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Llywodraeth Cymru  
Welsh Government

## Welsh Government Consultation Document

# Delivery of housing through the planning system

Revisions to Planning Policy Wales and associated advice and guidance

Date of issue: 9 October 2019

Action required: Responses by 20 November 2019

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.  
This document is also available in Welsh.

## Overview

The Welsh Government is consulting on changes to *Planning Policy Wales* in response to the 'Call for Evidence' which formed the first part of the review of housing delivery through the planning system. The consultation also covers consequential changes to procedural advice currently set out in *Technical Advice Note 1, Joint Housing Land Availability Studies* (TAN 1), and in the *Development Plans Manual*.

Through the questions asked in this document and any other related information you think we should consider, we are seeking your views on the proposed changes to national planning policy and the related procedural advice and guidance.

## How to respond

Please respond to this consultation by using the response form. Responses can be submitted in a number of ways:

Online: <https://gov.wales/delivery-housing-through-planning-system>

Email: [planconsultations-j@gov.wales](mailto:planconsultations-j@gov.wales)

Post: Housing Team, Planning Policy Branch,  
Welsh Government, Cathays Park, Cardiff CF10 3NQ

## Further information and related documents

**Large print, Braille and alternative language versions of this document are available on request.**

Planning Policy Wales can be found on the Welsh Government's website:

<https://gov.wales/planning-policy-wales>

## Contact details

For further information:

email: [planconsultations-j@gov.wales](mailto:planconsultations-j@gov.wales)

telephone: 0300 025 3290 or 0300 025 6802

## General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

## Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:  
Welsh Government  
Cathays Park  
CARDIFF  
CF10 3NQ

The contact details for the Information Commissioner's Office are:

Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

Tel: 01625 545 745 or  
0303 123 1113

Website: <https://ico.org.uk/>

e-mail:

[Data.ProtectionOfficer@gov.wales](mailto:Data.ProtectionOfficer@gov.wales)

## What are the main issues?

High quality new homes in the right locations are essential in Wales to meet the need for housing. The planning system, through the Local Development Plan (LDP) process, must provide the land needed to allow for building the new homes which local planning authorities have identified as being required. However, there has been an under-delivery of the sites allocated in LDPs to meet the housing requirements.

To ensure that sufficient land is available to meet their housing requirements local planning authorities are currently required by Welsh Government policy to demonstrate that they have a five-year supply of deliverable land for housing. The policy requires authorities to monitor this position on an annual basis through the preparation of a 'Joint Housing Land Availability Study' (JHLAS), with input from developers and other stakeholders. The methodology for calculating the housing land supply figure is set out in *Technical Advice Note 1, Joint Housing Land Availability Studies* (TAN 1). The monitoring of housing land supply under TAN 1 has highlighted a shortfall in deliverable land, including for some planning authorities with recently adopted LDPs. As a result, a number of local planning authorities have reported an increase in speculative planning applications for housing developments on sites which are not allocated in LDPs.

As at 1 April 2018 nineteen out of the twenty-five local planning authorities were unable to demonstrate a five-year housing land supply (including 4 authorities which were classed as having zero years supply as they were unable to carry out a JHLAS as they did not have either an adopted LDP or an adopted Unitary Development Plan still within its plan period).

Evidence suggests that the five-year housing land supply policy and its monitoring through the JHLAS process is providing further opportunities for developers to query the deliverability of allocated sites, which can cause a local planning authority's five-year housing land supply to be detrimentally affected. Combined with issues regarding whether some of the sites allocated in LDPs were the most appropriate, sustainable and deliverable sites, this opened up the possibility of gaining planning permission for additional sites not allocated in LDPs, contrary to the plan-led approach to managing development.

In July 2018 in response to the housing delivery and land supply position across Wales and the concerns of local planning authorities and communities about speculative applications, the Welsh Government undertook a 'Call for Evidence' to seek views on how to improve the delivery of the housing requirements set out in LDPs. The 'Call for Evidence' highlighted that many adopted LDPs are failing to deliver the number of new homes required, with sites allocated for these homes either not being brought forward for development or being developed at a slower rate than anticipated. The 'Call for Evidence' also explored the related issue of the monitoring of housing land supply and its interrelationship with the monitoring of LDPs.

In order to assist local planning authorities when dealing with any 'speculative' planning applications for housing developments on sites not allocated in LDPs, paragraph 6.2 of TAN 1 was dis-applied for the duration of the housing delivery review (of which this consultation and the subsequent response forms the final part). This removed the paragraph from the TAN which referred to attaching "considerable weight" to the lack of a five-year housing land supply as a material consideration in determining planning applications for residential development.

