



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 15TH SEPTEMBER 2015

SUBJECT: LOCAL DEVELOPMENT PLAN 2015 ANNUAL MONITORING REPORT

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 For members to consider the findings and recommendations of the Caerphilly County Borough Local Development Plan 2015 Annual Monitoring Report (AMR).
- 1.2 To recommend that the 2015 Annual Monitoring Report be approved by Cabinet and thereafter Council.
- 1.3 To recommend to Cabinet and thereafter Council that the 2015 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)
Replacement LDP	Caerphilly County Borough Replacement Local Development Plan up to 2031
2015 AMR	Caerphilly County Borough Local Development Plan 2015 Annual Monitoring Report
WG	Welsh Government
SEA/SA	Strategic Environmental Assessment /Sustainability Appraisal
CIL	Community Infrastructure Levy

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 fourth AMR to be prepared for Caerphilly County Borough Local Development Plan up to 2021 (LDP) and it monitors the period from 1st April 2014 to 31st March 2015. The Council is required to submit the 2015 AMR to Welsh Government by the 31st October 2015.
- 2.3 Monitoring of the plan for 2014/15 indicates that one new Strategy Policy has been triggered, specifically SP4 Settlement Strategy. Specifically monitoring indicates that one of the five Principal Towns vacancy rates exceeded 20% for the first time during this monitoring period.

- 2.4 The 2015 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 2015 AMR is also required to include information relating to 12 mandatory indicators, which are specified by Welsh Government. These indicators are included in Section 6 of the 2015 AMR.
- 2.6 An overview of the LDP Monitoring Data for the 2015 AMR provides an interesting insight into the implementation of the LDP over the monitoring period. Of particular note for 2014/15 is the following:
- The annual house-building rate increased slightly from 344 in 2013 to 351 dwellings in 2014 and to 414 dwellings in 2015.
 - The housing land supply figure decreased from 2.9 in 2013 to 2.5 years in 2014 and to 1.9 in 2015 using the Welsh Government preferred residual method.
 - To date 4052 units (49% of the total housing requirement) has been delivered.
 - The average house price increased from £94,272 in 2014 to £98,881 in 2015.
 - Unemployment rose from 8.4% to 8.6%.
 - The number of residents in employment decreased from 78,700, to 76,600.
 - There was a general drop in commuting rates as a percentage of all commuting both in terms of out commuting for work (36% to 30%) and out commuting generally from 50% to 49%.
 - Vacancy rates in the Principal Towns of Caerphilly and Risca/Pontymister decreased over the period whereas vacancy rates in, Blackwood and Bargoed increased. Vacancy rates in Ystrad Mynach remained the same.
 - Footfall in the Principal Town Centres in general increased.
 - Customer satisfaction with the countryside recreation on offer in the county borough was sustained at 83%.
 - The use of aggregates within the construction industry continued to fall.
- 2.7 For the first time the AMR also provides information on the implementation of the Community Infrastructure Levy, which was introduced in the county borough on the 1st July 2014.
- 2.8 As CIL was only introduced on the 1 July 2014, only planning applications approved after that date would be CIL liable and further, only those that have commenced on site would have generated income. Unsurprisingly therefore, no income was raised in the monitoring period 1 April 2014 to 31 March 2015 and consequently no schemes have been undertaken.
- 2.9 The 2015 AMR concludes that substantial progress has been made in implementing the Caerphilly County Borough Local Development Plan up to 2021. However 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 2015 AMR.
- 2.10 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 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.
- 2.11 The 2015 AMR recommendation is therefore as follows:

Recommendations

- R1** *The 2015 Annual Monitoring Plan has indicated that substantial progress has been made over the plan period in implementing the Caerphilly County Borough Local Development Plan up to 2021.*

R2 *The 2015 Annual Monitoring Report has indicated that there is a continuing need to release limited greenfield sites in the short term to address the lack of a five year housing land supply.*

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 2015 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 2015 AMR monitors the period from 1st April 2014 to 31st March 2015 and it is required to be submitted to WG by the 31 October 2015.
- 4.2 The 2015 AMR once again considers whether the Development Strategy that underpins the LDP remains valid; and 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 Replacement LDP is adopted.
- 4.3 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 2015 AMR.
- 4.4 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 2015 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.
- 4.5 In addition to the above, the 2015 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 2015 AMR entitled “Caerphilly County Borough LDP Annual Monitoring Report 2015” together with the background statistical tables have been placed in the resource library for members’ information.

Report of Findings

External Conditions

- 4.7 As the review of the plan has already been triggered, the contextual changes that may affect the AMR and any policies within the plan will be considered as part of this process in a comprehensive and holistic way. These contextual considerations will include, but are not exclusive to, the introduction of the Planning (Wales) Bill, the updating of Planning Policy Wales, the revision of Technical Advice Note 1, Technical Advice Note 12, Technical Advice Note 21 and the introduction of Technical Advice Note 23.
- 4.8 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.
- 4.9 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.
- 4.10 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

- 4.11 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.
- 4.12 The LDP is currently under review with an anticipated adoption date for the Replacement LDP of October 2017.

Strategic Environmental Assessment/Sustainability Appraisal Monitoring

- 4.13 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.
- 4.14 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

- 4.15 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.

