Delivering More Homes for Wales Innovation to increase housing supply in Wales

March 2014

Yn unol â'n Cynllun laith Gymraeg, mae'r ddogfen hon ar gael yn Saesneg yn unig. Rydym yn ymddiheuro am unrhyw anghyfleustra y mae hyn yn ei achosi.

In line with our Welsh Language Scheme, this document is only available in English. Please accept our apologies for any inconvenience this may cause.

Contents

Introduction	1
Making the most of finance	3
Wrexham – using Social Housing Grant to deliver new housing and training opportunitie	es3
Flintshire – the benefits of the Welsh Housing Partnership model	4
Rhodda Cynon Taf - shared equity model	5
Innovative uses of land	6
Blaneau Gwent – leasing land	6
Isle of Anglesey County Council - Llangoed Affordable Housing - using Council owned land in lieu of grant funding	6
Anglesey – investing land values to maintain long term affordability	7
Torfaen – Crownbridge – using land value	8
Caerphilly – Caerphilly Miners Hospital development	8
Working in Partnership	8
Torfaen - Cae Nant	8
New Council House building	9
Carmarthenshire – building new Council houses	9
Meeting people's needs	. 10
Torfaen – Somerton House - independent living	. 10
Denbigh – Mwrog Street, Ruthin - supported living	. 11
Cardiff – providing smaller properties as an example of supporting downsizing relieving welfare reform pressures	
Community Benefits	. 12
Torfaen - Hillside school – designed to reflect a World Heritage Site (WHS)	. 12
Denbigh – Youth Enterprise Centre, providing training opportunities	. 13
Blaneau Gwent – community benefits	. 14
Community engagement	. 15
Chelsea Avenue – community engagement	. 15
Delivering in rural areas	. 16
Monmouthshire – rural exception sites	. 16

Introduction

As the Minister for Housing and Regeneration's Housing Supply Task Force, we submitted our report¹ to the Minister in December 2013, and it was published in January. We listened to the evidence that was presented to us, and were struck by the extent and impact of innovative thinking that was already informing delivery across the UK. Some of this involved innovative uses of finance, including the use of S106 agreements with developers, the use of developer's own resources, utilising the value of public land, new approaches to cross-subsidising affordable housing, and more active asset management strategies which sought to use the receipts from the sale of high value or high maintenance properties to invest in new housing.

This study, which complements our main report, lists specific examples in Wales. These often reflect the fruits of real partnership working between local authorities, Housing Associations, the private sector, utilising financial support provided by the Welsh Government. They are testament to the ambition of the social and private house building sector in Wales to deliver excellent housing for the people of Wales. We have published these examples to recognise the innovative approaches in Wales that are already increasing housing supply, and to inspire others to consider if these approaches might be transferable to their own situations.

The examples have been grouped into different themes, although many case studies frequently reflect more than one of the themes.

Making the most of finance

- Wrexham using Social Housing Grant to deliver new housing and training opportunities;
- Flintshire the benefits of the Welsh Housing Partnership model;
- Rhondda Cynon Taf shared equity model;

Innovative uses of land

- Blaneau Gwent leasing land;
- Anglesey using Council owned land in lieu of grant funding;
- Anglesey investing land values to maintain long term affordability;
- Torfaen Crownbridge using land value;
- Caerphilly Caerphilly Miners Hospital development;

Working in partnership

Torfaen – Cae Nant;

New Council House building

• Carmarthenshire – building new Council houses;

¹ Delivering more homes for Wales. Report of the Housing Supply Task Force, January 2014. http://wales.gov.uk/topics/housing-and-regeneration/publications/report-of-the-housing-supply-task-force/?lang=en

Meeting people's needs

- Torfaen Somerton House independent living;
- **Denbigh** Mwrog Street, Ruthin supported living;
- **Cardiff** providing smaller properties as an example of supporting downsizing relieving welfare reform pressures;

Delivering community benefits

- Torfaen Hillside school designed to reflect a World Heritage Site;
- **Denbigh** Youth Enterprise Centre, providing training opportunities;
- Blaneau Gwent community benefits;

Engaging with communities

• **Bridgend -** Chelsea Avenue – community engagement;

Delivering in rural areas

• **Monmouthshire** – rural exception sites.

