Monmouthshire Select Committee Minutes

Meeting of Economy and Development Select Committee held at County Hall, Usk with Remote Attendance on Thursday, 15th July, 2021 at 10.00 am

Councillors Present	Officers in Attendance
County Councillor P. Jordan (Chairman) County Councillor R.Roden (Vice Chairman) County Councillors: J.Becker, A.Davies, D. Evans, G. Howard, and B. Strong	Frances O'Brien, Chief Officer, Enterprise Matthew Gatehouse, Head of Policy and Governance Cath Fallon, Head of Economy and Enterprise Hazel Ilett, Scrutiny Manager Robert McGowan, Policy and Scrutiny Officer Mark Hand, Head of Place-making, Housing, Highways and Flood Dave Loder, Finance Manager Craig O'Connor, Head of Planning Emma Davies, Performance Officer

APOLOGIES: None

1. **Declarations of Interest.**

Councillor Howard declared a non-prejudicial interest as a member of Abergavenny Civic Society. He was not involved in the representation in Item 3.

2. **Public Open Forum.**

REPRESENTATION ON ITEM 4

The Council's Preferred Strategy is not significantly different from that which the Council preferred in an Options consultation earlier this year. The views of many who questioned whether the planned level of growth will lead to 'sustainable and resilient' communities have been overruled.

More importantly, we have not been told whether the Welsh Government accepts the Council's opinion that their growth strategy conforms with the Government's Future Wales national plan, as required by statute. We know from Government officials' previous comments that there was concern that the Council's growth ambitions would not comply with the then draft national plan.

The Abergavenny Civic Society and other community groups do not believe that the Preferred Strategy does conform – that the growth goes well beyond Future Wales' expectations for supporting rural communities.

To avoid later conflict and delay, should not the Council seek to clarify this uncertainty NOW, perhaps with agreement of a provisional band of compromise to be given precision later in the process that will lead to the adoption of a new plan?

Dick Cole

Vice Chair, Abergavenny and District Civic Society

Mark Hand gave the following response:
On 18th July 2019, we received a letter from Welsh Government in response to the previous options. We didn't have a response at the start of this year when we consulted on the growth options again, following the data review. I'm not sure what the Civic Society is referring to – we haven't had any written response from Welsh Government that has commented on our growth level. The July 2019 response raised concerns about two of the growth options, for the specific reason that they included new settlements, which the national planning policy at the time discouraged, but didn't prohibit – we had proposed the potential for new settlements via two of the four growth options. That therefore changed when we consulted on new growth options in January/February. There was no comment from Welsh Government in that letter about the level of growth, nor that there was any problem with our direction of travel when we met with them subsequently to informally discuss how our LDP needs to comply with Future Wales 2040. We understand that we aren't in a regional growth area in FW 2040 but policies 4 and 5 of that make it very clear that we can and should meet our growth aspirations in the county e.g. for affordable housing and age-balanced communities. This is set out in Appendix 4. Therefore, we don't believe there is a problem, and haven't received any correspondence from Welsh Government to say that our growth level is out of kilter with Future Wales 2040. If the Civic Society has received something though, we would be happy to view it and then discuss it further.

3. <u>Local Development Plan - Scrutiny of the Preferred Strategy.</u>

Craig O'Connor and Mark Hand presented the report and answered the members' questions.
Challenge:
Jez: What are we doing to bring the sort of house builders we want to the county? Do we have preferential treatment for those building the sort of houses that we want, or plans to make our county more attractive to them?
This is a very good point. There are several aspects to it. One is the detailed policies that will be in the deposit plan that will set out what's required. With private land, we can't control whom they might be engaging with but we could try to make some of those contacts and connections. We have met with Zero Homes to understand what they are doing in Tonypandy and Cardiff. Councillor Becker has highlighted to us several companies that do housing in a different way, which we would like to pursue further. If the planning authority allocates any council land in the plan, then the council – as landowner – can consider whom it partners with or sells land to, to bring forward something that meets our wider aspirations. How we go about making connections could do with further discussion.
Our climate change note seeks to go higher than Welsh Government's current target, so order to raise the bar for the climate change agenda and low carbon, it isn't just a case of looking to sustainable housebuilders but also of pushing the 'big five' on sustainable homes. This is what we seek as part of the LDP.
Average house prices are surely high because we have a large number of larger houses, compared with other counties. The cost of new houses across various neighbouring counties

seem to be equivalent with Monmouthshire. Is the notion of particularly high prices in Monmouthshire therefore flawed?

