

## MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Adults Select Committee held  
at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm**

**PRESENT:** County Councillor P. Farley (Chairman)  
County Councillor R. Harris (Vice Chairman)

County Councillors: R. Chapman, R. Edwards, P. Jones, P. Jordan,  
A. Wintle, D Hill, D Hudson, P. Clarke, D. Dovey, A. Easson,  
D. Edwards, S. Jones, M. Powell, J. Prosser, V. Smith, B. Strong and  
A. Webb

### **OFFICERS IN ATTENDANCE:**

Mark Hand	Head of Planning, Housing and Place-Shaping
Shirley Wiggam	Senior Strategy & Policy Officer
Stephen Griffiths	Strategy & Policy Officer
Ian Bakewell	Housing & Regeneration Manager
Matthew Gatehouse	Policy and Performance Manager
Martin Davies	Planning Policy Manager
Hazel Ilett	Scrutiny Manager
Paula Harris	Democratic Services Officer

Also in attendance;

Karen Tarbox                                      Monmouthshire Housing Association

#### **1. Apologies for absence**

County Councillors D. Evans, M. Hickman, S. Howarth, P. Watts and S. White.

#### **2. Declarations of interest**

None.

#### **3. Scrutiny of Affordable Housing Delivery and the Impact of the Supplementary Planning Guidance**

Context:

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.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

#### Recommendations:

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. 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.

#### Key Issues:

#### **On-site Affordable Homes Secured via Planning Permissions**

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

#### Main towns:

- Total of 166 affordable units permitted.
- 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).

#### Sevenside 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.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

3. An additional affordable unit was permitted through the 'build your own affordable home' scheme (rural exception).

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

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.

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.

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

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

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 will undoubtedly increase the level of affordable housing delivered.

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.

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

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.

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 floor space 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.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

- 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.

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:

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)**

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**

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.

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

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

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.

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.

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.

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.

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

4.20 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.

## **MONMOUTHSHIRE COUNTY COUNCIL**

### **Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm**

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.

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**

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.

#### Recommendations:

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. 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.

#### Member Scrutiny:

A member spoke of the price of entry level homes being priced at £144,000, the average wage in Monmouthshire does not make buying a property in the county a viable prospect.

A member complimented the Officer on a detailed and comprehensive presentation and spoke of affordable housing being a priority for this Council. Concerns were raised regarding the unintended consequences of over stringent affordable housing policy.

The over reliance on the big PLC housebuilders was raised, it was asked how we encourage smaller developers and the importance of enabling not deterring.

In respect to future impact it was asked if it was felt that CIL would bring any issues with it.

In terms of attracting funding, a plea was made to the Cabinet members to secure funding at an early stage where it was felt the most difference could be made.

Members queried the lack of availability in terms of land and asked why this was the case and asked if landowners reluctant to sell.

Concerns were raised about young people and families attempting to get onto the housing ladder, with the Cabinet member gave examples of members of his ward who have approached him regarding various housing issues.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

It was asked what was the demand for social housing were told that we have 3, 041 households on our housing register at the moment, with 1,091 are in band five which means they are considered not in need.

A member voiced concerns regarding the banding system and the complex issue that housing was in its entirety with people in band five 'stuck' in that position with no resolution in sight and the stress that the situation causes the family.

It was asked if we are gaining the correct amount of affordable housing in the LDP site in Sudbrook and concerns regarding the amount of S106 money received.

It was agreed that the County had a great housing needs and that if the population declines by 1.3% by 2036 it was asked by a members are we building the wrong type of houses at present and should we review this.

The Cabinet Member raised the paradox of the population dropping by 1.3% but the County needing more houses and the need of a more age balanced County to provide more resilient communities for the future.

Karen Tarbox from Monmouthshire Housing Association added that as a social landlord the association acknowledge the need for rural housing and are actively working on some of the 60/40 site in the county. In response to the comments made on volume housebuilders, Karen spoke of middle and small builders who are not on the position to bring the houses to market, this is where they work with RSLs.

Monmouthshire Housing Association spoke of their wish to work with Monmouthshire County Council in bring higher levels of social housing to the county.

#### **Committee's Conclusion:**

The Chair thanked the officers, guests and the Cabinet Member.

In terms of a conclusion the Chair spoke of revisiting this issue in 12 months' time with some of the items discussed today being looked at in more detail, such as the allocation policy.

Practical suggestions, such as helping with grants would deserve focus and research into a modular system of housing may be worth attention.

The Committee are happy to accept the report recommendations;

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. 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.



## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

#### **4. Monmouthshire Letting Service**

This item was deferred until Adults Select Committee meeting 28<sup>th</sup> February 2017.

#### **5. Homeless Prevention - Rent Guarantee Scheme**

Context:

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.

Recommendations:

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. To recommend to Cabinet to agree to establish a Homeless Prevention Reserve Fund.

Key Issues:

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.

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. 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

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Adults Select Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm

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.

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.

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.

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.

Member Scrutiny:

It was clarified that they wish for an account to be set up with no additional expense.

A member asked where funds would come from and we were told that 5% of the exiting budget would be paid into the account as a reserve, subject to this money being available.

It was asked if Melin homes had anything to do with this scheme and we were answered no.

#### **Committee's Conclusion:**

The Chair said that they would recommend this to onwards discussion with Cabinet as per the current proposals;

1. To consider how the Homeless Prevention Reserve Fund will support the

## **MONMOUTHSHIRE COUNTY COUNCIL**

**Minutes of the meeting of Adults Select Committee held  
at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 14th February, 2017 at 2.00 pm**

Council's statutory duty to prevent homelessness and provide the foundations for a future income generation opportunity and make recommendations as appropriate.

2. To recommend to Cabinet to agree to establish a Homeless Prevention Reserve Fund.

They voted unanimously that it would be a useful way forward.

**The meeting ended at 4.22 pm**