



Introduction

- 1.1 This evidence to the Climate Change, Environment and Rural Affairs committee in respect of the National Development Framework has been prepared by LRM Planning on behalf of Llanarth Estates. It follows from representations that were submitted on behalf of our clients to the previous consultation stage of the NDF. Summarily our clients welcome a number of the changes that have been made but still have a number of comments and concerns as set out herein given the implications of the NDF.
- 1.2 Our clients are a significant landowner and employer within the rural heartland of Monmouthshire. They manage and farm over 1750ha of land and over 100 rural properties. They welcome the opportunity to provide evidence to the Committee which is based on their fundamental concern for the future rural way of life not just in their local area but across the rural areas of Wales in general.
- 1.3 The current Llanarth Estate comprises land holdings across South East Wales that have been built up over the past 300+ years. As custodians of the estate, it is their responsibility to adapt to changing circumstances and address the special characteristics of the area generally for future generations of both their own family and the local communities, to maintain a vibrant and healthy way of life for current and future residents.
- 1.4 The Estate recognises that in order to secure the long term success of the local rural economy and resident communities key issues of employment, shelter, health and well-being need to be addressed. The current trends towards an ageing population, with the exclusion of young workers and families through cost and lack of available and affordable housing needs to be reversed to ensure the vitality and success of the countryside and families living in it. It is considered that strategic policy interventions must look to reverse these fundamental problems if rural communities are to survive post Covid 19.
- 1.5 The challenges facing rural communities and workers are significant and growing in light of Covid 19 and Brexit, our clients are of the view that they require a robust policy approach at all levels to ensure their future survival. Indeed, our clients believe that rural communities should be vibrant places to live, work and play rather than the preserve of the elderly and those that can afford it. Indeed, it has never been more important to meet basic needs, not only in respect of homes and jobs but also to support the physical and mental health of communities including through better access to the outdoors and nature.

2. Response to Covid 19

- 2.1 Since the initial draft of the NDF was consulted upon, the circumstances that it will operate in have changed significantly. Indeed, ultimately its immediate role will be in setting a framework that leads Wales forward through the Covid 19 recovery and any re-structuring of the economy

required, in this regard it must set an ambitious and forward thinking vision for how Wales will address the biggest challenges it faces since World War Two.

- 2.2 This is underlined by the continued uncertainties around Brexit and the likely event that there will be no imminent trade deal with the EU, the effects of this are already being seen locally with major employers withdrawing or downsizing. This is a major threat to Wales given the previous reliance upon EU related investment / jobs creation and the proportion of exports to the EU (which is confirmed within the document to be higher than any other part of the UK). The Planning System must be able to allow a flexible response and to encourage growth, jobs and development.
- 2.3 However, there are positives that must be taken and our clients welcome the Welsh Government's "Building Better Places" document. Indeed, many residents and communities learnt to live in a more sustainable manner during the pandemic, being able to work from home and source most of their requirements locally. This could form shift towards a more sustainable pattern of life in Wales away from the congested arterial transport routes. It is strongly our clients view that the planning system must seek to secure such improvements to sustainability indeed it is clear that this would be a benefit across Wales.
- 2.4 The events of 2020 have clearly demonstrated the importance of local communities, facilities and local well being. Indeed, this has demonstrated that it is not always appropriate to focus on large conurbations but on the communities that are spread across Wales. Given that the Welsh Government has indicated they would like 30% of the workforce to continue working from home it seems unlikely that the pre-Covid unsustainable patterns of commuting will return and given that it is that aspiration for 1/3 of the workforce to work from home there seems a significant opportunity to focus on local needs, local provision and local circumstances to create sustainable and vibrant communities across Wales with a move from employment focussed around a couple of large office centres and out of town industrial parks across South Wales.

3. Overview

- 3.1 It is noted that the "Overview" of Wales included within Chapter 2 could helpfully include further clarification on a number of key areas as well as a number of additional key socio – economic facts in order to present a more comprehensive overview of current issues:
 - the information provided on GVA hides the fact that the Welsh figure is the lowest in the UK. Which plays down the lack of economic growth and investment, according to the EU, "*Wales has only 3.4% of the UK's total GDP (Eurostat, 2018)*" and as such "it also underperforms economically". The EU indicates that "*This discrepancy is largely due to a low employment rate and low average wages. These in turn are a result of a prevalence of individuals with low or no qualifications, the absence of a major conurbation (by European standards) and a relatively high proportion of people of retirement age*".
 - in 2016, EU figures indicate that workplace Gross Value Added (GVA) for Wales was £59.6b (€66.5b) which equates to just 72.7% of the average for the total of all UK regions. It is also worth noting that for context, the figure stated for Wales is the lowest level of GVA per head (£19,140) in the UK;
 - the breakdown of workplace employment indicates that there are significant numbers of people that could be adversely impacted by Covid 19 changes and this represents a significant potential risk to Wales;

