

Supplementary Planning Guidance: Affordable Housing



November 2009

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Service, Regulatory Department
(Planning, Transportation and Public Protection),
Gwynedd Council



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INTRODUCTION

Statement regarding consultation

1. The draft version of this Supplementary Planning Guidance (SPG) was subject to public consultation between 19 March 2009 and 24 April 2009. A public notice was published in the Caernarfon and Denbigh Herald and the Cambrian News on 19 March 2009 in order to raise awareness about the public consultation. Copies of the SPG were available to view in the main Council offices, in the public libraries and on the Council's website during the consultation period. Comments were invited from numerous individuals and organisations, which included community councils and local builders and their representatives. A summary of the representations that were received and the response to them can be seen in a document entitled "Consultation statement - December 2009".
2. The representations and the response to them were scrutinised by the Environment Committee on 11 June 2009. The SPG was adopted in the Council Board meeting on 24 November 2009.

The status and purpose of Supplementary Planning Guidance

3. This Supplementary Planning Guidance (SPG) is one of a series of guidance notes which support the policies of the adopted Unitary Development Plan (UDP). Although decisions on planning applications will be based on the Development Plan's adopted policies (as indicated in part 38(6) of the Planning and Compulsory Purchase Act 2004), the content of the SPG is a material planning consideration (after it has been adopted by the Council). This guidance forms a material consideration in the determination of all planning applications relating to the provision of affordable housing.
4. The main purpose of this SPG is to assist in the interpretation and application of national and local policies concerned with facilitating the provision of affordable housing through the planning system and in doing so it will provide detailed guidance to members of the public, developers, planning officers and the Council's planning committees on planning issues relating to the provision of affordable housing through the planning process.
5. This SPG supersedes the May 2005 Gwynedd Council Affordable Housing Supplementary Planning Guidance. This SPG only applies to the Gwynedd Local Planning Authority area and does not apply within the Snowdonia National Park Authority area. The SPG does not amend or change the policies contained in the Gwynedd UDP.
6. There are a number of different ways in which affordable housing can be provided for local people. **This SPG only deals with the provision of affordable housing through the planning process.** This includes dwellings provided through all forms of development opportunities i.e. on allocated, windfall and rural exception sites, including both new build and adaptation and change of use of existing buildings. The Gwynedd Council Affordable Housing Delivery Statement (2007-2011) elaborates on the various tools applied in the area to provide affordable housing.

7. Gwynedd Council in adopting this SPG sets out its favoured approach for promoting affordable housing through the planning system. However, in identifying preferred approaches to securing affordability the Council will, in individual cases, be prepared to consider alternative but equally robust arrangements for achieving these goals.

Welsh Assembly Government Guidance

8. Welsh Assembly Government guidance in relation to planning for housing is contained in “Planning Policy WALES” (March 2002) as amended by the Ministerial Interim Planning Policy Statement 01/2006 (June 2006) and in “Technical Advice Note (Wales) 2, ‘Planning and Affordable Housing’” (June 2006), which deals specifically with affordable housing issues.

II. SETTING THE CONTEXT

1. The period from the late 1990s up to 2007 was one where the housing market both on a local and national level experienced substantial increases in house prices. It is acknowledged that the current financial climate, including associated global credit crunch, has and will lead to reductions in local house prices. However it is envisaged that, regardless of a reduction in local house prices, the Gwynedd area's low average income level will still mean that a large proportion of the County's population will be unable to afford homes for sale in the local housing market.
2. In addition the current financial climate and associated lack of mortgage availability, has resulted in an increased demand for rented housing. Therefore it is imperative that Gwynedd Council and its affordable housing partners formulate a wide range of responses and schemes in order to respond to the various affordable housing needs of the local population.

Evidence of need and the general level of need for affordable housing in Gwynedd

3. Gwynedd Council makes use a number of sources of information to establish housing need. These include:

North West Wales Local Housing Markets Assessment (2008)

4. At a North West Wales regional level the Council is involved in a Consortium with neighbouring Authorities in developing a local housing market assessment which shall inform the Authority's future Local Development Plan and the Local Housing Strategy. This work includes an assessment of affordable housing need.
5. In accordance with the guidance within the Welsh Assembly Government's 'Local Housing Market Assessment Guide' (2006), an assessment was undertaken in September 2008 to measure the need for affordable housing within the County. A methodology was elected which utilises secondary data to estimate need by Local Authority area. The calculation undertaken suggested a net shortfall of 1,723 affordable units in Gwynedd including the part of the County located within the Snowdonia National park Authority). Meeting the 1,723 over 5 year period, the number of affordable dwellings would equate to 345 units per annum for 5 years. Meeting the 1,723 over a 10 year period, the number of affordable units would equate to 172 units per annum for 10 years.
6. On the basis of the Gwynedd population division between the Gwynedd Council Planning Authority area and the Snowdonia National Park Planning Authority area (approximately 80% of the Gwynedd population is within the Gwynedd Council Planning Authority area), it is estimated that 276 units would be required per annum over a 5 year period in the Gwynedd Council Planning Authority area and 69 units required per annum over 5 years in the Snowdonia National Park Planning Authority area. Over a 10 year period 137 units would be required per annum in the Gwynedd Council Planning Authority area and 35 units per annum over 10 years in the Snowdonia National Park Planning Authority area

7. Paragraphs 5 and 6 above provide a snapshot of the situation at a specific time period. The Consortium will be revisiting the calculation during latter 2009 with a view of repeating the calculation exercise twice a year in the future in order to reflect any possible changes in the affordability of housing. This practice will conform to the advice provided in Technical Advice Note 2 (2006), paragraph 10.11.

