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Neuadd y Sir
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Dydd Llun, 6 Chwefror 2017

Hysbysiad o gyfarfod

Pwyllgor Craffu Oedolion

Gwahodd aelodau'r Pwyllgor Dethol Economi a Datblygu, y
Pwyllgor Cynllunio a Cymunedau Cryf Dethol Pwyllgor
Dydd Mawrth, 14eg Chwefror, 2017 at 2.00 pm
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

AGENDA

**BYDD CYFARFOD CYN I AELODAU'R PWYLLGOR 30 COFNODION CYN I'R
CYCHWYN Y CYFARFOD**

Eitem ddim	Eitem	Tudalennau
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Craffu ar Darparu Tai Fforddiadwy ac Effaith y Cyfarwyddyd Cynllunio Atodol Craffu ar y Canllawiau Cynllunio Atodol ar Dai Fforddiadwy yn Sir Fynwy i gynnwys: <ul style="list-style-type: none">• Cyflenwi tai fforddiadwy ers mabwysiadu'r CDLI (cymeradwyaethau a gwblhawyd)• Cynnydd ar 60/40 o safleoedd• Y Rhaglen Grant• Effaith y CCA a fabwysiadwyd yn ddiweddar sydd yn sicrhau symiau gohiriedig o leiniau llai targedu WG 20,000 o gartrefi fforddiadwy yn y 5 mlynedd nesaf yng Nghymru.	1 - 30

4.	Gwasanaeth Gosod Sir Fynwy Craffu ar y dull arfaethedig ar gyfer cael mynediad i lety yn y sector rhentu preifat i atal digartrefedd.	31 - 68
5.	Digartref Atal - Cynllun Gwarant Rhent Craffu cyn gwneud penderfyniadau o'r Cynllun, sydd yn elfen o'r (Gwasanaeth Gosod Sir Fynwy) uchod.	69 - 80

Paul Matthews

Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

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R. Harris
R. Chapman
R. Edwards
M. Hickman
P. Jones
P. Jordan
P. Watts
A. Wintle
D Hill
D Hudson

Gwybodaeth Gyhoeddus

Mynediad i gopïau papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Cymunedau Cynaliadwy a Chryf

Canlyniadau y gweithiwn i'w cyflawni

Neb yn cael ei adael ar ôl

- Gall pobl hŷn fyw bywyd da
- Pobl â mynediad i dai addas a fforddiadwy
- Pobl â mynediad a symudedd da

Pobl yn hyderus, galluog ac yn cymryd rhan

- Camddefnyddio alcohol a chyffuriau ddim yn effeithio ar fywydau pobl
- Teuluoedd yn cael eu cefnogi
- Pobl yn teimlo'n ddiogel

Ein sir yn ffynnu

- Busnes a menter
- Pobl â mynediad i ddysgu ymarferol a hyblyg
- Pobl yn diogelu ac yn cyfoethogi'r amgylchedd

Ein blaenoriaethau

- Ysgolion
- Diogelu pobl agored i niwed
- Cefnogi busnes a chreu swyddi
- Cynnal gwasanaethau sy'n hygyrch yn lleol

Ein gwerthoedd

- **Bod yn agored:** anelwn fod yn agored ac onest i ddatblygu perthnasoedd ymddiriedus
- **Tegwch:** anelwn ddarparu dewis teg, cyfleoedd a phrofiadau a dod yn sefydliad a adeiladwyd ar barch un at y llall.
- **Hyblygrwydd:** anelwn fod yn hyblyg yn ein syniadau a'n gweithredoedd i ddod yn sefydliad effeithlon ac effeithiol.
- **Gwaith tîm:** anelwn gydweithio i rannu ein llwyddiannau a'n methiannau drwy adeiladu ar ein cryfderau a chefnogi ein gilydd i gyflawni ein nodau.

SUBJECT: Affordable Housing delivery update paper
MEETING: Special Economy & Development Select Committee
DATE: Tuesday 14th February 2017
DIVISIONS/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To provide Members with an update on the delivery of affordable housing since LDP adoption, including:
- The number of affordable homes granted planning permission and the number constructed;
 - Progress on the LDP's strategic, urban and rural housing sites;
 - Progress on the LDP's 60/40 sites;
 - The implementation of the Affordable Housing SPG since it took effect on 1st April 2016; and
 - An overview of forthcoming Welsh Government grant funding.

2 RECOMMENDATIONS

- 2.1 To note the progress update and to support the policy framework and ongoing hard work by officers to maximise affordable housing delivery, which is a Council priority.
- 2.2 To consider a follow up review in twelve months on the impact of, and contributions secured via, the Affordable Housing SPG to ensure the policy is resulting in the desired outcomes.

3 BACKGROUND

- 3.1 The delivery of affordable housing is a key Council priority and links directly to the Council's corporate priority that 'no-one is left behind'.
- 3.2 A significant issue for Monmouthshire is the fact that house prices are high in relation to earnings so that there is a need for additional affordable housing in the County in both urban and rural areas, particularly for those who live and work in our communities. The average house price in Monmouthshire is £277,500 compared to a Wales average of £179,300. The house price to earnings ratio is 7.8:1 in Monmouthshire, compared with 6:1 in Wales¹. The lower quartile house price to income ratio in Monmouthshire is 9:1². These figures illustrate how difficult it is for local people to purchase their first home or move into larger homes in the County when their family circumstances change.
- 3.3 In addition, there are currently 3,073 households on Monmouthshire's Common Housing Register. A more detailed breakdown on housing need can be found in **Appendix 1**. The County is divided into three housing market areas.
- 3.4 The planning system is seen as an increasingly important means of improving the supply of affordable housing for local people. Monmouthshire County Council recognises this and is keen to ensure that developers and local people have clear

¹ Source: Hometrack, 2 February 2017

² Source: Hometrack, 2 February 2017

guidance on how its development plan policies and decisions on planning applications will operate.

3.5 Policy S4 (Affordable Housing Provision) of the Adopted Monmouthshire LDP is the primary means of securing affordable housing to help meet the identified affordable housing need in Monmouthshire³. Policy S4 sets out the development size thresholds at which affordable housing has to be provided and the percentage of affordable housing that will be sought in each case, depending on the location of the development site.

3.6 The Policy is supported by Affordable Housing Supplementary Planning Guidance (SPG) which was adopted in April 2016. The SPG is intended to provide clear guidance on how planning policy on affordable housing will be delivered in practice. The SPG provides background information on affordable housing issues, including national planning policy, the need for affordable housing in Monmouthshire, the planning application and negotiation process and LDP monitoring and targets. The main part of the guidance provides clarification in relation to the seven types of situation that could arise in providing affordable housing under Policy S4:

- Where the affordable housing threshold of 5 or more additional dwellings (net) is applicable, i.e. in Main Towns, Rural Secondary Settlements and Severnside Settlements.
- Where the affordable housing threshold above is not met and financial contributions are required.
- Sites allocated in Main Villages under LDP Policy SAH11 with the specific purpose of providing 60% affordable housing (60/40 sites).
- Other sites in Main Villages.
- Minor Villages.
- Conversions and sub-divisions in the open countryside.
- Departure applications in the open countryside.

3.7 The SPG also provides further explanation of the Affordable Housing Rural Exceptions policy (Policy H7), together with guidance on the mechanisms that will be used to deliver affordable housing.

4 KEY ISSUES

On-site Affordable Homes Secured via Planning Permissions

4.1 305 affordable housing units have been secured through planning permissions since the Plan's adoption in 2014. LDP allocated sites accounted for the majority of affordable units permitted (181). 100% affordable housing schemes and windfall sites accounted for a further 78 units and 44 units respectively. Two affordable units were secured on a small site.

4.2 The spatial distribution of affordable units secured via planning permissions is as follows:

Main towns:

- Total of 166 affordable units permitted.

³ The LDP Local Housing Market Assessment (LHMA) Update identified an annual requirement for affordable housing of 96 dwellings per year /ten year requirement of 960 dwellings. This is the affordable housing need for 2011-21 that has to be addressed through the LDP.

- Allocated LDP sites accounted for the majority of these units: 102 units at Wonastow Road, Monmouth (30%) and 18 units at Coed Glas, Abergavenny (35%).
- 100% affordable housing schemes accounted for 27 of the affordable units permitted (Abergavenny 20 and Chepstow 7).
- The remaining permissions related to windfall sites in Abergavenny (15) and Chepstow (4).

Severnside Settlements:

- Total of 72 affordable units permitted.
- 100% affordable housing schemes accounted for a significant proportion of affordable unit permissions (41 – Caldicot 22, Rogiet 19).
- The allocated strategic LDP site at Sudbrook Paper Mill accounted for a further 20 affordable units (9.4%).
- The remaining permissions related to a windfall site in Sudbrook (9 units) and a small site in Caldicot (2 units).

Rural Secondary Settlements:

- Total of 49 affordable units permitted.
- Allocated LDP site at Penperlleni accounted for almost half (23) of these (35%).
- 16 units were secured on a windfall site at Llanfoist.
- A 100% affordable housing scheme in Raglan accounted for a further 10 units.

Main Villages:

- Total of 18 affordable units secured on allocated Main Village sites identified in Policy SAH11 for 60% affordable units - Trellech 9, Shirenewton 3 and Penallt 6.

- 4.3 An additional affordable unit was permitted through the 'build your own affordable home' scheme (rural exception).
- 4.4 The above indicates that a significant number of on-site affordable units have been secured via planning permissions since the LDP's adoption and that the policy framework is operating effectively in this regard. The policy is clear that the targets of 35% or 25% are subject to viability testing, and the Council is currently using the District Valuation Service to provide a robust, independent assessment of viability evidence provided by developers on an open book basis. The development of 100% affordable sites (typically by RSLs using Welsh Government funding) has added a significant 78 affordable units secured, outside of the provisions of Policy S4.

Affordable Housing Dwelling Completions

- 4.5 127 affordable housing units have been completed since the Plan's adoption in 2014. The majority of these completions were on 100% affordable housing sites (68 units). Windfall sites accounted for 34 affordable dwelling completions, with small sites and a residual UDP site accounting for a further 12 and 4 completions respectively. There were also 9 affordable housing completions on an allocated LDP site. As discussed in the LDP Annual Monitoring Report, the LDPs strategic housing sites are coming forward more slowly than anticipated however approvals are in place and development has commenced on LDP sites now, and their contribution will increase significantly over the next two years.
- 4.6 The spatial distribution of affordable dwelling completions is as follows:

Main Towns:

- 46 completions (16 in Abergavenny, 26 in Chepstow, 4 in Monmouth).
- 24 of these completions were on 100% affordable housing schemes (8 in Abergavenny, 16 in Chepstow).
- Small sites accounted for 12 completions (8 in Abergavenny, 4 in Chepstow).
- Windfall sites in Chepstow and Monmouth accounted for a further 6 and 4 completions respectively.

Severnside:

- 46 completions in Severnside Settlements (27 in Caldicot and 19 in Rogiet).
- 100% affordable housing sites accounted for the majority of completions recorded (23 in Caldicot and 19 in Rogiet).
- 4 completions on a residual UDP site in Caldicot.

Rural Secondary Settlements:

- 23 completions on a windfall site in Llanfoist.

Main Villages:

- 12 completions – 1 on a windfall site in Little Mill, 2 on a 100% affordable housing site in Mynyddbach and 9 on a LDP 60/40 Main Village site in Trellech.

- 4.7 This demonstrates that while there have been 127 affordable dwelling completions recorded since the LDP's adoption, this is lower than the identified LDP target of 96 completions per annum. One of the main reasons for this is the slow progress on the implementation of LDP allocated sites which has result in limited delivery of affordable housing under Policy S4. However, as allocated LDP sites achieve planning permission, affordable housing completions would be expected to increase in line with the identified target. The recent permissions achieved on LDP sites (as set out above paragraph 4.1-4.2) will undoubtedly increase the level of affordable housing delivered.
- 4.8 There is no specific evidence to date that demonstrates that Policy S4 itself is not operating effectively, albeit that there have been delays in determining some planning applications, including for example Deri Farm, because of negotiations over viability issues arising from the requirements of Policy S4. These viability issues themselves directly impact on levels of affordable housing secured, however, robust assessments are being undertaken to ensure the maximum potential contribution is secured.
- 4.9 The affordable housing policy analysis from the latest LDP Annual Monitoring Report (AMR) covering the period 1 April 2015 to 31 March 2016 is included in **Appendix 2** to this report.

Progress with Allocated LDP Housing Sites

Strategic Sites

- 4.10 As indicated above, there has been slower than anticipated progress with the delivery of allocated strategic housing sites since the Plan's adoption, however, the pace is increasing. Consequently the amount of affordable housing secured from these sites to date has also been limited, with only the following sites having gained planning permission:
- Wonastow Road, Monmouth: 102 (30%) affordable units secured (total of 340 units)
 - Sudbrook Paper Mill: 20 (9.4%) affordable units secured (total of 212 units). There were significant site viability issues associated with this site due to considerable site remediation costs.

4.11 Despite this, progress is being made on planning applications relating to many of these strategic sites:

- Crick Road, Portskewett: Council owned site allocated for 285 residential units and 1 ha of serviced land for business and industrial development. A master planning consultation exercise to consider various options for the site has been undertaken and an outline planning application is due to be submitted imminently.
- Deri Farm, Abergavenny: Persimmon Homes submitted a full application for 250 residential units in November 2014. The application is yet to be determined given outstanding issues relating to site viability (affordable housing provision) and undergrounding of overhead power lines. These issues have recently been independently assessed by the District Valuation Service with the applicant's indicating that they accept the findings. The application is being progressed with a report to Planning Committee expected in next couple of months.
- Fairfield Mabey, Chepstow: The landowner submitted an outline application in October 2014 for up to 600 residential units (350 to be delivered within the Plan period), commercial space including offices and workshops and small scale retail/food and drink floorspace and multi-functional green and blue open space. The application has not progressed as intended due to a longstanding Welsh Government Highways holding objection. Progress is being made on addressing other outstanding matters and it is anticipated that the application will be reported to Planning Committee in the next couple of months, following independent assessment by the District Valuation Service.
- Rockfield Farm, Undy: Council owned site allocated for 270 residential units and 2 ha of serviced land for business and industrial use. A master planning consultation exercise to consider various options for the site has been undertaken and a planning application subsequently submitted and progressed. It is expected that the application will be reported to Planning Committee in the next couple of months.
- Vinegar Hill, Undy: Site for 225 residential units, linked to the adjacent Rockfield Farm site. There has been limited progress on the delivery of this site to date.