Making the most of finance

Wrexham – using Social Housing Grant to deliver new housing and training opportunities

Wrexham Council, Anwyl Construction and Wales & West Housing have been working in partnership to provide new affordable homes on two sites at Kingsmills Road and Rivulet Road close to Wrexham town centre. Key stakeholders include Hightown Communities First, Caia Park Intermediate Labour Market, Job Centre Plus, Betsi Cadwaladr University Health Board and the Welsh Government.

The developments aim to provide a major boost to the regeneration of Wrexham town centre by:

- Building 147 attractive new affordable homes;
- Regenerating a site formerly occupied by deck access flats with structural problems;
- Bringing back into use a derelict brown field second site;
- Building a fit-for-purpose community and medical resource;
- Delivering significant work and training opportunities for the local community;
- Supporting local supply chains and the wider local economy;
- Creating attractive open space / recreational areas for all community.

Work started on site in May 2012 and is due to be completed summer 2014.

Community engagement has been fundamental to the success of this project. A communications group facilitated by Communities First includes representatives from local residents' groups, the Community Council and Local Members. Community interest is high because the Kingsmills Road site was formerly the location of deck access flats owned by Wrexham Council. The flats, built in 1970, suffered from significant structural problems and were demolished in July 2011.

It is a testament to the extent and quality of the community consultation undertaken and proactive partnership working that the plans to re-develop the site so quickly following demolition have been met with support from the local community.



A commitment to delivering substantial work and training opportunities for local people has been, and is, a key part of this development. It has supported 19 apprenticeships across both sites, either directly through contractor Anwyl Construction, or through sub contractors.

The development has won recognition and praise from CITB and senior political figures in Wales for its provision of work and training opportunities for the local community. Thanks to the commitment to using local labour and supply chains wherever possible, this development has been worth an estimated £50m to the local economy.

Flintshire – the benefits of the Welsh Housing Partnership model

Since forming in August 2011, the Welsh Housing Partnership has helped 500 low-income families, which would otherwise be unable to buy or rent a property, find a new, affordable home.

Made up of Coastal Group, Hendre Group, Seren Group and Cymdeithas Tai Clwyd, Welsh Housing Partnership operates to buy affordable homes for people to rent.

Welsh Housing Partnership will represent an investment of £106m by the end of March 2015, including £21m from the Welsh Government and a further £79m in investment from private funders. The partnership will deliver more than 900 homes for low-income families to rent.

The partnership, working in 21 local authorities across Wales, provides an affordable housing solution to families with a combined income of less than £30,000 a year. The four housing associations have a combined turnover of £120m and manage nearly 18,000 homes.



Jonny Carroll, his partner Nicola Cartwright and their one-year-old son Oscar were handed the keys to an attractive new three-bedroom property close to his work in Greenfield.

Rhondda Cynon Taf – shared equity model

Rhondda Cynon Taf has developed a part exchange protocol with private developers to assist with delivery of affordable housing on sites where viability is an issue. Put succinctly, this scheme involves developers offering part exchange properties to the Council for use as low cost home ownership in lieu of on-site provision (either partial or completely). This has been piloted on a site in Beddau where full on-site provision of affordable housing, as required by the adopted Local Development Plan, would have jeopardised the viability of the scheme.

