

July 2016

Explanatory note – Facilitating Affordable Housing

**Joint Local Development Plan Anglesey &
Gwynedd**

EXPLANATORY NOTE – FACILITATING AFFORDABLE HOUSING

JOINT LOCAL DEVELOPMENT PLAN ANGLESEY & GWYNEDD

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In a letter dated the 6 May 2016 one of the matters raised was in relation to Affordable Housing, this note explains the Council's position in relation to these specific matters (for the purpose of clarity the matters raised have been included within the separate boxes below prior to the Council's response on these matters).

Has there been an assessment of where, in terms of the settlement hierarchy, the areas of greatest need of affordable housing are located?

The Plan's Spatial Strategy disperses development proportionately around the Plan area, focussing on those locations that provide the best opportunities for achieving sustainable development. This approach is the same for market and affordable housing provision see Chapter 6 of the Deposit Plan – Written Statement (2015) (CDLL.004).

Both the Anglesey Local Housing Market Assessment (LHMA) May 2013 (DC.025) and Gwynedd Draft LHMA 2013 (DC.026) have identified a significant level of affordable need within the Plan area. This of course provides a snapshot at that moment in time. In fact this is acknowledged in paragraph 1.14 of the Local Housing Market Assessment Guide (March 2006) (Welsh Assembly Government) which states "It is accepted that housing assessments are essentially a snapshot of the position at a particular time...".

A link to the Local Housing Market Assessment Guide (2006): <http://gov.wales/topics/housing-and-regeneration/publications/marketassessguide/?skip=1&lang=en>

Further evidence of the need for affordable housing can be seen within the table under paragraph 10.9, which identifies households 'Priced out of the Market' based on the percentage of households that have an income below 1/3.5 x lower quartile house price, as noted in Topic Paper 17A Local Market Housing (PT.029). Based on this assumption, 81 out of the 100 wards within the Plan area have over 50% of their households priced out of the market i.e. household income below 1/3.5 of the lower quartile house price in the same ward. It should be acknowledged that this is a worst case scenario and does not take into account any savings or other assets households may have to assist in purchasing properties. Therefore, it shouldn't be used to determine the overall need. However it does show the high level of variation between incomes and house prices in the area and the need for affordable housing.

The Economic Strategy in Chapter 6 of the Deposit Plan (CDLL.004) outlines the anticipated transformational economic change arising from the unique scale of major infrastructure projects on the Isle of Anglesey. This change, facilitated by the Island's Enterprise Zone status will hopefully retain a higher proportion of young people within the Plan area, provide opportunities for those who have left to return, as well as encourage migration of economically active households. A proportion of these will require affordable housing and the settlement strategy seeks to ensure that the growth is directed to the most sustainable locations within the Plan area.

At a detailed application stage an assessment over the appropriate mix of affordable housing types and sizes will be based upon information available to the Councils within their Housing Waiting

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Register and access to the Tai Teg Register (which provides an opportunity for residents who are interested in home ownership, but are currently unable to buy on the open market to record their interest) as well as any other assessment provided or deemed required, e.g. a Local Housing Needs Assessment at a ward, parish, settlement level.

Therefore a detailed assessment in terms of the settlement hierarchy to identify the areas of greatest need of affordable housing has not been undertaken due to the 15 year timescale of the plan period. However the Councils have mechanisms in place to assess the need within different settlements at the time of a specific application to ensure that it meets the need at that moment in time.

Clarification should be provided of the percentage of affordable housing anticipated from windfall sites compared with allocated sites.

Due to the publication of the 2015 Joint Housing Land Availability studies it is possible to provide an updated position in relation to Affordable Housing units from the table in focussed change NF67 which reflected the position at April 2014.

The following tables outline the position since the base date of the Plan (April 2011) in relation to Affordable Housing on windfall and allocated sites for:

- Completions 2011 to 2015;
- the land bank at April 2015;
- the anticipated units on allocated sites i.e. those without planning permission at April 2015.

