

ANGLESEY & GWYNEDD JOINT LOCAL DEVELOPMENT PLAN (2011 – 2026)

PUBLIC EXAMINATION: Hearing Session 4 – Affordable Housing



Action Point (S4/PG1) – Local Housing Market Assessment (LHMA)

1] The issue under consideration:

Introduce a Matters Arising Change to identify the level of need for affordable housing during the Plan term, rather than only 5 years, based on the information in the latest Local Housing Market Studies for both Counties.

Include wording on the implications of failing to have a full set of Local Housing Market Studies.

Include wording to acknowledge that new information could come to hand during Plan term to facilitate the monitoring and revision work.

2] Council's Response:

2.1 The following should be read in conjunction with the Councils' response to Action Point S1/PG1.

2.2 Level of Need for the Plan Period

2.2.1 In order to calculate the overall level of need for affordable housing during the plan period, based on the available information, the following steps have been undertaken:

- i. Need for Plan Period Prior to LHMA period i.e. for Gwynedd this would be 2011 to 2013, Ynys Môn 2011 to 2015;
- ii. The Need for the LHMA 5 year period (2013 to 2018 for Gwynedd, 2015 to 2020 for Ynys Môn);
- iii. Committed Supply within the LHMA Studies;
- iv. Future Requirement (2019 to 2026 for Gwynedd, 2021 to 2026 for Ynys Môn).

2.3 i. Need for Plan Period Prior to LHMA period i.e. for Gwynedd this would be 2011 to 2013, Ynys Môn 2011 to 2015

2.3.1 Calculating the need for the Plan Period from the LHMA onwards would omit the level of need for the years prior to the study. The LHMA study deals with backlog up to the point of producing the study, the only additional figure that should be contained

within the overall affordable housing need figure for the Plan period (2011 to 2026) is the number of units completed prior to the study year (since these will not be included within the LHMA backlog figure).

- 2.3.2 In the case of Gwynedd (2011-13) **50 units** were completed whilst for Ynys Môn (2011-15) **125 units** were completed.
- 2.4 ii. The Need for the LHMA 5 year period (2013 to 2018 for Gwynedd, 2015 to 2020 for Ynys Môn)
- 2.4.1 The Council's response to Action Point S1/PG1 outlines amendments to the 2013 Gwynedd LHMA to reflect the proportion of the population within Snowdonia National Park and the need to exclude the Low Cost Home ownership figure. In light of this and as a precautionary approach the Council recommends that a figure of 491 units per annum is used rather than the 709 within the 2013 Study. For the 5 year period of the Study this would mean **2,455 units** for the 2013 to 2018 period.
- 2.4.2 The 2016 Ynys Môn LHMA identifies an annual requirement of 398 units for the LHMA period, this equates to **1,990 units** for the 2015 to 2020 period.
- 2.5 iii. Committed Supply within the LHMA Studies
- 2.5.1 These are affordable units which are to be built over the time period of the assessment. The commitments are used within both Gwynedd and Ynys Môn LHMA studies to reduce the annual requirement and therefore result in a lower figure within the study. Therefore this figure needs to be added to the overall affordable housing need figures for the plan period.
- 2.5.2 The 2013 Gwynedd LHMA refers to committed supply figures for the LHMA period of 36 per annum for social housing and 3 per annum for intermediate rent. This means a total of **195 units** for Gwynedd.
- 2.5.3 Step 7 within the Ynys Môn 2016 LHMA identifies a committed supply of **153 units**.
- 2.6 iv. Future Requirement (2019 to 2026 for Gwynedd, 2021 to 2026 for Ynys Môn)
- 2.6.1 The 2013 Gwynedd LHMA has identified newly arising need based upon the 2008 household projections and a comparison over the number of households who would be unable to afford market housing. To provide consistency with the figure for the LHMA period the newly arising need for Low Cost Home Ownership has not been included within the newly arising need figure for Gwynedd. The table below shows the future need:

Table 1 – Future Affordable Housing Requirement - Gwynedd

Category	Level of Need
Newly Arising Need (Social Housing) (a)	135
Newly Arising Need (Intermediate Rent) (b)	45
Falling into Need (c)	562
Lets Supply (ch)	582
Annual arising Need (d) = (a+b+c) – (ch)	160
Remaining Years of Plan Period (dd)	8
Future Requirement (e) = (d) x (dd)	1,280

2.6.2 In the 2016 Ynys Môn LHMA step 18 identifies newly arising whilst step 21 identifies an annual arising need. The table below shows the future need:

Table 2 – Future Affordable Housing Requirement – Ynys Môn

Category	Level of Need
Step 18 – Total Newly Arising Housing Need (gross per year) (a)	667
Step 21 – Annual Supply of Affordable Housing (b)	346
Annual Housing Need (c) = (a) – (b)	321
Remaining Years of Plan Period (ch)	6
Future Requirement (d) = (c) x (ch)	1,926

2.7 The table below takes the figures outlined above within the separate categories to give a level of need for affordable housing over the Plan period:

Table 3 – Level of Need for Affordable Housing during the plan Period

Category	2013 Gwynedd LHMA	2016 Ynys Môn LHMA
i. Affordable Units Completed prior to relevant study	50	125
ii. LHMA 5 year Requirement	2,455	1,990
iii. Committed Supply in LHMA Study	195	153
iv. Future Requirement	1,280	1,926
Level of need for affordable housing during the Plan Period	3,980 (Gwynedd Planning Area)	4,194 (Ynys Môn)
Overall need for affordable housing during the Plan Period for the whole plan area	8,174	

2.8 Implications of failing to have a full set of Local Housing Market Studies

- 2.8.1 The Councils have acknowledged that the 2013 Gwynedd LHMA does not contain the same level of detail as that within the Ynys Môn LHMA. However the affordable housing need identified within the Gwynedd 2013 study (see table 1 above) together with the level identified in the Ynys Môn 2016 LHMA shows a significant need for affordable housing in the plan area. The calculation for Gwynedd has taken a precautionary approach in relation to the Low Cost Home Ownership figure and has not included it.
- 2.8.2 At December 2015 there were 1,685 on the common housing register with 704 on the Tai Teg register at September 2016, this shows that there is still a high level of need for affordable housing in Gwynedd. Part of the evidence gathered within Topic Paper 17 highlights the affordability ratio between median house prices and the median household incomes in 2012 resulting in 98 out of the 100 wards within the Plan area having an affordability ratio of 3.8 or more up to a level of 12 in the least affordable wards.
- 2.8.3 This gives the Council confidence that there is still a significant level of need for affordable housing in the Gwynedd Planning Area and a revised LHMA in Spring 2017 will provide an updated figure for the level of need for affordable housing during the plan period. However, based on the available evidence from various sources, it is clear that the study will still demonstrate a high level of need.

2.9 Include wording to acknowledge that new information could come to hand during Plan term to facilitate the monitoring and revision work

- 2.9.1 As outlined in the response to Action Point S1/PG1 Gwynedd Council is committed to updating the 2013 LHMA. In addition over the plan period both LHMA's will have to be regularly updated in line with the Welsh Government guidance.
- 2.9.2 Action Point S4/PG7 requires the Councils to suggest changes to Policy TAI 9 Affordable Housing. In light of this paper, the matters arising changes proposed to TAI 9 and its explanation will also refer to the need for developers to consider the information available in the latest published LHMA in order to determine the proposed mix, including affordable housing.
- 2.9.3 Similarly, the Councils will be working with Welsh Government to formulate a revised monitoring framework, which will seek to ensure that tenure mix aligns with the type of development identified in the most recent LHMA.

3.0 Matters Arising Change – Level of Affordable Need for the Plan Period

- 3.1 In light of the figures identified within section 2 above a matters arising change to the Introduction to the Affordable Housing section of the Plan together with the Explanation to Policy TAI 9 is suggested by the Councils. This will reflect the new figures of the 2016 Ynys Môn LHMA, the overall figure for the Plan area and text in

the Explanation regarding the affordable housing tenure mix required with developments.

- 3.2 Further changes to the Affordable Housing Section will be addressed by the Councils in our response to Action Points S4//PG3 to 7 and S4/PG9.

7.4.65 The Anglesey LHMAs and Housing Needs Study 2016 and the Gwynedd LHMA 2013 provide a snapshot of the scale of affordable housing likely to be required in Anglesey and Gwynedd, i.e. approximately 1,344 889 housing units per annum for 5 years to meet backlog and emerging needs, with an overall need of 8,174 for the whole plan period (these figures are based upon Welsh Government methodology which calculates 25% of household income on housing costs). ~~The current assessments also indicated that across the Plan area most of the need was for social rented units rather than shared ownership dwellings.~~ 'Tai Teg', an affordable housing register, will be the main information source for intermediate/ shared equity schemes in the Plan area.

[New Paragraph after Table 16]

7.4.69a The tenure mix of affordable housing required with a particular scheme should reflect the findings of the latest LHMA, unless the applicant can satisfy the Local Authority that their proposed mix better satisfies an identified need.