- 4.16 An overview of the LDP Monitoring Data for the 2015 AMR period provides an interesting insight into the implementation of the LDP over the past 12 months. Of particular note for 2014/15 is the following:
- The annual house-building rate increased slightly from 344 in 2013 to 351 dwellings in 2014 and to 414 dwellings in 2015.
 - The housing land supply figure decreased from 2.9 in 2013 to 2.5 years in 2014 and to 1.9 in 2015 using the Welsh Government preferred residual method.
 - To date 4052 units (49% of the total housing requirement) has been delivered.
 - The average house price increased from £94,272 in 2014 to £98,881 in 2015.
 - Unemployment rose from 8.4% to 8.6%.
 - The number of residents in employment decreased from 78,700, to 76,600.
 - There was a general drop in commuting rates as a percentage of all commuting both in terms of out commuting for work (36% to 30%) and out commuting generally from 50% to 49%.
 - Vacancy rates in the Principal Towns of Caerphilly and Risca/Pontymister decreased over the period whereas vacancy rates in, Blackwood and Bargoed increased. Vacancy rates in Ystrad Mynach remained the same.
 - Footfall in the Principal Town Centres in general increased.
 - Customer satisfaction with the countryside recreation on offer in the county borough was sustained at 83%.
 - The use of aggregates within the construction industry continued to fall.
- 4.17 Monitoring of the plan for 2014/15 indicates that one new Strategy Policy has been triggered, specifically SP4 Settlement Strategy. Specifically monitoring indicates that one of the five Principal Towns vacancy rates exceeded 20% for the first time during this monitoring period.
- 4.18 Given the importance of housing delivery to the strategy there is a need to consider the following key policies as part of the 2015 AMR.
- SP14 Total Housing Requirements.
 - SP15 Affordable Housing Target.
- 4.19 The 2014/15 JHLAS indicates that the housing land supply has fallen to 1.9 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.
- 4.20 The review of the adopted LDP is underway 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.
- 4.21 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.
- 4.22 No further intervention is necessary at this time, as all policies will be reassessed as an integral part of the review process along with all other policies contained within the plan.

Statutory Indicators

- 4.23 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.
- 4.24 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.
- 4.25 Housing land availability information is monitored for the period April to end of March annually through the Joint Housing Land Availability Study (JHLAS). 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 Appendix 1.

Community Infrastructure Levy

- 4.26 The Community Infrastructure Levy CIL was introduced in Caerphilly County Borough on 1 July 2014. It is a mandatory charge that is levied against all new qualifying development.
- 4.27 In order to ensure that the implementation of the Community Infrastructure Levy is open and transparent, the Council must prepare an annual report on CIL. This can be a bespoke report or can be included in an existing reporting mechanism, such as the annual monitoring report which reports on the LDP. This is a sensible mechanism for reporting on CIL as it is inextricably linked to the LDP. The 2015 AMR is the first AMR therefore to also report on the implementation of CIL.
- 4.28 The CIL Report must be published on the Council's website by 31 December each year, for the previous financial year, i.e. in this instance for the reporting period 1 April 2014 to 31 March 2015.
- 4.29 It is important to note that CIL only becomes payable on the commencement of the chargeable development, therefore it is inevitable that there is a delay between the formal introduction of the levy and funding being secured. As CIL was only introduced on the 1 July 2014, only planning applications approved after that date would be CIL liable and further, only those that have commenced on site would have generated income. Unsurprisingly therefore, no income was raised in the monitoring period 1 April 2014 to 31 March 2015 and consequently no schemes have been undertaken.
- 4.30 For completeness, there is a requirement for the Charging Authority to pass 15% of the CIL income to the relevant Community Council and for this also to be reported through the AMR. Clearly as no income was raised during this monitoring period no funds have been passed to any of the community councils in the county borough.

AMR Conclusions & Recommendations

- 4.31 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.
- 4.32 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 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.

4.33 The 2015 AMR recommendation is therefore as follows:

Recommendations

- R1** *The 2015 Annual Monitoring Plan has indicated that substantial progress has been made over the plan period in implementing the Caerphilly County Borough Local Development Plan up to 2021.*
- R2** *The 2015 Annual Monitoring Report has indicated that there is a continuing need to release limited greenfield sites in the short term to address the lack of a five year housing land supply.*

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 2015 Annual Monitoring Report and the implications of the recommendations contained therein.

9.2 To recommend that the 2015 Annual Monitoring Report be referred to Cabinet and Council for consideration.

9.3 To recommend to Cabinet and thereafter Council that the 2015 Annual Monitoring Report be submitted to the Welsh Government before the deadline of 31 October 2015.

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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Gail Williams, Interim Head of Legal Services/ Monitoring Officer
Mike Eedy, Finance Manager, Environmental Finance Group

Appendices

Appendix 1 Mandatory Indicator – New Dwelling Completions and Land Supply

Background Papers:

Caerphilly County Borough LDP Annual Monitoring Report 2015

[made available in the resource library]

Caerphilly County Borough LDP Annual Monitoring Report 2015 – Background Tables

[made available in the resource library]

Agenda Item 5 Report to Council, 23 November 2010

Agenda Item 6(1) Report to Council, 8 October 2013