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MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Joint Select Committee held
at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September,
2018 at 10.00 am**

PRESENT: County Councillor D. Blakebrough (Chair)
County Councillor P. Pavia (Vice-Chair)

County Councillors: D. Batrouni, J. Becker, L. Brown, D. Dovey,
A. Easson, R. Edwards, M. Feakins, M. Groucutt, R. Harris,
P. Murphy, M. Powell, J. Pratt, V. Smith, B. Strong, T. Thomas, J.
Treharne, J. Watkins and S. Woodhouse

OFFICERS IN ATTENDANCE:

Mark Hand	Head of Planning, Housing and Place-Shaping
Philip Thomas	Development Services Manager
Shirley Wiggam	Senior Strategy & Policy Officer
Ian Bakewell	Housing & Regeneration Manager
Ben Winstanley	Estates Manager
Sarah Jones	Principal Planning Policy Officer
David Wong	Senior Development Management Officer
Paul White	Specialist Environmental Health Officer
Paula Harris	Acting Scrutiny Officer
Richard Williams	Democratic Services Officer

APOLOGIES:

County Councillors R.J.W. Greenland, D. Jones, R. Roden, A. Webb and K. Williams

1. Election of Chair

We elected County Councillor D. Blakebrough as Chair.

2. Appointment of Vice-Chair

We appointed County Councillor P. Pavia as Vice-Chair.

3. Declarations of Interest

There were no declarations of interest made by Members.

4. Delivery of affordable housing: discussion to feed into the Welsh Government's call for evidence

Context:

The purpose of the report and presentation is to help inform a discussion to consider Monmouthshire's input into the Welsh Government's call for evidence on affordable housing delivery.

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Joint Select Committee held
at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September,
2018 at 10.00 am**

Key Issues:

The Welsh Government has issued a consultation over the summer seeking a call for evidence on affordable housing delivery. This is a key topic of interest and relevance to the Council and its communities.

Options Appraisal:

- To respond to the call for evidence, having discussed the relevant issues in the call for evidence.
- To decide to not respond to the call for evidence.

Member Scrutiny:

- The salary earnings table refers to the wages declared.
- The data provided indicates that more social housing is required in Monmouthshire.
- In terms of the figures relating to properties that have received planning permission but have yet to be built, these properties are subject to a natural time lag of developments being built.
- Development sites are coming forward but at a slower rate than required.
- The affordable housing developments that have been approved will be built.
- Discussions have begun regarding what is required in the next Local Development Plan (LDP) regarding affordable housing provision.
- There is a need to maintain the size standards in affordable housing and market housing.
- Affordable housing contribution needs to be on site and be locally based.
- Monmouthshire Housing was given the opportunity to contribute to the report.
- The Authority is recruiting for a supported lodgings co-ordinator to work with our partners. A pilot scheme is being developed via 'supporting people' to promote lodgings. This scheme will also target young people.
- The viability of affordable housing needs to be addressed to ensure that in future, more affordable housing is provided in Monmouthshire.
- Young People in Monmouthshire are struggling to afford to remain in Monmouthshire when they leave home and look for their first property.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

