

# **Monmouthshire Replacement Local Development Plan**

**Review of RLDP Issues, Vision and Objectives  
and Evidence Base  
in light of Covid-19**



**Monmouthshire County Council  
Replacement Local Development Plan**

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## 1 Introduction

- 1.1 The purpose of this report is to provide an update and review on the preparation of the Replacement Local Development Plan (RLDP) in light of the current Covid-19 pandemic and in response to publication of a letter from the Minister for Housing and Local Government on 7<sup>th</sup> July 2020<sup>1</sup>. The letter requires Local Planning Authorities to undertake an assessment of the RLDP evidence base, strategy and policies in terms of sensitivity to the consequences of the current pandemic before progressing with Plan preparation.

## 2 Background

- 2.1 The Council is preparing a Replacement Local Development Plan (RLDP) for the County (excluding the area within the Brecon Beacons National Park) to cover the period 2018-2033. Prior to the Covid-19 pandemic being declared, the RLDP had reached the Preferred Strategy stage and was endorsed by Council for statutory consultation/engagement and stakeholder involvement on 5<sup>th</sup> March 2020. Public consultation and engagement on the Preferred Strategy commenced on Monday 9<sup>th</sup> March for a statutory 6 week period, with the consultation due to end on 22<sup>nd</sup> April 2020. The second call for candidate sites commenced at the same time as the Preferred Strategy consultation for a 12 week period and was due to end on 3<sup>rd</sup> June 2020.
- 2.2 In light of the changing circumstances surrounding COVID-19, the decision was taken on 17<sup>th</sup> March 2020 to postpone the RLDP Preferred Strategy engagement events until further notice and to keep open, with an extended deadline, both the Preferred Strategy consultation period and the second (final) opportunity to submit candidate sites for inclusion in the RLDP. The Minister's letter of 7<sup>th</sup> July referred to above required a review of the evidence base before continuing with the Plan preparation. The decision was therefore made to cease the RLDP Preferred Strategy Consultation as of 20<sup>th</sup> July 2020 to enable this review to commence.
- 2.3 In August 2020, the Welsh Government (WG) published corrected 2018-based population and household projections, a first update since the 2014-based population and household projections. These projections form the starting point of the evidence base for proposals, onto which policy choices can be added to address the Plan's issues and achieve objectives. In order to ensure the RLDP is robustly based on the most up to date evidence, a decision has been made to go back a step and revisit the growth options to inform the Preferred Strategy.
- 2.4 Edge Analytics has been commissioned to configure a new range of growth scenarios for Monmouthshire, incorporating the Welsh Government 2018-based population and household projections, to produce forecasts for the 2018–2033 Plan period. A number of these growth scenarios will be chosen for non-statutory consultation along with a number of potential spatial options to deliver the growth. As before, a period of non-statutory consultation will be undertaken on the resultant Growth and Spatial Options Paper. A revised Delivery Agreement has been prepared accordingly to reflect this and the delays incurred as a result of Covid-19.

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<sup>1</sup> Minister for Housing and Local Government Letter to Local Authority Leaders and Chief Executives National Park Authority Chief Executives – Planning System and Covid-19, 7<sup>th</sup> July 2020

### **3 Building Better Places – Placemaking and the Covid-19 Recovery (July 2020)**

- 3.1 In July 2020, Welsh Government published its planning priorities to assist in taking action in the recovery period after the Covid-19 pandemic crisis. In undertaking the LDP evidence review, specific regard has been had to the post Covid-19 considerations and priorities set out in the Building Better Places document to ensure consistency with Welsh Government’s priorities. It has become clear that in many cases policy areas have gained additional recognition in their importance to supporting Covid-19 recovery. For example, place-making, Green Infrastructure, de-carbonisation and town centres are all recognised as priorities by Welsh Government in the response to Covid-19. These priorities are already echoed in the Issues, Vision and Objectives of the RLDP. It has also become clear, however, that Covid-19 is an on-going situation that may be with us for some time and that increased flexibility may be needed in some of the future detailed Development Management policies as the Plan progresses. This is to ensure the RLDP is sufficiently flexible to respond to changing market conditions and assist with the delivery of the Plan and its objectives during uncertain times.

### **4 Scope of Covid-19 Review**

- 4.1 The letter published on the 7<sup>th</sup> July by the Minister for Housing and Local Government requires Local Planning Authorities to undertake an assessment of the RLDP evidence base, strategy and policies in terms of sensitivity to the consequences of the current pandemic before progressing with Plan preparation. However, given the decision to revisit the growth and spatial options stage and subsequent Preferred Strategy of the RLDP, this review covers the completed stage of the RLDP process, namely the Issues, Vision and Objectives and as well as the ongoing preparation of the Evidence Base.

### **5 Review of the RLDP Issues, Vision & Objectives in light of Covid-19**

- 5.1 The key issues, challenges and opportunities facing Monmouthshire are set out in the RLDP Issues, Vision and Objectives Papers. The original January 2019 Paper sets out 38 issues and 17 objectives. The Paper was amended in July 2019 to fully reflect the Council’s Climate Emergency declaration made in May 2019. It was updated again in March 2020 to add the spatial element of the Vision associated with the Preferred Strategy. The RLDP Issues, Vision, Objectives set the foundations for the strategic direction of the RLDP and shape the stages of Plan preparation that follow. It is therefore essential that they remain relevant and appropriate in light of the current Covid-19 pandemic.
- 5.2 A review of the RLDP Issues, Vision and Objectives in light of Covid-19 was undertaken and endorsed by Cabinet on 17<sup>th</sup> June 2020. This review demonstrated that the Plan’s Issues, Vision and Objectives remain relevant to Monmouthshire. Appendix 1 sets out in full the issues and objectives and considers their relevance in light of Covid-19. The review concluded that a number of issues and objectives are now considered to have increased emphasis and importance, consistent with the priorities identified in the Welsh Government Building Better Places document published in July 2020. For example, the review recognises that lockdown has emphasised the value and importance of place-making and of the provision of locally accessible open/green spaces for health and well-being and recreation. Similarly the role and function of the high street in the local community has been highlighted. The current pandemic has clearly demonstrated the importance of ensuring our communities are balanced and socially sustainable, particularly in

terms of demography.

- 5.3 Accordingly, Cabinet, at its meeting of 17<sup>th</sup> June 2020 endorsed the RLDP Issues, Vision and Objectives of the RLDP in the light of the Covid-19 and that they remain relevant and appropriate and approved that work on the RLDP should continue.
- 5.4 The RLDP Vision clarifies the core purpose of the Plan and reflects the key issues and challenges facing the County. The objectives seek to address the issues and deliver the vision. The appropriateness of the vision was also considered in the Cabinet Report of the 17<sup>th</sup> June 2020, where Cabinet endorsed that the vision remains relevant and effectively reflects the key issues, challenges and opportunities, including those with increased emphasis in light of the current pandemic. Through the review no new issues have been identified that are not already adequately covered within the documents and there are no amendments to the RLDP proposed as part of this review.

## **6 Review of the RLDP Evidence Base**

- 6.1 In accordance with the letter of 7<sup>th</sup> July from the Minister for Housing and Local Government a review of the evidence base in terms of the sensitivity to the consequences of the pandemic has also been undertaken. Full regard was given to the requirements of PPW10 as well as the priorities and actions identified in Welsh Government's Building Better Places – Placemaking and the Covid-19 recovery (July 2020).
- 6.2 Appendix 2 sets out the findings of this assessment. Overall, the assessment found that the evidence base remains relevant or is at a stage in its preparation that allows for the impacts of Covid-19 to be considered as the Plan progresses towards the preparation of the Preferred Strategy and the detailed policies of the Deposit Plan. However, work is currently underway by Edge Analytics to revisit the RLDP Growth Options and further analysis has been undertaken in relation to the Employment Land Review. These are discussed in turn below.

### **Edge Analytics – 2018 Household and Population Projections**

- 6.3 Following a review of the WG 2018-based projections for Monmouthshire, the Council has decided to update the full suite of growth option scenarios configured in June 2019, incorporating the latest Welsh Government evidence. This is to ensure that the evidence base for the RLDP is robust and based on the most up to date information, and to understand the potential levels of population, household and employment growth over the RLDP period 2018-2033. It is also essential that the analysis/projections have regard to the current demographic and associated economic and wider contextual issues that Monmouthshire is facing.
- 6.4 Once complete, the Council will consider the scenarios and select a number for incorporation within a Growth and Spatial Options Paper, which will be subject to a period of non-statutory consultation. The Growth and Spatial Options Paper will set out a number of alternative growth and spatial options for the RLDP based on this updated evidence, together with the implications of each option and the extent to which they will achieve the RLDP objectives. There is currently insufficient evidence to inform an assessment of the COVID-19 impact upon long-term demographic trends and whilst this review of the growth options is not being undertaken specifically in light of Covid-19, the new scenario evidence provides a timely and robust suite of outcomes from which Monmouthshire can consider its RLDP options alongside Covid-19 policy

priorities highlighted by Welsh Government.