- worsening affordability – in Wales, average house prices have increased from £128k in August 2012 to £168k in August 2018 yet average salaries have only experienced a slight increase from £23k to £26k over the same period. There is an overall lag behind the rest of the UK where average salaries were £26k in 2012 and rose to £29k in 2018;
 - even worse affordability in rural areas - the differential is worsened in rural areas, for instance in Monmouthshire average house prices were £195k in 2012 but have increased due to lack of supply to £275k in August 2018. Average salaries have only increased from £22.7k per annum in 2012 to £27.9k in 2018 and have not kept pace with the house price increase;
 - increased private sector rental prices (source: Rent Officers Wales) from an average of c£480 per month to c£549. The difference is again magnified in rural areas, in Monmouthshire for instance rents have increased on average from £554 per month to £650 (nearly 40% of take home pay for averagesalaries);
 - out-commuting and reliance upon existing highways networks: where jobs provision and housing does not match, it is inevitable that there will be an increase in out commuting, for Wales as a whole there is a daily net out commute of 47,700 people (an increase of 14,700 since 2001). This is a significant number of jobs and cannot be considered sustainable. With the tolls on the Severn crossings ceasing we expect the situation to worsen as people commute from Wales where house prices are lower to employment in adjacent conurbations e.g. Bristol and Gloucester;
 - in commuting by low skilled workers working in the agriculture, tourism and service sectors who can't afford to live locally; and
 - current trends towards farm diversification due to economic factors are reducing the amount of local produce available to supply the local food chain.
- 3.2 We are strongly of the view that these matters should form part of the overview of Wales, they form some of the key challenges that the planning system in Wales faces and require positive interventions. The true effectiveness of any national strategy will be creating a planning framework whereby these problems can be addressed.

4. Outcomes

- 4.1 Our clients are broadly supportive of the overarching outcomes that are sought and in particular Outcome 2 which seeks to ensure vibrant rural places. However this support is heavily caveated as a continuation of the *status quo* in approach to planning will see continued decline and stagnation. In this regard there is significant concern about how this is translated into practice.
- 4.2 Indeed, rural communities are generally too expensive to allow local workers to live locally, this has a significant effect upon the degree to which they can be "vibrant" as they lack younger people and families. In too many cases new homes are outside the reach of local people and end up commuter focussed (ie along the M4 corridor). Therefore it is imperative that new homes and opportunities are provided to help foster vibrant communities with a mixture of age groups and

tenures. Furthermore many rural settlements lack infrastructure to accommodate growth and all too often it is unviable for small schemes to invest in upgrading existing infrastructure problems.

- 4.3 The additional social and health care required by an ageing population living more remotely will add to the burden on local authorities and health providers if the trend cannot be reversed and affordable care and appropriate housing for the elderly to continue to live independently is not available.
- 4.4 With regards to the indicators we would suggest that there are a whole range of “sub categories” to the 7 questions. This should include a number of key indicators that the planning system can have an impact upon, many are worsened by inelasticity of supply in the housing market and the continued failure of the planning system across Wales to provide land to meet needs, these failures result in a number of issues that ought to form indicators including affordability, levels of housing need, commuting patterns.

5. Chapter 4

Policies 1, 4 and 5

- 5.1 Our clients are surprised to see that a number of key areas appear to be excluded from either National Growth Clusters or Regional Growth Areas despite playing a significant role in their wider network of settlements, communities and economies. Indeed, Policy 1 seems to suggest that there will be growth more or less everywhere across Wales except the Vale of Glamorgan and Monmouthshire.
- 5.2 In the first instance, as already indicated the recent events under Covid 19 have emphasised that local neighbourhoods and communities should form the basis for growth and these are not necessarily concentrated in large cities and towns. Rather they are hubs, communities and settlements all over Wales from the large Cities down to groups of rural hamlets. The events of 2020 have confirmed that more sustainable patterns of working and living can be achieved, as more people remain in their local communities for longer rather than commuting to the pre-March 2020 employment centres.
- 5.3 Furthermore, the approach appears to be a fundamental conflict with Policies 4 and 5 which seek to encourage sustainable and vibrant rural growth. Indeed, in the case of rural Monmouthshire, it is plainly the case that recent growth within the County has focussed on commuter needs rather than the needs of the rural economy and communities which has caused significant local issues. The evidence base for the LDP is clear that Monmouthshire has:
- demographic trends towards an ageing / retired population when compared with the rest of Wales with the ongoing decline of younger cohorts;
 - a tendency towards commuting outside of the Authority for work which is likely to increase subsequent to the recent removal of Severn bridge tolls, particularly given that most recent growth has been in the south of the county;
 - housing affordability problems with the highest house prices in Wales and a large element of first time buyers priced out of the market. There are over 2000 households in need;
 - a large central/northern hinterland where ageing population and high house prices have resulted in inadequate facilities for current residents, an artificially engineered demographic, reduced levels of employment and the absence of a working population to provide the levels of service required by occupiers;
 - a lack of housing for key workers in the countryside in the agriculture, forestry, tourism and care sectors; and
 - environmental and infrastructure constraints to growth at the County’s main settlements which mean that there are limited opportunities for providing the growth needed to address the key problems at these locations.
- 5.4 The practical implications of not addressing these problems through appropriate growth and support will be significant and a continuation of these problems. It is inevitable that these issues