- The Authority could look to support housing associations and encourage such associations to investigate converting empty properties and empty shops into affordable housing units within Monmouthshire. It was noted that these matters will be investigated in the next LDP bearing in mind the way shopping has changed in recent years. However, this will need to be tempered to ensure that viable retail properties are retained.
- There are issues relating to property conversions but they can be achieved. Further investigation would be required. Housing associations within Monmouthshire had been approached regarding the provision of affordable units above shops. Challenges were identified, such as remote landlords, shared access, the cost of health and safety improvements and shared services. However, the opportunities are there to explore bringing some of these properties back into residential use.
- The quality of build of affordable housing needs to be retained to ensure that residents' quality of life is maintained.
- Developers could be encouraged to buy large empty buildings with a view to converting them into affordable units.
- It was considered that the planning application condition to commence building a property within five years is too long and should be reduced to three years.
- The Register of Social landlords (RSLs) each has a private building section and the Authority benefits from these as their profit margins are lower, allowing for a greater affordable housing balance.
- One of the reasons for the delay in getting properties built is due to infrastructure issues throughout the County. Development of some sites are being held up as developers are waiting for Welsh Water to install the appropriate infrastructure before building work can commence.
- A Welsh Government rent to own scheme is available but this scheme is not available within Monmouthshire. This might allow more of Monmouthshire's young people to remain within the County and reduce the numbers leaving to live in more affordable properties outside of the County. It was noted that an allocation of funding has been given to Monmouthshire County Council regarding rent to own. However, it is not an affordable housing scheme but is based on market rent. The RSL has to be able to deal with the developer to obtain the home for less than market value. This scheme could only work when an RSL has a site that it is developing itself. Melin Homes has been approached to undertake this scheme at one of its sites in Abergavenny.
- In terms of the options available as a local Authority, the Authority is looking to work with RSLs with Crick Road development as the first example. A partnership has been formed whereby, the RSL is looking to build market housing which it then uses to subsidise the affordable housing. We, as an Authority, are able to

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

input into the design and to ensure the longevity of the properties and that the infrastructure and green infrastructure is adhered to. Affordable housing can be enforced. Working in partnership, allows the Authority to accelerate growth, have a greater influence on the design standard if the Authority is prepared to take a lower receipt.

- Setting up our own housing company will enable the Authority to borrow money and start building. This could be undertaken with partners that already have an established structure set up. The expertise is already there and are specialists in building.
- The Authority is actively looking at modular construction with a view to building affordable homes to modular standards.
- Monmouthshire County Council is the pilot Authority for the Monmouthshire Housing Association (MHA) project with Cardiff University.
- In response to questions raised regarding the viability reports, the Head of Planning, Housing and Place Shaping stated that he would investigate the matter further.
- Welsh Government needs to provide more support to the Authority in order for it to meet Welsh Government targets.
- Community Land Trusts (CLTs) – Properties remain asset locked and would remain affordable in perpetuity. The properties are not built for profit. Less viable Council owned farms could be turned over to a CIC with the CIC using modular housing proposals to build Community Land Trusts for residents of the County, which would remain affordable in perpetuity. This matter could be further discussed at a future meeting of one of the Select Committees.
- The 25% affordable housing in the south of the County needs to be reviewed in the next LDP due to the increase in house prices in this region since the announcement that the Severn Bridge tolls are to be removed.
- An increase in the number of sites coming forward in the County will decrease the value of land within the market. This would aid in the number of affordable housing properties being delivered and have fewer issues regarding viability.
- If the Welsh Government was to give tax relief on capital gains value for the landowners willing to subjugate their land into affordable housing with the prerequisite of affordable housing being a covenant onto the land, then the Authority would, in time, have more land coming forward. There would be fewer chances for developers to negotiate the viability assessment.
- In terms of the LDP process, the Welsh Government commissioned a report to look at why sites are not coming forward. By the time the Authority goes to

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

deposit with the plans and submits them to Welsh Government, evidence will be required that sites are deliverable, including viability information.

- The weaknesses in the current proposals are that evidence from 2020 will be considered but it is unknown whether this will be relevant in 2033, as this is the date that the LDP runs to.
- Engagement with developers has taken place regarding candidate sites. However, it is anticipated that developers will not undertake all of their significant and expensive due diligence work regarding a specific site until they have confidence in the Plan.
- The shortage of land within the County is man-made. There is considerable land within Monmouthshire. However, much of the land is unsuitable for building on.
- In response to a Member's question regarding the regionalisation of capacity and expertise, it was noted that considerable collaborative work is undertaken at officer level across the region. The Head of Planning, Housing and Place Shaping chairs the South East Wales Strategic Development Plan. There is also a separate group, namely, the South East Wales Strategic Planning Group. Candidate sites have been established via a regional methodology. An employment methodology has also been agreed to obtain comparable data. Costs and expertise can be shared with other nearby planning authorities that are at a similar stage as Monmouthshire with regard to the development of their new LDPs.
- Strategic matters will be dealt with via the new Strategic Development Plan (SDP).
- There are three identified RSLs that currently work within Monmouthshire and strong relationships have been developed between the Authority and the RSLs. A Select Committee member suggested that the Authority should consider opening up opportunities to work with other RSLs.

