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Monmouthshire County Council
County Hall
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27 August 2021

Dear Mark,

Monmouthshire County Council – Replacement Local Development Plan (LDP) – Preferred Strategy Consultation: Welsh Government Response

Thank you for consulting the Welsh Government on the Monmouthshire County Council Replacement Local Development Plan (LDP) – Preferred Strategy consultation. It is essential the authority is covered by an up-to-date LDP to give certainty to local communities and investors.

Without prejudice to the Ministers' powers, the Welsh Government is committed to helping Local Planning Authorities (LPAs) minimise the risk of submitting unsound plans by making appropriate comments at the earliest stages of plan preparation. The Welsh Government looks for clear evidence that the tests of soundness (as set out in the 'LDP Manual') are addressed.

LDPs must demonstrate they are in 'general conformity' with Future Wales. After considering the key issues and policies in Future Wales, the **Welsh Government considers that the Preferred Strategy is in general conformity with Future Wales: The National Development Framework (Annex 1)**. Specific comments are set out in the annex to this letter with additional guidance contained in the Development Plans Manual (3rd Edition, March 2020) – 'the DPM'.

The Preferred Strategy has been considered in accordance with the tests of soundness as set out in the DPM (Table 27, page 166). **Our representations are separated out by topic area, with further detail in the attached Annex 2.**

National planning policies are set out in Planning Policy Wales (PPW) Edition 11, which seeks to deliver high quality, sustainable places through a place-making approach. The implementation of the core policy areas in PPW, such as adopting a sustainable spatial strategy, housing and economic growth levels, infrastructure delivery and place-making, are articulated in more detail in the LDP Manual (Edition 3). We expect the core elements of the Manual, in particular Chapter 5 and the 'De-risking Checklist', to be followed.

The **Welsh Government is broadly supportive of the plans spatial strategy, but requires further clarification on the delivery of the proposed job growth.** It is acknowledged that the strategy is seeking to attract a younger age cohort into the county, reversing an elderly population and providing more balanced communities. However, it will be important to demonstrate that the scale of jobs proposed can be delivered as the plan progresses.

It is disappointing that some key background documents on issues including Strategic Site delivery, a high-level/site-specific viability appraisal, a Renewable Energy Assessment and Gypsy and Traveller Assessment have not been completed to help 'front load' the process and inform findings in the Preferred Strategy. A robust evidence base is critical to fully understand the plan. Further work will be required to inform the Deposit plan.

Our representation includes more detailed issues set out in Annex 2 to this letter. Collectively, our comments highlight a range of issues that in our opinion need to be addressed for the plan to be found 'sound'. The key areas include:

- Phosphates and Nutrient Neutrality
- Housing and economic growth levels
- Affordable housing policy-on approach
- Site delivery/implementation, including financial viability
- Gypsy and Travellers
- Minerals

As always, we would urge you to seek your own legal advice to ensure you have met all the procedural requirements, including the Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment (HRA), as responsibility for these matters rests with your authority. A requirement to undertake a Health Impact Assessment (HIA) arising from the Public Health (Wales) Act 2017, if appropriate, should be carried out to assess the likely effect of the proposed development plan on health, mental well-being and inequality.

I trust this representation assists you in preparing your Deposit plan to help enable your LDP to be found 'sound' and adopted following independent examination. My colleagues and I look forward to meeting you and the team to discuss matters arising from this response.

Yours sincerely,

Mark Newey
Head of Plans Branch
Planning Directorate

Statement of General Conformity

The Welsh Government is of the opinion that
Monmouthshire's Replacement Local

Reasons

Housing Growth: The level of housing growth proposed in the emerging LDP is approximately 10% higher than the adopted LDP (only 5% if the BBNPA area is removed). The plan is seeking to encourage a younger population cohort into the County, redressing the current elderly demographic profile, which, if current trends continue, will result in a declining population with a lower economically active labour supply. The mild increase in housing growth will provide opportunities for smaller scale housing to meet the needs of the younger age group. It will also increase the labour supply. This reflects Policies 1, 4 and 7.

Job Growth: The scale of job growth is higher than in the adopted plan, but does not require an increase in land-take. The Council have acknowledged that the increased nature of home working will influence future land-take and will assist in the approach to decarbonisation. In addition, the job growth sought is based on the premise of reducing in-commuting, again assisting in the achievement of reducing carbon emissions.