4.12 As indicated above, there is no evidence to suggest that the LDP strategic sites are not deliverable or that their allocation needs to be reviewed. The delays in them coming forward do, however, have obvious implications for affordable housing delivery. As stated in the latest AMR, the slow delivery rate does seem to suggest that there may be a need for additional site allocations through a LDP revision and/or through a pragmatic approach to the determination of departure applications. Such measures are intended to increase housing supply, which will also benefit the delivery of affordable housing.

Urban and Rural Secondary Settlement Sites:

4.13 A number of other allocated LDP sites have gained planning permission and will contribute to affordable housing delivery:

- Land to south of School Lane, Penperlleni: 23 (35%) affordable units secured (total 65 units).
- Coed Glas, Abergavenny: 18 (35%) affordable units secured (total 51 units).

Progress with LDP 60/40 sites (Policy SAH11 Sites)

4.14 Monmouthshire County Council sought to tackle the problem of securing affordable housing to sustain our smaller villages in a pragmatic and innovative way. This policy has clearly been a success. The site at Trellech (9 affordable and 6 market units) has

been completed and one of the 60/40 sites in Shirenewton (3 affordable and 2 market units) is currently under construction. The site at Penallt has planning permission for 10 units (6 affordable and 4 market units) and the site at Llanishen for 8 units (5 affordable and 3 market units) is currently subject to a S106 agreement. Applications are also being worked up on several other sites. A detailed report on all of the LDP 60/40 sites can be found in **Appendix 3**.

Affordable Housing SPG and commuted sums

- 4.15 Policy S4 introduced a requirement for developments below the thresholds at which affordable housing has to be provided on site to make a financial contribution towards the provision of affordable housing in the Local Planning Authority area. The SPG sets out how this aspect of Policy S4 will be implemented. Self-builders are exempt from making the contribution but have to enter into an initial S106 agreement, being able to claim the exemption after occupying a dwelling for three years. The table attached as **Appendix 4** lists those applications registered as valid since the adoption of the SPG that were potentially liable to an affordable housing contribution.
- 4.16 To date (at 02/02/2017), nine Section 106 agreements have been signed, giving a total potential contribution of £480,735. Two of these agreements (The Hill, Abergavenny and Green Farm, Rogiet - for £289,473 in total) required contributions to compensate for not providing affordable housing on site, rather than to comply with the policy requiring contributions from developments falling below the affordable housing threshold, but are listed in the table to indicate the total potential funding available to the Council. These two agreements for commuted sums were due to the exceptional circumstances of the sites in question, which related to the conversion of a Listed Building or barns, which do not lend themselves easily to DQR standards. At the current time there are thirteen applications with Legal Services awaiting S106 agreements. Three of these applications awaiting agreements are specifically identified as being subject to concerns over viability.
- 4.17 Where it is claimed that the affordable housing contribution is making development unviable and preventing it coming forward, a full viability assessment is undertaken. The table lists three cases in which it has been accepted that viability issues prevent a financial contribution being made. Of ten undetermined applications that are still with the planning officer and not passed to legal, five are specifically identified as cases where the applicant has raised concerns about viability and these matters will be fully appraised before proceeding.
- 4.18 Should all the contributions identified in the table come forward (those with S106 agreements, those awaiting S106 agreement and those with planning officers that could still be approved) then the total potential affordable housing fund to date is £1,221,773. It is important to consider this figure in the context that self-build projects are exempt from paying (this accords with the CIL Regulations). To benefit from this exemption, the developer must evidence that they built and then lived in the property for a continuous period of three years. However, even assuming that 50% of the approvals are self-build projects, the new policy has clearly secured a significant sum of money to contribute towards the delivery of affordable housing, as a viable and proportionate contribution from the significant uplift in land value created by granting planning permission.
- 4.19 At the time of adopting this SPG, Economy and Development Select Committee requested that the policy implementation be reviewed to ensure it is not deterring development from taking place, given the important contribution that small housing schemes make to our LDP housing need. The table below sets out data for 'minor

residential' applications (fewer than 10 dwellings) determined in 2015-16 (prior to SPG adoption) and for the first three quarters of 2016/17. The SPG took effect for applications registered as valid after 1st April 2017.

- 4.20 The table shows that, to date, there is no significant discernible change to the number of applications determined, the proportion approved, or the average time taken to determine the application. It should be noted that this data includes all minor residential developments, including conversions, change of use and replans. The data does not relate solely to additional small plots subject to the new SPG. Again it should be noted that 13 applications await the signing of the S106 agreement so do not yet appear in the data which relates to determined applications. As such there is limited data available, but on the basis of the data before us, there is no evidence to date that the policy is deterring developers from proceeding. As stated above, the policy allows for viability to be assessed and S106 commuted sums to be reduced or waived if evidenced. Moreover, a significant proportion of such applications are for self-build projects which are exempt from the contribution in any case.

Quarter / Year	Number of Applications determined	Number approved	% approved	Average time in days from valid to determined (decision issued)
2015/16	125	110	88	109
Q1 – Q3 2016/17	74	68	92	108

- 4.21 It is acknowledged that a number of applications remains undetermined, pending signing of a S106 agreement. This legal process is time consuming and, despite our attempts to simplify it by providing a template legal agreement, some issues have arisen with different solicitors requiring different amendments. It is recommended that this matter be reviewed again in 12 months' time.
- 4.22 Similarly, there is always a natural time lag between planning permission being granted and development commencing on site. It is therefore too soon, at this time, to review whether or not the permissions granted post-SPG adoption are proceeding on site (or if developers decide not to proceed due to reduced profit or other economic or personal reasons).

Forthcoming WG funding

- 4.23 All Local Authorities have had their Social Housing Grant (SHG) Allocation doubled for the next three years. Monmouthshire's Allocation has gone from £1,144,759 to £2,289,519. To help meet the Welsh Government's target of delivering 20,000 affordable homes over the next 5 years, the Housing Division at WG will be making further funding available over the next few years. Monmouthshire is in a position to be able to draw down an additional £3.8m should such funding become available.

5 CONCLUSION AND RECOMMENDATIONS

- 5.1 We are successfully negotiating affordable housing through both large strategic sites and individual plots, taking into account viability constraints as required by national and

local planning policy. To date, 305 affordable homes have been granted planning permission and 127 constructed since the LDP's adoption.

- 5.2 The recently adopted Affordable Housing SPG has allowed us to secure commuted sums to deliver off-site affordable housing provision. Implementation of this policy takes full account of self-build projects and viability. The legal process of signing a S106 agreement has arguably slowed down decision-making process however there is no evidence to date to suggest that development is being deterred.
- 5.3 The Welsh Government has recently published a study that looks at site viability and why some sites throughout Wales are not coming forward quickly, as well as tools for seeking to change that. Considering use of these tools will be essential to deliver our existing, known housing needs plus the ambitious challenge to deliver 20,000 affordable homes over the next 5 years throughout Wales. This will feed into both our on-going work and via Future Monmouthshire and LDP review as we consider how we meet the needs of our communities to enable our county and people to thrive.

6 FUTURE GENERATIONS AND EQUALITIES ASSESSMENT

The provision of affordable housing clearly contributes to providing for the needs and wellbeing of our communities in the long term. A detailed assessment has not been provided for this report, because the report is simply an update of policy implementation of existing policies, not a proposed change to a policy. There are, however, considered to be no detrimental impacts on groups with protected characteristics, vulnerable people or safeguarding concerns.

7 AUTHOR & CONTACT DETAILS

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- Appendix 1 Affordable housing need
- Appendix 2 AMR AH policy analysis (2015-16)
- Appendix 3 Update on 60/40 sites
- Appendix 4 Applications Liable to AH Contributions since AH SPG Adoption
- Appendix 5 Example commuted sum calculation

APPENDIX 1

Monmouthshire Common Housing Register

2nd February 2017

Whole Register

No. of Bedrooms	Age Band	Total Applicants	Of Which Applicants in Band 5 (No Housing Need)
1 Bed	Under 25	273	48
	25-29	172	32
	30-39	199	47
	40-49	186	53
	50-59	284	107
	60-64	145	77
	65 and over	493	332
Total		1752	696
2 Bed	Under 25	140	36
	25-29	215	68
	30-39	242	75
	40-49	164	47
	50-59	113	37
	60-64	23	8
	65 and over	29	10
Total		926	281
3 Bed	Under 25	0	0
	25-29	31	10
	30-39	135	46
	40-49	130	38
	50-59	38	14
	60-64	6	3
	65 and over	3	1
Total		343	112
4 Bed	30-39	10	1
	40-49	8	1
Total		18	2
5 Bed	30-39	2	0
Total		2	0
Grand Total		3041	1091
Need	3041 minus	Band 5 1091	= 1950

Total Number of households on the waiting list.

Abergavenny

No. of Bedrooms	Age Band	Total Applicants	Of Which Applicants in Band 5 (No Housing Need)
1 Bed	General Needs	460	136
	OAP	186	143
2 Bed	General Needs	279	104
	OAP	23	6
3 Bed	General Needs	94	38
	OAP	5	3
4 Bed	General Needs	5	3
	OAP	0	0
5 Bed	General Needs	1	0
	OAP	0	
Total		1053	433
Need	1053 minus Band 5	433	= 620

Monmouth

No. of Bedrooms	Age Band	Total Applicants	Of Which Applicants in Band 5 (No Housing Need)
1 Bed	General Needs	266	90
	OAP	132	90
2 Bed	General Needs	186	67
	OAP	13	4
3 Bed	General Needs	87	27
	OAP	3	2
4 Bed	General Needs	6	0
	OAP	0	0
5 Bed	General Needs	1	1
	OAP	0	0
Total		694	281
Need	694 minus Band 5	281	= 413

Chepstow

No. of Bedrooms	Age Band	Total Applicants	Of Which Applicants in Band 5 (No Housing Need)
1 Bed	General Needs	420	110
	OAP	139	85
2 Bed	General Needs	322	107
	OAP	14	7
3 Bed	General Needs	112	46
	OAP	4	3
4 Bed	General Needs	5	0
	OAP	0	0
5 Bed	General Needs	2	0
	OAP	0	0
Total		1018	358
Need	1018 minus Band 5	358	= 660

Caldicot

No. of Bedrooms	Age Band	Total Applicants	Of Which Applicants in Band 5 (No Housing Need)
1 Bed	General Needs	342	86
	OAP	148	92
2 Bed	General Needs	305	88
	OAP	11	4
3 Bed	General Needs	92	35
	OAP	4	3
4 Bed	General Needs	4	1
	OAP	0	0
5 Bed	General Needs	3	1
	OAP	0	0
Total		909	310
Need	909 minus Band 5	310	= 599

Totals for the towns/areas cannot be summed as households apply for more than one area.

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APPENDIX 2: Affordable Housing Policy Analysis, 2015-16 AMR

Affordable Housing

Monitoring Aim/Outcome: To provide 960 affordable dwelling units over the plan period

Strategic Policy: S4 Affordable Housing

LDP Objectives Supported: 1, 3 & 4

Other LDP Policies Supported: H7, SAH1-SAH11

Contextual Changes

House Prices

The recorded fluctuations in the County's average house prices since 2012 are set out in Section 3 - Contextual Information. The potential implications of average house price trends recorded over the monitoring period are assessed in relation to indicator 5 below.

Indicator	Target	Trigger for Further Investigation	Performance 1 April 2015 – 31 March 2016
1. The number of additional affordable dwellings built over the plan period* ¹	Deliver 96 affordable dwellings per annum 2011-2021 (total of 960 over the plan period)	10% less or greater than the LDP strategy build rate for 2 consecutive years	63
2. Number of affordable dwellings secured on new housing sites	a) 35% of the total number of dwellings to be affordable on sites of 5 or more dwellings in the Main Towns and Rural Secondary Settlements identified in Policy S1	Proportion of affordable housing achieved on development sites in each area falls below the requirement set out in Policy S4	34%**
	b) 25% of the total number of dwellings to be affordable on sites of 5 or more dwellings in the Severnside Settlements identified in Policy S1		N/A (No applicable applications)
	c) 60% of the total number of dwellings to be affordable on sites of 3 or more dwellings in the Main Villages identified in Policy S1		60%

	d) Minor villages: sites with capacity for 4 dwellings make provision for 3 to be affordable; and sites with capacity for 3 dwellings make provision for 2 to be affordable.		N/A (No applicable applications)
3. Number of affordable dwellings permitted/built on Main Village Sites as identified in Policy SAH11	Main Village sites to collectively deliver 20 affordable dwellings per annum 2014-2021	10% less or greater than the target build rate for 2 consecutive years	15***
4. Number of affordable dwellings built through rural exception schemes	No target	None	0
5. Affordable housing percentage target in Policy S4	Target to reflect economic circumstances	Average house prices increase by 5% above the base price of 2012 levels sustained over 2 quarters	Refer to analysis below (5)

Analysis

1. A total of 63 affordable dwellings were completed during the monitoring period, accounting for 27% of the total dwelling completions recorded. Almost one third of these completions were on windfall sites in Llanfoist; 13 units at Westgate and 10 units at Gavenny Gate. A further 6 units were located on the Former Forensic Science Laboratory in Chepstow. The remaining permissions all related to 100% affordable housing schemes the largest schemes of which comprised 16 completions at former domestic garages to the rear of Thornwell Road, Chepstow and 9 completions at the Former West End School in Caldicot. Three small 100% schemes sites accounted for the remaining 9 units (Llwynu Lane, Abergavenny (6), Majors Barn, Abergavenny (2) and Sandy Lane, Caldicot (1)).