We don't suggest that if more houses are built then the prices will fall. However, if we have a very low level of growth it will force prices up, because there is demand and the supply will then be stripped. Most importantly, we would then deliver very little affordable housing, when we know that we have 2000 homes on our waiting list. This then links into demography. With affordability, the housing mix policy is key to control the footprint of the property. Ensuring we have the right proportion of smaller properties will have an effect on affordability, as it will offer choice to the citizens.

The presentation mentions that we hope to create 7,215 jobs. Who are they for? We have very little control over employment levers.

We certainly don't hold all the levers regarding where people can live and work. The RLDP is a land use document, so we need to ensure that we have the employment land/commercial space in the right location. This entails having conversations with indigenous businesses and those that want to come into Monmouthshire, and providing opportunities for our citizens by having the right land allocated in the right place. In terms of home working, Covid has shown us that it perhaps doesn't matter where someone's base of work is. Many are now working from home, despite their base being far away, thus reducing their carbon footprint and using local areas a lot more – we can capitalise on this, by ensuring that we have self-sufficient settlements. We have the potential to have the perfect '20-minute neighbourhoods.' We need to have flexible policies to support tourism, and ensure we have enough land for renewable energy schemes.

SE Wales is a relatively small, dense and well connected area, overall. Does it really matter, given the work and leisure connections, that we have disparities between older and younger people?

Covid has taught us a lot about sustainable communities. Younger people have been caring for older people and the most vulnerable; projecting that forward, if we imagine going through this in 10 or 15 years, looking at what the demographic charts show we would be in a dire situation without our communities being mixed and having social and economic stability. It is one of our objectives but is ultimately the council's plan. Should the younger generation wish to live where they grew up, it is incumbent on us to help them to do so, where we can.

Is there not a dichotomy between MCC declaring a climate emergency, building all these homes, and creating these jobs?

This is an important question but the answer is no. 3% of the county is currently defined as 'built urban', and the growth that we are discussing would only take it to 3.4%. It comes back to the matter of building the right things in the right places: 20-minute neighbourhoods, amenities, public transport, active travel, etc. It is a matter of the right places but also people being able to behave in different ways e.g. work from home or hubs, if applicable, and the standard of what is built. The two concepts aren't in opposition. The homes that we want to build for people are the most sustainable that we have ever built. We are pushing the bar in terms of the decarbonisation agenda by ensuring that they are fit for purpose. The people who live in them will have reduced fuel bills, thereby addressing energy poverty. Inclusion of other elements such as electric car charging, pedestrian and cycle links, along with consideration of home working, are critical for addressing climate change. We are also working with the Carbon Trust to look at renewable energy sites.

We're looking to find 43 hectares of commercial land. Do we have the appropriate compulsory purchase powers to enable us to find that land in the areas where we want the jobs to be created?

The issue of whether we have the right employment land in the right places is very much the purpose of the new RLDP: having a mix of sites, identifying needs, and where we can supply. We're currently out for consultation and a call for candidate sites – so we would urge anyone with land suitable for employment purposes to come forward. We've had several very promising meetings in the past fortnight. To stress: we're talking in the preferred consultation about strategic options for the growth of the three main towns, which is about employment as well as housing growth. We do have compulsory purchase (CPO) powers. Regarding this plan and delivery of affordable housing, we might need to use them.

Is there nothing in the strategy catering to restrictions on housing? Section 1.7 of The Housing Act 1985 helps local people to purchase local properties, used extensively in Devon, Cornwall, etc. Have we considered adopting this policy in this scheme?

We can look into this when we get to the detailed policy stage. We're looking at what Gwynedd is doing, to see if there are policy approaches that we can take, although their primary issue is second home ownership. Welsh Government is doing detailed work now that is primarily about welsh language matters but does include policy approaches and pilots for ways of ensuring homes for local people – so we will work with them on that as well. We have a register that allocates affordable houses to local people, and we're looking to see if there are wider policies that we can tie to it.

