

Amgylchedd a Datblygu Cynaliadwy
Environment and Sustainable Development



Llywodraeth Cymru
Welsh Government

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Development Plans Manages
Monmouthshire County Council
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Eich cyf : Your ref: Representor No: 419
Ein cyf : Our ref qa983462

21st January 2013

Dear Mr Davies,

Monmouthshire County Council– Consultation on Recommended Focussed Changes

Thank you for your letter of 10th December 2012 notifying us of your Focussed Changes Consultation. It is noted that the Schedule of Focussed Changes is accompanied by a Schedule of Minor Changes. It is noted this document deals with factual corrections and minor wording changes that do not impact on the overall soundness of the plan and do not form part of the Focussed Changes consultation.

The matter of whether a plan is considered 'sound' will be for the appointed Planning Inspector to determine. The FC's have been considered in the light of the representations made to the Deposit Plan, the Focussed Changes consultation, and in accordance with the tests of soundness. In particular, the consistency, coherence and effectiveness tests and whether the Plan has had satisfactory regard to national planning policy – test C2, whether there are clear mechanisms for implementation and monitoring – test CE3 and whether it is reasonably flexibility to enable it to deal with changing circumstances test - CE4.

Indicated in the attached annex is whether the proposed Focussed Changes meet the matters raised in our Deposit Representation. Accordingly, some reservations still remain with regard to:

- **Housing Provision / Flexibility**
- **Infrastructure (Deliverability) / CIL Clarification**
- **Monitoring Framework**

In addition to the above, the proposed changes are silent in respect of the following comments raised within our Deposit Representation:

- **Gypsy & Traveller Sites** - *(WG Deposit Rep Biv)*
- **Agricultural Land Quality (SAH2 Crick Road, SAH4 Wonastow Road)** - *(WG Deposit Rep Ciii)*
- **Flood Risk (Policy Clarification)** - *(WG Deposit Rep Dv.)*

Therefore, our initial comments still stand in respect of the above and should be addressed by the Council.

It is considered that it may be possible for the above matters to be addressed and explained as part of the hearing sessions or as Matters Arising Changes (MACs) if deemed necessary by the Inspector.

Yours sincerely

Mr Mark Newey
Head of Plans Branch
Plans Branch
Planning Division

annex

Annex to Welsh Government's letter (21st January 2013) in response to Monmouthshire County Council proposed Schedule of Focussed Changes

Housing Provision & Flexibility

FC3 Housing Provision (WG Deposit Rep Ai.) / Migration Rates (WG Deposit Rep Cii.)

Subsequent to our Deposit Representation, the Council have since confirmed that the plan period is 10 years (2011-2021). However, the delivery agreement was published in late 2007; evidence prepared underpinning the Issues and Options (August 2008) and a Preferred Strategy (May 2009) pre-date the start of the plan period. One would assume that the preparation of evidence relates to the period when it is being generated? This potential misalignment of the evidence base and the plan period has implications for the overall housing provision.

While the Council agree with the methodology used to prepare the WG 2008-based projections (400 units per annum) including the average net-migration flow, the Council have not clarified the implications of only accepting these trends for the period 2011-2021, which would be different to the assumptions made for the UDP. It would appear the UDP assumptions were considered still relevant at the time of publishing the preferred strategy. We therefore reiterate our Deposit Comments, to accept the WG08 methodology implies that the local authority agrees that the issues driving the methodology are actually happening during this overlapping period (2008-2011), which is at odds with the UDP position. This requires further explanation as it could indicate a potential shortfall of approximately 400 units as demonstrated in the below table.

Years 2008-2011	Large Site Completions	Small Site Completions	Total Completions	Shortfall – Based on WG08 annual rate of 400 dpa.
01 st April 08 – 31 st March 09	237	90	327	73
01 st April 09 – 31 st March 10	67	91	158	242
01 st April 10 – 31 st March 11	173	94	267	133
Total Shortfall			752	448

(Completion data taken from the 2009, 2010, 2011 JHLA Studies)

Flexibility (WG Deposit Rep Ai.)

The lack of a flexibility allowance within the plan in relation to Policy S2 – Housing Provision remains a **key concern**. The plan should ensure that a range and choice of sites can be brought forward within the plan period in order to ensure that the plan is sufficiently flexible to respond to economic changes, and unforeseen circumstances, for example uncertainties regarding the undergrounding of high voltage electricity pylons. This is particularly prevalent as the plan period is only 10 years. The Council should provide an update on the status of the strategic sites including timescales for delivery and their phasing over the remaining plan period. We note that two strategic sites are due to commence in 2013. The Council needs to demonstrate that key sites will be developed within the plan period. In addition, the Council should provide an indication as to the number of completions in the first two years of the plan period (2011-2013) as this will no doubt have a bearing on delivery rates for the remaining eight years of the plan.

Ideally, a housing trajectory would assist all parties to understand and consider the ability of the sites contained in the plan to be delivered is achievable. Low levels of completions in the early years of the plan period, and longer lead in times of the strategic sites, coupled with the

absence of a flexibility allowance could potentially impact on the deliverability of the strategy, in particular the delivery of market and affordable housing.

