

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 15th October, 2015 at 10.00 am

**PRESENT:** County Councillor S. Jones (Chairman)  
County Councillor S. White (Vice Chairman)

County Councillors: D. Dovey, D. Edwards, D. Evans, J. Prosser, A. Watts and A. Wintle

### OFFICERS IN ATTENDANCE:

Mark Hand	Head of Planning
Martin Davies	Planning Policy Manager
Nicola Edwards	Strategic Food and Tourism Manager
Hazel Ilett	Scrutiny Manager
Paula Harris	Democratic Services Officer

### APOLOGIES:

Councillors B. Hayward

#### 1. Declarations of Interest

There were no declarations of interests made by Members.

#### 2. Open Public Forum

There were no members of the public present. The Chair advised that she would speak to the Chair of Democratic Services regarding engaging the public.

#### 3. Community Infrastructure Levy (CIL) - Scrutiny of the Consultants' report and the results of the viability testing

##### Context:

Members considered a report which informed Council of the results of the recent consultation on a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS) and of progress made on preparatory work for CIL.

##### Key Issues:

CIL is a new levy that local authorities (LA) in England and Wales can choose to charge on new developments in their area. The money can be used to support development by funding infrastructure that the local community needs. It applies to most new buildings and charges are based on the size and type of the new development. The CIL regulations came into force on 6 April 2010. However, liability to pay CIL for a development will not arise until the LA has implemented a charging schedule (which has to be based on an up-to-date development plan, i.e. a Local Development Plan (LDP), and is subject to consultation). A guidance note describing how CIL operates is attached as Appendix A.

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It was resolved at a meeting of Full Council on 27 June 2013 to commence preparatory work for CIL with a view to adopting a CIL charge as soon as is practicable following adoption of the Monmouthshire LDP. Subsequently, the LDP was adopted on 27 February 2014.

A PDCS has been prepared for consultation purposes. The Charging Schedule has to undergo two rounds of public consultation and a likely Examination in Public. The current timetable (if Council agrees to the implementation of CIL) envisages adoption of CIL in September 2015, although some aspects of the process, such as the appointment of an inspector for the public examination, are not in the Council's control.

There are two elements to the production of a CIL charging schedule – a viability assessment and an infrastructure assessment. A study has been undertaken to establish the levels of CIL that are feasible because a CIL charge should not affect scheme viability and prevent development coming forward in an area. CIL is paid as so much per square metre. In Monmouthshire CIL will mainly be applied to residential development, as out-of-town retail schemes are the only non-residential developments on which it is feasible to charge. The proposed charges will vary by area/type of development and are set out in detail in the PDCS. As an illustration, on a 'typical' three bedroom semi-detached house the proposed charges would be £4,800 on strategic sites and small sites in Severnside and £8,800 on most other sites in Monmouthshire.

LAs are required to undertake an infrastructure assessment to identify the need for and cost of infrastructure to support the level of development set out in the LDP. As part of this process a Draft Infrastructure Plan was prepared to support the LDP at Examination and was reported to Council at its meeting on 27 June 2013. CIL will replace a substantial element of the funding currently received from Section 106 Agreements, although Section 106 funding will still be required for infrastructure necessary to ensure that a development comes forward (e.g. access improvements), on-site provision of play facilities and affordable housing. One advantage of CIL is that, unlike Section 106, it does not have to be spent directly on matters necessary to implement a specific planning permission but can also be used on a more strategic basis to provide infrastructure in a wider area. The items on which the Council intends to spend CIL funding on would need to be specified in a 'Regulation 123 list'. This can be varied over time according to Council priorities and would be based on an Infrastructure Plan that sets out the items that are considered necessary to implement the LDP (other than those that are specific to a particular site). These can include more general 'place-making' schemes that support the growth proposed in the LDP. At present, it is being suggested that the Reg.123 list (as set out in the PDCS) includes sustainable transport improvements, upgrade/provision of broadband connectivity, town centre improvements, education, strategic sports/adult recreation facilities and strategic green infrastructure, but this is for the Council to establish according to its priorities. At examination the charging authority should set out a draft list of projects or types of infrastructure that are to be funded in part in whole or in part by the levy. Any amendments to this list after examination will need to be consulted upon. Provided there is agreement on the broad categories of infrastructure to be supported by CIL prior to examination then it should be possible to refine a list of specific projects within these categories as part of an infrastructure planning process that includes, for example, links with Whole Place Plans, Town Teams etc. to determine what matters to communities in terms of infrastructure provision. In this respect, further reports will be made to Members in order to establish the procedures for allocating CIL monies and determining priorities for spending.