Green Belt: The Preferred Strategy does not presently identify the precise locations for development. It provides an assessment of brownfield opportunities, combined with options for urban expansion at the Primary Settlements and Severnside. The settlements identified reflect the concentration of services and facilities. There is also a greater quantity of land identified than is currently required, which will be refined at the deposit stage. Apart from potential strategic growth option 'M', the remaining proposed options do not appear to conflict with the principles of the Green Belt, to be defined in the SDP, Policy 34.

Affordable Housing: A key element of the proposed strategy is to deliver further affordable housing (705 units) than would normally be considered. This aligns with Future Wales in maximising affordable housing delivery through a plan-led approach. However, both a high-level financial viability assessment and allocation specific study have yet to be published, albeit there is a commitment to do so. The Welsh Government may wish to comment further on this point as and when such evidence is publicly available.

The additional comments below are intended to provide assistance to the authority and ensure the plan and supporting evidence better aligns with the requirements in the National Development Framework (NDF). If the authority wishes to discuss these comments in more detail, we advise you contact the Welsh Government's Planning Policy team on PlanningPolicy@gov.wales.

- The aspiration in the NDF is for new developments in well-connected and serviced urban areas to have higher densities (Policy 2). It should be clear how the plan has sought to increase development densities, where appropriate.

Annex 2 to Welsh Government Letter dated 27 August 2021 in response to Monmouthshire County Council's Replacement LDP – Preferred Strategy

Phosphates

Following NRW's publication of updated guidance relating to phosphates and nutrient neutrality in January 2021, the ability of LDPs to demonstrate they can align with the revised approach is paramount for plans to be able to be found 'sound'. This primarily applies to the scale and location of new development, the ability of the existing infrastructure to accommodate growth, the levels within the riverine system and how nutrient neutrality can be achieved. Welsh Government recognises that **the Preferred Strategy does not identify precise growth locations; but the Deposit plan will have to, particularly in light of a HRA being agreed by NRW.** A nutrient management board on a catchment basis may provide a way forward.

Growth Levels: Homes and Jobs

The Council's Preferred Strategy is based on Growth Option 5, a population/demographic-led projection, with added policy assumptions (Growth and Spatial Options Background Paper, June 2021 – Scenario PG Long Term Adj. 5yr MR, CR_R). This equates to 6,195 dwellings or 413 dpa over the plan period. Adjustments have been made to the household membership rate (returning to 2001 levels) reducing the in-commuting ratio to 1.10, with in-migration rates based on the previous 5-year higher levels. A further 1,410 units (94 dpa) have then been added to deliver an affordable housing policy-on approach (10% of the LHMA need) based on a 50:50 split with market housing. This results in a requirement of 7,605 dwellings (507 dpa) over the plan period 2018-2033.

Policy S6: Delivery of Homes, makes provision for 8,366 dwellings to deliver a requirement of 7,605 units with a 10% flexibility allowance. The Council needs to explain why 10% is appropriate in line with requirements in the DPM. The requirement includes a target of 2,450 affordable homes (Policy S7: Affordable Homes).

The level of housing proposed is 4,740 units above the Welsh Government 2018-based principal household projection of 2,865 homes, or 191 units per annum (Edge Analytics, Monmouthshire: Updating the RLDP Demographic Evidence, November 2020, Table 6, Appendix A). However, both the housing requirement and modelling are based on data for Monmouthshire County Council area as a whole and includes land in the Brecon Beacons National Park Authority (BBNPA), i.e. beyond the LDPs geographical remit. This is reflected in Table 7, Appendix C, WG-2018 (Principal) where the WG Principal projection for the plan area, minus BBNPA area, is specified as 2,610 units (174 dpa) or 4,995 dwellings above the WG 2018 principal projection.

The difference of 495 units (33 dpa) appears to apply to land within Brecon Beacons National Park Authority area, outside Monmouthshire's LDP area. **The Council will need to explain why it is including numerical values on housing need within its requirement, when these figures relate to growth outside the plan area within BBNPA and why this specific value.**

The housing requirement of 7,605 dwellings is an increase of 855 units the adopted LDP of 6,750 homes (extrapolated over a 15 year period). The proposed level of housing growth (507 dpa) is above the past 5 and 10-year build rates (310 and 285 pa respectively). It is also above the adopted LDP annual build rate of 450 dpa. However, removing the BBNPA component results in the proposed growth being only 5% above the adopted LDPs annual build rate.

