

<b>SUBJECT:</b>	<b>MONMOUTHSHIRE LOCAL DEVELOPMENT PLAN REVISED AFFORDABLE HOUSING SUPPLEMENTARY PLANNING GUIDANCE</b>
<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>31<sup>st</sup> July 2019</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>ALL</b>

1. **PURPOSE:**

- 1.1 The purpose of this report is to seek Cabinet's agreement to adopt the revised Affordable Housing Supplementary Planning Guidance (SPG) in connection with the adopted Monmouthshire Local Development Plan (LDP). This gives the SPG weight as a material planning consideration in decision-making.

2. **RECOMMENDATIONS:**

- 2.1 To note the consultation feedback and the proposed responses.
- 2.2 To adopt the revised Affordable Housing Supplementary Planning Guidance in connection with the adopted Monmouthshire Local Development Plan.

3. **KEY ISSUES:**

Background

- 3.1 The Monmouthshire County Council LDP 2011-2021 was adopted on 27th February, 2014 to become the adopted development plan for the County (excluding that part within the Brecon Beacons National Park). The Affordable Housing SPG, adopted in March 2016, was prepared to provide further clarification on the interpretation and implementation of the LDP's affordable housing policies. Since the SPG was adopted a number of issues have arisen in relation to the viability of affordable housing provision on certain types of development sites, which has triggered the need to revise the SPG. The SPG has been revised to provide guidance on how affordable housing policies will be implemented, in particular with regard to commuted sums payable on small-scale developments. The revised SPG has been informed by evidence and experience gathered over the last 2 years since the current (March 2016) SPG was adopted.
- 3.2 Selective use of SPG is a means of setting out more detailed thematic or site specific guidance in the way in which the policies of an LDP will be applied in particular circumstances or areas. The Draft Development Plans Manual Edition 3 (Welsh Government, November 2018) notes that:

*'SPG does not form part of the development plan and is not subject to independent examination, but it must be consistent with the plan and with national planning policy. SPG cannot be linked to national policy alone; there must be a LDP policy or policy criterion*

*that provides the development plan ‘hook’ whilst the reasoned justification provides clarification of the related national policy’*

- 3.3 The Manual further states that SPG can be a material consideration in the determination of planning applications, provided that it is consistent with the development plan and appropriate consultation has been undertaken:

*‘Only the policies in the development plan have special status under section 38(6) of the PCPA 2004 Act in deciding planning applications, but SPG can be taken into account as a material consideration. SPG that is derived from and is consistent with the development plan and has been the subject of consultation will carry more weight’.*

- 3.4 It is proposed that the existing Affordable Housing Supplementary Planning Guidance document (March 2016) is amended as follows:

- Section 2 - The Affordable Housing Issue - data has been updated.
- Section 3 - Affordable Housing Need - data has been updated.
- Section 4A - Developments of 5 or more dwellings in Main Towns, Rural Secondary Settlements and Severnside Settlements – this section has been strengthened to clarify that:
  - Developers must take policy requirements into consideration prior to negotiating the purchase of land.
  - Where a viability appraisal is deemed necessary, this appraisal will be undertaken by the District Valuer at the expense of the developer and that the viability appraisal report will be published in the public domain.
- Section 4B, 4C, 4D and 4E – Developments of 1 – 4 dwellings – these sections have been amended to clarify that:
  - Single Barn conversions will now be exempt from making a financial contribution towards affordable housing. This is based on evidence of the high build costs associated with such projects. For barn conversions where there is a net increase of two to four dwellings, a financial contribution towards affordable housing will be sought.
  - Commercial conversions, e.g. to create flats above shops, 1 – 4 units will be exempt from making a financial contribution towards affordable housing. This is based on evidence of viability challenges associated with such projects, combined with the desire to encourage the efficient use of under-used sustainably located buildings to support housing delivery and settlement vitality.
  - Listed buildings for conversion to 1 – 4 units will also be exempt from making a financial contribution towards affordable housing due to evidence of high build costs.

The reason for making these changes is that these types of developments have been considered to be unviable following detailed viability appraisals.

- Section 4B1 - the method of calculating a financial contribution towards affordable housing has been changed to make the contribution simpler to calculate and fairer to developers.

- Section 4C2 has been rewritten for simplification and clarity.

