



## REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 16TH SEPTEMBER 2014

**SUBJECT: LOCAL DEVELOPMENT PLAN – ANNUAL MONITORING REPORT 2014**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### 1. PURPOSE OF REPORT

- 1.1 For members to consider the findings and recommendations of the Caerphilly County Borough Local Development Plan 2014 Annual Monitoring Report (AMR).
- 1.2 To recommend that the 2014 Annual Monitoring Report be approved by Cabinet and thereafter Council.
- 1.3 To recommend to Cabinet and thereafter Council that the 2014 Annual Monitoring Report be submitted to the Welsh Government (WG) in order to satisfy the Council's statutory requirements.
- 1.4 Glossary of terms used in this Report

LDP	Caerphilly County Borough Local Development Plan up to 2021 (Adopted November 2010)
2014 AMR	Caerphilly County Borough Local Development Plan 2014 Annual Monitoring Report
WG	Welsh Government
SEA/SA	Strategic Environmental Assessment /Sustainability Appraisal

### 2. SUMMARY

- 2.1 It is a statutory requirement that the Council submits an Annual Monitoring Report to the Welsh Government that monitors whether or not the LDP is being implemented successfully. The overall purpose of the AMR is to identify whether the LDP Strategy, or any the Strategy Policies are not being implemented and if they are not identify steps to rectify this.
- 2.2 This is the third AMR to be prepared for Caerphilly County Borough Local Development Plan (LDP) and it monitors the period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014. The Council is required to submit the 2014 AMR to WG by the 31<sup>st</sup> October 2014.
- 2.3 Monitoring of the plan for 2013/14 indicates that no new Strategy Policies have been triggered. No intervention is necessary at this time, as all policies will be reassessed as an integral part of the LDP Review
- 2.4 The 2014 AMR also includes the results of the SEA/SA monitoring, which is required by the SEA Directive and national guidance. The SEA/SA monitoring found an overall positive change in the state of the environment, meaning that the environmental position has improved slightly

since the adoption of the LDP in 2010.

- 2.5 The 2014 AMR is also required to include information relating to 12 mandatory indicators, which are specified by Welsh Government. These indicators are included in Appendix 5 of the 2014 AMR.
- 2.6 An overview of the LDP Monitoring Data for the 2014 AMR provides an interesting insight into the implementation of the LDP over the monitoring period. Of particular note for 2013/14 is the following:
- The annual house-building rate decreased slightly over the period from 390 to 344 dwellings in the previous year.
  - The housing land supply figure decreased from 3.5 to 2.9 years using the Welsh Government preferred residual method.
  - The average house price fell from £97,272 to £94,272.
  - Unemployment fell from 9% to 8.4%.
  - The number of residents in employment increased from 73,700 to 78,700.
  - There was a general drop in commuting rates as a percentage of all commuting both in terms of out commuting for work, but a slight rise in out commuting generally from 45.9% to 50%.
  - Vacancy rates in the Principal Towns of Caerphilly and Risca/Pontymister decreased over the period whereas vacancy rates in, Blackwood, Bargoed increased. Vacancy rates in Ystrad Mynach remained the same.
  - Footfall in the Principal Town Centres declined by 19.48%, a significant increase from the previous years figure of 7.38%
  - The number of schools over subscribed in terms of the school rolls increased from 4 to 5.
  - The use of aggregates within the construction industry continued to fall.
  - The amount of new development on brownfield sites increased.
- 2.7 The 2014 AMR concludes that substantial progress has been made in implementing the Caerphilly County Borough Local Development Plan up to 2021 and that the Development Strategy is being extremely effective.
- 2.8 It is important to note that the 2013 AMR triggered the first review of the LDP in October 2013 as a consequence of its findings. These issues remain the same for the 2014 AMR. Consequently the 2014 AMR recommends that the First Review of the Caerphilly County Borough Local Development Plan continues to be progressed in line with the Welsh Government and Council Agreed Delivery Agreement (13 February 2014).

### **3. LINKS TO STRATEGY**

- 3.1 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2021(LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 3.2 The submission of the 2014 AMR to Welsh Government is a statutory procedure associated with the Adopted LDP. The LDP has, through its preparation, incorporated the Council's land use objectives and the AMR monitors whether the LDP, and therefore the Council's Land Use Objectives, are being successfully implemented.

## 4. THE REPORT

### Background

4.1 The Council formally adopted the Caerphilly County Borough Local Development Plan (LDP) on the 23 November 2010. Following the adoption of its LDP, the Council has a statutory obligation, under section 61 of the Planning and Compulsory Purchase Act 2004 to keep all matters under review that are expected to affect the development of its area. Further, section 76 of the Act requires the Council to produce information on these matters in the form of an Annual Monitoring Report for submission to the Welsh Government. The 2014 AMR monitors the period from 1st April 2013 to 31st March 2014 and it is required to be submitted to WG by the 31 October 2014.