## **Employment Land Review – February 2020**

- 6.5 In 2019/2020, BE Group undertook an Employment Land Review (ELR) for Monmouthshire and published the final report in February 2020. The ELR was prepared in line with Welsh Government guidelines, specifically *Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan*. In light of the Minister’s letter of 7<sup>th</sup> July and the publication of Welsh Government’s Building Better Places guidance note, BE Group has undertaken a review of the ELR to assess the on-going validity of the key findings and recommendations of the February 2020 ELR report. The review was undertaken prior to the publication of 2018-based population and household projections and therefore before the decision to revisit the growth scenarios for Monmouthshire. Nevertheless, it provides a useful overview of the economic picture of Monmouthshire in light of Covid-19 at that time. A summary of the ELR review is set out in the Review of Evidence table attached at Appendix 3, with the full details of attached at Appendix 4.
- 6.6 In summary, BE Group concluded that the recommendations of the ELR remain appropriate, most critically the overall forecast for employment land need to 2033. Their review also notes that the uncertainty in the market at present highlights the need for any planning for employment land to provide flexibility to adapt to change, whether through incorporating a buffer of additional land in the forecast calculations or enabling a range of employment uses to be provided on the allocated sites. It is recognised, however, that following the outcome of the consultation on the 2018-based Growth and Spatial Options Paper, the ELR will need to be revisited to ensure consistency with the chosen growth level of the Preferred Strategy.

## **7 Conclusions & Key Messages**

- 7.1 Overall, the review of Issues, Vision and Objectives has concluded that they remain relevant in light of Covid-19 and that it is appropriate to continue with the preparation of the RLDP on the basis of these values. The review of the Evidence Base has highlighted a number of reports that need to be reviewed and updated to reflect the outcome of the remodeling of the growth options to take account of the 2018-based population and household projections and the consultation of the Growth and Spatial Options Paper that will follow. Whilst not directly in light of Covid-19, the updated evidence does allow for emerging Covid-19 information to be considered.
- 7.2 In undertaking this review a number of key messages have emerged that will require ongoing consideration as the RLDP progresses through the Plan preparation process during the Covid-19 pandemic. These include:
- It is too soon for the long-term impacts of Covid-19 to be fully understood and for new trends to have been established. There is limited evidence available at present on the longer-term impacts of Covid-19 and it is therefore extremely challenging to estimate the pandemic’s impact on issues such as household formation, housing supply and economic growth given the level of uncertainty around the situation.
  - The planning system has a fundamental role to play in supporting sustained recovery post Covid-19, as reflected in the Minister’s recent letter which recognises that “up to date agile development plans are the cornerstone of our planning system” and that Welsh Government’s commitment to a plan-led system has been reinforced by the current pandemic. The continuation of the preparation of the RLDP which seeks to provide a policy

framework that addresses the County's issues and facilitates recovery and supports/enables sustainable and resilient communities is considered to be the appropriate way forward with the RLDP. The pandemic should not be used as an excuse to abandon ambition.

- Given the level of uncertainty around the long-term impacts of Covid-19 and the timescales needed to recover from those impacts, flexibility with the development plan process and its implementation is considered to be essential in allowing Local Planning Authorities to pursue strategies that address long-term issues, as well as any Covid-19 impacts. A flexible approach within the development plan system to allow plans the ability to react to evolving market conditions is considered to be essential in progressing RLDPs in the current climate. A flexible monitoring framework will be required as part of the Deposit Plan to respond to emerging and changing market conditions.
- Welsh Government's paper on 'Building Better Places – Placemaking and the Covid-19 recovery (July 2020), highlights the role local community facilities and services and neighbourhoods have played during the lockdown and reinforces the importance of local level issues in improving an area's resilience to Covid-19 impacts and recovery. The RLDP as the local level tier in the development plan hierarchy, is therefore considered to be essential to delivering the sustainable development principles set out in PPW10 and the immediate post Covid-19 priorities that are noted by Welsh Government in its response to the pandemic.

**Appendix 1 – Review of Issues, Vision and Objectives – as endorsed by Cabinet on 17<sup>th</sup> June 2020**

N.B. The review of the Issues, Vision and Objectives was undertaken prior to the publication of the Welsh Government 2018-based population and household projections and the decision to remodel the growth scenarios for Monmouthshire. References to the Preferred Strategy published in March 2020 were therefore accurate at the time (i.e. June 2020).

<b>RLDP Issue &amp; Objective</b>	<b>Increased Emphasis in Light of COVID-19</b>	<b>RLDP Response</b>
<p><b>Economy and Employment</b></p> <p>Issues 1-9 Objectives 1-2</p>	<p>Given the potential increase in agile and home working over the longer term, employment land demand/ requirements may change, while unemployment is likely to increase in the short-term. However, the RLDP will continue to need to provide a range of sites to meet employment needs to 2033 to support the Council’s ambitions and to support the local economy. This is likely to include local business hubs with printing or meeting room facilities for agile workers to utilise on demand. Increased agile/home working will mean businesses have greater choice over where to locate, with quality of life and environment potentially becoming increasingly important, to Monmouthshire’s benefit.</p> <p>High streets will continue to change especially in the short-term due to the increase in online shopping associated with COVID-19, and there is a clear need for flexible planning policies in our central shopping areas to enable a ‘re-imagining’ of our high streets across the County. Increased agile/home working might result in increased expenditure within our towns. The community good-will encapsulated by the COVID-19 response should help support local businesses and retailers.</p> <p>The importance of the local tourism economy will increase given Monmouthshire’s desirable tourism offer, increased demand for ‘staycations’ rather than holidays abroad, and with a particular emphasis on self-catering accommodation in the short-term.</p>	<p>The RLDP will provide a positive planning policy framework to support and enable sustainable economic growth, including in relation to our high streets and tourism sector, over the Plan period.</p>
<p><b>Green Infrastructure, Biodiversity and Landscape</b></p>	<p>Lockdown has emphasised the value and importance of place-making and of the provision of locally accessible open/green spaces for health and well-being and recreation. This is essential to our core purpose of building sustainable and resilient communities. The likely increase in</p>	<p>The RLDP will provide a positive planning policy framework to support and enable place-making and the provision of locally accessible open /green space and to</p>

RLDP Issue & Objective	Increased Emphasis in Light of COVID-19	RLDP Response
<p><b>and Health &amp; Well-being</b></p> <p>Issues 11, 12, 18-21 Objectives 3 and 8</p>	<p>home/agile working will increase this importance and quality of life/environment are likely to become increasingly important factors in decisions on where to live and locate businesses.</p>	<p>protect/enhance our natural environment.</p>
<p><b>Housing</b></p> <p>Issues 25-28 Objective 10</p>	<p>High house prices and associated affordability are likely to remain significant issues in the County and could be exacerbated by the impacts of COVID-19 (e.g. increase in unemployment, homelessness resulting in increased demand for affordable housing solutions). The Welsh Government expectation is that permanent accommodation will be provided for homeless people accommodated during COVID-19. Even if house prices drop in the short term, they remain well above the Wales average and disproportionate to the incomes of those who work within the County. The likely increase in home/agile working and increased importance of quality of life/environment will influence decisions on where to live making Monmouthshire an even more attractive proposition.</p>	<p>The RLDP will ensure /enable a range and choice of homes (housing mix) in future housing developments to address these affordability issues and to build sustainable and resilient communities. The Preferred Strategy allows for a level of growth and for affordable housing-led sites: this remains critical to addressing the issues and objectives.</p>
<p><b>Population and Demography</b></p> <p>Issues 22-24 Objective 9</p>	<p>The current pandemic has clearly demonstrated the importance of ensuring our communities are balanced and socially sustainable, particularly in terms of demography. Community volunteers comprised of the younger age groups have been crucial in supporting the needs of our older self-isolating population during this period. The level of growth identified in the RLDP Preferred Strategy seeks to address our demographic challenges by enabling a more balanced demographic in the County. Whilst there continues to be growth in the over 60 age groups, there is also significant growth in the established households age-groups, 35-44 age group and also the under 19 age groups over the Plan period. In addition, there is a levelling out of the age profile with growth coming from a broader cross section of the demographic.</p> <p>Conversely, a low growth option would not respond to our demographic challenges or achieve one of the RLDP's key objectives of</p>	<p>The RLDP growth levels will deliver positive demographic change over the Plan period that is essential to support and enable the provision of balanced communities throughout the County.</p>

