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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 business.

Without prejudice to the Minister's powers, the Welsh Government is committed to helping Local Planning Authorities (LPAs) minimise the risk of submitting unsound plans by making comments at the earliest stages of plan preparation. The Welsh Government looks for clear evidence that the plan is in general conformity with Future Wales: The National Development Framework and that the tests of soundness (as set out in the 'LDP Manual') are addressed.

The development planning system in Wales is evidence led and demonstrating how a plan is shaped by the evidence is a key requirement of the LDP examination. It is essential that a plan is in general conformity with Future Wales, responds to national planning policy and the place making agenda, addresses climate change and nature emergencies, and demonstrates strategy delivery.

After considering the key issues and policies in Future Wales, the **Preferred Strategy, as presented in relation to the scale of growth, is not in general conformity with Future Wales: The National Development Framework**. Specific comments are set out in the **Statement of General Conformity** (Annex 1 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 provided 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, appropriate 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.

It is very disappointing that 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 'front load' the process and inform findings in the Preferred Strategy. A robust evidence base is critical to fully understand the plan.

Our representation includes more detailed issues set out in Annex 1 and Annex 2 to this letter. Collectively, our comments highlight a range of issues that need to be addressed for the plan to be considered 'sound'. The key areas include:

- Housing and economic growth levels
- Affordable housing policy-on approach
- Site delivery/implementation, including financial viability
- Phosphates and nutrient neutrality
- Gypsy and Traveller Accommodation
- Minerals

I 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.

My colleagues and I look forward to meeting you and the team to discuss matters arising from this response.

Yours sincerely

Neil Hemington
Chief Planner Welsh Government

For matters relating to general conformity with Future Wales and planning policy please contact: PlanningPolicy@gov.wales

For matters relating to Local Development Plan procedures please contact: Planning.Directoriate@gov.wales

Statement of General Conformity

The Welsh Government has very significant concerns regarding the Monmouthshire LDP Preferred Strategy. Future Wales places great emphasis on the development of National Growth Areas. The Preferred Strategy is not in general conformity with Policies 1 and 33 of Future Wales and undermines the role of Cardiff, Newport and the Valleys as the main focus for growth and investment in the South East region.

Reasons

The Welsh Government acknowledges the work the local authority has undertaken in developing the Preferred Strategy, which includes consideration of a number of growth and spatial options. However, there is fundamental concern about the impact of the chosen growth option of 7,215 new jobs and 7,605 homes on the South East region as defined in Future Wales.

As the local authority acknowledge, Monmouthshire forms part of the South East Wales Region which includes a National Growth Area that focusses new development in Cardiff, Newport and the Valleys. Monmouthshire is not within the National Growth Area, as defined by Policy 1 and Policy 33 of Future Wales. **The level of economic and housing growth proposed by the Preferred Strategy undermines Future Wales focus for strategic economic and housing growth in the SE Wales National Growth Area.**

With regard to housing, the level of housing proposed is 4,740 units above the Welsh Government 2018-based principal household projection of 2,865 homes. The housing requirement is based on data for Monmouthshire County Council as a whole and includes land within the Brecon Beacons National Park Authority (BBNPA). The WG principal projection for the plan area, minus BBNPA area, is 2,610 units which means that the Preferred Strategy is actually some 4,995 dwellings above the WG 2018 principal projection. The proposed level of housing growth (507 dpa) is also very significantly above the past 5 and 10-year build rates (310 and 285 pa respectively).

Monmouthshire is predominantly a rural area with widely distributed market towns and villages. The south of the county has strong functional linkages to Newport, Cardiff and Bristol. The county is characterised by very significant environmental assets including the Wye Valley AONB, the setting of the Brecon Beacons National Park, the Gwent levels, Special Areas of Conservation, numerous SSSI's and many historic buildings and landscapes. The County also possesses some of the most significant tracts of Best and Most Versatile Agricultural land in Wales.

The level of growth proposed has the potential to negatively impact on environmental assets and have adverse consequences for climate and nature emergencies. This is heightened by the absence of brownfield land development opportunities and the consequential need to identify significant green field sites for development.

There are major regional strategic impacts arising from the level of growth proposed. Displacement of population, housing and jobs from elsewhere in the region to Monmouthshire will occur. This will hinder regeneration and the take up of brownfield land for development in the National Growth Area.

To be considered to be in general conformity with Future Wales the Monmouthshire RLDP must provide for a lower level of housing. The WG principal housing projection for the plan area, 2,610 units, provides a starting point for the level of housing required. In recognition of build rates achieved over the last 10 years, a higher level of housing may be justified. The proposed level of housing growth should however be no greater than 4,275 units (15 x the 10 year build rate) plus an appropriate flexibility allowance. This will ensure that Monmouthshire continues grow in a

sustainable manner based on a locally appropriate level of development which is compatible with policies 1 and 33 of Future Wales.

There are also significant reservations about proposed levels of employment growth which are set out fully in Annex 2.