While the figure is below the 96 affordable housing completions per annum required between 2013 and 2021, it is substantially higher than the last monitoring period which equated to 17 units. The increase in the completion rate coincides with the development of larger schemes such as Gavenny Gate and Westgate in Llanfoist. A further 102 units were included on the Wonastow Road Reserved Matters Scheme.

Notwithstanding this, affordable dwelling completions are significantly lower than the identified LDP target (96 per annum) with a total of 80 affordable dwelling completions recorded since the Plan's adoption. Slow progress on the implementation of LDP allocated sites, as considered above in relation to Policies S2 and S3, has meant limited delivery of affordable housing under Policy S4. As allocated sites achieve planning permission affordable housing completions would be expected to increase in line with the target. There is no specific evidence to date that demonstrates that Policy S4 itself is not operating effectively, albeit that there have been delays in determining some

planning applications, particularly Sudbrook Paper Mill and Deri Farm, because of negotiations over viability issues arising from the requirements of Policy S4. These viability issues themselves directly impact on levels of affordable housing secured, however robust assessments are being undertaken to ensure the maximum potential contribution is secured.

Measures recommended in the analysis of Policy S2 above are intended to increase housing supply, which should benefit delivery of affordable housing. No specific action is required in relation to Policy S4 but the Council will continue to monitor completion rates closely in future AMRs to determine its effectiveness in delivering affordable dwellings.

2. Main Towns and Rural Secondary Settlements

The proportion of affordable dwellings permitted on sites of 5 or more units in the County's Main Towns and Rural Secondary Settlements during the monitoring period equated to 34%. This marginally missed the LDP policy target of 35%.

The findings are based on a total of 8 applications. The Wonastow Road, Monmouth scheme was the only permission included in the findings of the previous monitoring period. A Reserved Matters application was permitted for the Wonastow Road site in the current monitoring period which reduced the affordable housing provision to 102 units (equating to 30% affordable housing provision) in order to provide the type of affordable housing accommodation needed in the area and to accommodate other design-related requirements.

The second largest scheme included permission for 23 affordable units at the LDP allocation to the south of School Lane in Penperlleni (SAH10(ii)). A further 26 units were 100% affordable housing schemes in Abergavenny and Chepstow, one scheme of which related to the construction of 12 retirement apartments in Old Hereford Road, Abergavenny. This application also included 5 supported living apartments, but as these are not strictly a C3 use they have not been included within the figures.

Two applications did not include any affordable housing provision. Both schemes related to conversions, the Former Pen y Fal Chapel, Abergavenny and Tewdric House, 22 Welsh Street, Chepstow. No provision was made at the Pen Y Fal Chapel as the scheme was considered to be enabling development required in order to save the Listed Building. At Tewdric House a commuted sum was provided in lieu of any on site affordable housing, as the rooms were not considered to be of a sufficient size to meet Development Quality Requirement standards. The commuted sum did not relate to a full affordable housing contribution for the equivalent of 3 units as it was considered this would not have been viable. This is in line with Policy S4 as it notes that provision will be made subject to appropriate viability assessment.

The remainder of permissions recorded in the main towns and rural secondary settlements were for sites with a capacity of fewer than 5 units and, therefore, fell below the threshold set out in Policy S4.

It is considered that while the affordable housing provision was not met on all sites, there is clear justification for the deviation away from Policy S4. The Council will nevertheless continue to monitor this issue closely in order to determine the effectiveness of the affordable housing target identified in Policy S4 in future AMRs.

Sevenside Settlements

There were no permissions granted in the Sevenside area on sites of 5 or more units over the monitoring period. Two applications were permitted for 100% affordable housing schemes,

together providing a total of 5 units. Both of these schemes were undertaken by a Registered Social Landlord (Monmouthshire Housing Association) with the specific aim of providing affordable housing in the County.

No relevant applications were determined over the monitoring period. It is therefore not possible to provide a meaningful analysis of the policy's effectiveness in relation to sites within the Severnside area at this stage. The Council will continue to monitor such sites over the next monitoring period in order to determine the implementation of the affordable housing targets identified in S4.

Main Villages

One application was permitted over the monitoring period within the Main Villages for sites of 3 or more dwellings. This related to the allocation adjacent Trellech School (SAH11(xv)) for 15 dwellings. The permission achieved the target of 60% affordable units. A number of other Main Village Sites are also currently within the planning/pre-application system, it is therefore anticipated that these will progress during the next monitoring period.

While only one application was received over the threshold of 3 or more dwellings, the target has been met, indicating, that Policy S4 is functioning effectively in enabling the delivery of affordable housing. Conversely, it is accepted that because it only relates to one permission a meaningful analysis of the policy's effectiveness in relation to Main Village sites cannot be provided at this stage. The Council will continue to monitor this issue closely in order to determine the effectiveness of the affordable housing target identified in Policy S4 in future AMRs.

Minor Villages

No permissions were granted during the monitoring period for small sites in Minor Villages. The Council will continue to monitor any Minor Village sites in order to determine the effectiveness of the affordable housing target identified in Policy S4.

3. One application was permitted over the monitoring period on the allocated sites identified in Policy SAH11. This related to the site adjacent Trellech School (SAH11(xv)) for 15 dwellings. The permission achieved the target of 60% affordable units (9 dwellings). Five of the units were under construction at the end of the monitoring period, it is expected that they will be completed in time for the next AMR.

In addition to the site at Trellech, two other Main Village Site applications (Shirenewton and Penallt) have been approved subject to the signing of a legal agreement (S106). A number of other Main Village Sites are also currently within the planning/pre-application system, it is therefore anticipated that these will progress during the next monitoring period.

While the target in relation to Main Villages has not been achieved, progress since the previous monitoring period is evident. It is considered that the 15 dwelling development taking place in Trellech and advancement of an additional 2 sites to S106 demonstrates that the allocated sites in the Main Villages are progressing. The Council will continue to monitor applications and completion rates closely in future AMRs to determine the effectiveness of Policy S4 in delivering affordable dwellings on the Main Village Sites.

4. There were no completions relating to rural exception schemes over the monitoring period. The single dwelling build your own affordable home site referred to in the previous AMR has progressed further but is not yet completed. No additional permissions were granted for rural exception schemes over the monitoring period. The Council will nevertheless continue to monitor this issue

closely in future AMRs to determine the effectiveness of the policy framework relating to rural exception schemes.

5. The trigger for conducting additional viability testing in relation to the affordable housing targets set out in Policy S4 is an increase in average house prices of 5% or more above the 2012 base price sustained over 2 quarters.

As set out in Section 3, Land Registry data indicates that in general average house prices in Monmouthshire have increased over the current monitoring period, with the exception of quarter 2 2015 (April to June) . Subsequently, average prices in quarter 1 2016 (January to March) at £220,640 were higher than the 2012 quarter 4 baseline price (£188,640). Despite this, the trigger for further investigation has not been met. A 5% rise in the 2012 quarter 4 base price figure would equate to an increase of £9,432 and while average house prices have generally risen over the 2015-2016 monitoring period, prices have not increased by this amount continuously over 2 quarters. The largest increase recorded over the monitoring period was £5,151 between quarter 4 2015 and quarter 1 2016. Accordingly, there has not been significant changes in average house prices to necessitate a reassessment of the viability evidence in relation to Policy S4. The Council will continue to monitor average house price trends in future AMRs in order to determine any potential implications for the effective implementation of Policy S4.

It should also be recognised, however, that house prices are just one factor that could impact on development viability. Build costs, for instance, would also have risen over the monitoring period. Whilst build costs are not specified as a LDP monitoring indicator, general viability issues will be kept under review as information comes forward on a case-by-case basis and in connection with strategic viability work for the implementation of the Community Infrastructure Levy. This will enable the Council to consider any further potential implications for the effective implementation of Policy S4.

Recommendation

1.No action is required at present. Continue to monitor.

2.No action is required at present. Continue to monitor.

3.No action is required at present. Continue to monitor.

4.No action is required at present. Continue to monitor.

5.No action is required at present. Continue to monitor.

*Core Indicators

¹ Indicator and Target based on the Monmouthshire planning area and Monmouthshire LDP only.

**includes 100% affordable housing sites

***Permission granted for SAH11(xv) Land adjacent Trellech School 15 units (9 affordable/6 market units) [DC/2015/00097]

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APPENDIX 3

LDP POLICY SAH11 – MAIN VILLAGES UPDATE ON DELIVERY/PROGRESS

SAH11(i)(a) Land adjacent to village hall, Cross Ash. Around 10 dwellings.

Landowner has decided not to bring this site forward.

Affordable Housing Consultation event was held in Cross Ash Hall and 24 families registered as being in housing need. These families were from the Cross Ash area and more need has been reported from the community council area as a whole.

Another landowner has agreed to sell land to an RSL for a rural exception site. This will be for 8 properties. Housing Strategy Officer and Rural Housing Enabler are currently working on this with the landowner and RSL.

SAH11(i)(b) Land adjacent to Cross Ash Garage. Around 5 dwellings.

The landowner wants to bring this site forward and has been in talks with the Housing Strategy Officer, Planning Officers, the RHE and Melin Homes. Since the need in this area is greater than the allocated sites, this landowner is also making an extra piece of land available for a rural exception site for 6 homes.

SAH11(ii) Land at Well Lane, Devauden.

Two pre-application meetings have been held and a layout agreed with the planning officer. Landowner has agreed a price for the land with Brideoak Homes. Planning application anticipated after public consultation in September 2017. If approved construction expected to start in the summer of 2018. Completion would then be in 2019.

SAH11(iii) Land to south east of Dingestow.

Pre-application meeting held which resulted in changes being required to the proposed layout. A second pre-application meeting scheduled for early February 2017. This site is being developed by Monmouthshire Housing Association. They have agreed a price with the landowner and will submit a planning application once planning officer is happy with the proposed layout and house design. Submission expected February/March 2017.

SAH11(iv) Land to west of Grosmont, subject to provision of community open space (play area/allotments).

Landowner is working with Asbri Planning Consultants to bring this site forward. Currently working on access issues. Community Consultation planned for 13th February 2017 to ascertain the type and tenure of homes that will be needed.

SAH11(v) Land to the north of Little Mill.

Landowner expectations for land too high for the Little Mill area. This is in Goytre Community Council area and immediate housing need will be satisfied with the LDP site in Goytre.

SAH11(vi) Land to rear of village hall, Llanddewi Rhydderch. Around 5 dwellings.

No progress to date.

SAH11(vii) Land to the north west of Llanellen.

Developer was on board and land deal agreed. Keepmoat Homes decided to pull out. Landowner looking for alternative developer.

SAH11(viii) Land at Ton Road, Llangybi. Around 10 dwellings.

No progress to date.

SAH11(ix)(a) Land to the rear of the Carpenter's Arms, Llanishen. Around 5 dwellings.

Outline planning agreed for 8 units. 5 affordable and 3 market. Land currently being marketed.

SAH11(ix)(b) Land adjacent Church Road, Llanishen. Around 5 dwellings.

Council owned site. Tenant/Legal issues. Will bring forward in 2018.

SAH11(x) Land to the north of Llanvair Kilgeddin. Around 5 dwellings.

Landowner keen to bring this site forward. RHE working with landowner and Melin Homes.

Church owns the former school site and they are keen to help deliver affordable housing. Housing Strategy Officer and RHE in discussion with the Church to bring these two sites forward together. Church site provisionally for 6 homes – 5 affordable and 1 market.

SAH11(xi) Land to west of Mathern.

Have not tried to bring this forward to date.

SAH11(xii) Land to the south west of Penallt. Around 10 dwellings.

Planning approval 21/11/16. Brideoak Homes expecting to complete on land sale in May 2017. Seeking planning approval for a small infill site next to the approved site. Would like to bring both forward together. Architect engaged to carry out planning

work in February 2017 with submission expected in March/April. Hoping to start on site in late summer 2017. Homes expected to be completed early 2019.

SAH11(xiii) Hill Farm, Pwllmeyric.

Landowner would like to bring this site forward. Has submitted an application for outline planning. However, he also has unrealistic expectations on land value.

SAH11(xiv)(a) Land to east of Shirenewton (south of minor road). Around 5 dwellings.

SAH11(xiv)(b) Land to east of Shirenewton (north of minor road). Around 5 dwellings.

This site is currently under construction and will provide 2 open market homes and 3 affordable (2 for social rent and 1 LCHO). Affordable currently being held up due to S104 agreement on the foul drainage outfall. Completion expected February/March 2018.

SAH11(xv) Land adjacent Trellech School, subject to vehicular access being from the B4293 only, improved pedestrian facilities to the village and provision of car parking area for the adjoining school.

This site has been completed. 6 open market homes and 9 affordable homes. 3 of the affordable homes were LCHO and the remaining 6 social rent. The Developer was Edenstone Homes. An additional car park was provided for the school and free drainage advice from the developer's consultants was provided to assist the Community Hall.

SAH11(xvi) Land adjacent Werngifford, Pandy, subject to no highly vulnerable development taking place in those parts of the site that are within the designated C2 flood zone, no other development taking place in those parts of the site that are within the designated C2 flood zone unless a flood consequences assessment has been carried out that demonstrates that the consequences of flooding in these areas are acceptable, protection and enhancement of adjoining Scheduled Ancient Monument and provision of community open space (play area/allotments).

Both RHE and RSL have repeatedly tried to contact the landowner. No progress to date.