The proposed level of housing is above the WG 2018 principal projection, requires an annual completion rate higher than both the previous 5 and 10 year averages and is outside the S.E. Wales National Growth area, as set out in the National Development Framework: Future Wales. **The Council will need to demonstrate that the scale of growth is deliverable throughout the plan**

period, linked to a robust housing trajectory and delivery of the job growth (7,215) a key component of the rationale.

Spatial Distribution of Housing

Monmouthshire's preferred spatial strategy, Option 2: 'Distribute Growth Proportionately across the County's most Sustainable Settlements' states the level of growth proposed in each settlement will be proportionate to its size, amenities, affordable housing need and capacity for growth. The settlement hierarchy listed in Strategic Policy S2 is underpinned by findings in the Council's Sustainable Settlements Appraisal (June 2021). The appraisal confirms the dominant role of the Tier 1 County towns of Abergavenny, Chepstow and Monmouth that account for the majority of all housing development at 58% (or 4,832 units). The appraisal identifies the other Tier 1 settlement of Caldicot within the Severnside cluster, which has strong geographical and functional linkages to other Tier 2, 3 and 4 settlements along the M4 corridor and together the area accounts for 28% (or 2,323 units) of the plans housing growth. **The Welsh Government does not object to the plans settlement hierarchy and distribution of housing growth** with 86% of all new housing development proposed in the Tier 1 settlements and the Severnside cluster.

The Deposit plan should:

- Specifically identify the number of new homes proposed in Tier 4 Main Rural Settlements and Tier 5 Minor Rural Villages separately. Tier 5 will not have settlement boundaries.
- The rationale for including Tier 6 Open Countryside in the settlement hierarchy is unclear as new buildings away from existing settlements or allocated sites must be strictly controlled.

Green Belt – Future Wales

Policy 34: Green Belts in the South East (Future Wales, page 172, accompanied by the Regional Strategic Diagram (page 163) set out the broad spatial expression and rationale for a green belt. This does include geographical areas within Monmouthshire.

Green Belts do not mean that existing settlements cannot expand, but they should not conflict with the principles, as set out in PPW, paragraphs 3.64 – 3.78. It is recognised that the level of detail for proposed developments in the Preferred Strategy is not precise at this point in time. The Council will need to reflect on the strategic growth options and consider their relationship to the green belt, clearly demonstrating the LDP is not in conflict.

Affordable Housing

The Local Housing Market Assessment 2020-2025 (LHMA) identifies a need for 468 affordable units per annum (or 7,020 units over the plan period), of which 68% is for social rent and 32% intermediate need. The greatest demand is for 1 bed properties across Monmouthshire with the level of housing need greatest in the sub-market area of Chepstow and Caldicot (at 46%).

To address housing affordability, the Council has incorporated an additional affordable housing policy-led element, aiming to deliver an additional 10% (702 units) of the identified LHMA need on sites of 50:50 affordable and market housing, thus providing an additional 1,410 affordable and market units over the plan period. **The Welsh Government supports the principle of affordable housing-led sites, but their delivery will need to be evidenced by testing in the Council's viability appraisals** at Deposit stage. The Council should explain why 10% of the need identified in the LHMA has been chosen and not alternative percentages. The location of sites to accommodate the additional 705 affordable units is unclear. The assumption is that such sites are adjoining existing settlements, currently identified as countryside to avoid double counting with windfall and small sites within settlement boundaries.

Strategic Policy S7 identifies the plans affordable housing target totalling 2,450 units based on viability percentages in the adopted LDP. There is **no viability evidence to accompany the**

revised plan on either a high level or site specific viability appraisals. This needs to be rectified by Deposit stage. The Welsh Government also has the following observations:

- The Council should clarify if the 1,489 affordable units (Table 7, LDP) on allocated sites includes 705 units through the affordable housing policy-led element, or they are in addition?
- The Deposit plan should meet the requirements as set out in the 'Affordable Housing Policy Framework – Checklist' in the DPM.

Employment Provision and Job Growth

Strategic Policy S13 makes provision for a minimum of 43ha of employment land. This is supported by the Council's Employment Land Review (ELR, 2021) advising that employment forecasts are based on past take-up rates (2.1ha per annum) plus a 5-year buffer (10.7ha) equating to a requirement of 43ha over the plan period (2018-2033). The Welsh Government does not object to this approach.