will require a step change in the approach and will not be changed by incremental / piecemeal growth of already constrained settlements, with inadequate and aging infrastructure.

- 5.5 We are strongly of the view that development should support its locality and offer improvements by using local materials, reflecting the local vernacular, supporting community infrastructure, offering benefits in terms of local jobs and supporting local industries and employment.

Policy 7

- 5.6 Our clients are fundamentally supportive of Policy 7 Delivering Affordable Homes, they are of the view that all proposals should seek innovative means of achieving 50% affordable homes provision. They are of the view that in their area, such an approach is the most appropriate means of addressing the problems that rural communities face, to demonstrate that such an approach is feasible they are currently in talks with Tirion Homes, Melin Homes, Sero Energy and Sero Homes on delivering such a scheme.

- 5.7 With regards to the need identified over the period 2019 to 2039, in the first instance we reiterate comments that were submitted at the consultation stage of the NDF that this should run to 2040 given this is the period of the Framework. Secondly we note that the average of 7,400 new homes per annum has dropped since the previous iteration of the plan, however, as previously indicated we are of the view that the NDF should set an aspirational level of growth not one that is based on the lowest sustained period of home building in recent history (resulting in a low trend). This is emphasised by the need for a flexible and responsive approach to economic growth and restructuring as a result of Covid 19. Housing led recovery will be key.

- 5.8 Notwithstanding this, our clients remain deeply concerned at the approach taken towards the provision of housing in general. Housing delivery has been consistently less than required and has been significantly below 6,000 per annum for the past 10 years. Accordingly, it requires a step change to meet requirements and the NDF must clearly set the overarching policy requirement for this within Wales.

- 5.9 We note that in the year 2018/19 there were just 5,777 recorded completions compared to the identified requirement of 7,400 (which is itself a reduction from 8,300 in the previous version of the NDF). This means that the annual requirement for the period is already increasing. Given that there have been no changes in circumstances / no new allocations / a reliance on constrained sites and no practical means of addressing the shortfall quickly, it is inevitable that this requirement will increase further. This underlines the importance of a robust means of assessing housing land availability and delivery.

- 5.10 In order to achieve the levels of growth required across all types of housing, local authorities will need to stimulate and encourage growth in order to ensure flexibility and aid delivery. This will require a robust plan led approach, however, we are concerned that the current development plan framework has not enabled providers to meet housing needs.

Policy 9

- 5.11 Our clients are supportive of the approach towards ecological networks. We would suggest that there should be a national target of biodiversity gain to be incorporated into proposals.

Policies 17 and 18

- 5.12 Our clients are supportive of moving towards carbon zero developments. They note that farm waste could contribute significantly more towards energy needs than they currently do through Anaerobic Digestion plants. Indeed, waste from farms could be used to generate power and the bi product will provide a phosphate and nitrate free fertiliser that can be used on local farms instead of current products that are used. This in turn will improve the local water based eco systems and river catchments through removing a major source of pollution from phosphates and nitrates.

- 5.13 Our clients control a significant area of farm holdings and are in the process of exploring the potential for an anaerobic plant on their land and believe that support should be given to this on a national level given the wider potential benefits.

6. South East Wales

- 6.1 It is unobjectionable that the South East region is the focus for growth in Wales and that Cardiff

is the primary settlement indeed, the region must capitalise on its assets. In this regard we are supportive of the preparation of an SDP for the area and we believe that this must be seen as a key requirement with a firm delivery timescale set out.