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APPENDIX 4: Applications Liable to Affordable Housing Contributions (i.e. applications registered as valid since the adoption of the SPG 1 April 2016)

Settlement	App. No.	Affordable Housing Contribution Calculated	Date of Calculation	Reg. as Valid	Passed to Legal	Dec. Date	Site Name	Site Address	Dev. Type	Total Units	Affordable Housing Contribution Agreed	S106 Signed	Comments
ABERGAVENTNY HOUSING MARKET AREA													
S106 Signed													
Abergavenny	2015/01585	£179,616	Jul-16	09.03.16		11.10.16	The Hill	Pen-y-Pound	Windfall	44	£179,616	Y	Contribution to compensate for 3 affordable units not provided on site. 12 affordable units on site
Abergavenny	2016/00683(O/L)	£27,857	Sep-16	07.07.16	18.11.16	31.01.17	25 Albert Road		Small	1	£27,857	Y	
Grosmont	2016/00787	£16,013	Sep-16	25.08.16		26.01.17	The Coach House	Old Post Office	Conversion	1	£16,013	Y	
Registered as Valid & Contribution Calculation Provided													
Abergavenny	2016/00245	£65,699	Jun-16	08.04.16			33 Brecon Road		Flats	3			Not progressed as applicant did not want to pay the affordable housing contribution
Abergavenny	2016/01050	£57,134	Sep-16	06.12.16			14 Lansdown Road		Small	2			Delayed for an ecological assessment to be undertaken. Received this week so looking to issue draft decision in around 3 weeks. Agree to the AH contribution.
Llantilio Pertholey	2016/00537	£20,556	Sep-16	06.06.16			Hazel Cottage & Oak Cottage	Wernddu Farm	COU	2			Issues around valuation of the properties needed to calculate the AH contribution
Total Abergavenny Market Area	Housing	£366,875								53	£223,486		
No Contribution Requested													

Abergavenny	2016/01015	£22,060	Sep-16	26.08.16		21.10.16	32A Frogmore Street						The proposal relates to the expansion of an existing dwelling and there is subsequently no gain in the housing stock, Policy S4 is not therefore relevant in this instance
Abergavenny	2016/01341	£55,713	Dec-16	05.12.16			21 Llwynu Road		Small	2			Application withdrawn insufficient parking so highway objection. They're going to come back with a single dwelling and before it was withdrawn were considering doing a viability assessment in relation to the AH contribution requested
CHEPSTOW AND CALDICOT HOUSING MARKET AREA													
S106 Signed													
Chepstow	2016/00804(O/L)	£29,856	Sep-16	19.07.16	14.09.16	21.10.16	17 Bulwark Avenue	Bulwark	Small	1	£29,856	Y	
Road	2015/01328	£109,857	Jul-16		24.08.16		Green Farm	Caldicot Road	Windfall	10	£109,857	Y	Contribution to compensate for not providing 35% affordable units on site. S106 signed 31/01/2017
Caldicot	2016/00751	£30,100	Sep-16	18.08.16	07.12.16	25.01.17	Ye Olde Tippling Philosopher		Small	2	£30,100	Y	
Financial Contributions calculated. Sent to Legal awaiting S106													
Caldicot	2016/00638	£19,663	Jun-16	20.06.16	31.10.16		30 Longcroft Road		Small	1			Applicant has asked for a change of ownership and are waiting on the Land Registry
Caldicot	2016/00155	£67,760	Sep-16	27.06.16	25.01.17		Ye Olde Tippling Philosopher		Small	2			Has been sent out for signing
Caldicot	2016/00753	£9,982	Sep-16	30.08.16	25.01.17		Ye Olde Tippling Philosopher		Small	1			Waiting for revised plans

Portskewett	2016/01443	£15,085	Jan-17	12.12.16			40 Main Road		COU	1			S106 drawn up, awaiting officer comments before issue. Probably going to be a self-build
Rogiet	2016/00921	£25,067	Sep-16	08.08.16	12.12.16		Manor House Farm	Churchmead	Small	2			APPROVED SUBJECT TO S106 Legal chased 30/01./17. No response from applicant and does not appear to have instructed solicitors
Registered as Valid & Contribution Calculation Provided													
Caldicot	2016/00703	£27,685	Dec-16	15.06.16			Dewstow Golf Club		Conversion	1			Applicant questioning contribution
Chepstow	2016/00967	£19,723	Aug-16	24.08.16			Herbert Lewis	High Street	Flat	1			Applicant advised of contribution, no response as yet
St Arvans	2016/01126	£15,117	Dec-16	17.10.16			Parkfield		COU	1			Applicant advised of contribution, no response as yet
Total Chepstow and Housing Market	Caldicot Area	£369,895								23	£169,813		
No Contribution Requested													
Chepstow	2016/00979	£29,856	Sep-16	06.09.16		20.12.16	16 Moor Street		Small	1			Agreed that there is no requirement to provide the financial contribution for this proposal due to the constraints of the site and the viability costs.
Chepstow	2016/00637(O/L)	£21,364	Sep-16	02.06.16		08.09.16	5 St Kingsmark Avenue		Small	1			Refused
MONMOUTH HOUSING MARKET AREA													
S106 Signed													
Coed Y Paen	2016/00722	£28,048	Sep-16	31.08.16	14.09.16	05.12.16	Land rear The Carpenters Arms		Small	1	£28,048	Y	
Little Mill	2016/00966(O/L)	£30,184	Sep-16	12.08.16		02.12.16	Plot 1 White House Farm	Millbrook Court	Small	1	£30,184	Y	
Little Mill	2016/01340	£29,204	Dec-16	21.11.16	23.01.17	02.02.17	New House Farm		Conversion	1	£29,204	Y	

Financial Contributions calculated. Sent to Legal awaiting S106												
Goytre	2016/00964	£30,184	Sep-16	19.10.16	10.01.17		Parc y Brain Farm	Parc y Brain Lane	Conversion	1		S106 sent to applicant 23/01/17
Great Oak	2016/01019	£50,490	Oct-16	02.09.16	11.11.16		Hendy Farm	Handy Lane	Conversion	2		Legal chased 30/01/17. Solicitors awaiting instructions. Land registry have not yet registered property
Llangybi	2016/01081	£27,161	Sep-16	26.09.16	08.12.16		Ton Bach Barn		Conversion	1		S106 sent to applicant 14/12/16. Viability issues being considered.
Monmouth	2016/00372	£18,669	May-16	04.04.16	28.08.16		89 Monnow Street					S106 sent to applicant 26/08/16. Applicant questioning viability
Monmouth	2016/00518	£25,813	May-16	09.05.16	11.10.16		1-2 Lockwood Row		Small	1		Applicant has requested a viability appraisal.
Monmouth	2016/00519(O/L)	£26,068	May-16	23.05.16	15.07.16		100 Hereford Road		Small	1		S106 signed, Legal awaiting transfer of legal fee before issuing
Pednos	2016/01052	£24,485	Sep-16	29.09.16	25.11.16		Newhouse Farm		Conversion	1		S106 nearing completion
Pedclawdd	2016/01172	£22,442	Dec-16	24.10.16	01.02.17		The Old Vicarage		Conversion	1		Only just received by Legal
Registered as Valid & Contribution Calculation Provided												
Goytre	2016/01215	£64,984	Dec-16	28.10.16			Lower Pentwyn Farm	Nant-y-Derry Road	Conversion	3		On-going design negotiations
Llandenny	2016/01381	£83,055	Jan-17	02.12.16			Former Quaker Meeting House	The Cayo	Conversion	2		Agents are putting together viability information to challenge contribution
Monmouth	2016/01478(O/L)	£18,669	Aug-16	22.12.16			78 Hereford Road		Small	1		Being progressed
Monmouth	2016/01112	£71,246	Nov-16	27.09.16			The Barton	Agincourt Square	Small	4		Applicant concerned about viability of the scheme
Total Monmouth Area	Housing Market	£550,702								21	£87,436	
No Contribution Requested												

Gwehelog	2016/00568	£61,716		12.05.16		11.11.16	Land adj Luxfield	Wainfield Lane	Small	1			It has been demonstrated that the development is not viable and therefore a financial contribution will not be sought in this case.
Llanbadoc	2016/01136			29.09.16		24.11.16	Barn	Lower Prescoed Farm	Conversion	1			Agricultural tie
Monmouth	2016/00817	£48,167	Sep-16	15.07.16		21.09.16	The Elms Veterinary Surgery	New Dixton Road	COU	1			As the proposal does not increase the number of dwellings/flats at the site, the Affordable Housing Policy does not apply.
Monmouth	2016/01010	£18,106	Sep-16	26.08.16			1 Church Street	Agincourt Square	COU	2			Non-viability demonstrated
Trellech	2016/01098	£29,204	Nov-16	20.09.16		15.11.16	Oak View Barn	Parkhouse	Conversion	1			Refused
Total Potential Market Areas	Contribution All	£1,287,472								97	£480,735		

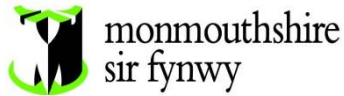
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APPENDIX 5

Affordable Housing Financial Contribution Calculation

Site: Barn Conversion		DC/2016/EXAMPLE			
Key					
OMV		Open Market Value			
ACG		Welsh Government Acceptable Cost Guidance			
77%		(100-23=77) allowance of 20% made for Developer's Profit and 3% for Marketing Costs			
42%		Price paid to developer by RSL if affordable units were to be on site			
Policy compliant percentage of affordable housing		35%			
Affordable Housing SPG Link		http://gov.wales/desh/publications/housing/devquality/guide.pdf			
OMV	200,000	x	77%	=	154,000
ACG	181,900	x	42%	=	76,398
	154,000	-	76,398	=	77,602
	77,602	x	35%	=	27,161
Financial Contribution		£27,161			

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SUBJECT:	Monmouthshire Lettings Service
MEETING:	Adult Select Committee
DATE:	14th February 2017
DIVISION/WARDS AFFECTED:	All

1.0 PURPOSE

- 1.1 The purpose of the report is to introduce members to the proposal for the introduction of a Council operated social lettings scheme within Monmouthshire. The proposal supports the Council's 'Future Monmouthshire' policy.

2. RECOMMENDATIONS

- 2.1 To consider how the Monmouthshire Lettings proposal (**See Appendix 1**) will support the Council's statutory duty to prevent homelessness and provide the foundations for a future income generation opportunity and make recommendations as appropriate.
- 2.2 The Committee recommends to Cabinet to adopt Monmouthshire Letting Service (MLS).

3. KEY ISSUES

- 3.1 This proposal seeks to build upon the existing practice of the Housing Options Team of engaging with private landlords and using private sector accommodation to meet the Council's statutory homeless and prevention related duties. The proposal effectively brands and packages the existing service to private landlords whilst introducing new services to further to benefit landlords.
- 3.2 The purpose of MLS is to provide a lettings service that seeks to put the community at the centre of its core business of providing long term affordable properties to rent, but with a 'commercial' approach. A core emphasis of MLS is to support landlords. The context (**See Appendix 1**) to developing MLS is:
- Many households are unable to access accommodation through traditional high street letting agents because they are in receipt of benefits, they cannot afford to meet upfront payments and fees nor high market rents, which are in excess of housing benefit levels.
 - There is a shortage of social housing stock and vacancies
 - Accommodating low income households can be perceived as a risk
 - There is a need to manage the on-going demand from households who are homeless or threatened with homelessness.
 - There is a need to reduce expenditure or increase income generation.
- 3.4 Key elements of the proposed service are to:
- Provide a basis for increasing homeless prevention by hopefully increasing access to private rented accommodation and limiting the use of B & B.
 - Offering landlords a worry free letting service
 - Providing sufficient affordable rented accommodation to households who are unable to access the private rented housing sector.
 - Undertake regular marketing and landlord engagement
 - Providing the opportunity for future income generation
- 3.5 MLS will broadly consist of two service strands. A lettings service and a leasing service:

- The lettings service will be similar in design to a high street lettings agency. This will initially include legal advice, 'find a tenant' and tenant verification, inventories, sign ups, inspections, rent collection, tenancy agreement drafting and housing support. Initially services will be offered free to landlords to encourage take up. Additional services, such as rent monitoring, have been identified with a view to possibly working up and introducing at a later date.
- The leasing service will seek to offer landlords a leased option (where needed by the Council), such as the current Shared Housing scheme. (Also, Melin Homes management of the private leasing scheme is due to end in 2018). Leasing availability will be subject to financial viability. Leasing for temporary accommodation currently attracts a subsidy through housing benefit. This is due to end on 1st April 2017 and be replaced by a grant allocation. At the time of writing the level of subsidy level will be reduced. If it is not possible to continue with leasing, the lettings aspect of MLS becomes even more relevant.

3.7 The aim is for MLS to go live by 1st May 2017. Supported by the Communications Team, it is proposed that MLS will have its own distinct identity which will feature on stationary products, flyers, posters, web page and social media applications. A proposed delivery framework for MLS can be found in **Section 2 of Appendix 1**. This seeks to provide a clear strategic direction and provide a distinct and unique approach to delivery.

4. REASONS:

4.1 The reasons for the introduction of MLS is to fulfil the Council's statutory duty to prevent homelessness under the Housing (Wales) Act 2014 and support the 'Future Monmouthshire' Policy.

5. RESOURCE IMPLICATIONS:

5.1 On-going costs will be funded through existing Housing Options Team staff resources and through existing budgets allocated to prevent homelessness. MLS spending (to secure accommodation) will be regarded as contributing to homeless prevention outcomes and supporting the Council to avoid the need to use B & B. There will be a need to incur initial set up costs relating to Rent Smart Wales Registration, staff training and marketing. These will be funded through the existing budget.

5.2 There is an expectation that as MLS attracts more landlords and more properties are taken on a fee charging structure will be introduced. The intention is that the service over time will rely increasingly less on funding budgets and more on fee income.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 No negative impacts have been identified. **See Appendix 2**

7. SAFEGUARDING & CORPORATE PARENTING IMPLICATIONS:

7.1 The service has an important role in relation to both safeguarding and corporate parenting in the context of preventing homelessness

7. **CONSULTEES:** Chief Officer Enterprise; Housing Management Team; Head of Planning

8. **BACKGROUND PAPERS:** Landlord feedback

9. **AUTHOR:** Stephen Griffiths, Strategy & Policy Officer (Housing & Communities)

10. **CONTACT DETAILS:** E-mail: stephengriffiths@monmouthshire.gov.uk Telephone: 01633 644455



monmouthshire
sir fynwy

Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer Stephen Griffiths</p> <p>Phone no: 01633 644455</p> <p>E-mail: karendurrant@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Homeless Prevention – The introduction of a Private Sector Letting Agency, Monmouthshire Lettings Service offering two distinct services 1). A leasing service 2). A lettings service.</p>
<p>Name of Service</p> <p>Housing & Communities</p>	<p>Date Future Generations Evaluation</p> <p>3rd January 2017</p>

1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales	By creating sustainable and affordable housing accommodation.	Housing accommodation rents will be proportionate to the income of the household.


Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
Efficient use of resources, skilled, educated people, generates wealth, provides jobs		
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	N/A	N/A
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The service supports people to access and remain in good quality accommodation or access alternative accommodation which contributes to health and well-being.	All properties taken on by the scheme have to meet decent housing quality standards.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The service support this by creating sustainable long term affordable accommodation.	Financial assessments of household income is assessed to determine affordability. Rents are set at or about Local Housing Allowance
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	N/A	N/A
A Wales of vibrant culture and thriving Welsh language	N/A	N/A





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Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The scheme will create settled households in which they are better able to fulfil their potential.	Many of the services are currently available from the Housing Options Team. They aren't, however, formally marketed

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2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 Balancing short term need with long term and planning for the future	The service supports the Council to discharge its legal duty to prevent homelessness as per the Housing (Wales) Act 2014.	The service has created a scheme that is able to offer tenancies within the private rented sector and will offer households support to maintain their tenancies.

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Collaboration Working together with other partners to deliver objectives</p>	<p>The service links closely with other agencies in order for services to complement each other. Other agencies can and refer into the service</p>	
 <p>Involvement Involving those with an interest and seeking their views</p>	<p>None done</p>	
 <p>Prevention Putting resources into preventing problems occurring or getting worse</p>	<p>The service is a preventative service and accesses and utilises external resources to facilitate people to remain at home or secure alternative accommodation.</p>	<p>The service can provide on-going support with households to maximise sustainability</p>
 <p>Integration Positively impacting on people, economy and environment and trying to benefit all three</p>	<p>The services positively impacts upon the local economy by facilitating / creating a of long term tenure security of accommodation.</p>	<p>N/A</p>

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The service is available to this and all groups	The service is targeted at preventing homelessness and, therefore, can't necessarily assist other non-related referrals.	Non homeless prevention cases will be provided with advice and assistance and may be referred to other services
Disability	Ditto	Ditto	Ditto
Gender reassignment	Ditto	Ditto	Ditto
Marriage or civil partnership	Ditto	Ditto	Ditto
Race	Ditto	Ditto	Ditto
Religion or Belief	Ditto	Ditto	Ditto
Sex	Ditto	Ditto	Ditto
Sexual Orientation	Ditto	Ditto	Ditto
Welsh Language	Ditto	None	Bi-lingual information will be available

1003

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance note <http://hub/corporatedocs/Democratic%20Services/Equality%20impact%20assessment%20and%20safeguarding.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	The service will help to identify issues and refer accordingly.	None	Level 1 Training
Corporate Parenting	Ditto	None	

5. What evidence and data has informed the development of your proposal?

Homeless prevention related statistics

Housing (Wales) Act 2014

Welsh Government Code of Guidance for Local Authorities for the Allocation of Accommodation & Homelessness

Good practice information

Landlord feedback

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

- The lettings agency service will help reduce the need to identify alternative or temporary accommodation, such as B & B and the associated costs.
- The service at the initial outset will not have the capacity to support non-homeless prevention households requiring accommodation, however it is expected that as the service grows and more properties are taken on all households looking for accommodation will be able to access the service.
- As the service grows so will it help to facilitate a small income for the Council.

7. Actions. As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
N/A	N/A	N/A	N/A

8. Monitoring: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	<p>Will be reviewed on an on-going basis through quarterly monitoring reports and Team Meeting</p> <p>The service will be considered during periodic analysis of failed homeless prevention, undertaken to identify possible improvements and understand potential service flaws.</p>
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Housing & Community Services
Investing in communities to enable them to build their own resilience



.....looking after you and your property.....

February 2016

**Monmouthshire's
Affordable Private Rented Accommodation
Lettings Scheme**

Contents

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- 5. What is Monmouthshire Lettings Service?**
- 6. Capacity & Resources**
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Summary

This document provides an analysis of the need for the introduction of a Council operated social lettings agency in Monmouthshire. The following outlines the issues, the solutions and the desired outcome that underpin its introduction.

- **The Problem: A shortage of affordable rental properties**

There is not enough social housing or affordable private rented accommodation in which to discharge the Council's statutory duties (both preventative and homeless). Private market rents are high and typically above local housing allowance levels and the up-front costs are often a barrier. Landlords and high street letting agencies generally are reluctant to accommodate low income and/or vulnerable households. Although a much improved situation from a few years ago, the use of bed & breakfast is still necessary.

- **The Reason: 'It is too risky and comes with no support'**

The reason landlords are reluctant to let to vulnerable and/or low income households is because there is a perception that it poses a risk to their investment and they will be left with the consequences of a failing tenancy when things go wrong if support is not in place. Risk can be broken down into:

- Risk to income and
- Risk to the condition and security of the property.

- **The Solution: To mitigate against risk & offer support;**

To offer landlords a service that helps to mitigate against risk and provides support that is over and above that offered by typical high street letting agent. It is hoped that this added value along with other service activities, will act as an incentive for landlords to work with the Council.

- **The How: Through the introduction of a branded social lettings agency**

The introduction of a social lettings agency with the brand name of Monmouthshire Lettings Service (MLS) will be the umbrella under which all private sector housing activity will take place. This allows the new service to utilise existing experience of housing management. It is also the vehicle in which to introduce incentives to entice landlords into using our service rather than to self-manage or use high street agencies.

- **The Outcome: More affordable private rented accommodation**

The aim is for landlords to have confidence in letting to our client group hence more properties are available at an affordable rent. The Council, therefore, will be better able to discharge statutory homeless duties without a reduced need to use costly B & B accommodation.

1. Purpose of the Scheme

- 1.1. The purpose of this report is to propose the development of Monmouthshire Lettings. The intention is to develop a lettings service that puts the community at the centre of its core business of providing long-term affordable properties to rent, but delivered through a commercial approach that affords the opportunity to generate income to support long-term sustainability.
- 1.2. The service has been designed to encourage and attract private landlords to offer up their properties to let at affordable rents and to assist households (initially these will be households at risk of or actually homeless) to find suitable and affordable long term homes in the private rented sector.
- 1.3. The service has been developed to contribute to a number of key drivers including:
 - The Council meeting its statutory responsibilities relating to the Housing (Wales) Act 2014
 - The Council's Future Monmouthshire policy
 - The on-going aim to improve homeless prevention performance
 - Reduce the need to use Bed & breakfast
- 1.4. The proposal seeks to build on the existing and established approach and practice of the Council's Housing Options Team of working with private landlords. The proposal effectively brands and packages existing landlord services together with the provision of additional services.
- 1.5. Although the intention is for the proposed service to be initially offered free of charge, the medium term plan is to introduce a competitive charge.

2. Delivery Framework for Monmouthshire Lettings Service

2.1 The following provides a proposed delivery framework for Monmouthshire Lettings:

2.2 **Vision** – A viable, accessible and affordable private rented sector

Mission – To work with landlords to provide sustainable private rented accommodation

Strapline (for marketing purposes) – *‘looking after you and your property’*

Values:

- We listen to landlords
- Landlords are valued
- We want to work **with** landlords
- We’ll be honest and open

Aims

The key aims of MLS are:

- To provide sufficient affordable rented accommodation in Monmouthshire to those households who are unable to access the private rented housing sector through traditional high street letting agents.
- To increase housing options in Monmouthshire, particularly for single people.
- To effectively respond to the accommodation needs of household who approach the Council as homeless.
- To promote effective housing management.
- To offer landlords a worry free letting service.
- To provide a source of income generation.

Unique Selling Points of Monmouthshire Lettings

In developing Monmouthshire Lettings the following are key benefits that private landlords can benefit from:

- MLS is about sustaining tenancies
- Help always available during office hours
- Local authority based – strong links with other services
- No fees payable
- Responsive
- Intimate knowledge of the local housing market
- Will listen and consider bespoke ways to support landlords
- Free legal and tenancy advice

3.0 Local Context and Background.

3.1 Housing & Communities and the Council will be subject to a number of challenges over the next few years. For the Council in general, there is the challenge of future funding whilst still needing to maintain valuable services to the people of Monmouthshire. To meet the challenge the Council has developed Future Monmouthshire, which is about enabling the Council and Monmouthshire to thrive. It's about identifying the challenges facing the County, and working together to find ways to make change happen. This includes short term solutions to keep going, whilst developing longer term plans to generate growth. This proposal is considered to provide both a short-term solution and long-term development option.

3.2 For Housing & Communities, the challenge is not only to contribute to the 'Future Monmouthshire' plan but also to manage the ever increasing demand from households who are homeless or threatened with homelessness. The enactment in April 2015 of the Housing (Wales) Act 2014 (**See Appendix**) has further increased demand and pressure on the Council through the new statutory duties introduced to prevent homelessness, in particular:

- The prevention duty - (S66) whereby the Council "must help to secure that suitable accommodation does not cease to be available for occupation..."
- The relief duty - (S73) whereby the Council must help to secure accommodation
- The full duty – (S75) whereby the Council must secure accommodation for applicants in priority need when the duty under S73 comes to an end.
- The Housing (Wales) Act 2014 also gave Councils the power to discharge homeless duties into the PRS with or without household consent, but subject to its suitability. This has increased the importance and relevance of private sector housing.

3.3 These new duties along with the power has made the PRS even more relevant because limited access to the private rented sector increases the likelihood of the Council having to use bed & breakfast accommodation in order for it to meet its statutory duty of providing temporary emergency accommodation. This not only places a high financial burden on the Council but also cuts across the Welsh Government's pledge to reduce the use of bed & breakfast accommodation.

3.4 It is against this background that the private rented sector can play a vital role in supporting the Council to meet these challenges. However, this can be realised only if there are sufficient properties within the private rented sector available at affordable rents.

3.5 The growth in Monmouthshire of the PRS – Up from 6.6% to 10.8% of the housing stock means that around 4000 households now live in sector (2001 and 2011 census figures).

3.6 However, this growth has to be put into context and, in analysis carried out by 'Hometrack' Housing Intelligence, Monmouthshire is still seen as having a

predominately 'inactive' rental market. This means a small market with poor coverage and low turnover. ('Hometrack' is a privately owned company specialising in housing analytical data).

3.7 This again provides a challenge for the Council. Other issues that need to be overcome include:

- Many households are often prevented from accessing the PRS because they might be in receipt of benefits which the typical high street letting agents have traditionally avoided,
- Many households cannot afford to meet upfront payments and fees associated with securing a tenancy, such as high value rent in advance (increasingly equating to six weeks), high value deposits (also increasingly equating to six weeks rent) and administrative and tenancy renewal fees.
- High market rents that landlords can achieve, can also make private renting a non-viable option for many households. This is due to the large discrepancy between market rent and local housing allowance rate (see table 1 below) which will give the landlord a better return for the investment.
- In addition there continues to be a strong aspiration to acquire social housing in Monmouthshire, however for many applicants registered with Homeseach (the Council's housing register) will never be allocated a property due to insufficient stock and vacancies.

3.8 Table 1 below, shows the local housing allowance and median rent for the four major towns in Monmouthshire during a twelve month period in 2013*.

Table 1 – Local Housing Allowance Rates & Median Rents

Area	Number of bedrooms	LHA Rate	Median Rent
Abergavenny	1 Bed	£390.00	£460
	2 Bed	£499.98	£535
	3 Bed	£592.75	£650
	4+ Bed	£750.01	N/A
Chepstow	1 Bed	£390.00	£450
	2 Bed	£499.98	£550
	3 Bed	£592.75	£650
	4+ Bed	£750.01	N/A
Monmouth	1 Bed	£390.00	£520
	2 Bed	£499.98	£575
	3 Bed	£592.75	£622
	4+ Bed	£750.01	N/A

Caldicot	1 Bed	£390.00	£450
	2 Bed	£499.98	£537
	3 Bed	£592.75	£625
	4+ Bed	£750.01	N/A

*Hometrack

- 3.9 Another challenge for the Council is the need to alleviate the fear that many landlords perceive as being very real, that letting their properties to a Homeless / vulnerable household increases the risk of their property being damaged and a loss of rental income due to arrears. Landlords have often been critical of local authorities for ‘dumping’ households in the private rented sector without any on-going support being offered to the landlord. A common request from private landlords is that they would like to see the same support mechanisms offered to them as those afforded to landlords in the social rented sector.
- 3.10 The paragraphs above highlight the potentially conflicting interests of Council with those of the landlord and it is within this context that requires the Council to find innovative solutions to engage with the PRS. The introduction of a Council run lettings service can help to provide the structure in which to create and expand these solutions.

4. Private Rented & Landlord Services Currently Provided

4.1 The Council already has significant experience of working with private sector landlords. The Council, through the Housing Options Team, has gained considerable experience through working with private landlords for a number of years to accommodate homeless households and prevent homelessness. This has included previously running a private leasing scheme (currently managed by Melin Homes) and the current Shared Housing schemes highlighted in 4.3 below.