RLDP Issue & Objective	Increased Emphasis in Light of COVID-19	RLDP Response
	<p>creating balanced communities in Monmouthshire. Growth based on the WG 2014-Based Principal Projection (low growth option) would have significant negative implications on the age profile of the County over the Plan period. Whilst there would be a low level of growth in the 35-44 age groups, the majority of population growth would be from the over 60 age groups with all other age groups experiencing negative growth, resulting in an unbalanced demographic. The future impacts of seeking community support from a smaller cohort of younger age groups to support a much larger cohort of older generations if a low growth option were pursued would be unsustainable.</p> <p>This demonstrates that the level of growth identified in the Preferred Strategy will enable positive demographic change over the Plan period to support social sustainability and balanced communities. A low growth option would fail to address this key issue and would be detrimental to our core purpose of creating sustainable and resilient communities.</p>	
<p><b>Infrastructure</b> Issues 29–31 Objective 14</p>	<p>Likely to be an increased emphasis on digital infrastructure and active travel options due to the increase in agile/home working. If successful, the trial measures being drawn up to support our High Streets and enable social distancing might become permanent if they are successful.</p> <p>There has been anecdotal evidence that there has been a spike in the sales of electric bicycles, which given Monmouthshire’s topography and rurality could be a key way of encouraging active travel. The RLDP should support the provision of enabling charging infrastructure. (It is already supporting active travel and will influence and reflect the emerging new Integrated Network Maps).</p>	<p>The RLDP will ensure digital and charging infrastructure provision is in place or can be provided to accommodate new development and will support active travel opportunities.</p>

RLDP Issue & Objective	Increased Emphasis in Light of COVID-19	RLDP Response
<b>Climate Change</b> Issues 36-38 Objective 17	Likely to be an increased emphasis on local renewable energy generation/demand linked to enhanced self-sufficiency in the County. Increased agile/home working could reduce commuting patterns and reliance on private car use, certainly in the short term, reducing congestion and improving air quality.	The RLDP policy framework will support and enable renewable energy generation and provide opportunities for active travel and integrated sustainable transport solutions.

## Appendix 2 – Review of Evidence Base

The following table contains the supporting evidence that has been prepared to date or that is on-going in the preparation of the RLDP.

An initial review has been undertaken to identify any areas of the evidence base that may have been affected by the current Covid-19 situation. It should be noted that the development plan process is operating and planning for the future in uncertain times and many decisions will therefore have to be made on the best evidence available at this time.

Supporting Document	Purpose	Covid-19 Implications Review	Action Required in light of Covid-19
<b>Replacement LDP Documents</b>			
The Adopted LDP Review Report (March 2018)	Evaluates the extent to which the Adopted LDP is functioning effectively.	This primarily relates to the effectiveness of the Adopted LDP and informed the decision to commence a revision of the Plan.	No action required.
RLDP Delivery Agreement (May 2018, as Revised March 2020 and October 2020)	The Delivery Agreement sets out how the RLDP is to be prepared and provides a timetable for Plan preparation along with a Community Involvement Scheme which outlines the Council's principles of community engagement.	The Covid-19 situation and subsequent changes to public consultation arrangements, advice from Welsh Government and publication of the Welsh Government 2018 population projections has necessitated a review of the Delivery Agreement and Community Involvement Scheme. The Council made a commitment to revise the RLDP Delivery Agreement and update the CIS in the Cabinet paper approved on 17 <sup>th</sup> June 2020. The Revised Delivery Agreement (Oct 2020) is being reported to Council in October 2020.	Seek Council approval for a revised Delivery Agreement including Community Involvement Scheme and forward to Welsh Government for approval.
Issues, Vision and Objectives Paper (January 2019 as amended June 2019 and March 2020)	Sets out the key issues, challenges and opportunities facing the County along with the RLDP vision and objectives to address the issues, challenges and opportunities identified.	A paper which revisited the RLDP Issues, Vision and Objectives in light of Covid-19 was endorsed by Cabinet on 17 <sup>th</sup> June 2020. This demonstrated that these remain relevant and in some cases have increased emphasis in light of Covid-19, such as issues of housing affordability and economic growth, and endorsed that the RLDP's core vision and objectives remain relevant and appropriate and work on the RLDP should continue.	No action required.
Candidate Site Register (February 2019)	Provides a log of the Candidate Sites submitted during the first call for sites, to be considered for inclusion	This is a factual register of sites submitted during the first call for candidate sites. No review necessary.	No action required.

	for development, redevelopment and/or protection in the RLDP.		
Growth and Spatial Options Consultation Paper (June 2019)	Provides a range of growth and spatial options for the RLDP together with the implications of each option and the extent to which they will achieve the RLDP objectives. The options presented provide the scale of growth (housing and employment) the Plan will potentially need to include and how that growth could be distributed.	<p>This paper itself does not require changing as it reflects the options that were relevant at the time.</p> <p>Following the publication and review of the WG 2018-based projections for Monmouthshire, the Council has decided to update the full suite of growth option scenarios configured in June 2019, incorporating the latest Welsh Government evidence. This is to ensure that the evidence base for the RLDP is robust and based on the most up to date information, and to understand the potential levels of population, household and employment growth over the RLDP period 2018-2033.</p> <p>Once complete, the Council will consider the scenarios and select a number for incorporation within a Growth and Spatial Options Paper, which will be subject to a period of non-statutory consultation. The Growth and Spatial Options Paper will set out a number of alternative growth and spatial options for the RLDP based on this updated evidence, together with the implications of each option and the extent to which they will achieve the RLDP objectives. Whilst this review of the growth and spatial options is not being specifically undertaken in light of Covid-19, the new scenario evidence provides a timely and robust suite of options from which the Council can consider its RLDP options in light of Covid-19 policy priorities highlighted by Welsh Government.</p> <p>The Spatial Options previously consulted upon included options for a new settlement. The Welsh Government subsequently confirmed that such an approach cannot be</p>	Consult on updated Growth and Spatial Options Paper following the completion of Edge Analytics modelling incorporating the Welsh Government 2018-based projections.

		included other than via a SDP or Joint LDP and that such a proposal would render the RLDP unsound. Consequently, such a spatial option will not be considered this time.	
<b>Integrated Sustainability Appraisal and Habitats Regulations Related Documents</b>			
Integrated Sustainability Appraisal (ISA) Scoping Report (December 2018)	Updated to take account of responses from a targeted consultation, this sets out the background for the ISA/SEA process that will be followed throughout the RLDP process and considers the characteristics of the RLDP area through a review of relevant plans, policies and programmes, and baseline information.	This establishes the scope of the ISA process to be followed throughout the RLDP preparation process. A review of Covid-19 implications is therefore not considered necessary, however the baseline information will be updated as part of the ISA undertaken on the 2018-based Growth and Spatial Options Paper.	Update baseline information in light of the need to revisit the Growth and Spatial Options Paper.
Initial Habitats Regulations Assessment (HRA) Screening Report (December 2018)	Updated to take account of responses from a targeted consultation, this outlines the requirement to undertake a HRA in respect of the RLDP and identifies the relevant European sites for consideration within the HRA process.	This is a process based document rather than assessing the contents of the RLDP. A review of Covid-19 implications is therefore not considered necessary.	No action required.
Initial ISA Report (AECOM, February 2020)	The Initial ISA Report is the second stage of the ISA process and appraises the social, economic, environmental and cultural effects of the RLDP Preferred Strategy that was published in March 2020. This includes the Vision, Strategic Objectives, Growth and Spatial	The ISA Report assesses the Preferred Strategy as published in March 2020 against an agreed set of sustainability themes.  An addendum to the Initial ISA Report is in preparation to appraise the growth levels and spatial options associated with the 2018-based Population Projections. An Initial ISA Report will also be undertaken on the Preferred Strategy that emerges as a result of the consultation on the Growth	Report the findings of the 2018 population projection ISA addendum once undertaken and finalised. Report the findings of the Initial ISA Report undertaken on the