## **Why are we undertaking this consultation?**

The 'Call for Evidence' set out three overarching principles for the planning system to achieve in relation to the delivery of housing, against which the responses were considered:

- 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 that they are deliverable;
- monitoring arrangements and any associated actions must reinforce the plan-led approach to development management.

### ***Issues identified***

The key issues that were raised through the 'Call for Evidence' were as follows:

- The need for more evidence on site deliverability early in the LDP preparation and review process, including on economic viability.
- The need for increased levels of engagement early in the LDP process, including by developers, local communities and other key stakeholders. Such engagement was recognised as important in helping to provide evidence of the deliverability of the plan.
- A perception that developers can take advantage of the five-year housing land supply policy and the related JHLAS monitoring process by using it as an opportunity to dispute the timing and deliverability of housing proposals agreed at the plan preparation stage to create a shortfall in housing land supply and thereby create opportunities to achieve planning permissions for sites not allocated in LDPs. Respondents who held this view considered that this situation undermined the plan-led system as it could lead to recently adopted LDPs lacking a five-year housing land supply.
- The lack of housing delivery was due to issues with the deliverability of some of the sites allocated in LDPs for a number of reasons, including viability.

A report summarising all the responses to the 'Call for Evidence' is available on the Welsh Government's website at the following link:

<https://gov.wales/delivery-of-housing-through-the-planning-system>.

### ***Changes since the 'Call for Evidence'***

Since the 'Call for Evidence' closed, a new edition of *Planning Policy Wales* has been published and a new edition of the *Development Plans Manual* has issued for consultation. Together these documents have addressed many of the issues raised by the 'Call for Evidence', with the overall aim of improving the delivery of the housing requirements in LDPs, based on the three principles set out in the 'Call for Evidence'.

In particular *Planning Policy Wales* introduces more rigour and challenge into the plan-making process for allocating sites for housing to ensure that these sites are deliverable and sustainable. This means that there needs to be more evidence on site delivery and viability, infrastructure requirements and place-making principles early in the LDP preparation process. *Planning Policy Wales* also now requires the inclusion in LDPs of housing trajectories to set out when specific sites are intended to be delivered across the plan period.

### ***Remaining issues***

Analysis of the responses to the 'Call for Evidence' has confirmed that the current policy framework for ensuring housing delivery and the related JHLAS monitoring mechanism are not sufficiently aligned with the LDP process and are therefore not providing an effective means of ensuring and monitoring housing delivery. The current policy is focused on achieving a five-year housing land supply and failure to do so can lead to opportunities for planning applications to be submitted outside the LDP framework, contrary to the plan-led approach. There are also indications that this situation has led to a lack of community confidence in the development plan process. It is therefore proposed to revise the Welsh Government's policy for ensuring housing delivery and the related monitoring mechanism.

### ***Proposals***

Further to the changes already made to *Planning Policy Wales* and proposed in the forthcoming new edition of the *Development Plans Manual*, this consultation proposes:

1. To remove the requirement in *Planning Policy Wales* for local planning authorities to provide a five-year supply of land for housing.
2. To consequently revoke TAN 1 in its entirety.
3. To replace the monitoring of housing land supply by the monitoring of housing delivery based on the LDP housing trajectory, to be reported through the AMR.

To give effect to proposals (1) and (3) above, changes are proposed to the 'Housing Delivery' section of *Planning Policy Wales*, with the five-year housing land supply policy being replaced by an explicit statement that the LDP housing trajectory will be the basis for monitoring the delivery of LDP housing requirements as part of AMRs until it is revised as part of plan review. It is considered that this approach would ensure that housing delivery and its associated monitoring, including the response to under-delivery, is an integral part of the process of LDP monitoring and review. The monitoring of both annual and cumulative housing completions against the trajectory would be key indicators in the LDP monitoring framework. Using the housing trajectory as the monitoring basis would also align more closely with plan strategies of which it forms an important part. The removal of the five-year housing land supply policy and the related JHLAS monitoring process would reduce the advantage to be gained from disputing the future deliverability of sites at a later date.

As a consequence of this proposed policy change, TAN 1, which provides the methodology for calculating the five-year housing land supply and sets out the JHLAS

process, would be revoked. Amendments to the *Development Plans Manual* would also be required to provide additional guidance on the process of monitoring against the housing trajectory. This consultation therefore also proposes these changes. Other minor consequential amendments will also be required throughout the Manual to remove references to the five-year housing land supply.

It is recognised that a few local planning authorities who adopted their LDPs early will not have housing trajectories until they have completed their plan reviews. Authorities in this position would need to use a simple calculation based on their housing requirement to derive an average annual figure against which to assess delivery, as set out in the proposed revisions to Chapter 8 of the *Development Plans Manual*.