Once the scheme is underway, the developer firstly offers a portfolio of information including property address, type, structure, age, condition, number of bedrooms and open market value for each property, up to the number of off-site affordable housing units agreed. Providing the Council agrees that these units are suitable, the Council will then market those properties to first time buyers through its Homestep scheme on a shared equity basis. The developer would then sell the units directly to Council nominated applicants for 70% (for example) of market value, and, upon sale, a 30% of market value charge would be placed upon the deeds in favour of the Council. Upon resale or the owner increasing equity to full ownership, the Council would then receive 30% of the market value at the time, to be

recycled in other affordable housing products. This second charge model has already proved effective on numerous new build schemes in Rhondda Cynon Taf, and overcomes the stringent mortgage constraints associated with restriction on title variants.

If purchasers are not proposed by the Council for all of the units within a set time period, or the Council rejects some of the part exchange units, or the developer does not submit the full quantity of agreed part exchange properties, then affordable housing can still be secured on site or via a commuted sum. This ensures that affordable housing delivery is not jeopardised, whilst still providing flexibility to both the Council and the developer. The pilot of this scheme has been agreed via s106 and the development has already commenced.

Innovative uses of land

Blaneau Gwent - leasing land

A model that is developing in Blaenau Gwent to try and increase the supply of housing (open market, not just affordable) is a development under licence approach with partners. Blaenau Gwent Council provide development partners with a lease to develop new homes on Council land. Running parallel to this is an agreement that money will be released to pay for the land at certain points throughout the development - mainly dependent upon sale rates. The Council considered that a partnership arrangement, where all partners look equal risk, was the best approach and one of the most easiest to develop and model.

The Council identified potential sites and the business case is currently being developed. The Council will be seeking 20% grant to feed into the feasibility, to provide some reassurance that an element will be affordable.

The Council has taken this approach as open market development is currently slow, and this approach will stimulate economic growth and regeneration in certain areas, contributing to a wider range of social and economic objectives.

Isle of Anglesey County Council - Llangoed Affordable Housing - using Council owned land in lieu of grant funding

Llangoed is a small village partly within an Area of Outstanding Natural Beauty. Local house prices are high, with limited social housing available and very low turnover of Council properties each year. The Anglesey Rural Housing Enabler had undertaken a housing need survey in collaboration with the Community Council and identified the need for affordable homes. The Council owned land, close to the primary school, therefore provided an ideal opportunity to provide housing to meet the need.

North Wales Housing Association (NWHA) was chosen by Housing Services as development partners. There was consultation with the Community Council on the proposed plans for 10 affordable homes, which they supported. Public consultation evenings were held in the village to show the proposed plans, which were supported with 14 names taken with an interest in the homes. Planning permission was granted in January 2013.

With Social Housing Grant reducing, this development will be the first in Anglesey to use the land value in lieu of grant funding. Anglesey County Council agreed to provide the land at a nominal sum with a 999 year lease to NWHA. The development will consist of a mix of 2 and 3 bedroom homes at intermediate rent and shared equity housing. If any of the homes are sold outright in the future, the land value will be realised by the percentage difference between the development cost and the market value being repaid into the Council's affordable housing account. The percentage difference will be fixed when the homes are completed and valued, and secured with a Legal Charge. Ten homes will be built, with four at intermediate rent and six low cost homes. However, this may vary according to the need of the households.





Llangoed: Proposed Plans

Anglesey – investing land values to maintain long term affordability

The County Council has invited suitably interested organisations to submit housing development proposals for a first phase pilot of 3 areas to increase the number of homes. The developments need to include low cost home ownership and intermediate rental to meet the identified housing needs. It is anticipated that the pilot areas require 235 open market homes and 93 affordable homes.

In order to facilitate developments the Council will consider 'investing' land values to maintain the long term affordability of the development, and, where appropriate, utilising exception sites for affordable homes. It is expected that the homes will, as a minimum, achieve Sustainability Code Level 3 and will meet the space standards contained in the Development Quality Requirements applicable to Registered Social Landlords. Interested organisations will need to demonstrate that they have the ability to secure sites and fund the development costs. Organisations can work in Joint Venture or Partnership arrangements and need to have a successful record of working with Partners to provide homes, which can include homes for older persons, or those with specific needs. Development Partners will need to demonstrate a long term commitment to working with the Council to meet the housing needs of its communities.