- 3.5 Planning Committee endorsed the revised Affordable Housing Supplementary Planning Guidance that is the subject of this report on 2<sup>nd</sup> April 2019, with a view to issuing it for consultation purposes. Subsequently, on 10<sup>th</sup> April 2019 the Cabinet Member for Innovation, Enterprise and Leisure took the decision to issue the SPG for consultation. A copy of the Cabinet Member Report is attached as **Appendix 1**.
- 3.6 The consultation took place for a period of 6 weeks between 11<sup>th</sup> April 2019 and 28<sup>th</sup> May 2019. This included reporting the proposed SPG to Adult Select Committee at its meeting on 30<sup>th</sup> April 2019 and to Planning Committee at its meetings on 2<sup>nd</sup> July 2019.
- 3.7 Eight parties commented on the SPG, including Adults Select Committee. These are summarised, together with the Council's response, in the Report of Consultation provided as **Appendix 2**. Generally, no significant objections were received and only a small number of minor amendments to the SPG documents are considered necessary. One concern which was raised during the consultation period related to the proposal for the Council to not seek financial contributions for barn conversions. As outlined in Appendix 2 it is considered that the build costs of new build houses and barns conversions are very different. It is much cheaper to build a new house and it has been evidenced from previous viability assessments that barn conversions are largely not viable. The purpose of the LDP barn conversion policy is to preserve traditional barns and ensure these structures to be brought back into beneficial use to preserves the character and appearance of Monmouthshire's rural landscape. This form of development is maintaining other policy objectives within the LDP. On balance, it is considered that requesting a financial contribution for single barn conversions has proven to be unviable and we will therefore seek contributions on new build development only.
- 3.8 In addition, a small number of very minor alterations have been made to the SPG text to improve syntax and flow. These minor alterations have no impact on the policy substance or meaning.
- 3.9 Comments made by Planning Committee on 2<sup>nd</sup> July 2019 are summarised below in Section 10.
- 3.10 It is considered, therefore, that the document can be formally adopted as SPG to support the Monmouthshire LDP. The revised SPG is attached as **Appendix 3**.

#### **4. REASONS:**

- 4.1 Under the Planning Act (2004) and associated Regulations, all local planning authorities are required to produce a LDP. The Monmouthshire LDP was adopted on 27 February 2014 and decisions on planning applications are now being taken in accordance with policies and proposals in the LDP. The Affordable Housing SPG provides further explanation and guidance on the way in which Policy S4 will be implemented.

#### **5. RESOURCE IMPLICATIONS:**

- 5.1 Officer time and costs associated with the preparation of SPG documents and carrying

out the required consultation exercises. Any costs will be met from the Planning Policy and Development Management budget and carried out by existing staff.

## **6.0 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

6.1 Under the Planning Act (2004), the LDP was required to be subject to a Sustainability Appraisal (SA). The role of the SA was to address the extent to which the emerging planning policies would help to achieve the wider environmental, economic and social objectives of the LDP. The LPA also produced a Strategic Environmental Assessment (SEA) in accordance with the European Strategic Environmental Assessment Directive 2001/42/EC; requiring the 'environmental assessment' of certain plans and programmes prepared by local authorities, including LDP's. All stages of the LDP were subject to a SA/SEA, therefore and the findings of the SA/SEA were used to inform the development of the LDP policies and site allocations in order to ensure that the LDP would be promoting sustainable development. SPG is expanding and providing guidance on these existing LDP policies, which were prepared within a framework promoting sustainable development.

### Equality

6.2 The LDP was also subjected to an Equality Challenge process and due consideration was given to the issues raised. As with the sustainable development implications considered above, SPG is expanding and providing guidance on these existing LDP policies, which were prepared within this framework.

6.3 In addition, a Future Generations Evaluation is attached. This includes Equalities and Sustainability Impact Assessments (attached as **Appendix 4**).

## **7.0 OPTIONS APPRAISAL**

7.1 Having assessed the consultation responses, the following options were considered:

- 1) Recommend the SPG for adoption without any changes;
- 2) Recommend the SPG for adoption with some changes based on an assessment of the feedback;
- 3) Recommend the SPG for adoption with changes to reflect every response;
- 4) Do not proceed with the SPG.

7.2 The SPG provides specific guidance on the interpretation/implementation of the LDP policy framework in relation to affordable housing. Option 4 is therefore discounted as the document will support the provision of affordable housing in Monmouthshire, a key policy objective and organisation priority. The consultation responses have raised a number of valid and constructive points, all of which have been considered and responded to in appendix 2. As a result, some amendments are proposed in response to the consultation (option 2).

7.3 Based on the reasons above, it is the preferred option (2) to formally adopt this revised SPG as amended to support the Monmouthshire LDP.

## **8.0 EVALUATION CRITERIA**

The success of the adopted SPG will be monitored via the LDP Annual Monitoring Report. This will include a review of:

- the SPG use in decision-making and the extent to which it informs decisions and is upheld via appeal decisions;

- the amount of money collected as commuted sums;
- instances where viability is debated;
- the percentage of affordable housing secured on site and number of affordable homes secured.

## **9.0 REASONS:**

Under the Planning Act (2004) and associated Regulations, all Local Planning Authorities are required to produce a LDP. The Monmouthshire LDP was adopted on 27 February 2014 and decisions on planning applications are being taken in accordance with policies and proposals in the LDP. This Revised Draft SPG provides guidance on the delivery of affordable housing.

## **10.0 CONSULTEES:**

- Planning Committee supported the SPG as amended following consultation. The issue of barn conversions was discussed in detail and Committee agreed with the proposed exemptions. Planning Committee votes to endorse the SPG for adoption, with the exception of Cllr Brown who reiterated some of the points made at Adult Select Committee.
- Adult Select Committee. The comments made are provided at Appendix 2.
- Public and stakeholder consultation. The comments made are provided at Appendix 2.

## **11.0 BACKGROUND PAPERS:**

Monmouthshire Adopted LDP (February 2014)  
Local Housing Market Assessment (September 2018)

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## **APPENDICES**

**Appendix 1: Individual Cabinet Member Report 10<sup>th</sup> April 2019**  
**Appendix 2: Report of Consultation Responses**  
**Appendix 3: The revised SPG for adoption**  
**Appendix 4: Well-being of Future Generations Report**