

**TAFLEN BENDERFYNIAD AELOD CABINET
CABINET MEMBER'S DECISION NOTICE**

PWNC/SUBJECT:

**Cytundebau 106 - Tai Fforddiadwy
Section 106 Agreements – Affordable Housing**

AELOD CABINET/CABINET MEMBER Cyngorydd Dafydd Meurig

PENDERFYNIAD/DECISION

Cymeradwyo'r newid i eiriad paragraffau 2.3, 2.4 a 2.5 o Atodlen 6 o'r Canllaw Cynllunio Atodol: Tai Fforddiadwy (gweler isod gyda'r newid wedi ei ddangos yn felyn) sydd yn ymwneud yn benodol gyda chyfnod gwerthiant tŷ fforddiadwy. Bydd cymeradwyo'r newidiadau yn golygu lleihau'r cyfnod gwerthiant yn ei gyfanrwydd o 32 wythnos i 20 wythnos.

To approve the amendment to the wording of paragraphs 2.3, 2.4 a 2.5 of Schedule 6 of the Supplementary Planning Guidance: Affordable Housing (the amendment is highlighted below in yellow) relating to Affordable Housing, which specifically relates to the period for the sale of an affordable house. Approving the amendments will involve reducing the period of sale from 32 weeks to 20 weeks.

RHESYMAU DROS Y PENDERFYNIAD/REASONS FOR THE DECISION

Mae achosion wedi cael eu dwyn i sylw'r Gwasanaeth Cynllunio ac Amgylchedd yn ddiweddar, ble nad yw unigolion sydd mewn angen am dai fforddiadwy yn gallu cael morgais derbyniol ble mae Cytundeb 106 Tai Fforddiadwy yn gysylltiedig â'r datblygiad. Ymddengys mai'r prif rwystrau yn hyn o beth, yw bod y cwmnïau morgeisi un ai yn gwrthod derbyn y math o gytundeb mae'r Cyngor yn ei gynnig, neu ond yn fodlon benthyg hyd at 80-85% o werth yr eiddo. Mae hyn yn creu problemau o ran datblygu a gwerthu Tai Fforddiadwy, ac yn benodol yn effeithio unigolion sydd yn prynu am y tro cyntaf.

Yn sgil yr achosion yma mae gwaith ymchwil wedi ei gynnal ar y cyd gyda'r Gwasanaeth Cyfreithiol, er mwyn edrych ar opsiynau posib ar gyfer hwyluso gwerthiant a phryniant tai fforddiadwy. Mae'r gwaith ymchwil yma wedi cynnwys trafodaethau gyda Chynghorau / Awdurdodau eraill yng Ngogledd Cymru, cynrychiolydd allanol sydd yn gweithredu ar ran rhai cwmnïau morgeisi a thrafodaethau gydag Aelodau Cabinet a Swyddogion eraill y Cyngor.

O ganlyniad i'r trafodaethau sydd wedi ei gynnal, mae cytundeb 106 Tai Fforddiadwy Rhanberchenogaeth wedi ei ddatblygu fel opsiwn ychwanegol i'r cytundeb 106 Tai Fforddiadwy Disgownt cyfredol, gyda hyn i gyd o fewn gofynion polisiâu cynllunio cyfredol Cyngor Gwynedd. Y negeseuon rydym wedi ei derbyn o gyfeiriad rhai o'r cwmnïau morgeisi yw eu bod yn ffafrio cytundeb 106 Tai Fforddiadwy Rhanberchenogaeth, ond y dylid cwtogi'r cyfnod gwerthiant yn y cytundeb o 32 wythnos i 20 wythnos.

Credir fod siawns y byddai gwneud y newid i'r cyfnod gwerthiant tŷ fforddiadwy felly yn hwyluso'r cyfleoedd ar gyfer datblygwyr, prynwyr a gwerthwyr tai fforddiadwy, heb gynyddu risg o golli'r unedau fforddiadwy i'r farchnad agored.

The Planning and Environment Service has recently been made aware of some cases where individuals in need of affordable dwellings have been unable to secure acceptable mortgages, where a 106 Agreement relating to Affordable Housing is connected to the development. It would appear that the main constraints are mortgage companies either refuse to accept the type of 106 Agreement that the Council has in place, or are only willing to lend up to 80-85% of the value of the property. This causes problems in terms of developing Affordable Housing and specifically affects individuals that are first time buyers.

As a result of the cases that have arisen, some joint research has been undertaken with the Council's Legal Service, to look at possible options to help facilitate the sale and purchase of affordable housing. The research has included discussions with other North Wales Councils / Authorities, an external representative of some of the mortgage companies as well as discussions with other Council Officers.

