

CYNGOR SIR POWYS COUNTY COUNCIL

**County Council
19th October 2017**

REPORT AUTHOR: Portfolio Holder for Housing & Countryside Services

SUBJECT: Question from County Councillor Lucy Roberts

Question

We have a problem in the county in that there are not enough ‘affordable’ properties being built to cater for our young people. We know that in Powys earnings are traditionally low. We also have a vision to of keeping our young people in the county and even attracting more to move in. I don’t believe this will happen while we don’t have suitable housing. Many young people still have the ambition of being able to buy their own properties, but certainly within my ward most of the houses that are being built are executive homes well out of their price range. Even the so called ‘affordable’ houses are way out of the reach of most. I am aware of a planning application locally which has gone in as ‘affordable’, but as a detached house with three bedrooms and a double garage will probably go on the market for at least £250,000. Is there anything that we can do as a County Council to improve this situation?

Answer

County Councillors will be aware that planning in Powys is a matter for two Authorities, Powys County Council and the Brecon Beacons National Park Planning Authority, and that this means two separate policies. Both, however, attempt to require the maximum possible amount of affordable homes to be built.

National Planning Policy permits the development of exception sites in rural areas, i.e. those that are not allocated or fall within the development boundaries established by the Authority’s Development Plan. National policy also requires every planning authority to require affordable housing contributions from all housing developments where appropriate and viable under Section 106 of the Town and Country Planning Act 1990.

Both authorities have plans in place that meet these requirements, however there are many factors that permit developers to challenge the requirements. One frequent challenge is the case of the executive development on which the developer does not wish to include smaller “affordable” homes or homes of a different tenure such as social rented. In the case you highlight, the developer is probably using the option of offering the home for sale at 69% of open market value, which the Powys UDP defines as affordable. This anomaly will be addressed by the LDP once in place next year.

A further negative issue from the planning perspective is that of Section 106 agreements which are agreed and then either not developed or later challenged and lifted as financial and/or other circumstances change.

The Local Development Plan seeks to address all these issues and maximise the number of affordable homes provided by several means, including limiting size and value to realistic levels similar to those imposed by Welsh Government on new social housing developments.

As a council we recognise that there is a shortage of affordable accommodation across the county and we are working to address this in the following ways. First in partnership with housing associations. In Powys our standard allocation of Social Housing Grant, which is accessed by housing associations to develop new homes, was just over £1.5million per annum. This has recently been increased to over £7million per annum, as part of the Welsh Governments target to see the development of 20,000 additional affordable homes across Wales within the term of the current National Assembly. Second by developing new council homes. The council will be taking into possession 6 new one bedroom flats in Crickhowell in the coming weeks, developed on our behalf by housing association Melin Homes. In addition, Welsh Government grant funding has also been made available to local authorities, these include the Innovative Finance Grant for which we have submitted a bid for a scheme in Newtown and Affordable Housing Grant of which we have programmed just under £2million next year. We also develop council homes using the borrowing capacity of the Housing Revenue Account (HRA). The current arrangements in respect of HRA capital restricts the amount that local authorities can borrow to develop new homes, but in Powys we should be able to develop approximately 80 homes over the next 4 years. Should the borrowing ceiling for Powys be raised we hope to develop considerably more homes to meet the needs of our communities.

The Housing Service is currently in the process of updating the Local Housing Market Assessment which will assist the council direct both housing association and council investment into areas with the greatest housing need.