4.2 Whilst the LDP was adopted in November 2010 and runs up to 2021, the base date of the plan is 2006. There have been many changes that will impact on the successful implementation of the LDP since this date, the most notable of which are:

- The downturn in the global economy, which has impacted on the commercial and housing property markets;
- The identification and availability of sites for development within the region through the preparation of local development plans, most notably Cardiff City and Newport City given their proximity to the Southern Connections Corridor;

4.3 Given the changes in the Welsh Economy and the changes in the regional context, the 2014 AMR once again considers whether the Development Strategy that underpins the LDP remains valid; and will assess whether or not the Strategy Policies contained in the LDP are being effective in delivering the Development Strategy and meeting the objectives of the plan until such time as the LDP is formally reviewed.

4.4 It is important to note that the 2013 AMR triggered the first review of the LDP in October 2013 as a consequence of its findings. The issues highlighted within the 2013 AMR that triggered the first review of the LDP remain the same for the 2014 AMR.

4.5 The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 and the LDP Manual (available on the Welsh Government web site) specify what the 2014 AMR is required to include as follows:

- An Executive Summary
- Review of changes to national and regional policy and guidance and their implications for the LDP.
- SEA/SA Monitoring based on the SEA/SA Monitoring Framework (LDP Appendix 18).
- LDP Monitoring based on the LDP Monitoring Framework (LDP Appendix 19).
- Statutory Indicators.
- Recommendations on the course of action in respect of policies and the LDP as a whole.

In addition to the above the 2014 AMR also considers external influences which impact on the implementation of the LDP but which are very much outside of the Council's control. Nevertheless the Council should consider whether or not a change in its policy framework could serve to alleviate some of the issue raised by these external factors.

4.6 Copies of the full 2014 AMR entitled "Caerphilly County Borough LDP Third Annual Monitoring Report 2014" together with the background statistical tables have been placed in the resource library for members' information.

### ***Report of Findings***

### ***External Influences***

4.7 The 2014 AMR considers the external factors that have had, or could have, an influence on the implementation of the plan and thus on development in the County Borough. These include changes in:

- National policy or legislation;
- External conditions;
- Local Considerations

#### ***National policy and Legislation***

4.8 The 2014 AMR is required to identify documents, at national and regional level, that may have implications for the policies in the LDP and to assess them to identify their implications. Welsh Government has published the following key policy and guidance documents between 1st April 2013 and 31st March 2014:

- Planning Policy Wales, Edition 6, February 2014
- Technical Advice Note (TAN) 21: Waste, 2014
- Technical Advice Note (TAN) 23: Economic Development, 2014

4.9 The changes in national policy and guidance have not resulted in any significant changes that need to be addressed in the short term.

#### ***External Conditions***

4.10 The downturn in the economy continues to have a marked effect on house building rates and therefore on the delivery of affordable housing. Viability continues to be an issue in overall house building and this has an adverse impact on the levels of affordable housing that can be delivered through the planning system

4.11 If recommendations regarding the introduction of a regional planning tier are taken forward in the Planning White Paper, some matters such as housing numbers, transport infrastructure and the location of strategic employment sites will be determined regionally in the future.

4.12 All neighbouring local planning authorities are well advanced with the preparation of their respective development plans providing a local policy framework for development decisions within the region

4.13 The Cardiff LDP identifies land for the provision of 41,000 dwellings, including 18,000 on greenfield sites in north Cardiff; and Newport LDP allocates 10,350 dwellings, 1,540 of which are in the east of Newport on the boundary with Risca / Pontymister. This provision could undermine the development strategy for the Southern Connections Corridor, which advocates new development on brownfield land

#### ***Local Considerations***

4.14 The 2013 AMR (2012-13) recommended that an early review be instigated in light of the following significant local considerations. Specifically:

- The lack of a five-year housing land supply is a matter of concern that needs to be addressed, as the evidence available indicates that it is unlikely that this position will improve in the next few years; and
- The need to identify suitable sites for new schools as a consequence of the Council's ambitious school rationalisation programme.

4.15 The LDP is currently under review with an anticipated adoption date of October 2017.

#### ***Strategic Environmental Assessment/Sustainability Appraisal Monitoring***

4.16 The Strategic Environmental Assessment Directive requires local authorities to undertake

Strategic Environmental Assessment (SEA) as part of the preparation of the LDP. In addition to this the LDP Regulations requires a Sustainability Appraisal (SA) to be undertaken. In preparing the LDP the council undertook joint SEA and SA and produced and published its SEA/SA Report in conjunction with the LDP.