Landowners become liable for CIL when planning permission is granted and it is payable (not necessarily by the landowner as the liability can be transferred) when a development commences, although it is possible for payments to be made on an instalment basis. Planning

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permissions granted before CIL becomes operational, therefore, will not be liable to the charge but will still be subject to Section 106 requirements. However, the overall potential funding stream is slightly less under Section 106s because CIL brings all residential development, down to a single dwelling (although self-builders are excluded), into the charging regime. In addition, after 1 April 2015 no more than five Section 106 agreements can be used to fund a single piece of infrastructure.

Meaningful amount' for local communities. The Localism Act 2011 introduced a power to require local authorities in England and Wales to pass a 'meaningful' proportion of the CIL receipts to neighbourhoods. Contained within the 2011 Act was a definition of neighbourhoods, which applies to England only. In Wales the Welsh Government issued a letter on 8 April 2013 stating that for the purposes of receiving a proportion of CIL receipts, the equivalent definition is a Community Council. In terms of defining a 'meaningful' amount the letter states that 15% of CIL revenues 'should be passed to Community Councils'. The letter goes on to state that 'where the community council does not have the capacity to identify, spend and account for the receipt of such funds, the charging authority [the County Council] will retain the funds but will be required through statutory guidance to engage with community councils where development has taken place to agree how best to spend the funding'. The relevant regulation states 'In Wales, where all or part of a chargeable development is within the area of a community council, then the charging authority must pass 15 per cent of the relevant CIL receipts to that community council'. The part of the levy that is passed to a community council must be spent to 'support the development of the area'. Guidance on this matter recommends that once the levy is in place town and community councils 'should work closely with their neighbouring councils and the charging authority to agree on infrastructure spending priorities'. The guidance also indicates that if the town or community council 'shares the priorities of the charging authority, they may agree that the charging authority should retain the neighbourhood funding to spend on that infrastructure', also suggesting that this infrastructure (e.g. a school) may not necessarily be in the town or community council area but will support the development of the area.

#### **Member Scrutiny:**

A Member questioned if a charge could be raised when deemed necessary for the development was in relation to Section 106 or CIL. It was answered Section 106.

A Member asked for more details on the presentation, if staff & back office resources were in place. It was answered that at present, no. There is a new back office I.T. system budgeted for planning and that a 5% provision can be used to recoup staffing costs. Having spoken to 3 other authorities, they have advised that it is incredibly admin intensive to set up, with little CIL income in the first year. Enforcement is a staffing issue, there is currently an officer who deals with Section 106 collection and it is envisaged that this member of staff will deal with CIL income. Because CIL is a tax, non-payment is a criminal offence and there are set procedures in place.

The Head of Planning advised that further comprehensive training will be rolled out to all County Councillors and Town Councillors.

It was asked if all infrastructure projects could receive CIL monies. The Head of Planning clarified that there will be a Regulation 123 list, approved by Council, the CIL money would then be distributed by Councillors.

A Member asked how Community groups would obtain funding for projects. It was answered that Section 106 monies fund infrastructure, related to site, e.g. road access. Off-site

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improvements would be funded via CIL, 15% of which goes to the Community Council in whose area the development is located.

A Member was concerned that the public consultation resulted in only 17 responses. It was answered that this was a high level consultation and going forward we are committed to liaise with Community Councils, with regular updates coming back to the Committee.

A Member asked if all councillors could be briefed on affordable housing, The Head of Planning answered he was happy to brief all Councillors and that CIL does not cover affordable housing, this is Section 106.