The following documents therefore form part of this consultation:

- Proposed revisions to the ‘Housing Delivery’ section of *Planning Policy Wales* (Annex 1);
- Proposed revisions to Chapters 5 and 8 of the *Development Plans Manual* (Annex 2).

If the planning policy and associated changes proposed in this consultation were to be made, it is anticipated that they would come into effect in Spring 2020.

## Consultation Questions

### 1. Planning Policy Wales – Policy on housing trajectories

It is proposed that the policy of maintaining a five-year housing land supply is replaced by the use of LDP housing trajectories to monitor housing delivery, with the consequential revocation of TAN 1 and amendments to the *Development Plans Manual*. To what extent do you agree or disagree that LDP housing trajectories as part of the AMR process provide an effective means of monitoring the delivery of LDP housing requirements?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	No opinion
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you disagree, please tell us why and tell us any changes you think should be made.

## 2. Development Plans Manual (Chapter 5) – Preparing a housing trajectory

To reflect the changes proposed to *Planning Policy Wales*, changes are required to Chapter 5 of the *Development Plans Manual* (Preparing an LDP – Core Issues).

To what extent do you agree or disagree that the guidance on how to prepare a housing trajectory is clear?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	No opinion
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you disagree, please tell us why and tell us which aspects you think should be changed and in what way.

## 3. Development Plans Manual (Chapter 8) – Monitoring housing delivery

Changes are also required to Chapter 8 of the *Development Plans Manual* (Monitoring, Review and Revision).

To what extent do you agree or disagree that the amended Chapter 8 and the new indicators for measuring housing delivery provide an effective means of implementing the revised policy in *Planning Policy Wales* and the monitoring of LDPs?

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	No opinion
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you disagree, please tell us why and tell us which aspects you think should be changed and in what way.

## 4. Further comments

Are there any further comments that you would like to make on the proposed revisions to *Planning Policy Wales* and the related advice and guidance?



# Annex 1: Planning Policy Wales – proposed revisions to policy on ‘Housing Delivery’

- New / amended text highlighted
- Paragraph 4.2.15 of Planning Policy Wales Edition 10 deleted

## Housing Delivery

4.2.10 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. The ability to deliver requirements must be demonstrated through a housing trajectory. The trajectory should be prepared as part of the development plan process and form part of the plan. The trajectory will illustrate the expected rate of housing delivery for both market and affordable housing for the plan period. To be ‘deliverable’, sites must be free, or readily freed, from planning, physical and ownership constraints and be economically viable at the point in the trajectory when they are due to come forward for development, in order to support the creation of sustainable communities.

4.2.11 Planning authorities must use their housing trajectory as the basis for monitoring the delivery of their housing requirement. Accurate information on housing delivery assessed against the trajectory is necessary to form part of the evidence base for development plan Annual Monitoring Reports (AMRs) and for subsequent plan review. Under-delivery against the trajectory can itself be a reason to review a development plan. The monitoring of housing delivery for AMRs must be undertaken by planning authorities in accordance with the guidance set out in the *Development Plans Manual*.

4.2.12 Planning authorities should also identify where interventions may be required to deliver the housing supply, including for specific sites. There must be sufficient sites suitable for the full range of housing types to address the identified needs of communities, including the needs of older people and people with disabilities. In this respect, planning authorities should promote sustainable residential mixed tenure communities with ‘barrier free’ housing, for example built to Lifetime Homes<sup>28</sup> standards to enable people to live independently and safely in their own homes for longer.

4.2.13 As part of considering housing delivery options, planning authorities should understand the contribution that all sectors of the housing market and house-builders could make to meeting their housing requirement. When allocating sites, planning authorities need to consider providing a range of sustainable and deliverable sites to allow all sectors and types of house-builder, including nationals, regionals, registered social landlords (RSLs), Small and Medium-sized Enterprises (SMEs) and the custom and self-build sector, the opportunity to contribute to delivering the proposed housing requirement.

4.2.14 To assist in broadening the housing delivery options and enable the provision of housing by RSLs, SMEs and the custom and self-build sector, planning authorities

should set a locally determined target for the delivery of housing on small sites. To facilitate this, planning authorities should maintain a register of suitable sites which fall below the threshold for allocation in their development plan. Planning authorities should also work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes.

4.2.15 When promoting self-build and custom build development, planning authorities must consider all relevant policy options including the use of Local Development Orders (LDOs) and site specific design codes to simplify the planning process and enable housing development to be brought forward more quickly.

## **Annex 2: Development Plans Manual (Edition 4) – amended chapter extracts to reflect changes proposed to Planning Policy Wales**

To reflect the changes proposed to Planning Policy Wales (PPW), changes are required to the Development Plans Manual ('the Manual'), primarily to Chapter 5: *Preparing an LDP – Core Issues* and Chapter 8: *Monitoring, Review and Revision*. This Annex sets out revised extracts from these chapters in this respect. Other minor consequential amendments will also be required throughout the Manual to remove references to the five-year housing land supply.