In addition, we note that the Affordable Housing Viability Study – Update Note (Sept 2012) has taken into account the cost and viability implications of the recent Welsh Government Consultation: Building Regulations Part L Review (31st July – 23rd October 2012). This additional work is supported and gives greater clarity of its potential implications in respect of affordable housing viability. However, the report does suggest that these costs could impact negatively on the delivery of affordable housing in the M4 Corridor Settlements, Chepstow and Abergavenny, when set against current targets. This could indicate a higher level of housing provision / increased flexibility would aid the delivery of the affordable housing target.

As stated in our Deposit Representation, Policy S2 should be amended to incorporate a degree of flexibility. The WG have indicated that a flexibility allowance of 10% may be appropriate to allow for the non delivery of sites and unforeseen issues. Each plan should have a level of flexibility that is appropriate for the area, having regard to the issues and the deliverability of sites in the plan period, this could be a higher or lower figure than the 10% suggested by Welsh Government. A 10% flexibility allowance on the housing allocation figure of 4000 would require an additional 400 units.

In conclusion, there appears to be an under provision of homes ranging between 400-800 units. This should be addressed in order to ensure the plan is sufficiently flexible and can deliver on the overarching strategy and key objectives.

(See related comments in respect of Infrastructure overleaf)

Affordable Housing

Affordable Housing Target *(WG Deposit Rep Ci.)*

FC4b - The FC's seek to improve the clarity by clearly distinguishing between affordable housing 'need' and the affordable housing 'target'. The FC's amend paragraph 5.21 and Policy S4 – Affordable Housing. It is now clear that the affordable housing 'need' based on the LHMA update is 960 dwellings over the plan period, and the 'target' to be delivered through the LDP is 840 homes. The FC's in this respect are supported. However, we still do not fully understand the evidence which identifies the level of affordable housing need. A total of 960 affordable units appears low for the type of local authority when compared to others. **It would be helpful if the authority could clarify where in the evidence base they have followed the Welsh Government's LHMA Guide (March 2006) and if not, how their evidence compares to the Welsh Government's approach and where any differences may reside.** Given the reduction of housing provision in the Torfaen LDP from 6,000 to 5,000, it is not clear how this impacts on the affordable housing need for Monmouthshire. We note that a further LHMA update (June 2012 - Ref SE.1) has been undertaken which attempts to clarify these issues.

FC4d The affordable housing target components within paragraph 5.26 have been updated to include an estimate of windfall provision and to reflect the amended capacity on the Deri Farm Strategic Site. This is supported and addresses our previous comments in this matter. We note that the overall target has increased from 769 units in the Deposit Plan to 827 units. This reduces the overall shortfall from 191 units to 133 units short of the overall need.

FC4e The proposed FC amends paragraph 5.27 to include the updated 'shortfall' figure from 191

units to 133 units. The FC also proposes an insertion that states the following “It is also anticipated that some affordable housing need would be met through adjustments in the second hand market”. However, it would appear that 58 affordable units are being delivered from the existing market housing stock which has already been included as a completion in a previous plan period. To avoid ‘double counting’ an additional 58 units should be added to the overall level of housing provision to avoid a net loss of the existing stock.

Infrastructure

FC5

Deliverability (*WG Deposit Rep Bii.*)

Planning Obligations (Infrastructure & Site Allocation Policies)

The proposed FC now incorporates a reference to viability when assessing appropriate developer contributions towards infrastructure provision. However, the WG consider that the proposed focussed change has not addressed our concerns in this respect.

Policy S7 - Infrastructure Provision includes an expansive list of various planning obligations that may be sought from development. In addition, the Site Allocation Policies have broad infrastructure requirements for each site listed within the policy. The interrelationship of Policy S7 and the Site Allocation Policies is unclear and does not set out the key priorities for development or clarify if they can be delivered. In addition, it is not clear how affordable housing relates to, or how it is prioritised within the ‘list’ of requirements set out in Policy S7 and the Site Allocation Policies. The relationship to CIL Regulation 122 and the desired S106 priorities should also be clarified, i.e. that what is being sought is not beyond the tests set out in Reg. 122.

Viability should be a consideration in determining delivery of the plan. Where funding for related infrastructure is to be sought through planning obligations, the Plan should specify the Council’s priorities to inform the provision of infrastructure/mitigation and avoid a scheme development being unviable. Evidence supporting the plan should demonstrate that broadly what is being sought can be realised and delivered.

In addition, the Council has not provided an update in terms of the timescales for the preparation of the Draft SPG on Planning Obligations which will set out the types of contribution that will be sought in relation to different types of development. This creates uncertainty; the LDP should set the framework that the Council wants in relation to the strategy and the key objectives of the plan.

Deliverability (Development Constraints & Housing Mix and Tenure)

We consider, based on the evidence, that some infrastructure requirements and development constraints such as the undergrounding of pylons and contamination constraints could be described as ‘onerous’ and may impact on lead in times, and the viability of key sites.