A number of Members asked for clarification on the viability of affordable housing. The Head of Planning advised he would clarify their issues via the all member briefing.

The Chair mentioned that when Strong Communities Committee next discuss affordable housing she would appreciate the Economy and Development Committee being invited to help scrutinise the topic.

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

Chair's Summary:

The Chair acknowledged that the presentation had been well articulated and provided the Committee with a good basic grounding on CIL.

- During the discussions, the following points were noted :
- In regard to CIL, not directly related to specific developments, flexible as a source of funding.
- Back office systems being able to cope with extra resources required.
- Spoke about engagement with Town Councils.
- Concerns that smaller Community groups would struggle to access funding.
- Affordable housing, viability of CIL.
- Impact of influx of development
- 123 list – nobody being left behind.
- An all member briefing would be welcome.

Going forward the committee would look forward to receiving the Head of Planning's Annual Improvement Plan with a continuous engagement going forward.

#### **4. Tourism and Planning - Discussion on how the Local Development Plan can support Tourism Development (copy attached)**

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#### Context:

A report was presented to members with an overview of tourism related planning policies to enable consideration of the extent to which the Local Development Plan (LDP) supports the Council's objectives for growing our tourism economy.

#### Key Issues:

To aid consideration of this topic, this report is divided into two sections. Firstly, the table in the report sets out the various types of tourism-related development and shows how they would be considered under the LDP. The table is traffic-light rated to show where policies are supportive (green), supportive only in certain circumstances (amber), or prohibitive/no relevant policy (red). The second section of the report looks at tourism-related planning applications determined since the LDP was adopted. This section utilises details from the LDP Annual Monitoring Report to investigate planning approvals, and a separate analysis of applications refused, to identify any issues arising.

#### Member Scrutiny:

A Member asked for clarification on yurt/tepees qualification for tourist use. The Officer answered that discussions had taken place on control of use, the thought was that the yurts could be in place for 10 months of the year. The issue then being that taking the yurts down for 2 months causes challenges, as some of these were significant structures to dismantle. Controls over occupation with conditions set would be more prudent in this case.

It was questioned by Members what approach other authorities take. The Officer answered that various issues and appeals had been researched.

A Member commented that tourism is changing rapidly and we should be leading authorities with best practice.

Enforcement and retrospective planning persimmon was discussed and will be addressed at the annual performance review.

A Member commented that we need to be mindful of the funding opportunities coming forward for the RDP and leader programme for further funding for things such as agricultural diversification. If the funding is there but our planning policy does not support it, these projects will not come forward.

The Committee were presented with information on tourist related developments.

There was discussion regarding visitor accommodation and whether there should be more sites specifically listed for hotel type accommodation. The plan allocates four for accommodation, Hendre Mansion, Piercefield House, Croft-Y-Bwla and a Premier Inn, Portal Road Monmouth. A Member commented that Piercefield House had been granted planning permission for a hotel previously, the Head of Planning advised he would check on the status of this and report back to the Committee (**ACTION M.H**).

Members were advised by the Strategic Food and Tourism Manager that it was important to monitor the type of accommodation offered, and to address the current imbalance of bed stock. The Head of Planning advised that the LDP Annual Monitoring Report would seek to capture this information in the future.

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

Chair's Summary:

In conclusion it was proposed that Planning move forward with Supplementary Planning Guidance to clarify how the tourism policies are implemented. It was felt that Select Committee require that agriculture diversification is relooked at in regard to log cabins, huts, etc.

### **5. Discussion with the Head of Planning, Place and Enterprise on 2 future scrutiny areas:**

#### **Context:**

A report was presented to members with an overview of tourism related planning policies to enable consideration of the extent to which the Local Development Plan (LDP) supports the Council's objectives for growing our tourism economy.

