

Hearing Session 4

AFFORDABLE HOUSING

Matters & Issues Agenda

3 Is the level of affordable housing need (including the required tenure mix) over the Plan period based on robust evidence?

In terms of tenure mix there appears to be limited clarity provided by the plan with regular reference to tenure mix being agreed on a site by site basis. It is common for plans to either state that there will be a presumption for 'tenure neutral' or a suggested split between social rented and low cost home ownership. We note that the 2013 and 2014 affordable housing studies both tested using a 75% - 25% split between social rented and home buy however, the 2016 study tested using tenure neutral. As noted by the viability study the tenure split will affect the viability of a scheme as it will affect the amount paid for the affordable dwellings (ACG or higher). The HBF suggest that policy clarification is required over the tenure split required by the Council, firstly to enable developers to assess the viability of schemes early in the land purchase process and secondly to ensure the viability testing is a fair reflection of what is likely to happen on site as schemes come forward.

4 Is the affordable housing target of 1,400, as identified in policy PS14, appropriate?

a. Does the Plan maximise the delivery opportunities for the provision of affordable housing, including in terms of the percentage contributions sought in the 'housing pricing areas'?

The percentage requirement set by the Council is based on a viability assessment so should provide the balance between meeting need and creating a situation where sites are not developed due to viability issues. However the viability work does suggest that the delivery of affordable housing will be challenging in a number of areas at 20%. Six areas are identified as being viable at 10% yet the lowest % policy requirement is 15%. This would suggest that the affordable level being delivered by the policy % requirement is maximising delivery.

b. How will the Plan's affordable housing policies ensure a balanced mix of house types, sizes and tenure that are related to the needs of the area?

The HBF do not consider that the current policy wording offers any certainty over this issue as it effectively suggest that each application will be considered on its own merits at the time of the planning application. Although this arguably provides flexibility and the opportunity to react to local circumstances over the length of the plan, such flexibility may be better dealt with as part of the 5 year plan review. A better balance between flexibility and deliverability might be achieved by at least setting out criteria or a decision making process which would be followed to decide the mix.

More certainty at the start of the plan is likely to help its delivery and make it easier to monitor the success of the plans delivery. It would also make it easier

for developers to assess the viability of a site at the early stages in the process of bringing land forward again making delivery more certain. In most cases The HBF would suggest that the mix and size of properties should be controlled by the market in relation to private housing, it is often further controlled by the character of the area and the design constraints of the site.

5 Will the Plan deliver the identified target for affordable housing?

a. Are the affordable housing contributions that are sought viable and based on sound methodologies and assumptions?

The HBF object to the use of the words 'at least' in advance of the percentage requirement for Affordable Housing. Firstly we do not believe that the viability evidence supports such an approach and secondly this makes it very difficult to buy land and bring sites forward as it is usually the level of affordable housing which has the biggest impact on the viability of a scheme. Therefore this uncertainty over the level of affordable housing could discourage land from coming forward for development. The latest affordable housing evidence suggest that in some very limited areas a higher level of 30% could be acceptable this then seems the only justification for adding the 'at least' wording to the policy percentage requirement which is prosed at 25%. The evidence also refers to the fact that the provision of affordable in the areas covered by the lower percentage requirement will often be challenging, however the additional wording 'at least' is also applied to the lower percentage requirement. The two affordable levels cover all of both authorities and cover all private housing so the percentage set should represent an average across the areas taking accoi8unt of 'hot spots' and areas where viability is more challenging and not be increased due to a limited number of 'hot spots'.

The latest updated viability report at para. 5.5 states 'at the lower end of the market, the Council will need to be flexible in their approach on a site by site basis as it would appear that a 10% margin may be challenging in some instances.' However the lower limit for affordable housing is set at 'at least' 15%. In the table in the latest viability report (p.24-25) this issue of 10% being challenging is shown to affect 6 out of the 21 (29%) of the housing price areas. On this basis we cannot see how the 'at least' 15% is supported by the evidence.

b. How has the level of contribution taken into account rising build costs, including the sprinkler requirements introduced into the Building Regulations, and other associated costs?

At para. 5.19 of Gwynedd and Ynys Mon AHVS Update Report – July 2016 it is stated that increases in costs (6%) is double that of increases in values (3%). However this then appears to be dismissed as not affecting viability and does not appear to be taken account of, in fact the opposite occurs where higher percentage requirements are suggested compared to the original 2013 study. Further HBF can see no reference to the additional cost associated with fire sprinklers in the viability assessment. It is common across LDPS to use the current WG figure of £3,500 per dwelling.

c. How will off site contributions be used to deliver affordable housing, and what mechanisms are in place to ensure that the levels of contributions sought are realistic and transparent?

The HBF do not object to the principle of offsite contributions as this does provide flexibility to the smaller developer, however the Council need to deal with this in a clear and open process so that developers and the local community can see where and how their contributions will be spent. There should also be a time limit on the period in which the Council has to spend this money, after which it should be returned to the developer if it has not been used as agreed, we would suggest 5 years is a reasonable period for such a clause.

6 Is the spatial distribution of affordable housing sound?

a. How does the level of provision relate to the spatial distribution of need, particularly in terms of the urban/rural split?

b. Are the affordable housing numbers anticipated within lower tier settlements and the countryside, as identified in paragraph 7.4.65b (NF67), based on sound and robust evidence that takes adequate account of local housing markets and need?

c. Is there a justification for departing from Planning Policy Wales in the approach to exceptions sites (policy TAI10)?

7 Does the Plan incorporate robust monitoring and review mechanisms that will enable the strategy for delivering affordable housing to respond effectively to changing circumstances?

8 Any other matters

The HBF would note the Table 4, 5, and 6 of TP20A appear to indicate a very heavy reliance on windfall sites for the delivery of housing units. The HBF consider that this is likely to impact on the level of affordable housing delivered.