4.2 These schemes and other activity currently undertaken within the private rented sector is managed by Housing Options staff and comprises:

- A manager (0.6),
- A Private Landlord Liaison Officer
- An Accommodation Assistant Officer.
- Wider support is co-opted from other officers within the Options Team and wider Housing & Communities teams eg Housing Support
- Further support is acquired through liaison with wider services in the Council eg Housing Benefit; Environmental Health

4.3 The Team currently manages in-house private sector accommodation that provides accommodation for households experiencing or in danger of becoming homelessness. This accommodation is also being used to support the Council's participation in Afghan and Syrian household re-location. The team is also able, to access a Private Leasing Scheme operated and managed by Melin Homes. The table below show the breakdown of all accommodation PRS accommodation available to the Team:

Scheme	Units
MCC Shared Housing	58
MCC Private Leasing	1
Private Leasing - Melin	72

4.4 The Housing Options Team currently offers (further detail can be found in **Table 4, Section 6**) landlords the following support services:

- Advice and Assistance
- Find a Tenant / Tenant Introduction
- Housing Benefit Support
- Tenant Related Support
- Property Management Services
- Landlord Related Services

4.5 It has previously been highlighted that the service has a number of unique selling points (USP's) that cannot be provided by traditional high street letting agents. This uniqueness is not only based on the knowledge and experience of its staff and their close working relationships with internal and external partners such as the housing

benefit team, housing support services and environmental health. These USP's are something the Council can take advantage of.

- 4.6 One dimension of the current service that needs to be further developed is landlord engagement through better marketplace communication. Currently, marketing needs to be more routinely undertaken in order to better inform landlords of services and what can offered.
- 4.7 The new service will place a greater emphasis on marketing and will approach it in a manner similar to private commercial enterprises, in order to increase its visibility and raise awareness. It is hoped that a more commercial approach to marketing would increase the number of private landlords who are prepared to work with the Council.
- 4.8 However, it is recognised that this unique service and applying a more commercial approach to marketing, may still not be sufficient to attract landlords into using Monmouthshire Lettings Service in the numbers required to overcome the challenges identified above. It is, therefore, considered important that MLS incentivises landlords to use Monmouthshire Lettings Service as an alternative option to self-managing or using a typical high street letting agents.

5. What is Monmouthshire Lettings Service (MLS)?

- 5.1 As stated above a Council operated lettings service can be the vehicle in which innovative solutions can be found to address those challenges highlighted.
- 5.2 The introduction of Monmouthshire Lettings Service will be the umbrella under which the service currently offered by the Housing Option Team and all activity concerned with working in the private rented sector will be delivered in the future.
- 5.3 It is proposed that MLS should have its own distinct identity which will feature on stationary products, flyers, posters, web page and social media applications. This will place the service as more of a commercial enterprise and approach to marketing. It will also help to make the service more visible.
- 5.4 It is recognised, however, that the USP's of the service alongside a more commercial approach to marketing may not be sufficient to attract landlords into using a council run letting service in the numbers required to overcome those challenges identified above. It is, therefore, considered that the Council will need to develop a service that incentivises landlords to use a Council run letting agents rather than to self-manage or go to those agents on the high street. **Table 3, 5.10** below gives examples of the type of service activities that can be offered to landlords to act as an incentive for them to offer up their properties.
- 5.5 Monmouthshire Lettings Service (MLS) will have two distinct elements:
- I. A traditional lettings service similar to services offered by high street lettings agents that potentially could attract a fee once the service has fully developed and a reputation established. Fee levels would depend upon the package the landlord chooses to use with packages varying from something as simple as 'find a tenant' to something more involved as a 'full management service'. **See Table 4, 5.15** below for an outline of the type of services that could be bundled into packages.
 - II. A leasing service (eg Shared Housing scheme) that will provide accommodation for households accessing the Council's services for assistance with homelessness prevention, see paragraph 5.15 for an outline of the leasing service. This will include the Shared Housing service. Leasing will be subject to financial viability and future delivery may be dependent on the availability and extent of subsidy support.
- 5.6 To enable MLS to be flexible in its approach to recruiting landlords and meeting the challenges of service demand, both elements (Leasing and Letting) will be available from the commencement of the service
- 5.7 MLS staff in response to service requirements will determine which element of the lettings service (leasing or letting) landlords will be able to access, which will be linked to the needs of the service and homeless and prevention demand. All individual MLS services, therefore, will be subject to availability.
- 5.8 MLS Letting Service**
- 5.9 The service will initially be offered free of charge, but the aim is to work towards operating on a fee charging basis, the fees of which help to reduce operational

running costs and reinvested back into the service.

- 5.10 The aim will be for income to be eventually generated from the introduction of landlord packages which can be purchased by the landlord depending upon the level of service they require. These packages would range from a basic tenant introduction to a full property management scheme that would attract a management fee.
- 5.11 However the service has to have a degree of flexibility in order to meet both the fluctuations of demand and the requirements of the landlord. It is therefore proposed that landlords will be able to choose a bespoke service around those type activities highlighted in **Table 3** below, (that high street agencies can typically provide), although these will be subject to service demand and as stated earlier will be free initially. The Table also highlights the indicative costs to the landlord of the individual service activities that can be charged by high street lettings agents and their potential cost savings of using Monmouthshire Lettings Service while they remain free.

Table 3 – Indicative Costs & Potential Landlord Savings of Using MLS

Service Activity	Indicative Cost (Financial Value) to Landlord
Setting Up Fee , Includes the following costs: <ul style="list-style-type: none"> • Marketing; • Legislation Advice • Accompanied viewing • Tenancy Agreement Drafting 	£300 + VAT
Total	£300 + VAT
Additional associated costs: <ul style="list-style-type: none"> • Gas safety Certificate • Electrical safety • EPC • Deposit registration • Tenancy renewal (from the 2nd year) • Legionella Risk Assessment 	£60 + VAT £60 + VAT £60 + VAT £30 + VAT £60 + VAT £130 + VAT
Total	£400 + VAT
Recommended Services (optional): <ul style="list-style-type: none"> • Inventory • Condition Survey (In) • Condition Survey (Out) • Rent Monitoring • Rent Collection • Full Tenant Profile plus Right to Rent Check • Full Tenant Profile Only • Referencing Only <ul style="list-style-type: none"> ○ Instant ID and Credit Check Only 	£40 - £80 + VAT (depending on size of property) £40 - £80 +VAT (depending on size of property) £40 - £80 + VAT (depending on size of property) Usually within the management fee Usually within the management fee £25 + VAT £20 + VAT £15 + VAT £10 + VAT
Total	£200 - £280 + VAT
Full Management Service Initial start-up fee of £300 (see above) plus 10% - 12.5% of monthly rent per month	

<p>Includes the following services:</p> <ul style="list-style-type: none"> • Rent Collection • Rent Monitoring and Rent Arrears advice • 2 annual property inspections • Arrange routine repairs and instruct approved contractors (providing two quotes). • Deposit Registration Fee: 	
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5.12 The rationale of offering the service for free initially is based upon the belief that landlords who will use Monmouthshire Lettings, are more likely to take a reduction in their rental return than they would have done if they had chosen to use a traditional lettings agency or to self-manage.

5.13 However when it is favourable to do so the service will move to a fee paying one, based around service packages and will mirror those of high street lettings agencies with corresponding fees. The fees will be set at a level sufficient to continue to attract landlords to use Monmouthshire Lettings Service. This is something that will be developed and costed at a later date.

5.14 As a comparator high street lettings agents typically charge a management fee of between 8% - 12%, although at the higher end of the scale the full management service which can include a rent guarantee.

5.15 The Focus & Requirements of the Lettings Service

5.16 The following provides an outline of how the lettings service will be provided:

- The service will be looking for properties with rent levels at or about Local Housing Allowance (LHA) rates,
- The service will require properties to be available initially on a 6 month assured short-hold tenancy agreements with the option to extend.
- A tenancy support service would be provided for each new tenant and would continue for as long as the support is needed to ensure the tenancy is sustainable.
- Tenants will not be charged administration fees or for tenancy agreements renewals. This will help to offset preventative expenditure, often necessary to prevent an applicant becoming homeless through securing private sector accommodation.
- Landlords with properties managed by MLS will not be required to become licenced landlords and will therefore not be expected to sit the training courses required to become a licensed landlord. Monmouthshire Lettings Service will be the licensed Agency as required by the Housing (Wales) Bill 2015.
- The Service will operate in compliance with the Equalities Act 2010 and guidance to ensure that any practices currently observed in the PRS that may be unfair and discriminatory towards tenants do not prevail.

- In order for a landlord to access the benefits of MLS, landlords will need to be accommodating a client of the Council.

5.17 **Table 4** below details the services that MLS will provide from the outset and services that are proposed to be developed. Services will be offered free initially to the landlord as an incentive for them to use MLS and offer their property at local housing allowance rates. It should be noted that any spend from the budget should be regarded as contributing to a successful homeless prevention outcome and as supporting the Council to avoid the need of using B & B establishments. The aim is to introduce new landlord services to make MLS as attractive as possible. These will be developed over the coming year in tangent with monitoring progress and considering landlord feedback and introduced incrementally.

Table 4 – Overview of MLS Service Availability

Service Activity / incentive	Details	Currently Available	When will this be available?	Delivery Method & Key Actions
Advice & Assistance Service	This will particularly include Landlord Tenancy Law and Regulatory information (plus Landlord Welcome Pack)	Yes	From the start of the service	Staff Develop Landlord Welcome Pack
Marketing the property	Advertising through Homesearch / Social media / Landlord Hub, etc	Yes but not implemented as tenants have been found for landlords	From the start of the service	Staff
Tenant Verification Service	<i>Full Tenant Profile & Immigration Checks to</i> <ul style="list-style-type: none"> ▪ ID check ▪ Visa & passport verification ▪ Linked address search ▪ Credit check report ▪ Court & Insolvency Checks ▪ Salary/income verification ▪ Bank account validation ▪ Landlord references 	In part	From the start of the service	Staff & buy in
	Tenant Training	No	To be developed	To be determined
Inventory & Property Checks & Safety Check Service	Written & photographic Inventory	Yes	From the start of the service	Staff
	Tenant Sign-Up/Check In (plus tenant information pack)	Yes	From the start of the service	Staff Tenant information pack to be developed

	Final Inspection/Check Out	Yes	From the start of the service	Staff
	Electrical Safety Checks	Yes	From the start of the service	Reimburse landlord
	Gas Safety Certificate & Breakdown Cover	Yes	From the start of the service	Reimburse landlord
	EPC	Yes	From the start of the service	Reimburse landlord
	Legionella Check	Yes	From the start of the service	
	Periodic inspections/Interval Checks	Yes	From the start of the service	Staff
Landlord Support Service	Rent Collection	No	From the start of the service	Staff utilising in-house system
	Rent Monitoring	No	To be developed	Staff Specification to be agreed and to be risk assessed
	Limited & Defined Rent Guarantee	Yes but hasn't been utilised	From the start of the service	Staff
	Rent Guarantee	No	To be developed	Staff Report to Cabinet
	Tenant Advice (during office hours)	Yes	From the start the service	Staff
	24 Repair Emergency Call Out Service	No	To be developed	Buy in Specification to be agreed and to be risk assessed
	Tenancy Agreement Drafting Service	Yes	From the start of the service	Staff
	Discounted Loan Services	Yes	From the start of the service	Staff Loan service to support purchase properties currently in development through Capital Working Group
	Cash or Paper Bond	Yes	From the start of the service	Staff and Charter Options
	Rent in Advance	Yes	From the start of the service	Staff
	Rent Smart Wales Fees	No	From the start of the service	Staff
	Income Maximising / Debt management	Yes	From the start of the service	Staff

Tenancy Support Service	Housing Benefit Support	Yes	From the start of the service	Housing Benefit Team
	Referrals from landlords to support tenants if a problem eg arrears	Yes	From the start of the service	Staff (Housing Support Gateway) NB Tenants have to be agreeable to receiving service.
Full Management Service	To be developed	No	To be developed	To be determine

5.18 MLS Leasing Service

5.19 The availability of this service will be subject to financial feasibility. Until March 2017, the service has been supported through Department of Work & Pensions Subsidy arrangements through Housing Benefit. Changes relating to the regulations as part of Welfare Reform will bring this subsidy arrangement to an end in March 2017. From April 17, this will be replaced by Welsh Government Grant. The level of grant may restrict and limit the extent of any leasing that can be provided

5.20 Any service that will be financially feasible, will build on the current single private leased property by Monmouthshire Lettings Service by looking to lease further properties from property owners.

5.21 The following provides a broad overview of the provision and availability:

- Monmouthshire Lettings Service will lease rooms and/or properties from property owners and manage them on their behalf.
- Properties will be let to households who approach the Council as potentially homeless.
- The number of properties taken on by the scheme will be determined by the available temporary accommodation funding available through the Council's RSG funding stream. (£148,000 for 17/18). This will be a core factor with regards to the ability to lease accommodation.
- The property owner is guaranteed rental income and security against damage for the term of the lease, regardless of whether the property is occupied or not. The level of rent will be depend upon the type of property being offered.
- Regular inspections and tenancy management.
- Support property owner and tenant with repair and maintenance issues.
- Landlords will be required to have annual gas safety check and electrical checks in place
- Make good any damage caused by occupants.

- The property is returned to the owner at the of the lease in a similar condition as at the start of the lease (less fair wear and tear and excluding carpets, curtains and built in appliances).
- Tenants will be referred for Housing Support

The detail of the above will be defined within lease agreements

5.22 A further key action within the on-going development of the leasing scheme is the current arrangements the Council has with Melin Homes, who provide the existing leasing scheme on behalf of the Council. The current arrangement ends in June 2018. The Council will need to understand the associated implications (eg property condition and rent arrear liabilities) of whether to absorb all or some of the properties currently leased by Melin or to end leases and hand the properties back to the owners.

5.23 Suitability of Property and Location

5.24 The Council and Monmouthshire Lettings Service has particular demand for certain types of property and locations and will decide whether the property being proposed is suitable for the scheme.

5.25 In general, there is a need for houses and flats with up to 3 bedrooms in the following main areas:

- Abergavenny
- Llanfoist, Gilwern & Govilon
- Monmouth
- Caldicot
- Magor
- Rogiet
- Portskewett
- Chepstow

5.26 Village properties, larger houses, basement flats and second floor flats are in much less demand and are less likely to be suitable for this scheme. However each property will be considered on its merits taking into account the criteria in Table 5

Table 5: Property Requirements

Size	The size of the property must be consistent with established demand conditions and LHA benefit requirements.
Condition:	The property must be in good and safe repair and free from category 1 hazards and meet the Housing Condition Standards of: <ul style="list-style-type: none"> • being in a reasonable state of repair; • having reasonably modern facilities and services; • Provides reasonable degree of thermal comfort.