Torfaen - Crownbridge - using land value

A school site identified as surplus to requirements, this scheme was used as a pilot project. Torfaen Council would dispose of the site for a lower land receipt to an RSL in exchange for, and increase to, 100% of the units being affordable, bespoke accommodation for families requiring adapted properties, and smaller units to allow families affected by welfare reform to downsize. The reduction in land receipt has therefore been subsidized by the added value brought into the Local Authority by affordable housing delivery. 24 units of mixed tenure units will be delivered using housing revenue funding, social housing grant and RSL private finance.

Caerphilly - Caerphilly Miners Hospital development

Lovell were selected as preferred partner by United Welsh Housing Association to develop the site of the former hospital for predominantly affordable housing. The site was transferred to UWHA by the Health Trust under the Affordable Housing Protocol involving Caerphilly CBC, to deliver a true mixed tenure housing development. The site was a blend of open market, shared equity and rent. This protocol was promoted and supported by the Welsh Government. The land transfer did have a financial consideration which was validated by the district valuer.

This project demonstrated good value for money in terms of the public purse and can be used as a template going forward to secure much needed affordable housing on public land. The success factors included close liaison between the local authority housing and planning teams; the early selection of a development partner which ensured commitment of resources to design and value engineering to reduce build cost; and no grant funding required to support the development.

Working in Partnership

Torfaen - Cae Nant

A previous school site owned by Torfaen County Borough Council, and identified as surplus to requirements, was marketed through an open tender and successfully purchased by Greenhill Construction. Greenhill entered into a joint venture with Melin Homes to increase the amount of affordable housing from 30% to 64% of the scheme. The site, therefore, not only delivered high levels of affordable housing in an area of significant housing demand, but has also provided a land receipt to the local authority.

Cae Nant is a mixed tenure scheme of 111 units, located in the heart of Cwmbran. It is made up of 40 market housing units and intermediate rent, 7 low cost home ownership units, 14 socially rented units, 9 apartments for adults with learning disabilities and a 41 bed extra care / independent living allowing people from all parts of society to benefit from quality housing at a price that they can afford. The extra care scheme provides residents with a number of communal facilities, and will host day activities, co-ordinated by social services, which members of the public will also be able to access.

Cae Nant is a fully integrated partnership between Torfaen, Melin Homes and Greenhill. The scheme will be delivered through S106 contributions, social housing grant and RSL private finance. By pooling resources and working effectively together, the partners have ensured the delivery of affordable housing that is sustainable and will continue to meet their needs of residents.

New Council House building

Carmarthenshire - building new Council houses

Carmarthenshire County Council is delivering wider benefits building its own council homes, with the first phase being the building of up to 39 two bed bungalows. The two sites earmarked for bungalow development were previously sheltered housing schemes that required significant investment to bring then up to the Carmarthenshire Homes Standard. The Council decided to demolish these schemes, consulting members and the local community in the first instance, and re-build new homes that were more suited to the needs of the area.

An application was made to the Welsh Government to proceed with the development of bungalows for older people outside the current Housing Revenue Account (HRA) subsidy system. The agreement relates to Section 80B of the Local Government and Housing Act 1989. This was approved in October 2012, and the first bungalows (12 in total) in Llanelli and Kidwelly will be ready for new tenants in March 2014. The bungalows' specification takes account of disability needs as well as benefiting from renewable technologies such as solar panels.



The progress being made on the bungalows in Morfa Maen, Kidwelly (7 homes)



Llysnewydd, Llanelli (5 homes, including specifically adapted home)

As the Council completes the Homes Standard work to tenants' homes by 2015, it has started to plan what happens after this to maintain and further improve the standard. The Council has developed the Carmarthenshire Homes Standard PLUS (CHS+) to do this. A key element of this is how to provide more homes through new build and through buying additional homes in the private sector to meet housing need. The Council's CHS+ Business Plan 2014-17 has allocated a further £11m over the next three years to further develop this. Exiting the Housing Revenue Account Subsidy system may bring opportunities for an even bigger development programme.