For the purposes of clarity for this consultation, the key changes are set out in **paragraphs 5.64 to 5.67, Tables 19 to 21 and Diagram 16 of Chapter 5**. New monitoring indicators have been included within **Table 29 of Chapter 8** and are highlighted by yellow shading.

### **Chapter 5 Extract: Preparing a Housing Trajectory**

5.64 A housing trajectory forms part of the development plan. It is a summary of site specific phasing information for all sites within the plan, including windfall development, articulated on an annual basis. It will demonstrate how sites contained in the plan will be delivered, aiding the effective monitoring of the plan. **A housing trajectory is the key mechanism to demonstrate that all sites will be delivered in the identified timescales, throughout the whole plan period.**

5.65 Lead-in times for larger sites, the inter-relationship between sites, the relationship to potential constraints, the timing and sourcing of infrastructure/funding and assumptions for small/large windfall sites should all be considered when preparing a housing trajectory. A thorough understanding of the overall timing of development from pre-application discussions, obtaining a planning permission, surveys required, discharge of conditions and on-site phasing is essential when considering the delivery of housing. Liaison with the development industry will be crucial in evidencing these points. SoCG are helpful to evidence any conclusions. **The housing trajectory must be embedded in the plan as an Appendix and updated through the AMR process, demonstrating progress towards the anticipated annual and cumulative build rate.**

#### **How to Construct a Housing Trajectory**

5.66 In devising the LDP evidence base **the housing trajectory is made up of three elements:**

- **An appreciation of the timing and phasing of all components of housing supply over the plan period** (units with planning permission, allocations and windfall development). Tables 19 and 20 should be completed to inform this

process. Windfall rates will usually be an annualised flat rate over the plan period. The total of all these elements will align with the housing provision.

- A summary table setting out the timing and interrelationship of anticipated completions for all housing components throughout the plan period (Table 21). The key outcome of this table is to arrive at an anticipated annual build rate (minus flexibility) linked to the timing and phasing of all sites in the plan. **The anticipated annual build rate will form the benchmark for which housing delivery is measured through the AMR process** (See Chapter 8).
- A trajectory graph illustrating all the respective components of housing supply and interrelationships that collectively form the housing provision. This graph will demonstrate how all components are phased over the plan period to deliver the anticipated annual build rate. **The graph will also demonstrate the scale and timing of flexibility over the plan period** (Diagram 16).

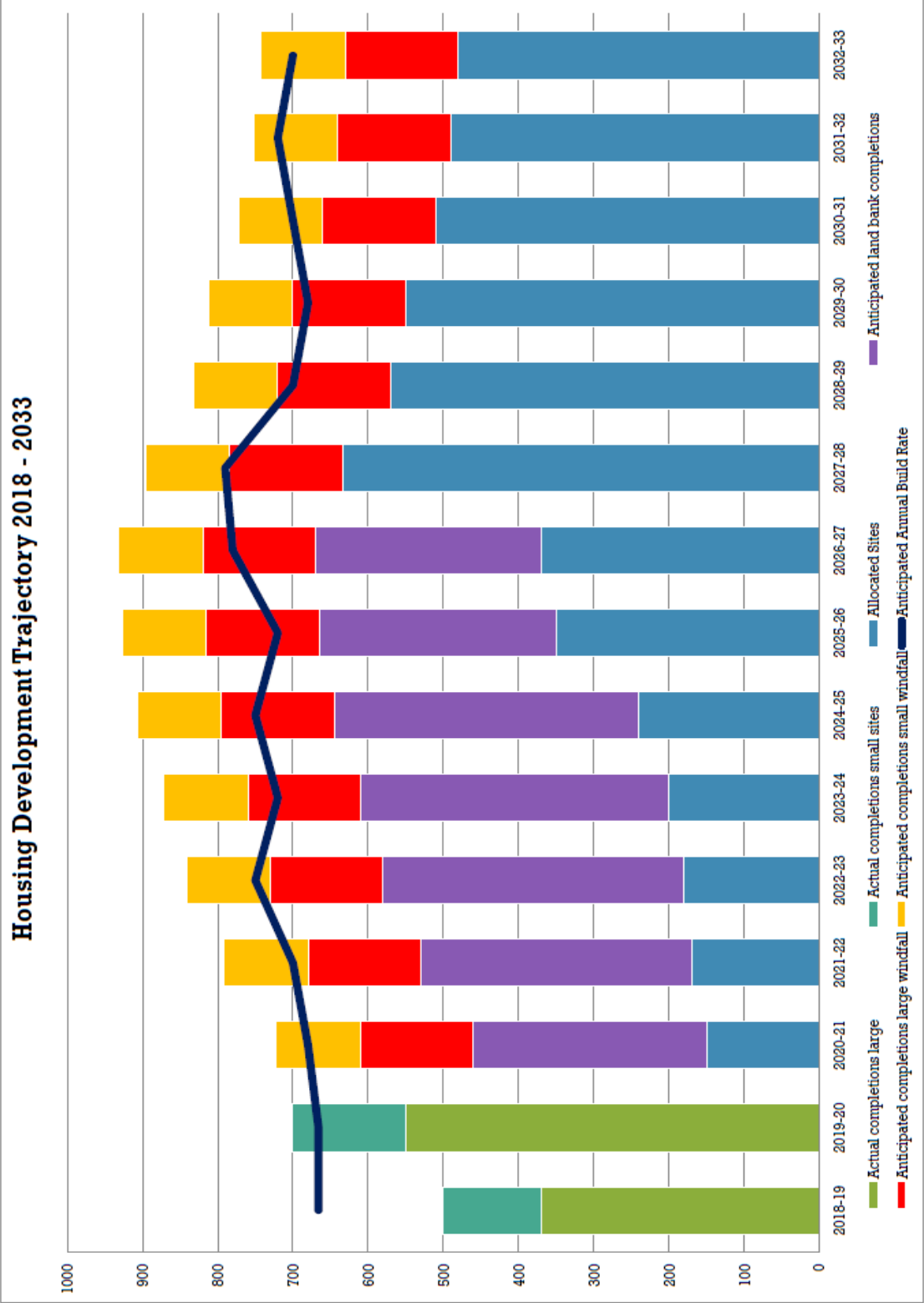
5.67 In respect of Table 21 please note the following principles:

- **Row C** – Insert the total housing provision for the plan period as a flat rate in each column (not annualised).
- **Row D** - Insert the total plan requirement for the plan period as a flat rate in each column (not annualised).
- **Row L** - The **annual anticipated build rate** must be calculated on the housing requirement, not the provision. The simplest way of achieving this is to deduct the flexibility allowance percentage specified in the plan (i.e. 10%) from each anticipated annual completions column i.e. Row K minus 10%. LPAs can choose to undertake a more refined analysis on a site by site housing component basis. However, there are difficulties in predicting exactly which sites will or will not come forward following this approach. Year 15 cumulative completions must total the plan requirement, no more, no less.
- **Row M** – The total housing requirement, minus the completions to date.
- **Row N** – Remaining housing completions (housing requirement minus completions to date).





Diagram 16: Housing Development Trajectory



## Housing Summary Checklist

✓	Ensure the policies of the plan are clear in respect of the housing provision, requirement and flexibility element.
✓	Ensure the plan clearly sets out the spatial distribution of housing by settlement category and housing supply component.
✓	Ensure the housing components are clearly defined, used consistently and underpinned by robust evidence.
✓	Set out clearly and evidence the phasing and delivery of all housing components over the whole plan period, on an annual basis.
✓	LPA's should consider the relationship between densities and the location of allocations in order to maximise the opportunities provided by development located around public/mass transit hubs,
✓	Be realistic when sites will come forward over the plan period. The trajectory should be based on a cumulative analysis of realistic build rates, the capacity to deliver growth levels, phasing and timing of key sites, infrastructure requirements and delivery and viability work.
✓	Engage with key stakeholders. The housing trajectory should reflect key stakeholders requirements/working assumptions including those of developers, NRW, and DCWW. SoCG can be prepared with key partners to support the phasing assumptions of growth levels and detailed phasing information within the plan.
✓	A reflection of the whole process from the commencement of planning to the delivery of units should be considered. The phasing of sites should encompass pre-application discussions, time to grant permission, discharge of conditions and build-out rate of the industry/market demand. This should give as much certainty as possible.
✓	A robust trajectory will demonstrate the timing and phasing of all sites over the plan period is realistic and deliverable.
✓	A robust trajectory should demonstrate flexibility above the required annual build rate for the majority of the plan period, accepting that there will be variations in the build rate.



## Chapter 8 Extract: Monitoring, Review & Revision

### Monitoring, Review & Revision

8.1 Monitoring is a continuous process and does not end once a plan is adopted. It represents an essential feedback loop within the cyclical process of achieving sustainable development. Monitoring and review should be an ongoing function of the plan led system and is a vital aspect of evidence based policy making.

The key legislative requirements in respect of monitoring and review are as follows:

PCPA 2004 (Section 61) states that an LPA must **keep under review** the matters which may be expected to affect the development of their area or the planning of its development.

PCPA 2004 (Section 76) and LDP Regulation 37 states that an LPA must publish and submit to Welsh Government an **Annual Monitoring Report (AMR)** setting out how the objectives of the plan are being achieved, or not (by 31 October each year).