Mortgage approval granted	If the property is mortgaged approval must be provided from the mortgagee.
Insurance	Valid building insurance must be in place.
Financial viability	There is an ongoing need to systematically understand and assess financial viability in order to minimise and ideally eliminate the financial risk to the Council. This will be considered in the context of opportunities for MLS to provide cost benefits in relation to other types of accommodation eg B & B.

5.27 MLS Marketing & Landlord Engagement

5.28 The Housing Options Teams has been supported by the Council's Communications Team and the following approach has been developed which will be the basis for engaging with private landlords:

- **Aim of Marketing Approach:**
To promote and position the housing team as a premium housing service.
- **Business challenge:**
To overcome any negative barriers landlords may have with regards to letting their properties out to housing service clients.
- **Objectives:**
 - *To increase the availability of shared housing rooms through reassuring landlords that there will be no hold ups with housing benefit payments.*
 - *To expand private leasing (subject to funding)*
 - *To increase the general availability of private sector housing for rental, particularly for Housing Solutions applicants but also Housing Register applicants*
- **Target audience:**
Private landlords
- **How do we want this group to think, feel and do:**
 - **Think** – *I can trust MCC tenants with my property and I'll save myself money as MSL offer competitive rates (eg currently non-chargable) and excellent service.*
 - **Feel** – *Confident that my investment is safe.*
 - **Do** – *I can visit the website or call the team.*
- **Proposition:**
Premium property management service with the competitive fees (eventually) on the market.
- **Reasons to believe:**

- **The service**
 - *Will offer reliable property management from friendly, helpful and experienced staff.*
 - *Will provide an alternative option to a high street agency*
 - *Will not charge tenants admin, resigning or inventory fees that are typical of high street estate agencies.*
 - *Has great internal local authority contacts in MCC*
 - *Can offer additional services beyond a high street estate agent eg housing support, financial inclusion.*
 - *Can provide bespoke options tailored to needs of landlord*

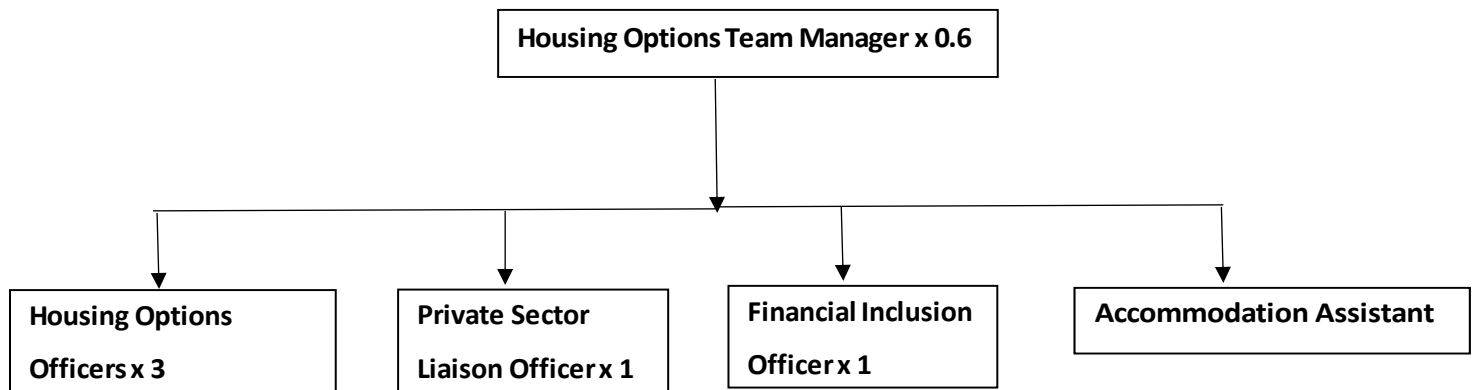
5.29 Marketing activity to positively engage with landlords and identify potential properties will be undertaken on at least a weekly basis. The following are the types of marketing that will be undertaken with support from the Council's Housing & Communities Team:

- MCC website
- Promoting our USP's eg
 - LA based; Friendly; Experienced; Free of Charge; Wider portfolio of services; no hidden fees
- Producing flyers, posters etc
- Contacting landlords on data-base
- Periodic press releases
- Facebook
- Twitter
- Attendance at Landlords Forum
- Attendance at events
- Capturing client testimonials
- Special offers
- Targeted mail/leaflet-drops
- Link with town and community Council's
- Adverts/editorials in parish magazines
- Promotional aides eg uniform, pop-ups, free-bees,
- Roadshows
- Promote internally eg payslips/intranet
- Systematically contact landlords on database

6. Capacity & Resources

6.1 It is proposed that the Monmouthshire Letting Service will be resourced through the existing budget and staffing structure for the existing Housing Options Team. This is on the basis that although it is proposed to introduce new services, it is anticipated that take-up of the new services will be low. Therefore, in the short-term, the focus of day to day activity will largely continue to be the current activities associated with discharging homelessness and prevention related duties. The intention, however, is that through increased and regular marketing and landlord engagement, there will be a gradual take-up of the proposed new services.

6.2 The current Housing Options Team structure is outlined below:



6.3 There will be a need to monitor demand on an on-going basis. The demand will be analysed to fully understand the impact on the existing staffing structure to determine and conclude whether any staffing changes would need to be made to deliver the new services. The aim will be to do this within the first six months.

6.4 With regards to financial resources, the Options Team has a budget to prevent homelessness. This budget will be utilised to fund the new services that will be available through Monmouthshire Lettings. Services provided by Monmouthshire Lettings need to be considered as preventative activity and an alternative option for securing accommodation for applicants. Monmouthshire Letting Service activity will also help to offset Bed & Breakfast expenditure.

6.5 It is recognised that there will be a training need for staff to help and support to staff to help deliver Monmouthshire Lettings and work in a more commercial way and adopting a more sales and marketing based approach. Again, the proposal is to deliver this through existing resources and through working closely with the Council's Communications Team.

6.6 Set-Up Requirements

6.7 Although the delivery of MLS is largely based on building on the current practice, there will be some initial set up requirements which will incur some short-term additional costs. These additional costs can be funded from the existing budget. The following are the short-term set-up requirements:

- Finalising the branding and identity of MLS. This is close to completion
- Continuing to develop a marketing programme with the Council's Communication Team. This has started, including relevant staff attending marketing training in January 17.

- Acquiring Rent Smart Wales Licencing
- Rent Smart Wales agency training. This has started and needs to be completed

7 Risk Register

7.1 Table 6 provides an overview of risks and level of risk identified and the mitigating actions:

Table 6: Risk Register

Risk Register					
Risk Description	Risk			Risk Mitigation Actions	Comment
	Impact	Likelihood	Priority		
For leased properties the pending change in temporary accommodation management subsidy impacts detrimentally on the viability of the shared housing scheme and private leasing. This could reduce the income to the Council	High	High	High	<ul style="list-style-type: none"> Request that the Council ring-fences the pending grant to the service. Look to remodel the service on lower rents Liaise with Melin Homes 	
Not enough landlords willing to offer their properties to the Monmouthshire Lettings Service	High	High	high	<ul style="list-style-type: none"> To promote the scheme comprehensively through press releases; web page; social media and hub meetings. To incentivise landlords through attractive bespoke service packages Keep rent payment to landlords as close to Local Housing Allowance as possible. 	The Service will operate a flexible approach that will be guided by the requirement of individual landlords and the services they require to let their properties through the Service at LHA rent levels.
Too much reliance on incentives both financial and support to attract landlords, potentially creating budget over-spends	Medium	Medium	High	<ul style="list-style-type: none"> To review periodically incentives offered. To limit the number of properties taken on. To be flexible with alternative options, such as 'find a 	Too much reliance on incentives could lead to the scheme becoming unsustainable both financially and through staff resources. However the offer

				tenant' and / or limited management services <ul style="list-style-type: none"> • To introduce a management fee • All subject to withdrawal 	of incentives is considered necessary at least in the short-term to attract landlords to the scheme.
Too many landlords will be interested at first.	High	Low	High	<ul style="list-style-type: none"> • Ensure that budgets and capacity are clearly planned and allow for set numbers of properties being taken on initially. • Establish a waiting list • Consider introducing a property management fee at an earlier stage. • Just say no thank you 	This could stretch capacity from the very start of the scheme.
Higher than anticipated level of voids (Leased Properties only)	High	low	High	<ul style="list-style-type: none"> • Ensure that re-let times are kept to a minimum by having: a pool of available tenants: • Prompt cleaning and repair service and effective housing management • Lease break clauses 	Has the potential to be financially costly to the Council
Higher than anticipated level of repairs (Leased Properties only)	High	low	high	<ul style="list-style-type: none"> • Ensure that enough support is in place to minimise the risk of damage. • Ensure that leases limit the Council's repairing obligations to just tenant damage, voids and handback costs • Regular inspections 	Has the potential to be financially costly to the Council.
Lower than anticipated rent income	High	Medium	High	<ul style="list-style-type: none"> • Ensure that there is sufficient focus on rent collection and 	Has the potential to be financially costly to the Council.

				income maximisation.	
Rental income reduces due to the implementation of further benefit reforms (Leased Properties only)	High	High	High	<ul style="list-style-type: none"> • Understand how the subsidy arrangements will be dealt with following the rollout of Universal Credit. • Break clauses in the lease agreements will allow the Council to renegotiate or terminate existing agreements in a planned way. • Look to introduce other options / schemes that will provide alternative income. 	
Accommodation becomes unaffordable for tenant	Low	low	low	<ul style="list-style-type: none"> • Ensure that robust move-on plans are in place to help tenants who are no longer able to afford their rent • Robust affordability / suitability assessments 	
Reputational risk to the scheme	Medium	Low	High	<ul style="list-style-type: none"> • Ensure the development and delivery of an effective project plan and communication plan prior to the launch. • Operational activity and performance will be closely monitored to identify potential issues early. 	Poor reputation would impact on the Scheme's ability to attract landlords.
Unmanageable demand on team due to increased capacity in the number of properties /Resourcing the scheme	Medium	medium	Medium	<ul style="list-style-type: none"> • A detailed business case will be fully costed, ensuring that Monmouthshire Lettings Service is adequately resourced and is sufficiently flexible to 	

				<p>deal with any increase in work demand.</p> <ul style="list-style-type: none"> • Each property taken is subject to current staff capacity levels. • Looking to use income surplus to recruit additional staff • 	
Staff are not able to deliver due to new working environment, ie, a more commercial approach.	High	Low	Medium	<ul style="list-style-type: none"> • Staff review processes • Ensure procedure manual reflects any change in approach and all new activities • Appropriate staff training 	
A poor identity leads to poor reputation eg first impression	Medium	Medium	High	<ul style="list-style-type: none"> • Developing a professional brand • On-going training • Developing a communication protocol. 	Leads to poor reputation and poor landlord recruitment.

8. Next Steps

8.1 Table 7 provides an outline action plan for the introduction of MLS and its on-going development:

Table 7: Next steps

MLS Development			
Action	Responsibility	Timescale	Comments / Issues
Complete Rent Smart Wales licensing and set-up staff training	Steve Griffiths	May 2017	
Review and identify staff training requirements	Karen Durrant	On-going	
Continue to develop marketing action plan in liaison with Communications Team, including landlord engagement	Lindsay Stewart	April 2017	
Establish MLS web-pages	Ian Bakewell	May 2017	
Finalise identity and branding and acquire marketing	Lindsay Stewart	May 2017	
Continue to scope and introduce new landlord incentives and support services and introduce incrementally	Steve Griffiths & Lindsay Stewart	May 2018	The introduction of new services will be subject to capacity and financial viability.
Re-model Shared Housing service in response to changes in temporary accommodation subsidy arrangements	Ian Bakewell	End of November 2016	Includes close liaison with Melin Homes and Housing Benefit
Prepare for end of PLS contract with Melin Homes, including necessary due diligence	Karen Durrant & Lindsay Stewart	June 2018	This preparatory work has commenced

APPENDIX 1

Housing (Wales) Act 2014

S66 Duty to help to prevent an applicant from becoming homeless

(1) A local housing authority must help to secure that suitable accommodation does not cease to be available for occupation by an applicant if the authority is satisfied that the applicant is—

- (a) threatened with homelessness, and
- (b) eligible for help.

S73 Duty to help to secure accommodation for homeless applicants

(1) A local housing authority must help to secure that suitable accommodation is available for occupation by an applicant, if the authority is satisfied that the applicant is—

- (a) homeless, and
- (b) eligible for help.

S73

S75 Duty to secure accommodation for applicants in priority need when the duty in section 73 ends

(1) When the duty in section 73 (duty to help to secure accommodation for homeless applicants) comes to an end in respect of an applicant in the circumstances mentioned in subsection (2) or (3) of section 74, the local housing authority must secure that suitable accommodation is available for occupation by the applicant if subsection (2) or (3) (of this section) applies.

S76 Circumstances in which the duty in section S75 ends

- (2) The circumstances are that the applicant accepts—
 - (b) an offer of suitable accommodation under an assured tenancy (including an assured shorthold tenancy).
- (3) The circumstances are that the applicant, having been given notice in writing of the possible consequence of refusal or acceptance of the offer, refuses—
 - (b) a private rented sector offer, which the authority is satisfied is suitable for the applicant.
- (4) For the purposes of this section an offer is a private rented sector offer if—
 - (a) it is an offer of an assured shorthold tenancy made by a private landlord to the applicant in relation to any accommodation which is available for the applicant's occupation,
 - (b) it is made, with the approval of the authority, in pursuance of arrangements made by the authority with the landlord with a view to bringing the authority's duty under section 75 to an end, and
 - (c) the tenancy being offered is a fixed term tenancy for a period of at least 6 months.