Meeting people's needs

Torfaen - Somerton House - independent living

Having been approached by a private developer (Greenhill Construction) about the site which they had purchased, it became apparent that the site would not be suitable for general needs units due to access issues. Following consultation with social care colleagues, the site lent itself to a core and cluster supported housing scheme. 16 one bed units have been designed for people who have autism, learning disabilities, physical disabilities and people aged 55+ requiring care. Specific design has been applied to the flats for those with autism, ensuring the built environment does not adversely effect their condition. 24 hour on-site support will be in place to allow all residents to live an independent life within their community. The scheme will be funded through social housing grant, RSL funding and social care funding. Significant work was required to ensure that the units would be sustainable as a supported scheme, and that a continuation of people coming through transition would be interested in accessing independent living.

Denbigh - Mwrog Street, Ruthin - supported living

116- 124 Mwrog Street Ruthin is an innovative housing project that has been developed in partnership with North Wales Housing, Denbighshire County Council's Housing and Community Development and Social Services Departments.

The cottages were bought by the then Clwyd County Council in the 1970's in preparation for building a relief road in Ruthin. The buildings were affected by severe flooding in 2000, following which the existing tenants were moved into other accommodation; the properties were subsequently boarded up and fell into disrepair. By 2009, they were a noted problematic site in Ruthin, the relief road was no longer needed and they were declared a surplus asset by the Council, opening the door to developing the site.

Discussions took place with local RSLs, and a refurbishment project was developed with North Wales Housing that would preserve the sensitive historic character of the area, in a town in which a new build development would not have been visually a good fit. It would also meet a range of housing needs, being a project aimed at general needs accommodation and tenants supported by Social Services.

The project entailed the development of supported accommodation for people with learning difficulties, in new purpose built bungalows at the rear of the site and the re-development of the street façade existing cottages into general needs housing.

Having been derelict for a long period of time, there were many issues that required resolving prior to the sale of the site to North Wales Housing. One of the biggest issues was that some residents had rights of way to the rear of the property for parking, whilst others had used the land for parking for a long time, despite not having any legal rights. This meant that a large amount of consultation work had to be carried out with the community, to mitigate the impact of the development with the local residents.

Social Services were also required to carry out a large amount of consultative work, with the local community, so that local residents understood the nature of the development and how the supported living project would work in practice. This took the form of visits and open meetings with immediate neighbours and residents who would be directly affected by the development, so that they could raise any further issues they had. A newsletter was developed and circulated to residents updating them on progress, and as a means of addressing any further concerns as the project progressed.

Following the resolution of the legal issues, the property was sold to North Wales Housing in November 2012 and work began on the site. The first phase of the site was the construction of the new supported bungalows, and was successfully completed in January 2013. These units are fully occupied, enabling four households with specialist needs to live independently within their local community. The remaining general needs cottages will be completed by March 2014.

Cardiff – providing smaller properties as an example of supporting downsizing relieving welfare reform pressures

Taff Housing Association's Picton Place development, comprising ten houses, three duplex apartments and two flats, is sited right in the heart of Canton. Originally a car park, the small site has been carefully planned to ensure the best use of the space available, and the result is an attractive development laid out to promote a feeling of community.

Taff Housing Association had previously identified that there was a lack of smaller social houses, and the new Picton Place residential scheme is part of a broader move to address this shortage. The new tenants include ten families (eight of whom were previously Taff tenants) that have decided to downsize.



Community Benefits

Torfaen - Hillside school – designed to reflect a World Heritage Site (WHS)

Hillside school was identified by the Council as surplus to requirements, and was disposed of to an RSL specifically for the purposes of providing affordable housing. This was due to the location of the site and lack of previous interest of private house builders to develop in the area.

