. This included the permission at the allocated employment site at Wales One, Magor for the development of a storage and distribution warehouse with ancillary offices (B2, B8 and B1) totalling 3.84ha which is currently under construction.
- No applications were granted during the monitoring period that related to the loss of B uses on allocated (SAE1) or protected employment sites (SAE2).

- The Council approved 9 tourism related applications, relating to 5 holiday lets proposals and 4 glamping facilities. The Sustainable Tourism Accommodation Supplementary Planning Guidance [SPG] (November 2017) has helped clarify our general support for this important sector of our economy.
- No applications were granted planning permission contrary to TAN15 requirements in either Zone C1 or C2 floodplain over the monitoring period.
- Nine applications have been approved incorporating on-site renewable energy, including included the installation of ground mounted solar panels/ solar arrays at various locations, EV charging, air source heat pumps and solar panels at new homes in Little Mill and a One Planet Development at Tintern.
- Ample land remains available for potential waste management sites and there has been no reduction in the minerals land bank.

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). Key findings are:

- Dwelling permissions during 2022/23 (229 dwellings) were higher than recorded in the previous two monitoring periods. The increase is predominantly due to the LDP allocated site at Vinegar Hill Undy gaining permission for 155 homes. Of the 229 dwelling permissions, 179 (78.2%) related to market homes and 50 (21.8%) affordable homes. Nevertheless, dwelling permissions are likely to decline as the majority of LDP allocated sites have planning permission and the LDP has reached the end of the Plan period. This highlights 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 with stakeholders to deliver solutions to this challenge with significant recent progress.
- All of the County's central shopping areas (CSA), with the exception of Monmouth, recorded vacancy rates below the GB High Street vacancy rate (13.9%, first 6 months of 2023, Local Data Company). However, comparison with 2021 vacancy rates indicates that all the centres, with the exception of Usk, recorded an increase in vacancy rates in September/October 2023.

3.8 There are 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 approximately 1,000 homes have planning permission and are due to be built in the near future. The impact of phosphates restrictions is also affecting site commencements and therefore completions.
- 48 affordable homes were completed during the monitoring period accounting for 14% of total completions recorded (343). 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 during the Plan period 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. 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. In other words, many of the affordable homes are being provided but later than anticipated: there are approximately 280 affordable homes with consent and due to be built in the near future. The impact of phosphates restrictions continues to affect site commencements and therefore completions. This reduced trend of affordable housing delivery is therefore anticipated to continue in the short-term awaiting progress on the RLDP. This is a matter of concern given the estimated annual need for 468 affordable homes in the County<sup>1</sup>.

- Vacancy rates in the Central Shopping Area of Monmouth have risen for the fourth consecutive year. The vacancy rate stood at 18.2% in September 2023 which is an increase from 15.5% recorded in 2021.

### 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.

### 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.

### 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 ninth AMR. Overall, the 2022-23 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 approx. 1,000 homes (including 280 affordable homes) have planning permission and are due to be built in the near future. In addition, the vacancy rates in Monmouth's Central Shopping Area have increased for four consecutive years and are above the GB High Street vacancy rate of 13.9% (June 2023, Local Data Company).

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<sup>1</sup> MCC Local Housing Market Housing Assessment (LHMA), 2020. An updated LHMA is being prepared to inform the RLDP.

- 3.13 All seven LDP strategic housing allocations now have planning permission<sup>2</sup> and will continue to play an important role in housing delivery and completion rates in the short term. However, dwelling permissions are likely to decline over the next few years until the RLDP is adopted, which is cause for concern. Similar concerns are shared with the level of affordable housing secured and completed during the monitoring period. These issues are reflective of a combination of the LDP strategic sites already having permission, the LDP having reached the end of the Plan period and the restrictions on development as a result of phosphates constraints.
- 3.14 Phosphate water quality issues in the River Usk and Wye Catchments continue 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 industry, to seek viable and timely solutions in the affected settlements. Of note, DCWW has recently committed to prioritising improvement works at the Llanfoist WwTW serving Abergavenny (benefitting the River Usk catchment), and Monmouth WwTW (benefitting the River Wye catchment). These improvements are currently subject to design and regulatory approval, however, there is a firm commitment that these will be completed by 31<sup>st</sup> March 2025. This investment will significantly reduce the amount of phosphates entering the water environment from the treatment works, providing environmental improvement and capacity for new development (housing, commercial, retail, agricultural) to proceed, supporting the long-term sustainability of towns and communities while safeguarding water quality. Nevertheless, the short-term implications on the delivery of new homes raises concerns.
- 3.15 With regard to the consecutive increased vacancy rates in the central shopping area of Monmouth, it is worthy of note that the rise in vacancy rates has predominantly been experienced in the primary shopping 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, such as Peacocks and M&Co.
- 3.16 It is recognised that high street vitality plays a key role in the character and attractiveness of our market towns. The Council is delivering a number of initiatives to support the vitality of town centres. These include proposals for public realm and active travel improvements in Monnow Street, for which it is anticipated that a bid will be submitted for WG Transforming Towns funding. The proposals reflect the substantial and growing body of evidence that investment in high quality public realm which prioritises active travel modes is not only positive in terms of safety, health and wellbeing, but also delivers economic benefits in terms of, for example, higher footfall and lower vacancy rates.
- 3.17 A detailed ongoing audit of vacancies in Monmouth suggests that a number of the units in Monnow Street that are currently vacant or were at the time that the data cited in this report were gathered, are likely to become occupied in the near future. Work with landlords, businesses and agents is ongoing to further address the vacancy rate, including through grants to support refurbishment of empty or underused units, and proposals for meanwhile uses. The forthcoming Placemaking Plan to be developed in partnership with Monmouth Town Council is also expected to consider this issue.
- 3.18 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