It is essential that infrastructure deemed integral to the delivery of key sites should be linked to an appropriate monitoring indicator, supported by a clear mechanism(s) for action/review in order to ensure that ‘alternatives’ (if appropriate) may be pursued to ensure that the level of housing provision and employment land is delivered in the plan period. (See comments in relation to monitoring).

	<p>The Affordable Housing Strategic Sites Viability Assessment highlights key infrastructure, 'exceptional' costs' and the potential impacts on viability. The report suggests that the Council may need to adjust the mix and tenure split of dwellings on strategic sites. The report notes that schemes with larger dwellings tend to perform better than schemes with smaller units, thus improving residual land values. Given the extent of 'exceptional' costs identified on some strategic sites, the evidence suggests that the number of units could be reduced. Other development constraints such as flood risk and agricultural land classification could potentially impact on the developable area of the strategic sites, thus potentially reducing the number of units on site. The Council should clarify to what extent these issues are/are not an issue.</p> <p>The identified constraints reinforce the need for additional flexibility within the plan.</p> <p>Community Infrastructure Levy (CIL) - (WG Deposit Rep Bi.a.)</p> <p>No further clarification has been provided in terms of CIL (paragraph 5.55 of the Deposit Plan)</p> <p>The Authority should demonstrate that a sufficient mechanism will be in place to deliver the necessary infrastructure over the remaining plan period. The Council should clarify if the delivery of infrastructure in the plan would be undermined when S106 obligations from 5 of more developments can no longer be pooled (April 2014). It is essential that there is no policy vacuum in the plans ability to deliver the necessary infrastructure.</p> <p>WG Policy Clarification letter (CL-02-2010) clarifies the implications of the CIL regulations from 06th April 2013 and in particular the limitations on the use of planning obligations (Reg. 122 & 123).</p>
Renewable Energy	
FC13c-FC13h	<p>Renewable Energy (WG Deposit Rep Bv.)</p> <p>The proposed FCs update the plan in order to ensure compliance with national policy and to improve the clarity of the plan. These changes are supported and address our previous concerns in this respect.</p>
Flood Risk	
FC9 FC15 FC30c	<p>Flood Risk (WG Deposit Rep Dv.)</p> <p>The proposed FC seeks to amend Policy H8 Gypsy Traveller & Travelling Show People Sites (Criterion e) with the inclusion of the phrase "avoid areas at high risk of flooding". Gypsy and Traveller sites are considered highly vulnerable development. The criterion should be more robustly worded to reflect National Policy (Technical Advice Note 15, Para 6.2)</p> <p>The proposed FC has not taken into account our comments in relation to the wording of Policy SD3 Flood Risk. We reiterate our previous comments; the wording of this policy is not sufficiently robust to ensure compliance with the provisions of TAN 15.</p> <p>The proposed FC includes an additional criterion to Policy SAH3 Fairfield Mabey. This additional wording is contrary to National Policy (Technical Advice Note 15, Para 6.2) which states that highly vulnerable development in Zone C2 should not be permitted.</p>

FC36	<p>The FC proposes changes to Policy SAH8 Main Villages – Land adjacent Werngifford, Pandy. This additional wording is contrary to National Policy (Technical Advice Note 15, Para 6.2) which states that highly vulnerable development in Zone C2 should not be permitted.</p> <p>Given the above comments, the WG have concerns that national policy in respect of flood risk, particularly highly vulnerable development within the C2 flood plain, has not been adequately reflected within the Deposit Plan and Focussed Changes. It is considered that a discussion at the appropriate hearing session would aid matters in this respect, where the Welsh Government can fully articulate what national policy says in respect of development in flood risk areas.</p>
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Ceilings on Strategic Sites

FC27a FC28 FC30a FC31a FC32	<p>Ceilings on Strategic Sites <i>(WG Deposit Rep Ai.)</i></p> <p>The proposed FC's seek to remove the restrictive ceilings on the strategic site allocations. This change is supported and overcomes our previous objection.</p>
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Monitoring Framework

FC42a –FC45	<p>Monitoring Framework <i>(WG Deposit Rep B.iii.)</i></p> <p>The proposed focussed changes do not address our comments in relation to the monitoring framework.</p> <p>An appropriately transparent and comprehensive monitoring framework should be an integral part of an LDP. Currently, the LDP monitoring framework has shortcomings regarding a lack of trigger points and unspecified actions to redress matters. The LPA should consider the merits of individually listing key housing sites, infrastructure, and employment schemes that are required to deliver the strategy. This could aid the delivery of the key sites and infrastructure within the plan.</p> <p>Since the LDP manual guidance was issued in 2005, a significant number of LDP's have completed the examination process and are adopted, with others at advanced stages; this provides useful good practice measures. Therefore, the Welsh Government considers there is merit in reviewing the indicators in order to determine if they and the trigger points are appropriate and will deliver on their intended aims.</p>
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