

SCRUTINY COMMITTEE

10th April 2013

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

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 1.00p.m.)

1. Apologies

There were apologies for absence from Councillor PJ Morgan and Mrs M Thomas.

2. Disclosures of Interest

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 6th March 2013 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 6th March 2013 be confirmed and signed.

4. Evidence provided by Lin Cousins, Three Dragons

Having been welcomed to the meeting by the Chairman, Ms Cousins outlined her background and explained that she had been engaged by the Authority as a 'critical friend' to provide advice to the Committee on the wider market conditions/landowner expectations, why she believed sites with planning permission within the National Park had not been developed, whether the housing allocations looked commercially realistic and possible actions to make development 'happen'.

Ms Cousins agreed with those who had described the Authority's targets as high compared to those of other Authorities, however she noted that evidence indicated that the situation was not as simple as it had been portrayed. There was a huge need within the National Park and the policy stated that the Authority would seek to negotiate to achieve affordable housing. She noted that this position had also been taken by the Inspector at the Local Development Plan examination who had advised that the percentages were reasonable, but that a review should take place at the end of 2014/15 if these were not being met. Members were again reminded that the delivery rates for affordable housing, and housing in general, were sluggish across the whole country and the Authority was not alone in suffering from low rates of delivery for affordable housing.



Having looked at those sites within the National Park which currently had planning permission, Ms Cousins noted that many of these had been agreed under the JUDP when lower levels of affordable housing were being required, and this did not help the rate of completions. She provided figures for whether a start had been made on these sites, whether housing was under construction or whether the permission had not been implemented and had found little activity in either the affordable or market housing. Members asked whether these levels of implementation were monitored and the Head of Park Direction advised that they were as part of the annual land availability study and that additional work had recently been carried out by consultants through the deliverability study. In addition there was some contact with developers through officers in the Development Management and Enforcement Teams and through meetings with the Housing Associations. The Director of Park Direction and Planning added that in addition there were a lot of properties for sale in Pembrokeshire and that new build properties were competing against that market also.

In looking for reasons why many sites were just awaiting development, she considered a number of issues, including viability. Ms Cousins noted that housing grant had reduced significantly and she had also looked at house prices and noted that while these had declined, this had not been at the same rate as experienced elsewhere in the country. Build costs had come down also, however she cautioned that additional costs would be introduced as a result of changes to building regulations and fire suppression systems nationally.

Ms Cousins had also looked at the marketability of the Authority's allocations, as this could be a factor in their take up. She had driven past a cross section of 12 sites and had concluded that while it was not surprising that some had not been developed during the current difficult economic conditions, it was surprising that others had not been started. However she believed that all the sites could and would come forward in the future, but that there were some things the Authority could do to unlock some of the problems.

There were also some actions the Authority could take in response to some of the criticisms levelled at it by others who had given evidence to the Committee, however in general these were of marginal importance and would not solve the problem. She suggested that the protocol for negotiating on sites could be set out separately on the Authority's website to make it more accessible, also if developers had concerns over the viability process, they could be advised that they could make a contribution to obtaining an external view from an independent company. She did not believe that the criticism around the complexity of the process was valid as the policy clearly set out the evidence that was required and



any request to provide a lower proportion of affordable housing should expect to have to provide such evidence.

Ms Cousins made the point that many of the landowners within the National Park were small and often daunted by the unfamiliar processes surrounding planning. However a relatively large number of sites were owned by Pembrokeshire County Council (PCC) and therefore different partnership arrangements could be explored with them to bring land forward. There was some discussion over PCC's assertion that they needed to obtain a good price for their land, however Lyn Cousins' point was that the market value for the land was set within the context of the Authority's policies.

In considering a way forward, Ms Cousins suggested that the Authority's policy should not be reviewed before the rest of the Plan in 2014/15, but that an interim approach be taken which would have the advantage of getting schemes started in the knowledge that a return to the policy position could be made in the future. This could include:

- review of the Authority's Supplementary Planning Guidance;
- improve the viability of schemes by accepting a higher proportion of Low Cost Housing;
- giving consideration to reducing the quality of houses required where no grant was available;
- contributions from developers to independent viability analysis;
- development of a programme of proactive discussions with landowners to discover why sites were not coming forward, and what could be done to improve the situation;
- initiative to strengthen partnership working with Pembrokeshire County Council;
- working with RSLs to take more of a lead in development of sites;
- new ways to encourage the release of exception sites;
- streamlining the position for developers of small sites, such as standard Section 106 Agreements that did not require the involvement of Solicitors;
- negotiating lower percentages on smaller sites but requiring these to be implemented within shorter than normal timeframes (short life permissions);
- accepting lower percentages on the first phase of larger sites and reviewing these upwards as market conditions allow.

5. Receipt of written information

The information provided by the Welsh Government was circulated at the meeting, and the Committee noted this, together with the other information that had been circulated with the agenda. If Members had any questions on this, they were asked to raise them by Friday 12th April, so that the response could be fed into the information gathering process.



Officers aimed to provide their response to the points raised to Members by Wednesday 17th April.

NOTED.

6. Next Steps

Once all the information had been received, the Chairman suggested that he would provide an outline for the report which could be discussed by e-mail. At what would hopefully be the final meeting of the Committee on 22nd May the shape and format of the final report would then be agreed.

NOTED.

[The Committee was adjourned between 11.15am and 11.45am]

7. Evidence presented by Julie Nicholas, Chartered Institute of Housing Wales

Ms Nicholas began by outlining the history and work of the Institute and set out what she saw as the context and drivers affecting the housing market at the current time which included weak/negative economic growth, increases in the private rented housing sector, housing waiting lists and homeless households, as well as an ageing population. She went on to outline the findings of the Montague Report 2012 which encouraged greater institutional investment in private rented homes which the Government hoped would lead to a housing sector led recovery in the national economy.

As a result of devolution, there was now a policy divergence in the area of housing across the UK regions and the position in England, Scotland and Northern Ireland was outlined before Ms Nicholas focussed on the Welsh context - the legislation proposed through the "Homes for Wales" White Paper and others such as the Tenancy Reform Bill. These focussed on increasing housing supply and improving quality through a variety of measures as well as encouraging a better Private Rented Sector (PRS) through a mandatory accreditation scheme, improving services and support for vulnerable households and preventing homelessness.

The final part of her presentation focused on the welfare reforms announced by the Government since 2010. These included universal credit, a total benefit cap for households, an end to housing benefit payments being paid directly to landlords and the Social Sector size criteria (bedroom tax). In Wales this latter was expected to affect 40,000 people although pensioners and the private rented sector were exempt. It was anticipated that the impact of this latter reform would be significant, particularly as there was a limited supply of smaller properties in Wales. Housing Authorities would also need to review their housing management policies and tenant support.



The Director of Park Direction and Planning asked Ms Nicholas about the quality standards of properties, as it had been suggested to the Authority that this was a way to reduce costs. Ms Nicholas replied that the quality versus quantity debate was one that would undoubtedly be had, however she noted that market conditions changed and she considered that the long term objective was to provide decent homes; a statement with which some Members agreed. She also referred to work undertaken in Carmarthenshire where a pilot study had shown a clear indication of a relationship between home improvement and health improvement.