The site sits within the Blaenavon World Heritage town, and development costs are particularly high as distinct materials and fittings have to be used to ensure conformity with the WHS conservation standards. These high standards can be seen as restrictive to many developers, and mean that the development of sites easily becomes unviable. Working in partnership with Melin Homes, Torfaen established a project group to deliver affordable housing. 54 units of mix tenure homes have now been agreed, all complying with World Heritage design. The project group consisted of officers from Torfaen Housing Strategy, forward planning and development control, asset management, and architects who had previous experience of designing schemes in areas of significant importance. The scheme will be funded through housing revenue funding, social housing grant and RSL private finance. Without the intervention of housing, the site would have remained vacant and open to anti-social behavior and vandalism.

Denbigh – Youth Enterprise Centre, providing training opportunities

The Denbigh Youth Enterprise Centre Project is an innovative development which has brought together a unique mix of statutory, private and third sector organisations. This upper town scheme was developed to regenerate a problematic former commercial site, which had been derelict for five years, and had become a target for anti-social behaviour in the area. It also bordered a large social housing estate and the town centre, making the site perfectly located for a community based project.

The scheme arose from a needs mapping exercises carried out by Denbighshire County Council, that identified a deficit of younger peoples' housing options, training and employment provision within the local area. The ward is amongst the 10% most deprived areas in Wales, with low levels of literacy and numeracy amongst younger people, and has has recently been identified as a Communities First cluster area.

The final design incorporates the Enterprise Centre and 6 flats for supported living accommodation for homeless young people. The Youth Enterprise Centre has a clear purpose and a distinct aim, to provide through training and support; opportunities for work; and the development of enterprise thinking; a route to better life chances for local young people, and in particular those who are NEET or in danger of becoming NEET.

Partners include Coleg Llandrillo/Menai, who will occupy the first floor with four teaching areas, specialising in courses for the core client group, but they will also offer a wider range of training opportunities to the whole Upper Denbigh community. Young people in the six supported units will engage in activities in the Youth Enterprise Centre, so when they are ready to leave the scheme they not only have the skills to live independently, but have also identified paths to further learning or employment.

Tai Clwyd Housing Association is the lead RSL on the development, having initially acquired the site through Social Housing Grant funding, and will be managing the supported accommodation once tenanted. They have also been pivotal in securing additional alternative funding to develop the enterpise centre.

Extensive consultation has been carried out in the area by Tai Clwyd, with local residents, councillors, business groups, youth organisations, community groups and third sector organisations. This has taken the form of meetings, drop-ins and presentations. Local businesses have also been consulted with a view to providing training and work experience in conjunction with the Enterprise Centre. This has ensured that the centre has the full support of the community and the prospective service users

The Youth Enterprise Centre section of the development is almost completed, and the 6 supported flats are due for occupation by May 2014.

Blaneau Gwent - community benefits

Factory Road is a £4.1 million development by Melin Homes in Brynmawr. It will provide vitally needed affordable and environmentally friendly housing for those looking to rent in the area; as well as helping those looking to get a foot on the property ladder. Half of the development is available to first time buyers through Melin's Low Cost Home Ownership Scheme, Melin Homebuy.

The new development will also target specific housing need that has been identified by Blaenau Gwent County Borough Council, including the provision of a six bedroom home for a large family, and a bungalow that has been specially adapted for someone with mobility difficulties.

Alongside the new homes, the community is already benefitting from a brand new Scout Hut, which was built by Melin and contractor Leadbitter for the 1st Brynmawr Scout Group. Melin's Community Team has worked with the Scout group throughout the build and have forged links that will remain long after the homes are complete. To help the group keep up to speed with the latest technology, Melin has recently donated two brand new PCs, and has joint-sponsored a 'Scout of the year' award to recognise the achievements of their brightest stars.



