

CYNGOR SIR POWYS COUNTY COUNCIL

**County Council
20 July 2023**

**REPORT AUTHOR: County Councillor Matthew Dorrance
Deputy Leader and Cabinet Member for a Fairer Powys**

SUBJECT: Question from Phoebe Jenkins

Local residents are being priced out of the housing market, whether that's first time buyers or families who need to expand. There are no new affordable home developments, nor any existing properties available.

Properties that are on the market exceed the financial capabilities of those working in the area. 3 bedroom properties in the town of Hay-On-Wye start at £300k, with most being nearer or over £400k. If you take the average salary of a two adult family, and a large deposit, it is still impossible to reach.

Properties that are within budget, typically ex council homes, are also incredibly difficult to mortgage, with most lenders rejecting applications. Reasons cited include infrastructure, location and proximity to industrial units. If the only houses that are affordable are unmortgageable, they aren't accessible!

On top of this, as most of these families have financial savings, they are unable to receive social housing (for many reasons). Also, private rental for larger family homes is way above affordability. Therefore, they are often left with little or no choice but to move out of the area, which will have huge social and economic effects on communities.

How will Powys County Council help local families stay in their home towns?

Response:

Powys County Council is committed building a stronger, fairer, greener future for our communities.

The Council is working to address the challenges of affordability of housing in Powys. The cost of housing has risen in part because of a long-term disparity between the need for homes, both to rent with secure tenancies at affordable rents and to buy, and the number of additional and new homes being built. The growth of buy-to-let has further exacerbated the problem people face, by driving up the price of homes that are often those most suited to first time buyers and home buyers with low and middle incomes.

In 1992, the UK government imposed a moratorium on the ability of local councils to build new homes. This came to an end in 2012-2013 and since then Powys County

Council has once again started to build new homes for local people to rent at genuinely affordable rents and all let on secure contracts. Since the Council started building homes again after that thirty-year hiatus of not being allowed to build homes, 129 Council homes have been completed in Powys.

The target in 'Stronger, Fairer, Greener' is to have by 2031 added another 350 new homes to the Council's total stock. Between 2026 and 2031, the Council's development programme – taking into account secured and unsecured land – already stands at 217 new homes. This includes secured land banks able to support the building of 112 homes once the management of phosphates in affected communities is resolved. Additional sites and opportunities are expected to become available between now and 2031.

Progressing all new developments is dependent upon events often outside the control of the Housing Service. These include securing viable development sites, gathering all necessary planning and other regulatory consents, having a range of competent and stable construction contractors able and willing to build new homes, supply chains being able to provide cost effective and timely supplies of materials and components, and managing increases in construction cost inflation. Of critical importance will be addressing the challenges to new development posed by the need to improve phosphate management in the River Wye and River Usk catchment areas in the south of Powys. Under current proposals for improving the capability and capacity of water treatment works, this should be resolved by 2025-2026 for the River Wye and 2027-2028 for the River Usk.

Support from the Welsh Government is also an essential part of our growing programme to increase the number of homes affordable for people in Powys, through the Social Housing Grant programme.

Powys regularly secures the full support of the Welsh Government to help make sure that new homes, developed by the Council and housing associations, can be let at rents that are affordable to local people.

Powys County Council has in place a Package Deal policy to encourage developers to bring to the Council completed and ready-to-move-into developments of social housing. The developer designs and builds the homes, to a standard acceptable to the Council, with the Council having the option to buy upon completion at a mutually agreed price. This approach frees up our own capacity to focus on those schemes where we buy the land and directly develop ourselves. In 2022-2023, we have added seven social rented homes using our Package Deal model.

Further additions to the social housing available to people living in Powys will be secured through continuing the programme of property acquisitions. The numbers to be bought will depend upon the opportunities presented by the housing market and how the properties match local housing needs and represent long-term value for money. In 2018-2019, 21 homes were bought, followed by four in 2019-2020, three in 2020-2021 and six between April 2021 and December 2022.

Housing associations working in Powys develop a range of home ownership schemes to help support people into home ownership, alongside their developments

of homes for rent at affordable prices. The Council will explore how to offer more options for increasing the range of low-cost home ownership options that can be offered to the people of Powys.

In 2023-2024, we will be ramping up our work to bring empty properties back into use as homes. This includes making available to people in Powys the Welsh Government's Empty Homes Grant which provides financial help for people to buy and bring into use a long-term empty property as a home for themselves and their family.

We are creating our new Local Development Plan, which will support the aims of this Corporate and Strategic Equality Plan to make Powys stronger, fairer and greener. The plan will shape the future of Powys as it will outline opportunities for future development and land use in the county. It considers a variety of topics, including making sure that decisions consider the impact to the planet, that housing is built in the areas where people need or want to live, and that services are provided in the places where they are needed.