	Options and Preferred Strategy, including the Strategic Policies.	and Spatial Options Paper. As Covid-19 is an emerging and ongoing situation the Council will have regard to Welsh Government's priorities and responses throughout the Plan preparation process.	updated Preferred Strategy.
HRA of the Monmouthshire RLDP – Preferred Strategy (AECOM, February 2020)	The HRA Report provides a high level, preliminary assessment of the RLDP Preferred Strategy as published in March 2020. At this stage, the aim of the report is to identify European sites which have the potential to be impacted by the RLDP, and to identify potential likely significant effects that the RLDP may have. It also identifies other plans, programmes and projects that may have 'in-combination' effects when considered alongside the effects of the RLDP.	The HRA Report (Feb 2020) assesses the Preferred Strategy as published in March 2020 against an agreed HRA framework. A HRA of the Preferred Strategy that emerges as a result of the consultation on the 2018-based Growth and Spatial Options Paper will be undertaken. As Covid-19 is an emerging and ongoing situation the Council will have regard to Welsh Government's priorities and responses throughout the Plan preparation process.	Undertake HRA of the Preferred Strategy that emerges as a result of the 2018-based Growth and Spatial Options Paper.
<b>Supporting Evidence and Background Papers</b>			
Monmouthshire, Blaenau Gwent and Torfaen LDP Demographic Evidence (Edge Analytics, June 2019)	This report considers the impact of demographic, housing and employment change in the three Unitary Authorities (UAs); Blaenau Gwent, Monmouthshire and Torfaen. Alternative scenarios using different migration assumptions and past housing completion rates are developed and compared to the WG 2014-based 'benchmark' scenario, allowing for sensitivity analysis where relevant. The potential employment growth that could be supported by the demographic and	This response considers three pieces of evidence that relate to the demographic modelling behind the Preferred Strategy published in March 2020 and are based on the 2014-based population projections.  Edge Analytics has been commissioned to configure a new range of growth scenarios for Monmouthshire, incorporating the Welsh Government 2018-based population and household projections, to produce forecasts for the 2018–2033 Plan period. A number of these growth scenarios will be chosen for consultation along with a number of potential spatial options to deliver the growth.	Publish findings of Edge Analytics Demographic Evidence updating the growth scenarios based on the 2018-based projections.

	dwelling-led scenarios is also set out using key assumptions on economic activity, unemployment rates and commuting ratio link demographic and economic change. The report provides the three Councils with a suite of population, housing and economic growth outcomes to consider in the formulation of their RLDPs.	Whilst this remodelling is not being specifically undertaken in light of Covid-19, the new scenario evidence provides a timely and robust suite of options from which the Council can consider its RLDP options alongside of Covid-19 policy priorities highlighted by Welsh Government.	
Monmouthshire Demographic Evidence Addendum Report (Edge Analytics, October 2019)	Provides an additional growth scenario analysis for consideration, prepared in response to consultation feedback, informal feedback from WG officials and the Council's further consideration of the options.		
Monmouthshire Affordable Housing Evidence Addendum (Edge Analytics, December 2019)	This addendum extends upon the Demographic Evidence Addendum Report (October, 2019) scenario analysis, with consideration of the impacts of the affordable housing policy-led strategy on dwellings, population, households and employment.		
Monmouthshire 2040: Our Economic Growth and Ambition Statement (November 2019) and supporting MCC Economies of the Future Reports (BE Group, Per Consulting, Hatch, 2018)	The Economic Growth and Ambition Statement sets out the economic ambition for the County and will work alongside the RLDP in identifying suitable employment sites and premises, to enable existing businesses to grow and to	This remains the Council's statement on economic growth ambitions and will therefore continue to be reflected in the RLDP. The Enterprise service area is currently undertaking a survey of businesses to gain a fuller understanding of the impact of Covid-19. This will help inform an Action Plan for Economic Recovery for the Gwent Recovery Coordination Group. We will continue to work with the Council's Enterprise service area to ensure	No action required at this time in relation this evidence. The Council will continue to work with Welsh Government and the relevant agencies to implement any

	<p>attract inward investment from new businesses in key growth sectors. The MCC Economies of the Future Reports will inform the development of the revised Economic Growth and Inward Investment Strategy for the Council. The analysis is also a fundamental piece of work that provides evidence to support the Monmouthshire RLDP.</p>	<p>the RLDP aligns with corporate sustainable economic growth aspirations.</p>	<p>economic recovery strategies that are available.</p>
<p>Vision 2040 Inward Investment Prospectus (March 2040)</p>	<p>This document supports the Monmouthshire 2040: Our Economic Growth and Ambition Statement (Nov 2018) noted above. The prospectus sets our aspirations to raise the economic profile of Monmouthshire with priorities to explore business opportunities and attract funding, while being sensitive to Monmouthshire's landscape.</p>	<p>This remains the Council's Inward Investment Prospectus and will therefore continue to be reflected in the RLDP. As noted above, the Enterprise service area is currently undertaking a survey of businesses to gain a fuller understanding of the impact of Covid-19. This will help inform an Action Plan for Economic Recovery for the Gwent Recovery Coordination Group. We will continue to work with the Council's Enterprise service area and the wider region to ensure the RLDP aligns with corporate sustainable economic growth aspirations.</p>	<p>No action required at this time. We will continue to monitor the outcome of the work of the Council's Enterprise service area and the findings of the survey being undertaken to gain a fuller understanding of the impacts of Covid-19.</p>
<p>Sustainable Settlements Appraisal (March 2020)</p>	<p>Assesses and identifies settlements within Monmouthshire, which are potentially suitable to accommodate future growth in terms of their location, size, role and function and sets out an initial settlement hierarchy arising from the appraisal to inform the Preferred Strategy.</p>	<p>This involves an assessment of the current situation in settlements and scores their existing sustainability credentials, e.g. location, size, existing facilities. These scores will be used to establish the proposed settlement hierarchy. A factual update of the Sustainable Settlements Appraisal will be undertaken to reflect the current amenities, to feed into the Preferred Strategy that emerges from the consultation on the Growth and Spatial Option Paper. It is recognised that there is potential for Covid-19 to impact on the range of facilities available if some facilities such as pubs, shops and businesses are lost as a result of the lockdown measures. This in turn could</p>	<p>Update the Sustainable Settlements Appraisal to feed in to the preparation of the Preferred Strategy that emerges as a result of the Growth and Spatial Options Paper consultation.</p>

		<p>impact on the sustainability measure of some of the County's smaller settlements. It is considered to be too soon, however, to understand the long-term impacts on Covid-19 on the sustainability credentials of the County's settlements. Sustaining vibrant settlements is fully recognised as being a key priority in the recovery post Covid-19. A factual update of the Sustainable Settlement Appraisal will allow policy development to be based on the most up-to-date information.</p>	
<p>Growth and Spatial Options Report of Consultation (March 2020)</p>	<p>Sets out a summary of the comments received in the relation to the growth and spatial options consultation which took place in July-August 2019, together with a summary of the Council's response.</p>	<p>This Report was prepared to inform and within the context of the Preferred Strategy published March 2020. A new Growth and Spatial Options Report of Consultation will be prepared following the completion of the consultation undertaken on the 2018-based Growth and Spatial Options Paper.</p>	<p>Publish 2018-based Growth and Spatial Options Report of Consultation following the completion of the consultation.</p>
<p>Growth and Spatial Options Background Paper (March 2020)</p>	<p>Expands upon the work completed to date on growth and spatial options, provides a summary of each option, an explanation of why specific options would/would not meet the Council's ambitions following evidence that has been collated.</p>	<p>This paper was prepared to inform and within the context of the Preferred Strategy published in March 2020. An updated Background Paper will be prepared to support the Preferred Strategy that emerges as a result of the 2018-based Growth and Spatial Options Paper. As Covid-19 is an emerging and ongoing situation the Council will have regard to Welsh Government's priorities and responses throughout the Plan preparation process.</p>	<p>Prepare a Background Paper to reflect the outcome of the 2018-based Growth and Spatial Options Report.</p>
<p>Housing Background Paper (March 2020)</p>	<p>Identifies the amount of land the Council will be required to allocate for housing in the RLDP in order to meet the proposed level of growth. This process involves analysing the various components of housing supply, plus extant allocations that can be 'rolled forward' to the Replacement Plan. This paper</p>	<p>This paper was prepared within the context of the Preferred Strategy published in March 2020. An updated Background Paper will be prepared to support the Preferred Strategy that emerges as a result of the 2018-based Growth and Spatial Options Paper. As Covid-19 is an emerging and ongoing situation the Council will have regard to Welsh Government's priorities and responses throughout the Plan preparation process.</p>	<p>Prepare a Background Paper to reflect the outcome of the 2018-based Growth and Spatial Options Report.</p>