The project is being delivered in partnership with the Welsh Government and Blaenau Gwent County Borough Council on land made available by the Welsh Government specifically for the development of affordable homes.

Community engagement

Chelsea Avenue – community engagement

The Chelsea Avenue regeneration scheme was developed in partnership with Bellway Homes and Bridgend Council, without SHG, and aspired to not only redevelop a rundown estate and construct new dwellings but also re-integrate the estate back into the wider community. The scheme is delivering 23 social rent, 8 Low Cost Home Ownership homes and 79 market sale properties.

The original estate had a very poor reputation locally. In order to change perceptions and overcome negative attitudes towards the site, V2C facilitated extensive community involvement throughout the regeneration process by involving, not only residents within the estate, but also neighbouring private owners. This included on-site consultation events over the future of the estate, design involvement in both individual house types as well as the estate layout, and site visits to other new build developments to better understand visually the designs being offered. Owners and tenants were represented on a multi-disciplinary working group throughout the pre-contract stage. Consultation also led to a re-branding exercise where the street name was changed to Wood Green, in keeping with the London theme of the surrounding streets, thereby maintaining local identity without the poor reputation.

V2C understands the value of tenure neutral design in regeneration schemes. Careful consideration of the external and internal design led to a tenure 'blind' approach and the inclusion of, for example, en-suite shower rooms to master bedrooms in social rented units.

All tenures are evenly spread throughout the estate and in some case within individual terraced blocks.



All properties have covenants to manage behaviour and the environment, with formal neighbourhood play areas with 'active learning opportunities', informal amenity areas, a nature walk through managed woodland, all overlooked by a crescent of new town houses giving supervision and security.

Delivering in rural areas

Monmouthshire - rural exception sites

Although the rural exception site policy is a useful tool to deliver affordable housing in rural communities, the number of houses actually delivered has been very small. Only four small sites have been delivered in Monmouthshire in the last 15 years and these were reliant on Welsh Government social housing grant. With an ever increasing demand for affordable housing and the likelihood of a diminishing grant allocation in future years, it will become even more difficult to deliver affordable housing on exception sites.

Monmouthshire County Council has taken the step of allocating development sites for a maximum of 15 new homes on 19 different sites in 17 main villages throughout

Monmouthshire. This policy has been included in Monmouthshire's Local Development Plan, which has been subject to its Examination in Public and is due to be adopted in March, subject to the Inspector's findings. The sites will be required to provide 60% affordable housing, which will be allocated to local people under Monmouthshire's Rural Allocation Policy. The primary purpose of allocating these sites is to provide affordable housing to meet the needs of local people, but in order for them to be delivered there needs to be a financial incentive for the landowners, which is over and above agricultural value, exception site value and speculative land value. As these sites allow for 40% open market housing, the land values will be over and above agricultural land value and will provide enough of a financial surplus for the land owner to subsidise the affordable housing element on site. The first of these sites has been negotiated recently without the aid of social housing grant, and this site will deliver 9 affordable homes for local people in the Trellech area. There is considerable demand for affordable housing in all of the areas where sites have been allocated.

There has been little, if any, opportunity to build executive housing in rural communities in Monmouthshire for a considerable amount of time, so this policy is already attracting considerable interest from developers, and many of the land owners are acting in anticipation of the LDP in order to bring their sites forward. There is an acceptance from land owners that the value of their land will be significantly below open market value and they will have to subsidise the affordable housing, but they realise this is a unique opportunity and if the sites are not delivered under this LDP they will not be re-allocated again.

These new developments of affordable housing will not only provide social rented accommodation, but will provide low cost home ownership opportunities as well. Most importantly though, this policy will provide for local people, not only those still living in these communities, but also those who have moved away and wish to return to be closer to their families and friends. On all of these development sites there will be strict controls applied by MCC planning to ensure the design of the properties and layout of the sites complement the vernacular of the local settlements.