#### **Key Issues:**

To aid consideration of this topic, this report is divided into two sections. Firstly, the table in the report sets out the various types of tourism-related development and shows how they would be considered under the LDP. The table is traffic-light rated to show where policies are supportive (green), supportive only in certain circumstances (amber), or prohibitive/no relevant policy (red). The second section of the report looks at tourism-related planning applications determined since the LDP was adopted. This section utilises details from the LDP Annual Monitoring Report to investigate planning approvals, and a separate analysis of applications refused, to identify any issues arising. The Head of Planning reported that, based on the evidence to date, it can be concluded that the LDP is supporting appropriate tourism development. The situation will continue to be monitored and the 2016 LDP Annual Monitoring Report could be reported back to the Select Committee if desired.

#### **Member Scrutiny:**

The Committee held a brief discussion on these potential future areas for scrutiny, in which they recognised there is a need to balance the value of the Section 106 contribution against the need to attract development. There was an acknowledgement that whilst attempts should be made to maximise Section 106 contributions, there is a need to be mindful that too high a Section 106 contribution may detract inward investment. The Committee discussed Section 106 contributions in relation to affordable housing and were advised that this is scrutinised on an ongoing basis by the Strong Communities Select Committee, whose meetings could be attended by Members of the Economy and Development Committee. The Committee felt there may still be a need to assess the extent to which the Local Development Plan supports regeneration, in a similar vein to their scrutiny of its application to tourism development, however, at this stage, Members needed a better understanding of the Planning function and its obligations and how well they are performing, possibly through scrutiny of their Service Plan. The Head of Planning, Place and Enterprise advised that he is in the process of preparing an Annual Performance Report for submission to Welsh Government on 19<sup>th</sup> November and that this report may serve as a useful starting point for the Committee's scrutiny.

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

Chair's Summary:

The Chair advised the Committee that elements of the earlier discussion during agenda item 5 may have answered some of Members queries, however, as scrutiny of the Planning Function sits within the remit of the Economy and Development Select Committee, the Committee should have sight of the Annual Performance Report for the function prior to the submission to Welsh Government. The Committee were in agreement that a Special Meeting of the Committee should be held on Monday 16<sup>th</sup> November at 2pm to table the Annual Performance Report as a single item for scrutiny and that future areas for scrutiny in respect of the Planning Function could be identified after this time.

### **6. Work Programming**

#### **i) Economy & Development Select Work Programme for 2015/16**

We noted items on the future work programme as follows:

##### **Meeting 4<sup>th</sup> November 2015 10.00am**

- Budget Mandates

##### **Meeting 16<sup>th</sup> November 2.00pm**

- Special Meeting - Scrutiny of the performance of the function via the Annual Performance Report (due for submission to Welsh Government on 20th November)

##### **Meeting 26<sup>th</sup> November 2015**

The scrutiny Manager advised that the ordinary meeting on 26<sup>th</sup> November would table the following items:

- Performance Report on the Support offered to Businesses through the Monmouthshire Enterprise Strategy
- Scrutiny of the Chief Officer's Annual Report on Enterprise
- Progress Report on Events Strategy
- Consideration of Community Infrastructure Levy Projects
- Scrutiny of the Budget Monitoring Report for Month 6

The Chair reminded Members that they had agreed to hold discussions with businesses in respect of the level of support they receive and the Scrutiny Manager advised that this would be best achieved by engaging with business outside of the formal committee format. The Chair suggested holding a 'roadshow' or 'breakfast gathering' with businesses in the New Year, which was supported by the Committee. The Chair and the Scrutiny Manager agreed to request support from the Council's Communications Team to publicise the event, in order to maximise the engagement potential with the business community.

The Scrutiny Manager advised items on the work programme were subject to change.

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### **ii) Cabinet & Council forward Work Planner**

We received and noted the Cabinet and Council forward work plan.

#### **6.1. Economy & Development Select Work Programme for 2015-2016**

#### **7. To confirm the date and time of the next meeting**

Members noted future dates of Economy and Development Select Committee Meetings:

**Special Meeting 4<sup>th</sup> November 2015            10.00am**

**Special Meeting 16<sup>th</sup> November            2.00pm**

**Meeting 26<sup>th</sup> November 2015            10.00am**

**The meeting ended at 12.57 pm**