- 4.17 The SEA Directive also requires that the council monitor the state of the environment through monitoring the sustainability objectives set out in the SEA/SA Report. This forms an integral part of the AMR and is contained in Section 4.

***LDP Policy Monitoring***

- 4.18 The LDP Monitoring considers each of the 22 Strategy Policies against the LDP monitoring Framework to identify whether the policies are being effective and to identify any policies that are not being implemented. The Framework consists of 29 Indicators (overarching measures considered against time related targets) and 53 Factors (specific measures considered against a fixed Trigger Point). Both the Indicators and Factors are statistical measures relating to the delivery of a specific Strategy Policy and consideration of the Indicators and Factors will indicate whether the Policies are being implemented. Where an indicator does not meet a target, or a factor reaches a trigger point, it could indicate that the policy is not being implemented.

- 4.19 An overview of the LDP Monitoring Data for the 2014 AMR period provides an interesting insight into the implementation of the LDP over the past 12 months. Of particular note for 2013/14 is the following:

- The annual house-building rate decreased slightly over the period from 390 to 344 dwellings in the previous year.
- The housing land supply figure decreased from 3.5 to 2.9 years using the Welsh Government preferred residual method.
- The average house price fell from £97,272 to £94,272.
- Unemployment fell from 9% to 8.4%.
- The number of residents in employment increased from 73,700 to 78,700.
- There was a general drop in commuting rates as a percentage of all commuting both in terms of out commuting for work, but a slight rise in out commuting generally from 45.9% to 50%.
- Vacancy rates in the Principal Towns of Caerphilly and Risca/Pontymister decreased over the period whereas vacancy rates in, Blackwood, Bargoed increased. Vacancy rates in Ystrad Mynach remained the same.
- Footfall in the Principal Town Centres declined by 12.1%
- The number of schools over subscribed in terms of the school rolls increased from 4 to 5.
- The use of aggregates within the construction industry continued to fall.
- There was an increase in customer satisfaction with the countryside recreation on offer in the county borough.

- 4.20 Section 5 of the 2014 AMR provides a detailed analysis of the success of the plan to date against the monitoring indicators and factors in terms of delivering sustainable development. The findings are summarised in the Table below:

**LDP Monitoring Summary Table**

<b>Strategy Policy</b>	
SP1, SP2, SP3, SP4, SP5, SP6, SP7, SP8, SP9, SP10, SP11, SP12, SP17, SP18, SP19, SP20, SP21	Policy is being met or exceeded. No intervention required.
SP10, SP16, SP22	Policy is not delivering as anticipated but is delivering sufficiently and does not require intervention measures.
SP13, SP14, SP15	Policy is failing to deliver as anticipated and intervention measures should be considered.

- 4.21 Monitoring of the plan for 2013/14 indicates that no new Strategy Policies have been triggered. No further intervention is necessary at this time, as all policies will be reassessed as an integral part of the LDP Review.
- 4.22 Given the importance of housing delivery to the strategy there is a need to consider the following key policies as part of the 2014 AMR.
- SP14 Total Housing Requirements
  - SP15 Affordable Housing Target
- 4.23 The 2012/13 JHLAS indicates that the housing land supply has fallen to 2.9 years using the residual method. Where the land supply is less than 5 years, TAN 1 states that local authorities must take steps to increase the supply of housing land. This may include reviewing the development plan, releasing land in its ownership, expediting planning applications or securing the provision of infrastructure for particular sites.
- 4.24 The review of the adopted LDP has begun and this will look in-depth at the identification of additional development land to satisfy the 5-year land supply requirements of TAN1. However in the intervening period there could be a need to release limited greenfield sites in the short term to address the supply issue.
- 4.25 Further the Council should seek to release housing land in its control to the market and should ensure that planning applications are expedited as far as is practical to make land readily available for development.
- 4.26 No further intervention is necessary at this time, as all policies will be reassessed as an integral part of the First Review of the LDP along with all other policies contained within the plan.

**Statutory Indicators**

- 4.27 The LDP Manual requires that the AMR include information relating to 12 specific indicators. The information in respect of these is already contained within the LDP and SEA/SA monitoring frameworks and has been taken into account through the monitoring process.
- 4.28 The LDP Regulations also require that the AMR sets out information in respect of housing delivery in the County Borough since the Adoption of the plan. In particular the Regulations require that the AMR includes:
- The housing land supply taken from the current Housing Land Availability Study; and
  - The number (if any) of net affordable and general market dwellings built in the LPA's area

Information must be provided for the period in respect of which the AMR is made; and the period since the LDP was first adopted or approved. This information is set out in the table below:

<b>New Dwelling Completions Private /Affordable Split and Housing land Supply</b>								
	<b>2007 JHLAS</b>	<b>2008 JHLAS</b>	<b>2009 JHLAS</b>	<b>2010 JHLAS</b>	<b>2011 JHLAS</b>	<b>2012 JHLAS</b>	<b>2013 JHLAS</b>	
	<b>Apr 2006 - Mar 2007</b>	<b>Apr 2007 - Mar 2008</b>	<b>Apr 2008 - Mar 2009</b>	<b>Apr 2009 - Mar 2010</b>	<b>Apr 2010 - Mar 2011</b>	<b>Apr 2011 - Mar 2012</b>	<b>Apr 2012 - Mar 2013</b>	<b>Total</b>
Private Sector	835	554	265	189	241	275	236	<b>2595</b>

H.A. Public	17	102	122	111	117	115	108	<b>692</b>
<b>Total</b>	<b>852</b>	<b>656</b>	<b>387</b>	<b>300</b>	<b>358</b>	<b>390</b>	<b>344</b>	<b>3287</b>
<b>Land Supply (Residual method)</b>	<b>17.3*</b>	<b>22.5*</b>	<b>21.2*</b>	<b>14.2*</b>	<b>4.3</b>	<b>3.5</b>	<b>2.9</b>	
Figures taken from Joint Housing Land Availability Studies * <b>Figures realised under the Caerphilly UDP (LDP Adopted November 2010)</b>								

- 4.29 Housing land availability information is monitored for the period April to end of March annually through the Joint Housing Land Availability Study (JHLAS).

### **AMR Conclusions & Recommendations**

- 4.30 The AMR concludes that whilst the LDP Development Strategy remains sound, the downturn in the economy has had a marked effect on house building rates. Viability continues to be an issue in overall house building and this has an adverse impact on the levels of affordable housing being delivered through the planning system.
- 4.31 The lack of a five-year land supply is a matter of concern that needs to be addressed, as the evidence available indicates that it is unlikely that this position will improve in the next few years. There could be a need to release limited greenfield sites in the short term to address the supply issue. The first review of the LDP will further address the land supply issue through the allocation of sites that are capable of being delivered in viable parts of the county borough.
- 4.32 The 2014 AMR recommendations are therefore as follows:

### **Recommendations**

- R1 The 2014 Annual Monitoring Plan has indicated that substantial progress has been made in implementing the Caerphilly County Borough Local Development Plan up to 2021 and that the Development Strategy is being effective.
- R2 That limited greenfield release be considered on sites that are acceptable in planning terms in order to address the lack of a five year land supply in the short term.
- R3 That the First Review of the Caerphilly County Borough Local Development Plan continue to be progressed in line with the Welsh Government and Council Agreed Delivery Agreement (13 February 2014).

## **5. EQUALITIES IMPLICATIONS**

- 5.1 There are no direct implications associated with this report. However any future review of policies and proposals contained within the LDP will require an equalities impact assessment to be carried out.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no new financial implications as a consequence of this report.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no direct personnel implications as a result of this report.

## **8. CONSULTATIONS**

- 8.1 All comments have been taken into account in the Committee Report.

## **9 RECOMMENDATIONS**

- 9.1 To consider and note the findings of the 2014 Annual Monitoring Report and the implications of the recommendations contained therein.
- 9.2 To recommend that the 2014 Annual Monitoring Report be referred to Cabinet and Council for consideration.
- 9.3 To recommend to Cabinet and thereafter Council that the 2014 Annual Monitoring Report be submitted to the Welsh Government before the deadline of 31 October 2014.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To comply with the requirements of the Planning and Compulsory Purchase Act 2004, the LDP Wales Regulations 2005 and the SEA Directive.
- 10.2 To comply with the requirements of the Planning and Compulsory Purchase Act 2004, the LDP Wales Regulations 2005 and the SEA Directive.
- 10.3 To comply with the requirements of the Planning and Compulsory Purchase Act 2004, the LDP Wales Regulations 2005 and the SEA Directive

## **11. STATUTORY POWER**

- 11.1 The Planning and Compulsory Purchase Act 2004 requires the Council to prepare and keep under review a Local Development Plan for the County Borough to act as a single framework for the control and use of land within its administrative boundary.
- 11.2 The Local Government Act 1998. The Local Government Act 2003. The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005.

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Sandra Aspinall, Acting Deputy Chief Executive  
Pauline Elliott, Head of Regeneration and Planning  
Gail Williams, Interim Head of Legal Services/ Monitoring Officer  
Mike Eedy, Finance Manager, Environmental Finance Group  
Colin Jones, Head of Performance & Property

### Background Papers:

Caerphilly County Borough LDP Annual Monitoring Report 2014

*[made available in the resource library]*

Caerphilly County Borough LDP Annual Monitoring Report 2014 – Background Tables

*[made available in the resource library]*

Report to Council 23rd November 2010