Following the discussions that have been undertaken, a 106 Affordable Housing Shared Equity agreement has been developed as an additional option to the current 106 Affordable Housing Discount agreement, all of which is within the existing planning policy requirements of the Council. The response received from the mortgage companies is that they prefer the 106 Affordable Housing Shared Equity agreement, but that the sales period in the agreement be reduced from 32 weeks to 20 weeks.

It is considered that the change in the sales period for an affordable dwelling would be an opportunity to help developers, buyers and sellers of affordable dwellings without increasing the risk of losing affordable dwellings to the open market.

YSTYRIAETHAU PERTHNASOL/ RELEVANT CONSIDERATIONS

Pwrpas Cytundeb 106 Tai Fforddiadwy yw darparu tai ar gyfer unigolion a/neu deuluoedd na allant fforddio unedau tai marchnad agored. Er mwyn cydymffurfio gyda'r polisiâu tai fforddiadwy o fewn Cynllun Datblygu Unedol Gwynedd, mae gofyn i'r ymgeisydd gwrdd â nifer o feini prawf yn ymwneud gyda thai fforddiadwy ac wedyn arwyddo Cytundeb 106, er mwyn sicrhau fforddiadwyedd yr uned a ganiateir yn awr ac i'r dyfodol.

Ni ragwelir y bydd newid geiriad paragraffau 2.3, 2.4 a 2.5 o Atodlen 6 o'r Canllaw Cynllunio Atodol: Tai Fforddiadwy, er mwyn lleihau'r cyfnod gwerthiant ar gyfer tŷ fforddiadwy o 32 wythnos i 20 wythnos yn tansellio polisiâu tai fforddiadwy'r Cynllun Datblygu Unedol, na strategaeth y Cyngor i ddarparu tai fforddiadwy ar gyfer trigolion y Sir. Ystyrir fod hwn yn newid bychain o ran atodiad o fewn y Canllaw Cynllunio Atodol, ac nid yw'n arwain at newid unrhyw ran o gorff y Canllaw.

Gall newid y cyfnod gwerthiant o 32 wythnos i 20 wythnos gael effaith gadarnhaol ar y ddarpariaeth o dai fforddiadwy gan ar hyn o bryd, mae anfodlonrwydd rhai cwmnïau morgais i'w hariannu gyda blaendal morgais rhesymol, yn gallu bod yn rhwystr iddynt gael eu datblygu a /neu eu gwerthu. Ystyrir felly y byddai newid y cyfnod yn arf i geisio hwyluso'r pryniant a'r gwerthiant o dai fforddiadwy o fewn y Sir.

Ni ystyrir fod newid y cyfnod hwn o 32 wythnos i 20 wythnos yn creu risg ychwanegol i'r Cyngor oherwydd:

- Mewn unrhyw werthiant o Dŷ Fforddiadwy, mae'n rhaid yn gyntaf cynnig yr eiddo i'r Cyngor. Buasai'r newid yn golygu cwtogi'r cyfnod o gynnig i'r Cyngor neu gorff a ddewisir gan y Cyngor (e.e. Cymdeithas Tai) brynu neu rentu'r tŷ fforddiadwy o 8 wythnos i 4 wythnos. Ystyrir y cyfnod yma yn dderbyniol a mater i ni fel Cyngor yw sicrhau fod trefniadau derbyniol mewn lle.
- Os yw'r Cyngor yn penderfynu peidio â phrynu'r tŷ fforddiadwy, gellir wedyn ei gynnig ar werth yn yr ardal dalgylch dibyniaeth. Bwriedir cwtogi'r cyfnod yma o 12 wythnos i 8 wythnos. Gellir wedyn symud ymlaen i farchnata drwy'r sir, ac eto bwriedir gostwng y cyfnod yma o 12 wythnos i 8 wythnos. Felly buasai yna dal gyfnod o 16 wythnos ar gyfer marchnata tai fforddiadwy o fewn y sir, ac ystyrir fod hyn yn rhoi cyfnod digonol i unigolion cymwys i ddod ymlaen.
- Bydd angen i'r darpar werthwr (yn yr un modd a gyda'r gofynion cyfredol) brofi drwy dystiolaeth eu bod wedi marchnata'r tŷ fforddiadwy mewn modd derbyniol yn ystod y cyfnodau yma.
- Nid oes bwriad codi'r cytundeb ar ôl y cyfnod marchnata yma. Nid oes felly unrhyw risg ychwanegol o ran colli'r Tai Fforddiadwy i'r farchnad agored.
- Bydd y newidiadau'n weithredol o fewn cyd-destun polisiâu cynllunio cyfredol Cyngor Gwynedd ar dai fforddiadwy. Ers cychwyn gweithredu'r Canllaw drwy y cytundebau 106 Tai Fforddiadwy yn unol â gofynion y Cynllun Datblygu Unedol, nid oes achos lle mae cytundeb wedi ei ddileu / godi
- Bydd y newidiadau'n cael eu cyflwyno law yn llaw gyda'r opsiwn o gytundeb 106 Tai Fforddiadwy Rhanberchenogaeth (yn ychwanegol i'r opsiwn cytundeb 106 Tai Fforddiadwy Disgownt) ar gyfer darpar ddatblygwyr, prynwyr neu werthwyr tai fforddiadwy. Mae'r Canllaw yn caniatáu defnydd o'r math yma o fodel heb unrhyw awdurdod pellach.