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SUBJECT:	Homeless Prevention Reserve Fund
MEETING:	Adult Select Committee
DATE:	14th February 2017
DIVISION/WARDS AFFECTED:	All

1.0 PURPOSE

- 1.1 The purpose of this report is to propose to establish a budget account to enable the Council to offer rent guarantees and 'paper' deposit bonds to further strengthen the homeless prevention toolkit through improving access to private rented accommodation.

2. RECOMMENDATIONS

- 2.1 To consider how the Homeless Prevention Reserve Fund will support the Council's statutory duty to prevent homelessness and provide the foundations for a future income generation opportunity and make recommendations as appropriate.
- 2.2 To recommend to Cabinet to agree to establish a Homeless Prevention Reserve Fund.

3. KEY ISSUES

- 3.1 Under the Housing (Wales) Act 2014, the Council has a legal duty to both respond to homelessness and to prevent homelessness. The Act also provided local authorities with the power to discharge the associated duties through the private rented sector. The Committee will be aware that it has been a priority for the Council to expand and strengthen homeless prevention activity. The Committee will also be aware that in seeking to improve homeless prevention, focus has been given to enabling access to the private rented sector as an alternative to over reliance on social housing and the need to utilise bed & breakfast.
- 3.2 Although the Council is increasingly accessing the private rented sector to prevent homelessness, this continues to be a challenge for a range of reasons. This includes:
- Homeless applicants are often low income households and in receipt of benefit. Lettings agencies and landlords are often reluctant to accept households on benefit.
 - Many households cannot afford to meet upfront payments and costs associated with securing private sector accommodation. These are routinely agency fees, bonds/deposits and rent in advance.
 - Vulnerable and low income households are often perceived as a risk to landlords with regards to potential damage and non-payment of rent.
 - Some households with complex needs are difficult to accommodate in any sector
 - Some landlords refuse to work with certain external preventative agencies
- 3.3 In this context, there is often a reluctance of landlords to support the Council with rehousing applicants. There is a need, therefore, for the Council to try and strengthen the support provided to private landlords to help overcome fears and perceived risks
- 3.4 Established practice already exists through the Housing Options Team to provide support to tenants that benefits landlords through an existing Prevention budget. This regularly includes making payments for letting agency fees, bonds/deposits and rent in advance. It is considered though there is scope to further both strengthen this level of support and improve procedures to minimise the financial risk and cost to the Council.
- 3.5 It is, therefore, considered appropriate and prudent to establish a ring-fenced Homeless Prevention Budget Reserve to operate alongside the Housing Options Team's Prevention

Fund. The intention is that when appropriate, the Council will seek to make under-written financial commitments/promises to landlords as an alternative to making a cash payment. For example, a landlord may require a bond of £500. This would be transferred into the Reserve rather than being paid directly to the landlord. Should the landlord need to claim on the bond, this can still be easily paid out. However, in the event of the landlord not needing to claim, the sum would still be available to be used for a similar purpose to prevent homelessness for another applicant. It's also proposed, subject to availability, 5% of the Prevention Budget is paid into the Reserve to help build up resilience and flexibility.

3.6 Homeless prevention activity would continue to be implemented as per current procedures and relevant payments from the Prevention Fund (for example to underwrite a bond) would be made into the reserve. There would be no net cost to the Council.

3.7 The Reserve is a more sustainable approach to budgeting. Advantages include:

- Being able to issue 'Promises' to landlords as an alternative to making cash payments
- The ability to carry funding forward into subsequent financial years increasing flexibility
- The Reserve would help to smooth annual volatility through enhanced resilience.
- The Reserve would facilitate the increase of practical support to landlords.
- The Reserve supports the Future Monmouthshire policy and the development of the Monmouthshire Letting Service, the aim of which is to become a fee charging service
- The Reserve helps mitigate against B & B use and expenditure.

4. REASONS:

4.1 The Council has a legal duty to prevent and respond to homelessness under the Housing (Wales) Act 2014 and the power to discharge this duty into the private rented sector.

4.2 The proposal also helps to mitigate against a new funding risk relating to the use of private leasing to prevent homelessness, following the Welfare Reform change relating to the ceasing of the Temporary Accommodation subsidy from April 2017. This is to be replaced by additional Revenue Support Grant. On the basis of existing leasing units, this, however, equates effectively to a reduction in funding for Monmouthshire. **See Appendix 1**

5. RESOURCE IMPLICATIONS:

5.1 There will be no net costs to the Council arising from this proposal. The Housing Options Team has an annual budget of approximately £30,000 to fund homeless prevention activity. Payments into the Reserve would be from this budget.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 No negative impacts have been identified. **See Appendix 2**

7. SAFEGUARDING & CORPORATE PARENTING IMPLICATIONS:

7.1 Homeless prevention supports both safeguarding and corporate parenting

7. **CONSULTEES:** Chief Officer Enterprise; Housing Management Team; Head of Planning, Housing & Place-Shaping; Assistant Head of Finance

8. **BACKGROUND PAPERS:** How to Plan, Develop, Launch & Sustain a Social Letting Agency; Crisis; 2015

9. **AUTHOR:** Ian Bakewell, Housing & Communities Manager

10. **CONTACT DETAILS:** E-mail: ianbakewell@monmouthshire.gov.uk Telephone: 01633 644479

Appendix 1

Private Leasing – MCC Shared Housing & Melin Private Leasing Scheme

Change of Subsidy Arrangements

Introduction

Private leasing has been an integral and important part of the Council's strategy for responding to homelessness for a number of years now. In this context, private leasing is highly relevant in Monmouthshire for two key reasons. Firstly the number of social housing properties is low in terms of both actual stock and annual vacancies. Secondly, private sector housing is difficult for both low income/vulnerable households and the Council to access. Key traits of Monmouthshire's private rented sector is that market rents are typically higher than Local Housing Allowance rates. Market demand is sufficient for private landlords to not only charge market rents but also to focus on higher income professionals and commuters (to the likes of Bristol and Cardiff). From regular landlord feedback, the Council is aware that there is a general reluctance to accommodate low income and vulnerable households because of the perceived associated risks.

The above nature of Monmouthshire's housing market has been a major factor behind the Council's decision to invest in private leasing. Through strategic health-check arrangements, the Council's approach has been positively supported by Andy Gale, Housing Consultant.

The current profile of the Monmouthshire homeless related stock is:

- 58 single person private leased shared housing units – MCC managed
- 1 family private leased unit – MCC managed
- 72 family private leased units – Melin Homes managed
- 5 hostel units – MCC owned and managed

The actual subsidy arrangement is for every property where housing benefit is payable, the subsidy is payable at the local housing allowance less 10% + £60 per week. From 1st April 2017 this will be replaced by Additional Revenue Support Grant of £148,000

The current subsidy arrangements have been critical to the Council achieving and maintaining the above portfolio. The value of the accommodation subsidy for 2015/16 was approximately £300,000. However, the total stock has increased in size over 2016/17 due to the Council's policy to expand the Shared Housing scheme. The subsidy for 2016/17 is, therefore, estimated at around £350,000.

The following provides an overview of Monmouthshire's recent homeless related demand.

	2015/16	2016/17 to Q3
• No. of contacts	623 (155/qtr)	477 (159/qtr)
• Total social h'g lets	298 (GN only)	266 (GN only)
• S.66 determined	248	131
• Successful S.66	182	71
• S.73 determined	95	108
• Relieved S.73	38	51

• S.75 determined	38	7
• B & B non-family	11	13
• B & B families	0	12

The role and availability of private leasing as part of the Council's homeless and prevention strategy, has been key with regards to delivering the above. The homeless demand alone, compared to the number of social housing lets (which the Housing Act 1996 requires to be available for other priority groups), highlights the relevance of leasing in Monmouthshire. Without the said leasing provision, the level of prevention would be lower and the extent of B & B use would be higher.

Furthermore, the provision of the Shared Housing scheme by the Council has in effect created an additional housing option in Monmouthshire for single, under 35's. In the climate of welfare reform, the Council regards this as a key success and a notable area of good practice.

On the basis of the award of the additional £148,000 RSG, the Council considers that this allocation will be inadequate to maintain the current portfolio on the basis of the existing costs. In light of this funding allocation, the Council acknowledges there is a need consider the options going forward with regards to leasing.

It is, therefore, believed the situation creates the following risks to the Council:

- Housing & Communities will be unable to deliver budgeted income associated with private leasing. This loss of income cannot be offset from elsewhere within Housing.
- In broad terms the level of additional RSG is inadequate for both the Council and Melin Homes to continue on the basis of the current stock. In simplistic terms, the number of units will need to be reduced and there is a need to renegotiate with private landlords.
- The Melin Homes element of the stock is delivered under contract to the Council. This includes the Council paying Melin Homes at the rate of the current subsidy arrangements.
- In the event of Melin Homes not being willing to remodel in order to accept a reduced management fee, it's likely that the Council will need to close the majority if not all of the 58 units of shared housing.
- There will be a need to close units which will create re-housing implications for the current residents. This will have a knock on for the Council in terms of new applications and administration. It is anticipated that this would result in a significant decline in short-term performance, including a need to use bed & breakfast to overcome the situation.
- It is anticipated that long-term performance will decline, including an increased use in bed & breakfast. (Accessing bed & breakfast is a challenge in Monmouthshire as there are very few establishments interested in working with the Council. Establishments can rely on the buoyant Monmouthshire tourism trade. So it would be expected there would be an increasing need to access establishments out of the area and further impacting upon residents.
- There will be an impact on wider costs including bed & breakfast and prevention related expenditure
- There would be reputational damage from residents, applicants and landlords.

- The loss of leasing will undermine the Council's proposals to develop Monmouthshire Lettings, a concept that the Council is developing in order to improve engagement with private landlords and hopefully increase access. The Council previously considered the availability of leasing as an attractive option for engaging private landlords and securing their support. This is due to go live in the Spring.

In the short-term the Council has both spoken and written to Welsh Government highlighting the above concerns and risks and requesting financial assistance. A response is currently awaited. At the same time officers are considering the options to maintain private leasing and leasing with Melin Homes.

Ian Bakewell
Housing & Communities Manager
30th January 2017



monmouthshire
sir fynwy

Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer Ian Bakewell</p> <p>Phone no: 01633 644455</p> <p>E-mail: ianbakewell@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Homeless Prevention – Establish a Homeless Prevention Budget Reserve</p>
<p>Name of Service</p> <p>Housing & Communities</p>	<p>Date Future Generations Evaluation</p> <p>3rd January 2017</p>

1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.



Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>By creating sustainable and affordable housing accommodation.</p>	<p>A prevention fund already exists, but has limitations due to annualised budget cycle</p>




Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Helps create a more resilient homeless service and more resilient community	Prevention fund already exists
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The service supports people to access and remain in good quality accommodation or access alternative accommodation which contributes to health and well-being.	The Council already takes on accommodation, which needs to meet minimum standards eg no Category 1 hazards
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The service support this by creating sustainable long term affordable accommodation.	Financial assessments of household income is assessed to determine affordability. Accommodation is already secured at or about Local Housing Allowance.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	N/A	N/A
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People	N/A	N/A

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Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The scheme will create settled households in which they are better able to fulfil their potential.	Many of the services are already currently available from the Housing Options Team.

How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Long-term Balancing short term need with long term and planning for the future</p>	The service supports the Council to discharge its legal duty to prevent homelessness as per the Housing (Wales) Act 2014 and aims to reduce the use of short-term measures eg B & B	Approach already exists
 <p>Collaboration Working together with other partners to deliver objectives</p>	Private landlords will be a key partner	Private landlords are already key partners

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Involvement Involving those with an interest and seeking their views</p>	None done	
 <p>Prevention Putting resources into preventing problems occurring or getting worse</p>	The service is a preventative service and accesses and utilises external resources to facilitate people to remain at home or secure alternative accommodation.	The proposal helps to extend current preventative services
 <p>Integration Positively impacting on people, economy and environment and trying to benefit all three</p>	The services positively impacts upon the local economy by facilitating / creating a of long term tenure security of accommodation.	N/A

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The service is available to this and all groups	The service is targeted at preventing homelessness and, therefore, can't necessarily assist other non-related referrals.	Non homeless prevention cases will be provided with advice and assistance and may be referred to other services
Disability	Ditto	Ditto	Ditto
Gender reassignment	Ditto	Ditto	Ditto
Marriage or civil partnership	Ditto	Ditto	Ditto
Race	Ditto	Ditto	Ditto
Religion or Belief	Ditto	Ditto	Ditto
Sex	Ditto	Ditto	Ditto
Sexual Orientation	Ditto	Ditto	Ditto
Welsh Language	Ditto	None	Bi-lingual information will be available

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance note <http://hub/corporatedocs/Democratic%20Services/Equality%20impact%20assessment%20and%20safeguarding.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	The service will help to identify issues and refer accordingly.	None	Level 1 Training
Corporate Parenting	Ditto	None	The service can potentially be used to support cases identified Social Care

5. What evidence and data has informed the development of your proposal?

Homeless prevention related statistics

Housing (Wales) Act 2014

Welsh Government Code of Guidance for Local Authorities for the Allocation of Accommodation & Homelessness

Good practice information

Landlord feedback

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

- The lettings agency service will help reduce the need to identify alternative or temporary accommodation, such as B & B and the associated costs.
- The service at the initial outset will not have the capacity to support non-homeless prevention households requiring accommodation, however it is expected that as the service grows and more properties are taken on all households looking for accommodation will be able to access the service.
- As the service grows so will it help to facilitate a small income for the Council.

7. Actions. As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

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What are you going to do	When are you going to do it?	Who is responsible	Progress
N/A	N/A	N/A	N/A

8. Monitoring: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	<p>Will be reviewed on an on-going basis through quarterly monitoring reports and Team Meeting</p> <p>The service will be considered during periodic analysis of failed homeless prevention, undertaken to identify possible improvements and understand potential service flaws.</p>
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