6.2 However, it is noted that our clients have a number of concerns which we set below.

National Growth Area

6.3 In the first instance, we believe that it is fundamentally at odds with policy 4 and 5 to exclude Monmouthshire from the identified growth area. There is a significant rural hinterland that requires its own planning approach that should not rely upon growth in other locations, indeed currently due to affordability problems many local workers already have to commute into Monmouthshire from Newport, Torfaen and the Valleys. Our clients do not believe that this is a credible or robust strategy to continue with rather if genuinely vibrant and sustainable communities are to be encouraged it is inevitable that such places will need to cater for growth and meeting needs / addressing problems caused by not doing so over recent Plan periods. Indeed, by not addressing problems and further constraining housing supply, then problems of affordability and ageing population will only continue.

6.4 There are existing innovative and sector leading employment sectors operating within rural Monmouthshire that are linked to the M5 corridor that are well placed to establish strategic links that capitalise on the success within that region. Indeed, as we have noted earlier, rural areas including Monmouthshire have experienced some of the most significant social and economic issues (including lack of affordability, ageing population, commuting). As such they are precisely the areas that require strong policy interventions to provide a more sustainable future for residents. The heartland of Monmouthshire in particular has strategic highway links to the Midlands and South West as well as across to the mid and Heads of the Valley and the M4 corridor.

6.5 Furthermore, large parts of the Valleys are included within the Growth Area however a substantial part of the area will not be able to accommodate any growth due to topographical and infrastructure constraints. Indeed, there are only a handful of Valleys settlements that are likely to be able to accommodate limited growth.

Green Belt (policy 34)

6.6 Our clients support the principle of the identification of a green belt subject to the tests in PPW 10 and we are supportive of the weight given to SDP's in the process. It is important that such decisions are well founded and given their permanence such designations will need to be subject to very detailed considerations and rigorous scrutiny as the socio and economic impacts of constraint could be very damaging to local communities (such as inflated house prices, commuting and lack of mixed populations).

6.7 We are strongly of the view that any designation must not rule out what would otherwise be sustainable growth for instance, there are existing settlements to the north of Cardiff or Newport City (within the County) that will have needs to be met. To restrict growth and the ability of communities to meet needs in such locations (eg Caerphilly, Church Village, Rogerstone, Bassaleg, Rhiwderin, Risca, Bettws/Malpas) would only have adverse impacts upon existing residents (further increasing house prices, loss of younger people and families, out commuting etc.) in these areas and contradict many of the outcomes sought.

Housing Need

6.8 The identification of a need for 66,400 additional homes by 2039 is a reduction from the previous version of the NDF and seems to be an even greater under estimation given that the need for the area in the period up to c.2026 is over 100,000 in existing plans. An underestimation of need will not help achieve the stated outcomes.

M4

6.9 As indicated in our previous submission to the draft NDF we are surprised that no mention is made of any alternatives to the M4 relief road particularly as recent press reports suggest that the UK Government are seeking means of implementing this. Whilst traffic is reduced as a result of Covid 19, this remains a key problem of national significance that will only worsen absent a robust policy intervention. Given the rise in out commuting, the increase in traffic delays causing pollution and delivery inefficiencies, a continuation of existing patterns of growth won't remedy the problem. Rather a step change in the plan led system is required.

New Settlements

- 6.10 There should be a recognition of the potential for new settlements to be considered in the SDP in accordance with Planning Policy Wales. It is inappropriate not to properly plan for a policy mechanism / intervention that can make a significant contribution to achieving the overarching aims of PPW and the Well Being Goals. Indeed, as set out within our previous response, the Town and Country Planning Association (TCPA) indicates *“that the full range of planning solutions – urban regeneration, sustainable urban extensions or, where appropriate, new settlements – should be available to communities to choose from as they search for the most sustainable pattern of development locally”*.
- 6.11 Indeed, guidance set out by the TCPA indicates that holistically planned new settlements can enhance the natural environment and offer high-quality affordable housing and locally accessible work in beautiful, healthy and sociable communities. They also note that *“Major planned developments such as new settlements and urban extensions provide an opportunity to design-in the greenest of technologies and infrastructure from scratch, in ways that are not possible in smaller infill schemes”*.
- 6.12 In this regard, our clients are working on their own proposals that are intended to specifically address the problems within their own local communities, the progress made to date on these demonstrates a new approach to development in Wales that would set the agenda for best practice sustainable development. Such schemes forms a step change to the volume housebuilder led approach and can set a benchmark in quality and approach that can lead the way for smaller schemes elsewhere in the Country. They could be exemplars in sustainability and be based upon 50% affordable housing and zero carbon, providing a 21st century solution to existing problems.