Oherwydd yr uchod ni chredir fod caniatáu'r newid yn annog camddefnydd o'r system gynllunio, a'r gobaiith yw y bydd yn hwyluso'r gwerthiant, pryniant a'r ddarpariaeth o dai fforddiadwy.

The purpose of a 106 Agreement relating to Affordable Housing is to provide dwellings for individuals and/or families that are unable to afford open market dwellings. In order to comply with the policies relating to affordable dwellings within the Gwynedd Unitary Development Plan the applicant needs to comply with a number of criteria relating to affordable dwellings and also to sign a 106 Agreement in order to ensure the affordability of the approved unit now and in the future.

It is not envisaged that amending the wording of paragraphs 2.3, 2.4 a 2.5 of Schedule 6 of the Supplementary Planning Guidance: Affordable Housing, in order to reduce the sales period for an affordable dwelling from 32 weeks to 20 weeks, would undermine the policies relating to affordable housing within the Unitary Development Plan nor the Council's strategy to provide affordable housing for the inhabitants of the County. It is considered to be a minor amendment to the Schedule within the Supplementary Planning Guidance, and does not lead to any changes within the body of the Guidance.

Amending the sales period from 32 weeks to 20 weeks could have a positive effect on the provision of affordable housing as, at present, the unwillingness of some mortgage companies to provide funding with a reasonable level of deposit, means that they are not being developed and or sold. Therefore, it is considered that amending the period could provide a tool in an attempt to facilitate the buying and selling of affordable housing within the County.

It is not considered that amending this period from 32 weeks to 20 weeks would create an additional risk to the Council as:

- With any sale of an affordable house, the house in the first instance must be offered to the Council. The amendment would reduce the period that the house would be offered to the Council or body nominated by the Council (e.g. Housing Association) from 8 weeks to 4 weeks. It is considered that this period is acceptable and that it is a matter for the Council to ensure that there are arrangements in place in the event that an affordable house is offered.
 - If the Council or nominated body decide not to buy the affordable house, it can then be offered for sale within the dependency catchment area. The intention is to reduce the period for this from 12 weeks to 8 weeks. After this period the house can then be marketed throughout the County and again it is intended to reduce this period from 12 weeks to 8 weeks. There would therefore still be a period of 16 weeks for marketing the house and it is considered that this would be a reasonable time for a qualifying person to come forward.
 - The prospective buyer (as with the existing arrangements) would still have to prove with evidence that they have marketed the affordable house appropriately within these timescales.
 - It is not intended to remove the agreement after the marketing period and there is therefore no additional risk of losing affordable houses to the open market.
 - The changes would be operational within the context of the current Gwynedd Council planning policies relating to affordable housing. Since the Council stated operating the Guidance through the 106 agreements which are in accordance with the Gwynedd Unitary
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Development Plan, there are currently no cases where a 106 agreement has been removed / lifted.

- The changes would be introduced hand in hand with the option of a 106 Affordable Housing Shared Equity agreement (in addition to the 106 Affordable Housing Discount agreement) for developers, buyers and sellers of affordable housing. The Guidance permits the use of this type of model without the need for additional authority.*

Due to the above, it is not considered that approving this amendment would encourage abuse of the planning system, and the hope is that it would help facilitate the selling, buying and therefore the provision of affordable housing.