	<p>analyses each component of housing supply in more detail before arriving at a new housing allocations provision based on the methodology detailed within the Welsh Government Development Plans Manual Edition 3 Consultation Draft (June 2019). The Background Paper also includes a Housing Potential Study which looks at sites within the settlement boundary that have potential to contribute to the windfall allowance.</p>		
<p>Local Housing Market Assessment (September 2018)</p>	<p>Provides a detailed insight into the local housing markets across the County. It includes a quantitative assessment of housing need that will be used to inform the housing policies of the RLDP in terms of affordable housing provision, tenures and types of accommodation required.</p>	<p>Welsh Government's Building Better Places recognises the importance of affordable housing in the Covid-19 recovery and its contribution to creating neighbourhoods and social cohesion. It highlights that with uncertainty over the impact of the pandemic on the economy and jobs and associated ability to enter the housing market, we must increase housing output by refocussing on building new social housing.</p> <p>An updated LHMA is being undertaken to support preparation of the RLDP. The LHMA update is likely to reflect the short term implications of Covid-19 to date as issues such as increase in social housing need feed directly into the study.</p>	<p>Continue to liaise with the Council's Housing Section to update the Local Housing Market Assessment.</p>
<p>Review of Candidate Sites against the Preferred Strategy (March 2020)</p>	<p>Provides an initial assessment of Candidate Sites in terms of their compatibility with the Preferred Strategy.</p>	<p>This paper was prepared within the context of the Preferred Strategy published in March 2020. An updated review will be undertaken to support the revised Preferred Strategy that emerges as a result of the 2018-based Growth and Spatial Options Paper. As Covid-19 is an emerging and ongoing situation the Council will have</p>	<p>Undertake review of Candidate Sites against the revised Preferred Strategy that emerges as a result of the consultation on the</p>

		regard to Welsh Government’s priorities and responses throughout the Plan preparation process.	2018-based Growth and Spatial Options Report.
Monmouthshire Employment Land Review (BE Group, February 2020)	Evidence base undertaken in line with Welsh Government Guidance. The ELR provides an assessment of the supply and demand for employment land in the County, looking at the available employment allocations and existing employment areas and reviews the property market, consults with local stakeholders and forecasts employment growth to understand employment demand requirements for the Plan period.	<p>Welsh Government’s Building Better Places notes the changing working practices that have occurred during the Covid-19 lockdown such as the increase in people working from home and the need to review the impact such changes might have on the future need for employment land. In 2019/2020, BE Group undertook an Employment Land Review (ELR) for Monmouthshire and published the final report in February 2020. The ELR was prepared in line with Welsh Government guidelines, specifically Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan.</p> <p>In light of the Minister’s letter of 7<sup>th</sup> July and the publication of Welsh Government’s Building Better Places guidance note, BE Group undertook a review of the ELR to assess the on-going validity of the key findings and recommendations of the February 2020 ELR report. Full details of this review are attached at Appendix 3. The review was undertaken prior to the publication of 2018-based population and household projections and therefore before the decision to remodel the growth scenarios for Monmouthshire. Nevertheless, it provides a useful overview of the economic picture of Monmouthshire in light of Covid-19.</p> <p>BE Group note that Covid-19 is still an ongoing situation and therefore much of the actual, near-term impacts have yet to be fully realised and the economic data (which has a lag time) has yet to fully emerge. The impacts over the longer term (such as the planning period for the RDLP) are</p>	<p>Update the ELR following the outcome of the consultation on the 2018-based Growth and Spatial Options Paper.</p> <p>Continued work on the preparation of the RLDP will seek to ensure that a positive, flexible and supportive policy framework is developed in relation to employment land that enables adaption to evolving market conditions throughout the Plan period.</p>

less certain, most pertinently in relation to the upward curve of the economic recovery in the medium term following the pandemic.

The socio-economic data for unemployment rates and furlough numbers suggest that Monmouthshire, while being significantly impacted by the lockdown, has been less impacted than other areas in Wales, due to its strong underlining socio-economic characteristics, such as the very low proportion of unemployment claimants pre-Covid-19 and the sectoral mix within the County. For example, the employment sectors with the largest proportions of their jobs furloughed were accommodation and food services (73 percent of jobs in the sector), arts, entertainment, recreation and other services (73 percent) and construction (60 percent). At the time of the preparation of the ELR, Monmouthshire's employment in these sectors, as a proportion of total jobs was 8.6 percent for accommodation and food services, 3.7 percent for arts and 7.4 percent for construction. By comparison, the largest employment sector in Monmouthshire was health (17.2 percent) and across Wales this sector has seen 8 percent of its workforce furloughed.

The ELR published February 2020, advised that the past take-up approach, was the preferred approach upon which to plan for employment in the RLDP. Following BE Group's review it is considered that this remains the case even allowing for Covid-19 impacts, with the employment forecasts likely to be subject to more volatility and uncertainty in the near term. Therefore, planning for

employment land based on such volatile and uncertain forecasts would be unwise.

Using the past take-up approach, the ELR forecast an employment land need of 41.7 ha between 2018 and 2033 (including a buffer to allow for uncertainties). BE Group note that if the recession dampens demand and take-up of employment land in the short to medium terms, this overall land need may not be reached by 2033. However, given that employment land take-up is largely driven by B8 warehousing in Monmouthshire (approximately 60 percent of floorspace in recent years) and this sector is likely to continue to be buoyant, it is recommended that this land need be retained for the purposes of the RLDP.

The ELR (February 2020) sets out eight recommendations for the preparation of the RLDP. The validity of these recommendations in light of the economic slowdown are reviewed in the BE Groups response attached at Appendix 3. In summary, it is considered that the recommendations of the ELR remain appropriate, most critically the overall forecast for employment land need to 2033. The uncertainty in the market at present highlights the need for any planning for employment land to provide flexibility to adapt to change, whether through incorporating a buffer of additional land in the forecast calculations or enabling a range of employment uses to be provided on the allocated sites.

BE Group's review of the ELR (Feb 2020) provides a useful evaluation of the potential impact of Covid-19 on Monmouthshire's economy and employment land requirements. Given the decision to remodel the growth

		options for the County based on the 2018-based population projections a further update of the ELR will need to be undertaken to reflect the growth rate of the Preferred Strategy that emerges. The update will review land requirements based on the chosen growth levels and determine whether the past take-up remains the appropriate approach for Monmouthshire.	
Regional Employment Study - Larger Than Local Study (BE Group, March 2020)	The report addresses the issues of employment land on a regional basis and covers five local authorities: - Monmouthshire, Blaenau Gwent, Torfaen, Caerphilly and Newport. It is made up of two main sections: looking at the economic evidence base and the property and employment land market in the larger than local area. The study has had regard to the relevant policies at the national, regional and local levels. The economic assessment has presented the quantitative evidence on demographics, labour market, current and future state of the economy. The property and employment land assessment has reviewed the current market characteristics of the commercial property sector (transactions volumes, locations, supply) and the availability of allocated employment sites, drawing on the supply detailed in the Local Development Plans	<p>This Larger Than Local Study recommends a distributed employment land supply requirement for each constituent authority for 2018 – 2040 and considered which existing adopted LDP employment allocations are important for economic development in a regional context. With regards to Monmouthshire it recommends a requirement within the region of 60ha up to 2040 which is broadly in line with the ELR requirement of 42ha up to 2033. Gwent Europark is recommended as a regionally significant employment site.</p> <p>As noted by BE Group in relation to the ELR, Covid-19 is still an ongoing situation and therefore much of the actual, near-term impacts have yet to be fully realised and the economic data (which has a lag time) has yet to fully emerge. The reviews findings in relation to land supply requirements are also considered to be applicable to the Larger Than Local Study, further details are noted above with the full response provided at Appendix 3. In terms of the regionally significant site at Gwent Euro Park, BE Groups’ review of the ELR notes “that employment locations at Chepstow and Magor that can provide logistics premises are likely to be seen as more attractive in the current and emerging market. The M4/M48 corridor is likely to continue to be a key area for</p>	<p>Undertake a review of the Larger Than Local Study recommendations following the outcome of the consultation on the 2018-based Growth and Spatial Options Paper and the Preferred Strategy that emerges.</p> <p>Continued work on the preparation of the RLDP will seek to ensure that a positive, flexible and supportive policy framework is developed in relation to employment land that enables adaption to evolving market conditions throughout the Plan period.</p>

	(LDPs) of each of the constituent local authority areas.	employment growth in Monmouthshire, which was also recognised in the ELR.”  Given the decision to remodel the growth options for the County based on the 2018-based population projections a review of the Larger Than Local Study recommendations relating to Monmouthshire will need to be undertaken to reflect the growth rate of the Preferred Strategy that emerges.	
Retail Background Paper (March 2020)	Provides an annual retail ‘health check’ of our five main towns (i.e. Abergavenny, Caldicot, Chepstow, Monmouth and Usk).	This is a factual monitoring report providing valuable information on a variety of indices relevant to the performance of the County town centres, including vacancy rates and occupancy types. A specific Covid-19 review is not considered necessary at this time, although these annual surveys will provide valuable information in monitoring the situation and highlighting short-term implications of Covid-19 on the high street and trends that occur over the long-term.	No action required at this time. Continue to undertake annual surveys to help establish the impact of Covid-19.
Employment Land Background Paper (August 2019)	Provides an annual assessment of employment land take-up across allocated and protected employment sites as identified in the Adopted LDP.	This is a factual monitoring report updating employment related applications and implementation on the ground. A review of Covid-19 implications is therefore not considered necessary as this time, although this annual report will provide valuable information in monitoring employment land for changes in the short term and over the long-term.	No action required at this time. Continue to undertake annual surveys to establish the impacts of Covid-19.
<b>Evidence Currently in Preparation or ongoing – other evidence requirements may emerge as the RLDP progresses</b>			
Monmouthshire Landscape Sensitivity Update Study (White Consultants, anticipated August 2020)	An update to the Landscape Sensitivity and Capacity Study carried out in 2009 setting out detailed assessments and sensitivity evaluations of local landscape	Work on the Landscape Sensitivity Update is ongoing. The assessment focuses on landscape sensitivity, which is not considered to be affected by Covid-19. A review of Covid-19 implications is therefore not considered necessary and	No action required. Continue work on this evidence.