PCPA 2004 (Section 69(1)) and LDP Regulation 41(1) collectively state that an LPA **must review its LDP no longer than 4 years** from the date of adoption.

LDP Regulation 41 states the LPA must approve by resolution a report of a review prepared in accordance with Section 69(1) and before it is submitted to the Welsh Ministers in accordance with Section 69(2). The '**Review Report**' (RR) should be submitted to Welsh Government, within six months of triggering the review process.

Regulation 17 of the **SEA Regulations** require monitoring of certain plans to identify unforeseen adverse effects and enable appropriate remedial action to be taken.

### The Monitoring Framework

8.2 **All LDPs must include a monitoring framework.** LPAs already have an adopted monitoring framework in place to inform findings in the Annual Monitoring Report (AMR) and the Review Report (RR). Monitoring is a continuous cycle; it does not end at adoption. For plan revision, LPAs will need to consider what was effective and what can be improved to ensure the monitoring framework remains fit for purpose, linked to the new plan strategy and objectives. LPAs should also consider other adopted frameworks across Wales, where relevant. The following broad principles should be taken into account by all LPAs when devising the framework:

The preparation of the monitoring framework should not be an afterthought	It should be an ongoing consideration from the early stages of plan preparation through to finalising the monitoring framework at examination. LPAs should be considering implementation and delivery throughout all stages, not at the end.
Focussed	Not all policies/proposals in the development plan will require monitoring, only those key to delivering the plan strategy and objectives. An LPA should be clear on the type of information required from which body or organisation early in the plan preparation process. LPAs should have regard to what is practical and reasonable, resources and data availability.
Establish indicators, targets and effective trigger points	Indicators should be concise and clear on what is being monitored and how this relates to the strategy. All indicators should be measurable with clear and appropriate targets and effective trigger points. They should be timely and specific.

## Content and Structure of a Monitoring Framework

8.3 The monitoring framework should **consist of the key policies/proposals, indicators, targets and trigger points and actions**, set out in the format indicated by Table 28:

**Table 28: Monitoring Framework Structure**

Objective:				
Key Policies/proposals	Indicator	Target	Trigger Point	Source of Information

## Developing Indicators, Targets, Trigger Points and Actions

### Indicators

8.4 The number of indicators in the monitoring framework should be focussed on those key policies fundamental to delivering the plan. It should not be too onerous or too complex. **All indicators should be specific, measurable and realistic.** LPAs should use the experience gained in implementing existing frameworks and through discussions with other LPAs to refine their indicators at plan review. Indicators required in all monitoring frameworks include those set out in Table 29.

**Table 29: Indicators**

Indicators Required by Legislation	
Number of net additional affordable and market dwellings built in the LPA area.	LDP Regulation 37. All AMRs must include the annual affordable and market housing completions in the plan area.
Key Indicators Applicable to all Plans	
Spatial distribution of housing development	To monitor housing completions each year in line with the growth strategy and the settlement hierarchy.
<b>The annual level of housing completions (private and affordable) monitored against the anticipated annual build rate.</b>	<p><b>Annual housing completions must be monitored against the anticipated annual build rate as specified in the adopted housing trajectory (see Table 21 and Diagram 16). This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</b></p> <p>For those plans that do not contain a housing trajectory, or it is unclear what the annual anticipated completion rate is, completions will be measured against the average annual housing requirement set out in the plan. <b>This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</b></p> <p>The components of housing supply, including site allocations, large and small windfalls should also be monitored separately.</p>
<b>Total cumulative completions monitored against the anticipated cumulative completion rate.</b>	<p><b>Cumulative housing completions must be monitored against the cumulative completion rate as specified in the adopted housing trajectory (see Table 21 and Diagram 16). This must be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</b></p> <p>For those plans that do not contain a housing trajectory, or it is unclear what the annual anticipated completion rate is, cumulative completions will be measured against the cumulative average annual housing requirement set out in the plan. <b>This must</b></p>