Committee's Conclusion:

- More affordable houses need to be built within the County with the quality of build being maintained.
- Build for the future taking into account available land and future proofing such accommodation.
- Quality, affordable housing is required with appropriate standards being put in place also for market housing.
- Developers need to provide appropriate funding towards affordable housing provision.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

- Further capacity and support is required regarding issues surrounding viability in order for the Authority to be able to provide more affordable housing, going forward.
- Space standards is available in England but not in Wales. Welsh Government should be lobbied on this matter.
- Good quality accommodation is essential.
- Infrastructure issues need to be addressed.
- Better, more affordable first time buyer accommodation is required for young people.
- Community Land Trusts (CLTs) – Guidance on how to take this matter forward needs to be investigated with a view to CLTs being incorporated into the LDP.
- Support from Welsh Government regarding building up the capacity of staff.
- Refurbishment of high street locations as potential properties for affordable housing.

5. Our approach to our housing land supply shortfall in advance of the new LDP: dealing with unallocated sites

Context:

To consider the Authority's approach to tackling its housing land supply shortfall, specifically how it deals with planning applications for unallocated sites in advance of the new LDP being adopted in December 2021. This matter will be considered by Council on 20th September 2018 for a decision on the Council's position.

Key Issues:

Some of the challenging issues and opportunities facing Monmouthshire's communities over coming years, include:

- The increasing proportion of Monmouthshire's population aged over 65 and over 85, increasing well in excess of the Wales average.
- The relative absence of 20-40 year olds and Monmouthshire's median age of 48 years (compared to a median age of 34 years in Cardiff).

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

- The resulting impact of the above two factors on Monmouthshire's economic base and future prospects of economic growth.
- Cardiff Capital Region City Deal and associated opportunities.
- The economic growth of the Bristol / South West region and the opportunities for Monmouthshire as a border county.
- The imminent removal of the Severn Bridge tolls.
- Monmouthshire's average house price now exceeding £300,000.
- Monmouthshire's affordable housing waiting list of 3000+.
- Monmouthshire's dual economy, with high-earning residents who work elsewhere, and a low paid workforce that lives elsewhere but works within the County.
- Associated commuting patterns, with 40% of Monmouthshire's economically active resident population commuting out of county.
- The challenges of rural isolation and sustaining rural services.
- The wealth of social capital in Monmouthshire's communities.
- Monmouthshire's well-performing schools.
- The beautiful landscapes and heritage that make Monmouthshire special.

These factors will be key considerations as the vision and strategy for Monmouthshire's new Local Development Plan (LDP) is developed. However, consideration needs to be given to what can be done in the interim (between now and December 2021).

Options Appraisal

There are two options:

- The first option is that the Authority gives no weight in its planning decisions to its lack of a five year housing land supply. This means that the Authority retains a Plan-led system, and proposed development on sites not allocated within the current LDP will be unacceptable in principle and planning permission would be refused. This option is essentially process-focused and would provide certainty to Monmouthshire's communities in that the current LDP would be adhered to. Development in other areas could come forwards via the new LDP, and planning permission could be sought in 2022 onwards.
- The second option is that the Authority gives some weight in its planning decisions to its lack of a five year housing land supply. This could be anywhere

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

from 'none' to 'considerable weight'. This option is essentially outcome-focused and would seek to make timely progress in tackling some of the issues identified.