	<p>character areas and strategic candidate sites, with a view to establishing the least sensitive areas in terms of landscape for housing growth potential. The study area includes areas and defined candidate sites around Primary and Secondary Settlements and Severnside.</p>	<p>continuation of update to completion is considered to be appropriate.</p>	
<p>Retail Boundary Review and Expenditure Capacity (JW Planning, July 2020)</p>	<p>This work is made up of two separate reports. The first reviews the Central Shopping Area and Primary Shopping Frontages Boundaries and suggests changes for inclusion in the Deposit Plan. The second assesses whether there is any spare retail expenditure in the County to support additional retail floorspace (convenience and comparison) over the Plan period.</p>	<p>Revitalising town centres has been highlighted as a key priority to aiding the Covid-19 recovery in Welsh Government's Building Better Places document. This emphasises the need for flexible retail policies to respond to the evolving nature and changing roles and functions of commercial centres. The importance of town centres and the role they play in providing services to the local community has been reinforced during the Covid-19 pandemic. This is touched upon in these reports as well as the uncertainty around the future/ evolving nature of town centres and changes in shopping habits. The expenditure report is based on the results of a 2015 householder survey and it has already been recognised that this will need to be updated. The exact review date is yet to be determined.</p> <p>PPW10 already establishes town centres as the most appropriate location for retail/commercial developments and supports a flexible approach to supporting commercial uses in central locations to aid vitality and viability. Town centre proposals that aid recovery will continue to be supported through the policy framework established in PPW10 and the Adopted Local Development Plan.</p>	<p>In line with Welsh Government's response to the Covid-19 recovery, a Town Centre Assessment will be undertaken to feed into the preparation of the RLDP.</p>

Renewable Energy Assessment (Carbon Trust, anticipated July/August 2020)	This assesses the County's renewable energy resource against an assessment methodology established by Welsh Government. It will identify preferred areas for renewable energy schemes and targets for inclusion in the RLDP. This is the first stage in the process with further refinement to follow through stakeholder engagement.	Welsh Government's Building Better Place (July 2020) recognises PPW's ambitious and comprehensive policy framework for planning authorities to address the causes and effects of climate change. It notes the need to identify and plan for the switch to a decarbonised and climate resilient society and promotes the Plan-led approach as the most effective way for the planning system to combat climate change. The Renewable Energy Assessment is a key piece of evidence in achieving this aim. The assessment methodology is established in Welsh Government guidance and is not considered to be affected by the Covid-19 pandemic and continuation of the work is considered appropriate.	No action required. Continue work on this evidence.
High Level Viability Model and Development Viability Model – Burrows-Hutchinson Ltd – ongoing with the Development Plan process	This work establishes a development viability model with two key outputs in terms of 'tools' for the assessment of viability. These are Site-Specific Development Viability Model ("DVM") for the appraisal of site-specific proposals; and the High Level Regional Viability Model ("RVM") used primarily to understand the levels of affordable housing and S106 contributions that are likely to be viable on housing sites and set affordable housing policy thresholds across local housing market areas in the County.	Work on the local viability assessment (high level viability model) is at a very early stages. Its findings and recommendations are going to be central to viability issues within the Deposit RLDP and site allocations. The continuation of this work is considered appropriate. This work will be informed by up-to-date housing market information and detailed discussions with the development industry that will take account of current market conditions and considerations.	No action required. Continue work on this evidence.
Settlement Boundary Review – MCC – ongoing in preparation for the Deposit RLDP	The review looks at the current development boundaries of settlements identified in the Sustainable Settlement Appraisal as being potentially suitable to	Work on the settlement boundary review is ongoing and will continue until site specific allocations are made as part of the Deposit Plan. The Covid-19 pandemic is not considered to have affected the suitability of the	No action required. Continue work with this evidence.

	accommodate future housing and employment growth in terms of their location, role and function. The assessment aims to ensure that these boundaries remain up to date and that there is a consistency of approach to development boundary definition, based on an agreed set of criteria relevant to both urban and rural settlements.	assessment methodology and continuation of this work is considered appropriate.	
Gypsy and Traveller Accommodation Assessment	Required to assess the accommodation needs of Gypsy and Traveller families and allocate sites to meet the identified need.	Work has commenced on this piece of evidence. The continuation of this work is considered acceptable, however in doing so regard will be given to Welsh Government guidance <sup>2</sup> prepared for organisations supporting Gypsy and Traveller communities during the Covid-19 ongoing circumstances. The inclusion of a criteria based policy in the Deposit Plan will also ensure any changing needs can continue to be met over the life of the RLDP.	Continue work on this evidence and have regard to Welsh Government Guidance on supporting Gypsies and Travellers communities during Covid-19.
Infrastructure Plan	A background document to evidence how infrastructure of the appropriate capacity, location, funding and timing will be in place to support the delivery and implementation of the RLDP. It should reflect engagement with infrastructure providers.	Utility companies have been involved from an early stage in the Plan preparation process to ensure consistency with their programmes. For example, discussions have taken place between the Council and Western Power and Welsh Water and TfW, with more detailed discussions to follow as part of the assessment on candidate sites and the preparation of the Deposit Plan. The need to ensure that appropriate infrastructure is provided in relation to development remains relevant with its importance further highlighted as a result of Covid-19 and the more localised way communities are functioning.	Continue work on this evidence to highlight any policy responses that may be necessary for inclusion in the RLDP.

<sup>2</sup> Welsh Government Guidance for those supporting Gypsy and Traveller Communities: Covid-19 can viewed via the following link: <https://gov.wales/guidance-those-supporting-gypsy-and-traveller-communities-covid-19-html>

		Ongoing dialogue with the relevant infrastructure providers will help highlight if certain infrastructure improvements are required in some areas in light of Covid-19 (e.g. transport interchange improvements, broadband and telecommunications).	
Green Wedge Review	Monmouthshire County Council, Torfaen County Borough Council, Newport City Council and Blaenau Gwent County Borough Council are currently exploring a review of green wedge designations to inform their Replacement Local Development Plans. The purpose of the commission is to review the appropriateness and extent of existing green wedge allocations and assess the need for new green wedges.	Work has yet to commence on this piece of evidence. However, the purpose and function of the green wedge as set out in PPW is not considered to be affected by the Covid-19 pandemic. The commencement of this assessment with a view to informing the Deposit plan is considered acceptable.	No action required. Continue work on this evidence.
Agricultural Land Classification Assessment	Agricultural land of grades 1, 2, and 3a of the Agricultural Land Classification (ALC) is the best and most versatile, and as set out in PPW should be conserved, where possible, as a finite resource for the future.	The agricultural land classifications are established by Welsh Government and are scientific categorisations. These are not considered to be affected by Covid-19. An agricultural land classification assessment will be undertaken to demonstrate how the spatial strategy and site selection process has considered the impact on Best and Most Versatile Agricultural Land.	No action required. Continue work on this evidence.
Integrated Planning and Transport Strategy	Integrated Planning & Transport Strategy must be consistent with: Local Transport Plans Wales Transport Strategy National Transport Finance Plan	Welsh Government's Building Better Places response to Covid-19 highlights Active Travel and the sustainable transport hierarchy as key considerations in the preparation of development plans. The pandemic has demonstrated the importance of active travel routes in accessing local services and has resulted in a modal shift from the car to walking and cycling that should be secured as long-term behaviours. There is anecdotal evidence	No action required. Continue work on this evidence.