Pe cytunir i ddiwygio paragraffau 2.3, 2.4 a 2.5 o Atodlen 6 o'r Canllaw Cynllunio Atodol: Tai Fforddiadwy byddai'n datgan (newid i'r Canllaw cyfredol wedi ei amlygu'n felyn):

ATODLEN 6

2.3 Os nad fydd y Cyngor, na chorff a enwebwyd gan y Cyngor, yn cytuno i brynu neu i rentu'r Ty Fforddiadwy o fewn **4 wythnos** o'r amser pan dderbyniwyd yr hysbysiad y sonnir amdano ym mharagraff 2.1, caiff perchennog yr eiddo fynd ati i roi'r eiddo ar y farchnad am y pris fforddiadwy, neu ei rentu am swm fforddiadwy, i berson(au) cymwys cychwynnol yn ôl y diffiniad sydd yn y polisi perthnasol yn y Rhwymedigaeth Gynllunio Adran 106 sydd yn gysylltiedig â'r ty dan sylw.

2.4 Os bydd yr eiddo wedi cael ei farchnata'n ddigonol am gyfnod o **8 wythnos** yn olynol, ond heb i berson(au) cymwys cychwynnol fod wedi cynnig ei brynu am y pris fforddiadwy, gellir wedyn ei gynnig ar werth neu ar rent am y pris gwerthu/rhent y cytunwyd arno i berson(au) cymwys eilaidd yn ôl y diffiniad yn y Rhwymedigaeth Gynllunio Adran 106 sydd yn gysylltiedig â'r t9 dan sylw.

2.5 Os bydd yr eiddo wedi cael ei farchnata'n ddigonol am gyfnod arall o **8 wythnos** yn olynol, ond heb i berson(au) sydd yn cwrdd â'r meini prawf fel person cymwys cychwynnol neu eilaidd fod wedi cynnig ei brynu am y pris fforddiadwy, gall y perchnogion wneud cais i'r Cyngor am gael gwerthu'r eiddo mewn ardal ddaearyddol ehangach o ran pwy gaiff feddiannu'r eiddo ond heb fod yn rhydd o gyfyngiadau ynglŷn â'r pris gwerthu.

Should an amendment to paragraphs 2.3, 2.4 a 2.5 of Schedule 6 of the Supplementary Planning Guidance: Affordable Housingbe supported it would state (amendment to current Guidance highlighted in yellow):

Schedule 6

2.3 If neither the Council, nor a body nominated by the Council, agree to purchase or ren the Affordable Dwelling within **4 weeks** of notification as referred to in paragraph 2.1, then the home owners can proceed to market the property to be sold at the affordableprice, or to be rented at the affordable rent level, to initial qualifying person(s) as defined by the Section 106 Planning Obligation attached to the house in question.

2.4 If the property has been adequately marketed and has not, within a period of **8 consecutive weeks**, been made the subject of an offer to purchase at the affordable price by initial qualifying person(s), then it can be offered for sale or rent at the agreed sale price/rental level to secondary qualifying person(s) as defined by the Section 106 Planning Obligation attached to the house in question.

2.5 If after a further consecutive period of **8 weeks** the property has been adequately marketed and has not been made the subject of an offer to purchase at the affordable price by any person(s) meeting neither the initial or secondary qualifying person criteria, the owners may apply to the Council to sell the property within a wider geographical area as to who may occupy but not free of restrictions regarding the sale price.

BARN Y SWYDDOGION STATUDOL/VIEWS OF STATUTORY OFFICERS

1. Y Prif Weithredwr/Chief Executive:-

Yn amlwg, roedd cyflwyno trefn cytundebau Adran 106 yn rhan o ymdrech y Cyngor i gyfarch anghenion lleol ar gyfer tai fforddiadwy. Fodd bynnag, mae ymateb y farchnad forgeisi iddo wedi bod yn broblemus. Mae'r cynnig sydd gerbron yn addasiad sydd yn ceisio cymryd sylw o'r anawsterau sydd wedi eu profi yn ddiweddar gan geisio glynu at amcan gwreiddiol y cytundebau."

"Clearly, introducing a Section 106 agreement procedure was part of the Council's effort to address local need for affordable housing. However, the response of the mortgage market to it has been problematic. The proposal submitted is an adaptation which seeks to take note of the difficulties which have been experienced recently whilst seeking to adhere to the original objective of the agreements."

Swyddog Monitro/ Monitoring Officer:-

"Dim sylwadau o ochr priodoldeb/ Nothing to add regarding propriety"

2. Prif Swyddog Cyllid/Chief Finance Officer:-

Dim i'w ychwanegu o safbwynt priodoldeb ariannol. / Nothing to add from a financial propriety perspective

BARN YR AELOD LLEOL/VIEW OF LOCAL MEMBER



DYDDIAD/DATE

20.04.15