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<sup>2</sup> SAH4 Wonastow Road, Monmouth site is partially complete, with the remaining phase at Drewen Farm currently engaged in pre-application enquiries following the announcement by Dwr Cymru Welsh Water that there is a strategic phosphate solution for Monmouth which is due to be installed by 31<sup>st</sup> March 2025.

policy. The RLDP provides an opportunity to review high street planning policies to fit the needs of the future.

### Next Steps

- 3.19 These issues reinforce the need to progress with the RLDP to provide a continued policy framework and mechanism for addressing the County's housing and affordability issues. In light of the concerns with housing delivery and associated outcomes, the progression of the RLDP remains a key priority of the Council. In October 2023 Council endorsed updates to the Preferred Strategy following the statutory consultation/engagement in December 2022 - January 2023. Work is currently progressing on the preparation of the Deposit Plan which is anticipated to be subject to statutory consultation/engagement in late Spring 2024.

## **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 An Equality and Future Generations Evaluation 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**

- Performance and Overview Scrutiny Committee, via meeting on 22<sup>nd</sup> November 2023. 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 affordable housing delivery, provision of infrastructure to achieve modal shift, the impact of phosphates on future development and the vacancy rates/vitality of Monmouth high street.

There was a detailed discussion on the delivery of affordable housing and the need to consider the impact of whether the objective of 50/50 affordable housing led sites within the RLDP would be viable and achievable. Assurances were given that developers would need to evidence via detailed viability assessments that the strategic sites would deliver the required level of affordable housing provision. These assessments will be independently reviewed, and in some cases, there may be the need for public subsidy to secure the high level of affordable housing required. Confirmation was given that there are strategic phosphates solutions proposed for instalment in both Monmouth and Llanfoist treatment works by 31<sup>st</sup> March 2025, this would enable future development to have a neutral impact on water quality within these settlements to ensure that council can deliver its objective of developing affordable housing and supporting economic development opportunities. With regard to vacancy rates in Monmouth, members are to be provided with the report on Monmouth high street vacancies mentioned in 3.18 of this cover report. One specific amendment was requested and agreed:

- Strategic Policy S16 relating to Transport – analysis for indicator 2 has been amended to correct a typo from A48 to M48.  
B4245/M48 Link Road\*\* and B4245/Severn Tunnel Junction Link Road:  
Following publication of the SEWTC report, TfW, with MCC support, undertook a study into a new connection between the M48, the B4245 and STJ station. The results are currently in discussion between WG, TfW and MCC.

An additional factual correction has been made to the text relating to the now superceded proposal for a Magor bypass. The Performance and Overview Scrutiny Committee endorsed the report for the Cabinet Member for Sustainable Economy and Deputy Leader to submit the document to the WG.

## 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 & 2021-22.

## **9. AUTHORS**

Mark Hand (Head of Placemaking, Regeneration, Highways and Flooding)

Craig O'Connor (Head of Planning)

Rachel Lewis (Planning Policy Manager)

## **10. CONTACT DETAILS**

Tel: 07773478579

E Mail: [markhand@monmouthshire.gov.uk](mailto:markhand@monmouthshire.gov.uk)

Tel: 01633 644849

E Mail: [craigconnor@monmouthshire.gov.uk](mailto:craigconnor@monmouthshire.gov.uk)

Tel: 01633 644827

E Mail: [rachelLewis@monmouthshire.gov.uk](mailto:rachelLewis@monmouthshire.gov.uk)

## **11. APPENDICES**

Appendix 1: LDP Annual Monitoring Report 2022-23

Appendix 2: Equality and Future Generations Evaluation.