	<b>be presented clearly in the AMR both in numerical and percentage terms (plus/minus x %).</b>
The level of affordable housing completions monitored against the plan's overarching target.	To monitor affordable housing completions delivered through the planning system each year against the target set in the plan.
The tenure of affordable housing completions.	A separate indicator should monitor the tenure split (social rented and intermediate) in line with need identified in the LHMA.
Employment land take-up allocations and job growth.	To monitor the take-up of employment land in the plan.  Indicators monitoring Class B job growth in line with the strategy.
Delivery of the affordable housing policy - thresholds and percentage targets for each sub-market area.	To monitor the delivery of affordable housing in line with policy targets and thresholds in each sub-market area (where relevant) including any deviation above or below the target.
Viability.	LPA should monitor trends (positive and negative) in key determinants of market conditions and viability such as, house prices, land values, build costs.
The rate of development on key allocations (completions linked to phasing trajectories and infrastructure schemes, where appropriate).	To monitor the development of land uses and associated infrastructure on key development sites in the plan. The rate of development will need to be considered against the anticipated trajectory, Placemaking principles and delivery appendix.
The delivery of key infrastructure that underpins the plan strategy.	This will monitor the development of new infrastructure, such as road and rail improvements and utility enhancements on which the plan strategy is dependent.
Gypsy and Traveller sites completed.	This will monitor the development of allocated gypsy and traveller sites to meet identified need over the full plan period.  A separate indicator will also be required to monitor and make provision for any newly arising need outside of the GTAA.

The scale/type of highly vulnerable development permitted within C2 flood risk areas.	To demonstrate the effectiveness of avoiding highly vulnerable development in the areas at most risk.
<b>Locally Specific and Contextual Indicators</b>	
Local Indicators.	Policy/topic specific indicators should be defined by each LPA specific to their area and considered against the importance of monitoring the effectiveness of the plan's strategy.
Contextual Indicators.	These should be defined by each LPA and involve the consideration of influences at a strategic level to describe the economic, social and environmental conditions within which the development plan operates.
<b>Linkages to SA/SEA Monitoring</b>	
SA /SEA.	The plan will need to consider the linkages between the SEA/SA monitoring process and the LDP monitoring process to avoid duplication. Opportunities for joint reporting should be maximised. See also AMR section.

## Targets

8.5 All indicators must have a corresponding target, even if this is expressed as a preferred direction of travel. Targets must be specific, measurable and realistic. LDP targets should directly relate to the plan's strategy, objectives and policy outcomes. Essentially what is the plan seeking to achieve? Generally, targets are numerical (homes and jobs) spatial (percentage growth at places, site allocations) or contextual (demographic trends unemployment rates, commuting patterns etc.)

## Trigger Points

8.6 Trigger points are the key mechanism for determining how policies are working and whether action is required. They set the parameters against which policies should deliver. They should be specific and measurable to ensure issues can be highlighted. For example, it is not appropriate for LPAs to include wide ranging triggers e.g. + or - 20% to 30%, as this will be ineffective. Trigger points that have specific numerical outputs (e.g. housing completions) should be measured over at least two consecutive years allowing for trends to develop and become clearly identifiable.

**Actions**

8.7 When trigger points are activated, investigation is required to understand why policies and proposals are not being implemented as intended and determine what action will be necessary. LPAs will need to consider the delivery of all indicators collectively, their interrelationships and the magnitude of under delivery. Some indicators will be more significant than others in terms of delivering the development plan strategy. This should be reflected in any subsequent action.

8.8 LPAs must clearly set out how variances of under delivery will be considered through future **actions** and provide clarity on the consequential steps to be taken, depending on the magnitude of any variance. If key indicators are not being met the options could include those set out in Table 30.

**Table 30: Monitoring Actions**

<b>Continue Monitoring</b>
Development plan policies are being implemented effectively.
<b>Training Required</b>
Development plan policies are not being implemented as intended and officer or Member training is required.
<b>Supplementary Planning Guidance (SPG) Required</b>
Development plan policies are not being implemented as intended and further guidance is required, potentially preparing additional SPG.
<b>Further Investigation/Research Required</b>
Development plan policies are not being implemented as intended and further research and/or investigation is required.
<b>Policy Review Required</b>
Development plan policies are not being implemented and are failing to deliver; a review of the specific policy may be required.
<b>Plan Review</b>
Development plan policies are not being implemented and the plan’s strategy is not being delivered, triggering a formal review in advance of the statutory 4-year review.

**Annual Monitoring Reports (AMRs)**

AMRs are the key mechanism to assess the delivery and implementation of a plan’s strategy. They provide transparency in the planning process by keeping stakeholders, business groups and the community informed regarding the performance of the plan against the issues it has identified.

All LPAs with an adopted LDP are required to prepare an AMR. The results of the AMR should be recorded in the first full financial year from 1 April to 31 March following

adoption. AMRs must be approved by the LPA and submitted to Welsh Government by 31<sup>st</sup> October of the respective year.

8.9 The first AMR should be submitted by the 31<sup>st</sup> October in the year following adoption of the LDP, unless less than 12 months would have passed since adoption. In this case it should be submitted by 31<sup>st</sup> October of the subsequent year.

8.10 The AMR should assess the extent to which the plan’s strategy and key policies, sites and infrastructure requirements are being delivered. Each AMR will be based on the results and commentary of the preceding year. This will enable trends to become clear, with more refined commentary and analysis. It will then be clear how policies and proposals are delivering year on year.