I'm very concerned about phosphates and nitrates going into the Usk and Wye. What is being done in relation to this, and what confidence do we have that it won't affect our plans?

This is a significant issue and is having an effect on development proposals and planning applications – basically, on any development that would increase wastewater. There is a risk assessment in the appendix of the papers for the preferred strategy, concerning how we move forward. We want to ensure that this development doesn't have an adverse impact on the water quality in our rivers. We need to find infrastructure solutions to how we deliver this level of growth and ensure we don't harm the water quality. We are in significant conversations with Welsh Water, Welsh Government and Natural Resources Wales to resolve the matter. There aren't definitive solutions at this stage. However, in Monmouthshire, the key aspect of this is that we don't have the phosphate stripping capability in some of our most sustainable settlements, namely Abergavenny and Llanfoist and Monmouth and Wyesham (Raglan has Phosphate stripping capability; the South of the county is not affected.) We are discussing with Welsh Water the possibility of enhancing the infrastructure within their Asset Management Programme 2025-30. We're also reviewing whether we can address any ecological solutions; we are speaking to consultants about what is needed. Given this issue, we consider in the appendix whether to pause or stop, but it's clear that doing so would risk us not addressing problems concerning affordability and the economic challenges.

Does affordable housing funding affect market prices in the same settlements?

Affordable housing is delivered in several ways but the primary one for us currently is via the Planning system. There isn't any evidence that it affects the price of market housing *per se*, but it's undeniably an issue in terms of the viability of developments. Developers look at land

purchase costs, build costs and their sales values, so they lose a market sale on each plot where there is an affordable home, and they say that it changes their costs i.e. from a loss of 'hope value.' However, if we were to introduce a policy of not building any affordable homes, the builders wouldn't reduce their prices. Welsh Government funding plays a role via the social housing grant. There are no firm proposals at the moment but the Future Wales document talks about 48% affordable homes in SE Wales in the first five years. Given that that growth is intended to be focussed on Cardiff, Newport and the Valleys, one imagines that there will be significant public subsidy sitting alongside, to ensure that it is delivered.

How much does phosphate-stripping cost?

To add it to one of the existing wastewater treatment plants is several million. We have 34 plants throughout the county, only one of which, Raglan, currently has the technology. We don't have the problem in the south of the county as it goes out into the tidal area of the Usk. Our key discussion is trying to get Wastewater to bring forward their Asset Management Plan proposals for some key sites that will support this growth. Conversations have been very positive so far.

Our 8000 houses, if delivered, would represent 22% of the regional housing requirement in Future Wales – Welsh Government wants 48% affordable housing in the first 5 years of the plan. How can we possibly get to 48% in the first five years?

If there are additional costs of affordable housing or energy efficiency measures, they come either out of the developers' profits or out of the land value, or they will try to negotiate it from other contribution packages that we ask for via Section 106. It therefore needs a lot of extra work. We need to gather that information upfront from developers so that by the time we are at deposit plan we have a clear idea of viability and deliverability. It is easy to argue that we should shave it off the land value, and the land becomes cheaper; the counterargument from developers is that people will then not bring forward their land. The message we need to put out is that if we aren't delivering affordable housing, and not delivering on climate emergency requirements, then this level of growth doesn't work. There are certainly robust discussions to be had but we need to set down a new level of ambition; this happens to align with Welsh Government's new policies around 'placemaking', so as not to be so developer-led.

In the preferred strategy, there are around 2500 affordable homes out of 8000, which is well below the 48%, but part of the new homes required for the preferred strategy are already built because the plan starts in 2018. So there are existing completions and consents in the pipeline. And there are smaller windfall sites: with these, we get on-site affordable housing if it's more than 3 homes or a commuted sum if it's fewer than 3. How that policy approach happens in the future remains to be seen. Not factored into the numbers are the commuted sums that we put together to buy affordable properties in other locations. The proportion of new allocations that will be affordable is about 41%. This is based on some assumptions: we don't currently know what the proportion of affordable homes will be on most of the sites but we are looking to put in 50% affordable housing sites as an affordable-led arm of the strategy.

As the cost of phosphate stripping is enormous, has Welsh Government given any indication about funding those upgrades?