Member Scrutiny:

- Monmouthshire currently has a 3.9 year land supply.
- It is important to give considerable weight to look at and consider new sites as they arise.
- Affordable housing is needed across the whole of the County.
- Freedom should remain for smaller unallocated sites to be brought forward for consideration by the Planning Committee for development. This will help in delivering local affordable housing needs within villages. This matter could be looked at in the next LDP.
- The hybrid option, (2(e) in the report, provides flexibility around development of the rural areas and the main towns providing a more balanced approach.
- Obtaining 35% affordable housing provision is essential.
- Adopting the ground rules identified in the report provides more flexibility within the County.
- The intention of the 60/40 sites was to deliver affordable housing in and around Monmouthshire's main villages. The policy allows for rural exception sites around main villages.
- The next LDP will include small scale developments.
- The Welsh Government Cabinet Secretary recognises that there is pressure on local planning authorities and communities from speculative development on unallocated sites.
- A Member stated that the Authority should be considering that no weight should be given to the lack of a five year land supply and only some weight should be given if there are various options that are met. The advantages of this approach, by determining the weight that is given, gives the option to follow the current LDP and argue that no weight should be given to unsuitable developments. It was considered that not all issues had been addressed and the Member was not content with the approach being taken. In relation to the five year land supply, comparing Monmouthshire with other authorities in Wales, Monmouthshire is in a better position than other authorities. It was considered that a better approach would be to be plan led rather than developer led. The Head of Planning, Housing and Place Shaping informed the Committee that the figures outlined in the presentation were correct. The next LDP will provide opportunities to do things differently via different models.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Joint Select Committee held at The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Friday, 7th September, 2018 at 10.00 am

- The next LDP needs to include sites for cemeteries within the County.
- Where 60/40 sites have not come forward, this is due to landowners aspirations.
- Highways capacity, school infrastructure and Air quality are some of the factors that will be factored into the new LDP.

Committee's Conclusion:

- There is a need for more affordable housing across the County. The Authority cannot afford to take forward a shortfall of housing provision to the next LDP without trying to address some of the issues in the interim.
- Smaller development sites need to be considered to encourage smaller developers to come forward.
- Challenge the 60/40 concept and the affordability factor as a part of the LDP review.
- There are challenges regarding infrastructure, particularly in the south east of the County in terms of being impacted by the Forest of Dean and Gloucestershire.
- There are also practical infrastructure implications, such as the need to consider suitable locations for cemeteries in the new LDP.

Recommendation to Council on 20th September 2018:

Option 2(e) - a hybrid of options 2(a)-(d), as outlined in the report, namely to allow otherwise acceptable development on unallocated sites throughout the County, with the extent of housing reflecting the current LDP's spatial strategy. In other words, the Main Towns would see a greater level of potential growth than Rural Secondary Settlements.

In response to a question raised by a member regarding paragraph 4.4 of the report in respect of the ground rules, the Head of Planning, Housing and Place Shaping stated that he would liaise with the Head of Law regarding this matter.

It was proposed by County Councillor R.G. Harris and seconded by County Councillor J. Becker that the Joint Select Committee supports Option 2(e) - a hybrid of options 2(a)-(d), as outlined in the report, namely to allow otherwise acceptable development on unallocated sites throughout the County, with the extent of housing reflecting the current LDP's spatial strategy. In other words, the Main Towns would see a greater level of

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Joint Select Committee held
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potential growth than Rural Secondary Settlements.

Upon being put to the vote, the following votes were recorded:

In favour of the proposal	-	8
Against the proposal	-	1
Abstentions	-	1

The proposition was carried.

We recommended to Council that consideration be given to supporting Option 2(e) - a hybrid of options 2(a)-(d), as outlined in the report, namely to allow otherwise acceptable development on unallocated sites throughout the County, with the extent of housing reflecting the current LDP's spatial strategy. In other words, the Main Towns would see a greater level of potential growth than Rural Secondary Settlements, as the Joint Select Committee supports this option.

The meeting ended at 1.47 pm.