		that public transport use, in particular buses, has declined with more people working from home and people concerned about social distancing. The RLDP objectives reflect the importance of active travel, sustainable transport and accessibility and these will continue to be key considerations on the preparation of the Plan.	
Green Infrastructure Assessment	Green Infrastructure Assessments produce up-to-date inventories and maps of existing green infrastructure and ecological assets and networks. They should be used to develop a robust approach to enhancing biodiversity, increasing ecological resilience and improving well-being outcomes. They also identify key strategic opportunities where the restoration, maintenance, creation or connection of green features and functions would deliver the most significant benefits.	<p>The importance of Green Infrastructure on health and well-being, ecological resilience and climate change has been highlighted in light of Covid-19. Welsh Government's Building Better Places identifies the provision of Green Infrastructure as a priority in Wales' recovery to Covid-19 to be facilitated through the development plan process.</p> <p>The Monmouthshire Green Infrastructure Strategy (March 2019) builds on the Green Infrastructure SPG which was adopted in April 2015. The aims and objectives of these documents reflect Welsh Government's priorities in relation to Green Infrastructure and its increased emphasis on the local environment, ecological assets and networks and therefore remain valid.</p> <p>The need for an update of the Green Infrastructure Strategy as the preparation of RLDP progresses will be kept under review.</p>	No action required. Continue to monitor the need for a Green Infrastructure Assessment update.
Strategic Flood Consequence Assessment (SFCA)	It is proposed to undertake the work in a two phased approach as considered necessary by each Local Planning Authority in the sub-region and in accordance with the requirements of TAN15 and new requirements set out in the revised TAN15 once published:	Work has commenced, in consultation with NRW on exploring a sub-regional approach to undertaking a SFCA. The proposed assessment methodology, linked to river catchment areas is not considered to be influenced by the Covid-19 pandemic. The commencement and continuation of this work to inform the RLDP is considered acceptable.	No action required. Continue work on this evidence.

	<p>Step A: Authorities work together in/across catchment areas to commission work on the high level impacts on flood risk and opportunities for mitigation/management; then</p> <p>Step B: Undertake a local assessment to influence the RLDP and assess candidate sites.</p>		
Minerals – Regional Statement of Collaboration	Awaiting the publication of the Regional Technical Statement – 2 <sup>nd</sup> Review and its associated mineral apportionments.	Upon publication of the Regional Technical Statement – 2 <sup>nd</sup> Review, the Council will commence work with its sub-regional group made up of Torfaen, Newport, Blaenau Gwent and Monmouthshire to prepare a Regional Statement of Collaboration on Mineral Safeguarding.	No action required. Continue to liaise with the sub-regional group regarding the preparation of a Regional Statement of Collaboration on Mineral Safeguarding.



M115(e)

18<sup>th</sup> August 2020

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Dear Ms Lewis

## **ADVICE RELATING TO IMPLICATIONS OF COVID-19 IMPACTS ON EMPLOYMENT LAND REVIEW**

### **Introduction**

BE Group provides this advice to assess the potential impacts that the Covid-19 pandemic is placing upon the employment land and premises market in Monmouthshire. In 2019-20, BE Group produced the Employment Land Review (ELR) for Monmouthshire County Council. The report is part of the evidence base for the preparation of Monmouthshire's Replacement Local Development Plan (RLDP) and was prepared in parallel with the Regional Employment Land Study for Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen (also prepared by BE Group).

In July 2020, Welsh Government issued a letter to local authority leaders and chief executives emphasising the importance of the planning system and therefore requesting that they reflect on the impact of the pandemic in their areas for local development plans. Welsh Government has asked that an assessment be undertaken of the evidence base behind planning documents, particularly surrounding viability and economic forecasts. Conclusions should then be reached on the need for new evidence before plans are progressed further.

In light of this, BE Group has been commissioned by Monmouthshire County Council to review the ELR and provide comment on the on-going validity of the key findings and recommendations of that report.

Our methodology for undertaking this review has been:

- Review the latest data available on the local employment and economy
- Review sectoral responses and exposures to the economic downturn
- Assess Monmouthshire's particular exposure to the economic downturn
- In light of the above, review the forecasts of employment land and floorspace in Monmouthshire in the ELR
- Review the findings and recommendations of the ELR

### **Overview of Covid-19's Impact on the Economy**

Covid-19 is still an ongoing situation and therefore much of the actual, near-term impacts have yet to be fully realised and the economic data (which has a lag time) has yet to fully emerge. The impacts over the longer-term (such as the planning period for the RDLP) are less certain, most pertinently in relation to the upward curve of the economic recovery in the medium term following the pandemic; however, some evidence has been gathered to show potential impacts upon Monmouthshire and the wider areas.

Figures from the Office for National Statistics show that the number of people claiming out of works benefits more than doubled from March to June, from 975 to 2,295 in Monmouthshire, rising from 1.8 percent to 4.2 percent of the 16-64 year old population. Importantly, the proportion of claimants was lower than in Wales (3.1 percent rising to 6.0 percent) and Great Britain (3.1 percent rising to 6.3 percent). Therefore, claimant rises have been of a similar relative magnitude in Monmouthshire than in comparator areas, but off a lower base. The proportion of claimants in Monmouthshire was lower than all other local authority areas in Wales in June 2020.

The Coronavirus Job Retention Scheme (furlough scheme) has protected some jobs during the lockdown, including in Monmouthshire. Unemployment would be higher if not for the scheme, therefore the number and proportion of claimants would be higher. Her Majesty's Revenue and Customs (HMRC) data on the furlough scheme shows that for July 2020 some 10,500 jobs were furloughed in Monmouthshire, approximately 27 percent of eligible jobs. This was slightly lower than the Welsh average of 29 percent.

Across Wales, the employment sectors with the largest proportions of their jobs furloughed were accommodation and food services (73 percent of jobs in the sector), arts, entertainment, recreation and other services (73 percent) and construction (60 percent). At the time of the preparation of the ELR, Monmouthshire's employment in these sectors, as a proportion of total jobs was 8.6 percent for accommodation and food services, 3.7 percent for arts and 7.4 percent for construction. By comparison, the largest employment sector in Monmouthshire was health (17.2 percent) and across Wales this sector has seen 8 percent of its workforce furloughed.

Therefore, the socio-economic data suggest that Monmouthshire, while being significantly impacted by the lockdown, has been less impacted than other areas, due to its strong underlining socio-economic characteristics, such as the very low proportion of claimants pre-Covid and the sectoral mix within the County.

## **B-Class Employment Uses**

Specifically for the ELR, it is important to understand the likely implications for sectors and businesses that use B-Class employment land and premises – offices, factories and warehouses. These use types are likely to be impacted differently, both in the immediate term and emerging from the downturn.

### ***B1 Offices***

During the lockdown imposed on the economy, office-based firms have adjusted to being able to work remotely. As such there is a risk for the office market that there will be longer-term structural changes to demand for office spaces. Some businesses in the UK and overseas have already indicated that they will change the way their offices function, with a higher degree of home-working, including major tech companies. However, this is not uniform, and there will still be demand for office space.

Furthermore, changing workplace expectations in regards to safety and social distancing will mean that businesses will be looking for larger floor plates to enable distance between workers and team bubbles. Therefore, there are differing forces impacting on the market in different directions, including demand for increased space and demand for smaller space as higher percentages of workers work remotely.

The implications for serviced offices or co-working spaces are also mixed. Intuitively it would appear that the near-term demand for such spaces reduces, or indeed such operations cannot fully open, as the risk of spreading the virus within a shared environment would be too great. However, once a new equilibrium and work practices are established in regards to working with the virus, given that there would be the potential for higher numbers of workers to be working remotely, the offer of a flexible, shared work environment may appeal to some businesses and workers.

However, the need for face-to-face interactions for office-based businesses will mean that an office presence will still be the norm. The creative and innovation benefits of an active office environment are critical for most businesses, which cannot be fully replicated through digital platforms. Furthermore, the mental health benefits of socialising with colleagues and separating home and work environments will mean that most employees would prefer to spend at least part of their work week in the office.

Offices with higher levels of parking (e.g. business park, rather than city centre location) may be seen as more attractive if staff are reluctant to use public transport, or are actively discouraged from using public transport, over a prolonged period of time due to the risk of catching the virus. For Monmouthshire and South East Wales, this may be manifested in some businesses looking for office premises outside of Cardiff or Bristol, into a business park with higher levels of car parking. However, this is likely to be a minor uplift in local demand, if observed at all.

From the HMRC data on furloughed jobs, in Wales the sectors likely to be located in offices (e.g. professional services, finance and insurance, property, business administration) have seen about 7-35 percent of jobs being furloughed. While sectoral data on furlough levels is not available at the local authority level, the Monmouthshire level is likely to be of a similar order to the Wales average.

