

SCRUTINY COMMITTEE

23rd January 2013

Present: Mr EA Sangster (Chair)
Mr A Archer; Councillors JA Brinsden, Mrs L Jenkins, Mrs A Lee, PJ Morgan and DWM Rees.

(NPA Offices, Llanion Park, Pembroke Dock: 12.00pm – 2.15p.m.)

1. Apology

Apologies for absence were received from Councillor P Harries and Mrs M Thomas.

2. Disclosures of Interest

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 28th November 2012 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 28th November 2012 be confirmed and signed.

4. Chairman's Introduction

The Chairman commented that the previous meeting had been very useful in clarifying the understanding of the Committee and also in stimulating ideas for progressing the Scrutiny Study. Some observations had been shared by e-mail, and this had informed the agenda for the meeting that day, which would provide an opportunity for officers to respond to the issues raised at the previous meeting.

5. Three Dragons Toolkit

The Director of Park Direction and Planning explained that this development appraisal toolkit had been developed by the London Boroughs, and purchased by the Welsh Government to be used by local planning authorities in Wales. The Research and Sustainability Appraisal Officer then provided an overview of the toolkit and explained that information, such as what type of home, how many, likely market value, etc, was input to allow the Authority to model the viability of housing schemes and maximise the amount of affordable housing provided. A Residual Land Value was produced (the value attributed to a piece of land) after costs and developer margin had been subtracted from likely revenue from selling the houses. The toolkit contains Pembrokeshire-specific house values, and also reflects costs and market values appropriate to the area; it therefore allowed officers to be flexible in their negotiations with developers. The toolkit was also used to calculate



commuted sums on small developments (less than 2 units). The Head of Park Direction reminded Members that the approach of the Authority with regards to viability testing had been endorsed by the Inspector in the appeal decision on Land adjacent to 7 Walton Hill, Little Haven.

Members asked questions about the use of the toolkit, and commented that it was good that the same system was used by Pembrokeshire County Council which avoided comparison between the approach in the two authorities. Officers noted that few developers used the toolkit and that larger developers would often use their own viability calculations.

6. Affordable Housing Policy, including approaches elsewhere

Officers explained that both Policy 45 of the Local Development Plan and the Supplementary Planning Guidance on Affordable Housing gave the flexibility to negotiate, contrary to the evidence provided at the previous meeting. Officers provided examples of where successful negotiation had taken place and noted that the approach had again been endorsed by the Planning Inspectorate in a report on the Authority's Joint Housing Land Availability Study in April 2012.

The Planning Officer advised that this Authority was one of only 6 planning authorities in Wales with an adopted Local Development Plan (LDP) and that the LDP approach was much different to the former Unitary Development Plan approach. LDPs are firmly evidence-based and provide the most up-to-date position in terms of housing need. She then went on to outline the affordable housing policies in force in other planning authorities in Wales and concluded that although it was difficult to compare plans directly, the approach in adopted and emerging Local Development Plans was not dissimilar to that in this Authority. In these plans, affordable housing was based on need, rather than being aspirational as had been the case with Joint Unitary Development Plans. Members wished to receive copies of the tables produced and it was agreed that this would be arranged.

Officers made the point that the Authority could not deliver affordable housing, it could only grant permission. Information was then provided on Section 106 Agreements that had already been negotiated and on progress on sites allocated in the Local Development Plan – this showed that approximately 35% affordable housing provision had been achieved where permission had been given. Considering whether the Authority's Policy on affordable housing should be reviewed at this time, the Head of Park Direction believed that the current approach needed time to bed in and there was no evidence that it was hampering negotiations, as sites were beginning to come forward. The Director explained that what developers needed most was certainty and stability, and the Authority's Plan provided an upper limit to the level of affordable housing required, with the possibility that this could be reduced through negotiation.



Turning to the practicalities of reviewing the Plan, the Head of Park Direction referred to the advice from the Welsh Government that there was, in any case, currently no process in place for partial review of a Local Development Plan and it was likely that further guidance and regulations would be needed.

7. Supplementary Planning Guidance

The Head of Park Direction reported that unlike the policies of the Local Development Plan, there was potential to review the Supplementary Guidance (SPG) on Affordable Housing. Changes could be made in a number of areas including the potential to improve the offer for developers on private Low Cost Home Ownership/rental properties, although these would still need to remain affordable; make explicit the potential to transfer to land, instead of built units, to Housing Associations; greater flexibility regarding design and a possible review of the Guidance with regard to Section 106 Agreements following the expected publication of guidance on securing mortgage access for affordable housing by the WLGA in the near future. The current consultation by Pembrokeshire County Council as Housing Authority on its review of Choice Based Lettings would also have implications for the occupancy criteria contained within the SPG and this would need to be updated in due course.

Finally it was noted that the Authority had commissioned a Deliverability Study to see what constraints were stopping allocated sites coming forward for development. Discussions in particular were being had with Dŵr Cymru on this matter. Once the report had been received, the information would be shared with landowners who would better understand the likely costs of bringing sites forward for development.

Members sought clarification on the process for reviewing the SPG and were advised that this was within the Authority's control and could be included as one of the recommendations of the Committee to the National Park Authority following completion of the scrutiny review.

8. Definition of Affordable Housing

One of the issues raised by those giving evidence to the Committee at its last meeting was whether there was a wider definition of affordable housing need that the Authority was not taking account of i.e. the area of hidden housing need. The Head of Park Direction explained how housing need had been calculated in the LDP and this showed that where available, account had been taken of the Local Housing Need Studies carried out by the Rural Housing Enabler as well as the figures from the housing register. This meant that where there was a higher figure for housing need, this had been used as the basis for the calculation of affordable units required.



Members asked what implications the recently announced changes to the Housing Benefit system would have for the provision of affordable housing in the National Park. Officers replied that discussions with the Housing Authority were ongoing as to how the waiting list was interpreted, however officers didn't think the implications would be great as the principle of someone being in housing need would not change, only the size of the unit they needed.

9. Conclusions and Next Steps

Members thanked officers for their explanations and commented that they were reassured by the evidence they had presented. It was considered that more work needed to be done to change public/developers perception, rather than fundamental changes to the Plan. One Member asked if there was any potential for conversion of existing buildings into affordable housing, to which officers replied that it was a solution that was both more costly and more complex in terms of management and therefore Housing Associations tended not to be interested in such arrangements.

The Chairman suggested that at the next meeting on 6th March, more evidence could be gathered from additional witnesses and the meeting on the 10th April could be used to gain the officers' perspective of what had been said by the witnesses. A report could then be produced, with the aim that this be completed by 22nd May. It was suggested that the following be approached to see if they were able to attend the meeting on 6th March:

- Lin Cousins from Three Dragons;
- Sue Finch, Housing Officer at WLGA;
- Home Builders Federation and local developers;
- A representative of Welsh Government;
- Someone to give a perspective from outside of Wales.