8.11 It is not realistic or necessary for all policies to be monitored. This would lead to an unnecessarily large and complicated document. Some key areas will need to be included consistently each year, this will be for the LPA to determine based on those elements crucial to delivering the plan’s strategy. Chapters in all AMRs should include as a minimum, the following set out in Table 31.

**Table 31: Content of the AMR**

Chapter		Broad Content
1	Executive summary	<p>Identify key findings and conclusions in relation to the delivery of the strategy, setting out <b>clear conclusions on whether a plan review is required</b>. For example:</p> <ul style="list-style-type: none"> <li>• What new issues have occurred in the plan area, or changes to local/national policy?</li> <li>• How relevant, appropriate and up-to-date is the LDP strategy and its key policies and targets?</li> <li>• What sites have been developed or delayed in relation to the plan’s expectations at places and phasing programme (as set out in the trajectory). <b>What is the degree of variance from the anticipated annual and cumulative build rate?</b></li> <li>• What has been the effectiveness of delivering policies and preventing inappropriate development?</li> </ul>
2	Analysis of significant contextual change / indicators	A summary and review of wider contextual issues within which the LDP operates, i.e. external strategies/policies.

3	Analysis of core/key indicators	A clear assessment on whether the plan is achieving the strategy, including its main objectives and implementing required growth levels (e.g. housing development targets, site delivery, affordable housing, and infrastructure)
4	Analysis of local indicators	An assessment of policies that are not proving effective and how these issues will be addressed.
5	Results of SA indicators	Relating to the SA Report and integrated assessment.
6	Conclusion and recommendations	Identify changes to the plan required at the statutory review period or triggered earlier, if appropriate.

8.12 The broad structure of the AMR should remain the same each year to provide ease of analysis between successive reports and build upon preceding results. The use of illustrative materials such as charts and graphs can make the AMR more accessible for stakeholders, business groups and the community. The results of each indicator should be clearly set out using the broad framework in Table 32.

**Table 32: Structure of the AMR**

<b>Objective:</b>			
<b>Key Policies:</b>		<b>Related Policies:</b>	
<b>Indicator:</b>	<b>Target:</b>	<b>Outcome:</b>	<b>Trigger Point:</b>
		<b>Adoption:</b>	
		<b>AMR No.1:</b>	
		<b>AMR No.2:</b>	
		<b>AMR No.3:</b>	
		<b>AMR No.4:</b>	
<b>Analysis:</b>			
<b>Action:</b>	<i>Insert colour relating to options set out earlier in the chapter</i>		

8.13 The monitoring results should clearly identify if (and how) the strategy is working and if key allocations are being delivered as anticipated over the plan period. The results will also identify any challenges, opportunities and possible ways forward for revising policies and proposals at plan review. Consultation on the published AMR with key stakeholders, relevant communities and interested parties will be valuable. This will allow LPAs to take on board stakeholder views and provide an explanation of trends, conditions and issues to address policy deficiencies.



# Review and Revision

## Review

Regulation 41 states that an LDP must be reviewed at least every 4 years from the date of adoption.

Section 69, PCPA 2004 requires all LPAs to undertake a review of their adopted LDP and report their findings to Welsh Government through a Review Report (RR).

**The legislation is clear that beyond four years the evidence base becomes out of date. It is essential that LDPs are kept up-to-date to ensure effective and consistent planning decisions, supporting the objectives of a plan-led system and minimising speculative development.**

The **RR should be published within 6 months** of triggering a review of the plan as set out in Regulation 41 (or sooner if an LPA considers appropriate).

The **RR must conclude on the revision procedure**, whether it is a full revision (i.e. a replacement plan) or the Short Form Revision (SFR) procedure.

A DA will be submitted to Welsh Government for approval at the same time or very shortly after publication of the RR (no more than 6 months after the RR).

**Table 33: Triggers for Review**

Statutory Review		
1	PCPA 2004 (section 69) & Regulation 41	Statutory plan review at intervals of no longer than 4 years from the date of adoption. This may be triggered earlier if linked to plan end dates, plan preparation timescales or the LPA voluntarily reviewing a plan.
Triggers in Advance of the Statutory Review affecting Plan Soundness		
2	AMR evidence	Significant concerns relating to the implementation of the plan’s strategy including policy effectiveness, progress and implementation in line with 2 year trend/trigger points.
3	Changes in national policy or legislation	A significant shift in national policy (PPW) and/or legislation affecting the plan’s strategy/key policies.
4	Contextual change	A significant shift in the context within which the plan operates, such as the closure of a key employer, change in development pressures, market demand or investment strategies.
5	PCPA 2004 (section 61)	Unexpected and significant results from evidence gathered through updated survey work affecting the implementation of the plan’s strategy.