It is positive that the Strategy recognises the importance of biodiversity enhancement with language such as “must maintain, protect and enhance.” As well as highlighting ranges of opportunities such as minimum garden standards and planting in public realm spaces. However, the statement *the RLDP must ensure biodiversity is considered in any development in order to protect any interest on the site and encourage biodiversity enhancements where necessary* should be stronger. As outlined in Future Wales Policy 9 – Resilient Ecological Networks and Green Infrastructure, rather than encourage biodiversity enhancements where necessary, biodiversity enhancements must be considered in all development and the enhancements should be proportionate in size and scale to the development.

Future Wales identifies a Green Belt to the north of Cardiff, Newport and the eastern part of the region and is clear that LDPs should not permit major development in areas shown for consideration as Green Belts, except in very exceptional circumstances. This is until the need for Green Belts and their boundaries has been established by an adopted Strategic Development Plan. Although the areas identified for growth in the Preferred Strategy fall outside of the indicative Green Belt boundary and national planning policy allows for extensions to existing settlements within and adjoining the Green Belt of an appropriate scale, there should be no ambiguity about the need to protect land elsewhere.

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):

- **Strategic Policy S3** - ‘promote’ in clauses 2 and 3 is a weak word. A stronger approach is encouraged.
- **Strategic Policy SP4** sets the right tone, but the concern is that ‘positive impact’ will be subject to too much debate and won’t achieve significant impacts. The list of methods in the policy shouldn’t be in the policy text.
- **Strategic Policy S5** regarding infrastructure provision uses the term ‘delivered in phase with proposed development’. PPW states for active travel infrastructure - ‘should be prioritised and put in place from the outset’. This policy should be strengthened to be clear what ‘in phase’ means.
- **Strategic Policy S12** uses the term ‘within or adjoining town and village development boundaries subject to detailed planning considerations’. The supporting text should include reference to the town centre first approach.

Strategic Policy S10 – this policy should take into account Llwybr Newydd and should also address reducing parking levels and refer to rural transport issues including the provision of EV charging.

- **Strategic Policy S11** – suggests that retailing will remain the predominant land use focus in town centres. The emphasis should be switched to overall town centre health/vibrancy, rather than retail hierarchy, to ensure a more effective approach.

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 considered 'sound'. This primarily applies to the scale and location of new development, the ability of the existing infrastructure to remove phosphates to accommodate growth, the levels of phosphates within the riverine system and how nutrient neutrality can be achieved. **The Deposit Plan and associated HRA must demonstrate nutrient neutrality or betterment in order to be considered sound.**

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. 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 as a lower flexibility allowance may be suitable.

The proposed level of housing is very significantly above the WG 2018 principal projection, requiring an annual completion rate higher than both the previous 5 and 10 year averages. Monmouthshire is outside the South East Wales National Growth Area, as set out in the Future Wales. **The Preferred Strategy is not in general conformity with Future Wales due to the very high level of housing growth proposed. Further detail is provided in Annex 1.**

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%. 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. There is also a strong functional linkage with Newport, Cardiff and Bristol. Together the area accounts for 28% of the plan's housing growth. This could be increased to reflect proximity to the National Growth Area and Bristol, future improvements to public transport capacity, land released by the withdrawal of the M4 Highway Orders and the possibility that growth in Abergavenny and Monmouth will be constrained by phosphate pollution. **Welsh Government does not object to the Preferred Strategy's 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.

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 aims to deliver 10% (705 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. Evidence should also include a resolution to use public land for this purpose, a binding legal agreement where the land is in private ownership or a resolution of the council to use compulsory purchase powers. 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.

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 include 705 units through the affordable housing policy-led element, or whether these are additional.
- The Deposit Plan should meet the requirements as set out in the DPM 'Affordable Housing Policy Framework – Checklist'.

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 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 Council's strategy is not to reflect past trends, but increase job opportunities. On the basis of the evidence the levels of job growth are extremely optimistic and do not reflect historic trends. This could result in housing delivery not being matched to new job opportunities, leading to further out commuting. **It will be essential to demonstrate how the increase in jobs can be achieved in a way which is compatible with the South East Wales National Growth Area.** This is particularly relevant 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 an under delivery of jobs will 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. 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, the council needs to demonstrate how their timing and phasing relates to the delivery of 481 new jobs per annum.
- Significant new employment land allocations will be required in Abergavenny and Monmouth to support proposed housing growth. Failure to provide suitable sites will result in further out commuting contrary to one of the stated aims of the plan. Alternatively, a higher proportion of housing growth could be allocated to settlements where employment land is available.

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 considered 'unsound'. We would therefore encourage your authority to work with our Communities Division to ensure an agreed GTAA is in place by Plan Deposit.

Minerals

The second review of the Regional Technical Statement (RTS2) has been endorsed by Monmouthshire County 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, 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. Tables 16, 17, 19, 20, 21 and Diagram 16 in the DPM should be completed.
- The selected strategic growth options should be progressed further, with greater clarity, including schematic diagrams and the key issues which need to be addressed 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).
- For some strategic development sites, there is potential for cumulative trunk road capacity impacts, especially at Abergavenny and Chepstow. All strategic development sites should be supported by Transport Assessments that are underpinned by the Welsh Transport Strategy and have regard to Active Travel and air quality, especially in existing Air Quality Management Areas (AQMAs).
- Undertake further work on the contribution renewable energy can make to assist with climate change and decarbonisation.