Those conversations haven't taken place, at this stage. We have spoken to Welsh Water, in terms of when they are expecting to address phosphate-stripping capability in Monmouthshire. This is affecting development proposals and economic prosperity in Monmouthshire now, so we need a solution. It is a wider problem than development proposals – it is also about agricultural

practices and land maintenance. Improving our existing infrastructure to treat phosphate is paramount. There are very early discussions with Welsh Government about whether there can be exceptions for certain types of development e.g. affordable housing.

It is proposed that 240 houses be built in the Usk-Raglan area. In Usk, we are down to 1 doctors' surgery, the school is at full capacity, there is the road problem, and we now have no banks. Will this all be taken into account?

Yes, we will. There is a sustainable settlements appraisal that looks at things like amenities and connectivity. We did a re-survey of the amenities and sent it to the town and community councils, who agreed that we had included everything that was needed – that will be informed about those changes. We also had a good session recently with health board and GP practice representatives, in which they explained their challenges and how we can build on the infrastructure through the planning process. They were keen on the preferred strategy, in terms of sustaining services and balancing demography.

A number of engagement events are taking place, which started 5th July. There is information in the planning policy section of the website, under preferred strategy consultation. A good place to start if the Easy Read guides. We have held one virtual session, with another to come – details for how to get involved and/or ask questions are on the website. We are also now able to do face-to-face drop-in sessions: we've had two or three already, with another this afternoon and more planned. For comments to be formally considered they must be in writing, preferably via the system online.

Chair's Summary:

Thank you to officers. We have had an in-depth discussion. A further point to consider is that if we introduce a firm policy saying that a certain percentage of affordable housing must be provided on each site, then when the developer is in negotiation with the landowner, the developer will know the base cost of each unit, so they might then factor in that they are going to make that provision.

In addition, we hope to build 8,366 houses and create 7,215 jobs, while Welsh Government expects 30% to work from home – therefore, the size of homes such that they can include home offices might need consideration.

4. <u>Performance Monitoring - Report on the performance against the five goals.</u>

Emma Davies presented the report. Frances O'Brien, Mark Hand and Cath Fallon answered the members' questions.

Challenge:

Where have the most and least progress been, and in the latter case, what will you do to get it back on track?

This is hard to answer, given the spectrum of priorities and actions. Taking the effect of Covid into consideration, the department has made significant progress where possible, across the objectives that are set. For example, the progress made with procurement, which has been rapid in a short period, despite the impact of Covid.

Are there specific areas in which there is difficulty making progress, from reasons other than Covid?

From an Enterprise and Community Animation perspective, there are two main areas to consider. One is broadband redeployment, which has slowed further than we had hoped. We were successful in obtaining funding through Welsh Government's local broadband fund to undertake works in the Llanthony valley, for example. There are issues there generally, aside from the effect of Covid. Through our Strategic Broadband Infrastructure group, we are looking to address works to lay cables etc. We are also deploying a wider network that is 5G carrier grade – again, that has not moved as fast we had hoped. Therefore, the digital depravation rates are likely to be less than the 12.5% currently in the report; we are awaiting the accurate figure. We are also addressing the distinct lack of skills and increase in vacancy rates, relating to our hospitality industry: as hospitality has reopened, there is a desperate need for staff but they aren't coming forward, or they're finding it a challenging area in which to work, and moving on. We have a major campaign over the summer period, with the Deputy Leader, to encourage people to come forward. Our Employment Skills team will help people to write CVs and submit applications. Many of those issues were raised in our Business Resilience forum, which enables us to understand the issues that businesses are facing on a daily basis.

A few other items are worth mentioning. For example, the report cites the Chepstow study: this has now been received, and we have arranged a meeting with Chepstow members and stakeholders across the border to brief them on it. This has also been delayed somewhat but is progressing. There is a current suspension from Welsh Government in road building so we will think through how that might affect things. Improvements and re-surfacing in the Highways programme were delayed, but that was due to funding uncertainty: until we had confirmation that floods relief funding to reinstate roads damaged in the 19/20 floods would be carried forward into this financial year, we didn't know our budget for normal road repairs. That confirmation came a few months ago, so we can no roll this out. The replacement local development plan was affected by Covid and the new population projections from Welsh Government, but it gave us the opportunity to refresh our view of the plan's elements.