The scale of job growth being sought by the Council is accelerated growth, beyond existing levels achieved, described as radical structural economic change (Future Monmouthshire, Economies of the Future Analysis: Strategic Direction Report, October 2018). This is above the Oxford Economics baseline growth level, as well as UK growth rates. The Regional Employment Study, Larger than Local (March 2020), suggests that:

"Between 2018 and 2040, employment is forecast to decrease by 1%, a drop of 400 jobs. This decline is against the growth trend projected for the UK (+7%) and Wales (+1%)." (Page 164)

This study was undertaken by BE Group, which would appear to be at odds with the Edge Analytical evidence to support the LDP, a difference of 7,600 jobs. Furthermore,

"The relatively low employment growth projections for Monmouthshire were challenged by considering another set of employment projections by Experian, illustrated in Figure 38, which were found to be even more negative for the County. As per Experian's projections, employment growth is expected to stagnate/decline throughout the next two decades, placing Monmouthshire below both UK and Welsh projected growth levels." (Future Monmouthshire, Economies of the Future, Economic Baseline Report, March 2018, page 34)

The Welsh Government does not wish to impede economic growth. The Councils strategy is not to reflect past trends, but increase job opportunities to attract a younger population cohort rather than continue an aging population demographic. **It will be key to demonstrate how the increase in jobs can be achieved.** This is particularly prudent when Newport is considered to have high levels of B1 office provision/expansion to meet the majority of need in the region.

The following should also be addressed by Deposit stage:

- Of the 7,215 new jobs, the Council acknowledges that not all of these jobs will be in the B-Class sector and will build on existing sectors including agri-food and manufacturing. However, the Council's own evidence identifies a decline in these sectors over the plan period. The Council will need to demonstrate greater certainty on delivering the scale of job growth as the under delivery of jobs would not deliver on the key issues the plan is seeking to address.
- The Council needs to explain how growth in surrounding Councils, as expressed in the Larger than Local Study, such as the strong economic driving force of Newport and high employment take-up rates in Caerphilly, will impact on employment growth in Monmouthshire.
- Allocations at Quay Point (13.76ha) and Gwent Europark (13.30ha) account for almost 67% of available supply in the County Borough. For the development of these sites to occur,

significant infrastructure investment is required before making them available for development in the medium to long term. With a reliance on these sites to deliver a high number of B-Class jobs, how does their timing and phasing relate to the delivery of 481 new jobs per annum?

Gypsy and Traveller Provision

No Gypsy and Traveller Assessment (GTAA) for the replacement plan has been included in the evidence base (the Council submitted a draft assessment for approval to Welsh Government's Communities Division early 2021). The draft assessment identifies a need for 13 pitches over the plan period (2018-2033) with 9 residential pitches 2020-2025 and a further 4 pitches 2026-2033.

A GTAA must be agreed by Welsh Ministers by Deposit stage and cover the full plan period 2018 to 2033. Provision must be made in the Deposit plan for appropriate and deliverable site allocations to meet the identified need in the timescales set out. Failure to agree the GTAA and meet the identified need, specifically in the short to medium term, is likely to result in the plan being unable to be found 'sound'. We would therefore encourage your authority to work with our Communities Division to ensure an agreed GTAA is in place by Deposit.

Minerals

The second review of the Regional Technical Statement (RTS2) has been endorsed by Monmouthshire Council and identifies that no allocations are required in the plan period for crushed rock or sand and gravel. It is a requirement of the RTS2 for all authorities, including Monmouthshire Council, to agree a Statement of Sub-Regional Collaboration (SSRC) on their contribution to the future provision of aggregate production in the Former Gwent sub-region, which also includes the authorities of Newport, Torfaen and Blaenau Gwent. A SSRC is pertinent for the region as the RTS2 identifies a shortfall of crushed rock, particularly in Newport and Torfaen, with extensive unworked reserves in Monmouthshire.

Other Matters to address at Deposit Stage

- Ensure all development is compliant with TAN15 and flood risk issues. This should be done in compliance with the revised TAN15, anticipated to be published September 2021
- Set out a robust housing trajectory, clearly identifying the phasing and timing of sites, linked to any infrastructure required to deliver the housing requirement. Specifically, Tables 16, 17, 19, 20, 21 and Diagram 16 in the DPM should be completed
- The strategic growth options should be progressed further, with greater clarity, schematic diagrams and the key issues necessary for each site to come forward
- Ensure there is a net benefit for biodiversity (PPW, paragraphs 6.4.5 – 6.4.8)
- Prepare an Infrastructure Plan to demonstrate how relevant infrastructure to support development will come forward (DPM, paragraphs 5.125 – 5.128)
- Undertake further work on the contribution renewable energy can make to assist with climate change and decarbonisation