Table 1 – Affordable Housing Completions 2011 to 2015

Category	Windfall	Allocated	Total
Main Centres	159	12	171
Local Service Centres	59	0	59
Villages and Clusters	76	0	76
Overall Totals	294 (96.1%)	12 (3.9%)	306 (100%)

Table 2 – Affordable Housing Land bank April 2015

Category	Windfall	Allocated	Total
Main Centres	196	148	344
Local Service Centres	56	6	62
Villages and Clusters	160	0	160
Overall Totals	412 (72.8%)	154 (27.2%)	566 (100%)

Table 3 – Anticipated Affordable Housing Provision on Allocated Sites without Planning Permission

Category	Ynys Môn	Gwynedd	Total

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	Anticipated provision based upon Minimum level Identified in individual Housing Price Area*		
Sub-Regional Centre	N/A	32 to 33	32 to 33
Urban Service Centres	147 to 155	84 to 86	231 to 241
Local Service Centres	50 to 52	35 to 40	85 to 92
Service Villages	11	32 to 38	43 to 49
Overall Totals	208 to 218	183 to 197	391 to 415

* Variation in figures given is in relation to rounding up of figures on individual sites.

The remaining anticipated affordable provisions in Service Centres, 60 units, and in Villages, 30 units, is based upon such settlements remaining windfall requirements (i.e. anticipated growth minus completions, land bank and allocations) assessed against the level of historical permissions granted that would trigger the affordable housing threshold for such settlements.

The figure of 224 units within Clusters was based upon the fact that the Plan identifies 112 Clusters which the policy limits development to a maximum of 2 units per cluster and the fact that only affordable housing could be supported under the policy. However this figure did not take into account the number of open market units with existing planning permission in some of these Clusters (this is due to a current permissive policy for open market housing within Clusters on Ynys Môn). In light of this it is recommended that the figure in relation to Affordable houses delivered through Clusters is reduced to 120 units.

Based upon historical development rates it is felt that the figures of 10 units as part of subdividing rural buildings and the same in the open countryside is a fair assumption and reflects the rural nature of the Plan area.

In light of the above it is suggested that the Affordable Housing table introduced under focussed change NF67 is amended as follows (new/amended figures in red):

Category	<u>Allocated</u>	<u>Windfall</u>	Total
Completed units¹	<u>12</u>	<u>294</u>	206 <u>306</u>
Affordable units in the landbank²	<u>154</u>	<u>412</u>	471 <u>566</u>
New allocations³	<u>391 to 415</u>	-	404 <u>391 to 415</u>
Windfall in Service Centres	-	60	60

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Windfall in Villages	-	30	30
Clusters	-	224 <u>120</u>	224 <u>120</u>
Subdivide rural buildings	-	10	10
Open countryside	-	10	10
TOTAL	557 to 581 (37.3% to 38.3%)	936 (61.7% to 62.7%)	1,415 1,493 to 1,517

¹ For the period 2011 to 2015

² Affordable housing land bank figure (April 2015) based on an assessment of which sites are likely to be built.

³ On the basis of 25% or 15% affordable housing provision (based on House Price Area noted in Policy TAI9) higher figure is due to rounding up.

In light of this revised figures highlighted above over 60% of the affordable provision will be delivered through windfall with approximately 37% to 38% on allocated sites. However the majority of the windfall provision is from resulting completions and sites in the existing land bank with almost double the amount of future affordable provision coming from allocated sites.

An explanation would be helpful on the Plan’s approach in TAI9 to setting the target rate of contribution for affordable housing at 2 levels, particularly in the light of the 2014 update of the Viability Study which suggested a refinement beyond the option of 3 levels of target contribution that was suggested in the original, 2013, report.

At the Joint Planning Policy Panel meeting the Members were in favour of ensuring the highest level possible of affordable housing provision through the JLDP. A review of the potential affordable housing provision based upon the indicative growth level for allocations without planning permission showed a slightly higher number being delivered through the 2 level approach than the 3 level approach. In light of this and the fact that the 15% and 25% figure within policy TAI 9 is clearly stated as providing ‘At least’ this level then the 2 level approach was included within policy TAI 9 of the Deposit Plan.

Given the importance placed by national policy on delivering affordable housing a Hearing session will explore whether the Plan is maximising delivery, recognising that the demand cannot be met in full through the Plan. Given the consultant’s findings identified the degree to which the local housing market can affect viability, a further update would be helpful given that almost 2 years will have passed by the time this is discussed. It will also provide an opportunity to consider the effects of the introduction in January of this year of the requirement for sprinklers in all new homes which is identified by the consultant as a potentially significant issue.

Agree that in light of the timescale since the 2014 Update of the Affordable Housing Viability Study

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in 2014 (DC.003) it is appropriate to further update this document. Andrew Golland Associates have been commissioned to undertake this work for the Council with the intention of completing the work by mid July.