On a positive note, the re-opening towns measures have opened up many potential opportunities; these will be considered in a separate meeting of this committee later in the month. It has given us chances to look at how we generate our towns in different ways and trial different measures. We are now at the point of considering what measures could become long-term changes.

The 'commitment to action' states the purpose of promoting development of suitable sites and premises, yet we have none – why is that?

There are still over 40 hectares of employment land available in the county, identified in the current LDP. There is an issue with the spatial distribution of that: it is primarily in a couple of large sites in the south of the county. One of our challenges is having that land supply in Monmouth and Abergavenny, where we have interest from businesses that we struggle to accommodate. The planning policies currently in place will support employment uses within settlements or, potentially, adjacent to them. The replacement LDP will provide us with those new sites and the range of locations to support those areas. We have very good intelligence about what's needed as we move forward. If sites come forward that are adjacent to the settlement boundary then that is something that we can consider. Abergavenny, for example, is constrained due to the national park and flood plains, so we need to think carefully about the next steps.

Regarding the Apprentice Scheme, what is the council's position when it comes to offering apprenticeships in areas other than Health & Social Care?

The social care apprenticeships were funded by the foundational economy challenge fund, so there were 6 apprentices in H&SC funded specifically through that model. In addition, there are 20 apprentices throughout our organisation, which we wish to increase. Some of those have completed their study and moved into new posts, and the additional staff members are undertaking additional apprenticeships. We're also working closely with businesses to help them with apprentice recruitment – it's a wide-ranging scheme.

Have we looked at the link between people's homes, where they live and their patterns of travel to work in relation to existing businesses, so that we can see where people travel to and from?

We don't have this survey information at present. It is certainly something that would be good to do. The west of England is doing a survey of its businesses to understand how future working practices might change, regarding agile or home working. We're looking to commission a similar survey in order to understand how those different patterns might emerge in the future. This will go out mid-September, jointly with our colleagues in Tourism, in terms of the business development management plan. It is important for us to understand where employees are working and what they might need regarding co-working spaces – part of the Levelling Up fund bid that we submitted for Monmouth was provision for co-working space. Welsh Government carried out a survey in this vein but we want to build on that locally. We will also work with our private sector colleagues as, for example, there is a private working space in Abergavenny – so we need to ensure we are covering the need for provision.

Is it correct that Capita is undertaking a survey of the relationship between employment and home locations?

Yes, this is part of the same conversation relating to both the Local Transport Plan and Replacement Local Development Plan.

There are over 4000+ FTE MCC employees but we don't have many new apprentices (i.e. not already employed by us) – how many do we hope to have by the end of next year?

We don't have that figure to hand but we are working with individual departments on a daily basis to look at their recruitment requirements, and working with the Cardiff Capital Region graduate scheme. We have a new marketing graduate who started 6 weeks ago in that team, so we are looking to recruit as we go forward, and the picture should be very different next year.

Chair's Summary:

Thank you to officers. Bearing in mind the pandemic and surrounding circumstances, the progress valuation of 'adequate' is perhaps as good as we could get this year.

5. <u>Scrutiny of the Revenue and Capital Outturn reports for 2020-2021.</u>

Dave Loder presented the report and answered the members' questions.

Challenge:

We have a commercial and corporate landlord services underspend of £852k. As we don't have any available commercial accommodation currently, could that shortfall be spent on making shovel-ready accommodation for businesses to move into the county?

Unfortunately, this is a service-specific query and can't be answered today. I will have to check this particular figure, and will go back to the relevant officers for comment and a subsequent response.

There is a shortfall of £22k in Estates, due to staff shortages. We have a significant issue in shifting our commercial property, currently lying idle. If they were utilised more profitably, would the underspend be more significant i.e. we could get revenue from those unoccupied units?

Answer as above.

6. **Economy and Development Select Committee Forward Work Plan.**

   Special committee on 26th July regarding town centre regeneration.

7. **Council and Cabinet Work Planner.**

8. **To confirm the minutes of the previous meeting.**

   The minutes were confirmed and signed as an accurate record, confirmed by Councillor Jordan and seconded by Councillor Roden.

9. **To confirm the date and time of the next meeting: Thursday 16th September 2021 at 10.00am.**

The meeting ended at **12.00 pm**

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