### ***B2 General Industry***

Throughout the UK some manufacturing businesses have reduced or closed their operations, though many others have remained open, deemed essential businesses. Those that have reduced operations are beginning to scale back up as restrictions ease. Manufacturers providing medical equipment and some household staples have seen substantially increased operations, driven by spikes in demand and difficulties in accessing comparable products from overseas. However, manufacturers in vulnerable sectors, such as aviation and automotive, have experienced severe negative impacts, with several major brands announcing substantial job reductions (e.g. Airbus, Rolls Royce).

Some businesses that have remained open during the lockdown have seen local clusters of virus outbreaks (e.g. in food manufacturing premises) that have required a local response. Most businesses have seen some adaptation of their processes, either through reduced production or reduced product lines to respond to needs for social distancing. With less ability to undertake operations remotely, reduced production has meant furloughing staff or job losses. In Wales, some 40 percent of eligible jobs in the manufacturing sector were furloughed as at July 2020.

In general, the demand for industrial premises is likely to be influenced more by the health of the economy, rather than lockdown or social distancing restrictions. Therefore, the ability of the economy to bounce back from this economic shock will be critical for the demand for stock in Monmouthshire. Demand for B2 industrial premises was significant at the time of writing the ELR and once businesses regain confidence in the local economy, it would be expected that such demand would return.

### ***B8 Warehousing***

For the logistics sector, there have been several urgent requirements throughout the UK for short term storage and warehousing needs, including from the NHS, online retailers and supermarkets. This has been in response to the substantial changes in consumer behaviour occurring leading up to and during the lockdown, including spikes in demand for certain consumer items and increasing use of online retailing. It is likely that there will be a structural change within the retailing sector, with online retailing maintaining a higher share of the overall retail market beyond the lockdown and social distancing regimes. This likely longer-term boost to online retailing from changing consumer behaviour would require further logistics premises and capacity.

Some information emerging in this sector is that property requirements, while seeing a spike, have had a higher proportion of short term leases (12-18 months), to respond to the immediate upturn in demand. It would be expected that this would moderate and thus recent very high levels recorded in some areas should not be seen as the new normal. However, with a likely sustained increase to online retailing and a recognition that further capacity in supply chains is needed, it is expected that demand in this sector will continue to be buoyant.

Employment locations at Chepstow and Magor that can provide logistics premises are likely to be seen as more attractive in the current and emerging market. This M4/M48 corridor is likely to continue to be a key area for employment growth in Monmouthshire, which was recognised in the ELR.

## Overview of the Employment Land Review

The ELR was prepared in 2019/20, with the final report presented in February 2020. The planning timeframe for the ELR was 2018-2033. The report was prepared in line with Welsh Government guidelines, specifically *Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan*. In preparing this report, BE Group undertook the following:

- Reviewed the Wales Government, regional and local policies of relevance to the demand and need for employment land in Monmouthshire over the forecasting period
- Assessed the socio-economic characteristics of the County, with a particular focus on the characteristics of the local workforce
- Reviewed the local and regional commercial property market, identifying areas of demand
- Assessed the existing employment allocations, including their potential and likelihood for employment uses. This includes on-going addendum work undertaken to provide further assessment of the employment allocations
- Employment land and premises need was forecasted over the planning period, using both past employment land take-up rates and labour demand forecasts (Oxford Economics forecasts)
- Recommendations for the quantity, types and delivery of employment land and premises were prepared as inputs to the RLDP.

For the forecasts of employment land and premises (see Chapter 7.0 of the ELR), two methodologies were used – past employment take-up rates and employment forecasts. The results of these two approaches were critiqued in the report. Past take-up rates use on the ground data, but is a simple extrapolation of this past data. Employment forecasts show how different sectors will influence demand, but assumes that employment densities will be constant within a sector over the forecast period. As this recession period has demonstrated, employment levels can change substantially within a business without a change in the floorspace demand, as businesses adapt their operations within their existing premises.

In the ELR, it was advised that the past take-up approach, which resulted in a higher demand for employment land and premises, was the preferred approach upon which to plan for employment in the RLDP. It is considered that this remains the case even allowing for Covid-19 impacts, with the employment forecasts likely to be subject to more volatility and uncertainty in the near term. Therefore, planning for employment land based on such volatile and uncertain forecasts would be unwise.

Using this approach, the ELR forecast an employment land need of 41.7 ha between 2018 and 2033 (including a buffer to allow for uncertainties). Compared to the available employment land supply of 45.6 ha, there was estimated to be a small surplus of 3.9 ha. If the recession dampens demand and take-up of employment land in the short to medium terms, this overall land need may not be reached by 2033. However, given that employment land take-up is largely driven by B8 warehousing in Monmouthshire (approximately 60 percent of floorspace in recent years) and this sector is likely to continue to be buoyant, it is recommended that this land need be retained for the purposes of the RLDP.

This land need may end up being an upper level of the need as the economy is slower in the short term. However, the past take-up rate is an average of slower and faster economic periods. It is reasonable to expect that over the forecast period there will be slower and faster periods of growth as well.

The ELR provided eight recommendations for employment land and premises (see Chapter 8.0). The validity of these recommendations in light of the economic slowdown are reviewed in the table below.

**Table 1 – Commentary on Recommendations in the ELR in Light of Covid-19 Impacts**

Recommendation	Comments
1. Future employment land need of 41.7ha to 2033, including buffer	As outlined above, it is recommended that the past take-up rate represents the preferred growth trajectory and that the overall employment land need is maintained at 41.7ha. However, this may end up being an upper level if the economic downturn is projected.

Recommendation	Comments
	<p>Within the ELR, an indicative estimate of the likely breakdown of this land need, between B1, B2 and B8 uses was provided. Given the current relative strengths of these market sectors, the B8 warehousing market may end up taking a higher proportion of the overall employment land than envisaged in the ELR. However, as outlined in the ELR, the breakdown was provided as an indicative mix and it was recommended that sites be planned for in a flexible manner that would enable a range of employment uses as appropriate.</p>
<p>2. Existing employment allocation sites to be retained for employment uses</p>	<p>The employment allocation sites that are recommended to be retained in the ELR remain valid at this time. Sites that provide logistics opportunities may see increased market interest in the near term as businesses and landholders look to respond to the buoyancy of this market. Sites that are more likely for offices or small scale industrial uses may not come forward in the near term as landholders wait for confidence to return to the market.</p>
<p>3. Candidate sites that are strong candidates for employment uses</p>	<p>It is considered that there remains a need for further sites to be allocated as employment sites, given that the current allocations only provide a small surplus and there is uncertainty about the development prospects of some key sites (even more so with current economic conditions). Therefore, the critiquing of candidate sites remains appropriate.</p> <p>Some owners that put these sites forward may be reassessing their development options in light of the new economic conditions. As with the comments for Recommendation 2, some sites may be seen as more attractive near term development opportunities (logistics sites) whereas others may be delayed or withdrawn. It is recommended that the list of sites that are added to the employment allocations is sufficient to account for uncertainties in the market regarding likely development intent of sites, especially in light of the current market uncertainties.</p>
<p>4. Existing employment areas to be protected</p>	<p>The recommendations for the existing employment areas, in particular the employment areas that scored poorly in the ELR (see Table 38), remain unchanged.</p>
<p>5. Employment uses in new settlements</p>	<p>The principle of new employment areas within new settlements remains sound, though it is not anticipated that any new settlements would be brought forward within the planning timeframe.</p>
<p>6. Delivery of employment sites</p>	<p>Consideration of the delivery of employment sites is vital at all times, but especially in times of economic uncertainty. Council may wish to take a more active role than previously envisaged, in working with landholders to try to bring sites forward, as a means of stimulating the local economy and improving confidence. Unlocking the sites through the funding of key infrastructure may be means of delivery some of the larger sites more quickly (e.g. Gwent Europark, Quay Point) and would be a means of providing broader economic stimulus to the area.</p>
<p>7. Future reviews of employment land need</p>	<p>The current Covid-19 crisis highlights that planning and forecasting is subject to changing circumstances and shows the importance of this recommendation, either through higher level reviews, such as this statement, or full revisions.</p>
<p>8. Maintain awareness of external influences</p>	<p>This recommendation remains valid, with the need for understanding of neighbouring areas and working with neighbouring local authorities increasingly important in uncertain times.</p>

In summary, it is considered that the recommendations of the ELR remain appropriate, most critically the overall forecast for employment land need to 2033. The uncertainty in the market at present highlights the need for any planning for employment land to provide flexibility to adapt to change, whether through incorporating a buffer of additional land in the forecast calculations or enabling a range of employment uses to be provided on the allocated sites.

I trust this is sufficient for your purposes at this stage. Please contact me if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AM', written in a cursive style.

Anthony Meulman BE(Chem) MRegDev  
Associate Director  
BE GROUP