

SCRUTINY COMMITTEE

6th March 2013

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

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

1. Apology

There were no apologies for absence.

2. Disclosures of Interest

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 23rd January 2013 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 23rd January 2013 be confirmed and signed.

4. Chairman's Introduction

The Chairman asked about progress on the Deliverability Study that the Authority had commissioned and the Committee was informed that the draft was expected later in the week. He went on to explain to the Committee that no information in written form had yet been received from those who were unable to attend the meeting that day, and this would therefore be circulated when it became available.

He concluded by stating that there were two further meetings programmed for the Committee and he suggested that the first of these could be used to receive the last of the information, as well as officers' reactions to the evidence presented that day, while the final meeting could be used to sign off, or at least agree the final shape of, the report. He anticipated that e-mail discussions would take place between Members of the Committee in the meantime.

5. Evidence provided by Andrew Crompton, Regional Land Director, Persimmon Homes Wales

Mr Crompton began his presentation by providing a background to the company and outlining its current and forthcoming developments in Pembrokeshire. He went on to suggest what he thought were the current barriers to further housing development, both affordable and otherwise, pointing out that delivery of affordable housing was not a problem that was unique to Pembrokeshire or the National Park Authority, but was one



facing all Authorities. Mr Crompton then suggested how the delivery of affordable housing could be addressed and the process adopted by Persimmon to address affordable housing requirements on current housing sites.

The second part of his presentation focused on ways in which he believed the Authority's Supplementary Planning Guidance on Affordable Housing could be amended to improve delivery and went on to give a worked desktop land viability appraisal for sites in Tenby and Milford Haven which demonstrated that using the current percentage of affordable housing gave a negative net residual land value for the site in Tenby. A second land viability appraisal showed that reducing the percentage gave a positive value and therefore a viable site. He made the point that it was better to deliver a reduced percentage of affordable housing than none at all, and listed the significant changes since the economic downturn which supported his request for a reduced percentage.

The Chairman thanked Mr Crompton for a robust presentation and invited Members of the Committee to ask questions. These drew out from Mr Crompton that viability appraisals needed to be completed in a matter of days, rather than months, to allow developers to deliver on the opportunities before them; that he felt affordable housing percentages should be reduced to 20 or 25% and that a 50-50 split between social rented housing and low cost home ownership should be allowed; and that a greater degree of trust was needed between local authorities and developers in order that the common goal of providing housing could be achieved. Mr Crompton made the point that forums such as this Committee helped, as could staff/consultants spending time with developers to gain a better perspective of the problems they faced.

6. Evidence presented by Jamie Edwards, a local developer

Mr Edwards explained that he had been working in Pembrokeshire since 2004, having worked on sites across South Wales, and most of the schemes he undertook were for up to 30 units, with most for less than ten. For him, the viability of a site was of key importance and this was constantly being recalculated as costs and other circumstances changed.

He believed that many developers were frightened by the increasing amount of money that had to be spent before an application could be validated, and that other problems were raised by landowners with unrealistic expectations on the value of their land. It was therefore essential that if housing was to be delivered that all parties – planners, landowners and developers – worked together as a team. In order to deliver a scheme, it was important to have an early meeting with both the planning officer and whoever was carrying out the viability assessment with all the requirements and restrictions made clear from the outset. This would give confidence to the developer. He emphasised that trust,



flexibility and a willingness to work through problems were essential. Getting any site to market required significant time and cost, and with that risk. He wondered whether the risk that developers took could be shared with local authorities.

Mr Edwards welcomed the flexible approach that existed in the National Park with regard to the percentage of affordable housing required on a site.

7. Evidence Provided by Philip Williams, Property Review Manager, Pembrokeshire County Council

Mr Williams explained that his role at Pembrokeshire County Council (PCC) was essentially that of a developer in that he looked at what land owned by the Council was suitable for development or for sale. However he also worked with officers advising them on the viability of other sites put forward for planning in PCC's jurisdiction. Looking at PCCs landholdings within the National Park, this was approximately 10.7ha, which included 7 sites allocated in the Local Development Plan, some of which were currently under offer.

Mr Williams began his presentation by setting out what he viewed as the barriers to affordable housing provision, and went on to outline the approach of PCC as a landowner, to providing affordable housing within the National Park. He added that currently there were no applications being considered on these sites, due to the current economic conditions, as well as the high proportion of affordable housing required on the allocations. Developers were simply not interested in developing. The final part of his presentation focused on what he thought were the problems with the Authority's Local Development Plan and Supplementary Planning Guidance relating to Affordable Housing.

In response to questions, Mr Williams acknowledged that as a landowner, his authority wanted both the best capital receipt and the maximum amount of affordable housing, however this meant that the land could not simply be given away – it was necessary to make a reasonable financial return.

8. Evidence Provided by Sue Finch, Welsh Local Government Association

Ms Finch began by outlining the role of the Welsh Local Government Association (WLGA) in representing the interests of the 22 Local Authorities, National Park Authorities and the Fire and Rescue Authorities to the Welsh Government. This included development of policy (including affordable housing policy) as well as providing support for the improvement agenda. She included at this point a reminder of what was meant by affordable housing, i.e. private affordable properties for rent, intermediate, low cost home ownership, self-build and sub-market-value



housing in addition to social housing. She noted that the confusion with social housing was at the root of most strong community objections to sites. The biggest, but most important challenge was to ensure it remained affordable in perpetuity.

The presentation went on to outline the key challenges in delivering affordable housing for Wales and National Parks. In meeting those challenges she emphasised the need for leadership, partnership working and a good, current understanding of the housing market and need. Ms Finch went on to outline some ways of working in partnership with the housing Authorities and of increasing the supply of affordable homes which could be considered.

Noting that the WLGA worked closely with Welsh Government (WG) Members asked about the reduction in Social Housing Grant that was occurring and whether WG understood the impact this had on Authorities. Ms Finch responded that the WLGA had raised the concern, however she understood WG were looking at ways to fill the gap with alternative funding mechanisms. However she acknowledged that not all of these were likely to work in the more rural parts of Wales.

9. Evaluation of the planning permission process for housing

The Committee was informed that the purpose of the above research project was to examine the barrier to the delivery of timely decision for housing developments and to consider opportunities to improve the performance of the key players to facilitate the delivery of both market and affordable housing. The consultants were due to report back to Welsh Government by the end of August 2013.

NOTED.