Gwynedd Council Housing Needs Assessment 2000

8. In order to discover what the local need for affordable housing is, the Council commissioned a housing needs assessment in 2000 which identified a need of **130** affordable units per year within Gwynedd as a whole. It is estimated that a minimum of **105** of these were required per year in the Gwynedd Local Planning Authority area.

Rural need for affordable housing

9. In rural areas evidence of local housing need will be provided through a programme of local housing need surveys. This work will be co-ordinated by the Gwynedd Rural Housing Enabler working closely with Community Councils. Village appraisals carried out by Community Councils can also provide evidence of local housing needs and shortfalls in local service provision or facilities.

Local Authority and Registered Social Landlord housing registers

10. The level of affordable housing need will also be identified by referring to Local Authority and Registered Social Landlord (RSL) housing registers. These registers contain information on people requiring social rented accommodation. The RSL registers also contain information of people in need of shared ownership accommodation.

Common Housing Register for Gwynedd

11. One of the Gwynedd Local Housing Strategy's (2009-2012) operational plan targets is to establish a Housing Options service as part of the Authority's strategic housing function. This Housing Options service would include administering a Common Housing Register including details of people requiring social rented accommodation and also those wishing to purchase, but unable to afford market cost housing.

Evidence provided by developers/applicants

12. Gwynedd Council will also give consideration to any housing needs evidence provided by developers/applicants to support or justify a proposed affordable housing development. Any evidence submitted will be treated on a per application basis and the onus will be on the developer/applicant to submit quantifiable information.

Note: Technical Advice Note Wales (TAN) 2 (2006) (paragraph 3.2) requires Local Planning Authorities to include an affordable housing target in the development plan which is based on the housing need identified in the local housing market assessment. The Local Planning Authority should indicate how the target will be achieved using identified policy approaches. In response to TAN 2, Gwynedd Council is of the opinion that the evidence

referred to in relation to the local need for affordable housing justifies and supports the Council's decision to include affordable housing policies within its Unitary Development Plan as one method of achieving the affordable housing target.

Corporate Affordable Housing Targets - Gwynedd Council 3 year Plan

13. Affordable Housing is a Corporate Priority and has been included in the **Council 3 year Improvement Plan**. The targets set out for the period 2008-2011 are as follows:
 - 20% of all housing units provided annually between 2008 and 2011 in the Gwynedd Local Planning Authority Area will be affordable homes
 - 15% of all housing units given planning permission annually between 2008 and 2011 in the Gwynedd Local Planning Authority Area will be affordable homes

Gwynedd Council Affordable Housing Delivery Statement 2007-2011

14. Gwynedd Council and its partners have collaborated to develop an Affordable Housing Delivery Statement, in accordance with the Welsh Assembly Government's One Wales document, to provide 6,500 affordable homes in Wales over the period between 2007 and 2011. The Gwynedd Council Affordable Housing Delivery Statement has been developed specifically to cover the Gwynedd Council Planning Authority area. The Statement's main elements are:
 - An assessment of the need for affordable housing
 - Establishment of four year targets for affordable housing
 - Securing affordable housing, and
 - Monitoring and reviewing the delivery of affordable housing.
15. The final version of the Delivery Statement was endorsed by Gwynedd Council during May 2009. It is forecasted that an additional 391 affordable units will be provided in the Gwynedd Council Planning Authority area between 2007 and 2011. Further information is available within the Statement in relation the affordable housing targets set for the Gwynedd Council Planning Authority area.

1. Affordability and Affordable Housing

1.1 Defining Affordability

- 1.2 Planning Guidance (Wales), Technical Advice Note (Wales) 2 (2006) (paragraph 4.1) states that,

“The concept of affordability is generally defined as the ability of households or potential households to purchase or rent property that satisfies the needs of the household without subsidy. This could be based on an assessment of the ratio of household income or earnings to the price of property to buy or rent available in the open market in the required local housing market area.”

1.3 Defining Affordable Housing

- 1.4 Affordable housing is provided to meet the needs of households whose incomes are insufficient to allow them to access housing suitable for their needs (to buy or rent) on the open market.

- 1.5 Planning Guidance (Wales), Technical Advice Note (Wales) 2 (2006) (paragraphs 5.1 to 5.3) state that affordable housing

“...is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers.....Affordable housing includes:

- Social rented housing – provided by Local Authorities and Registered Social Landlords.
- Intermediate housing – is that where prices or rents are above those of social rent but below market housing prices or rents.

All other types of housing are referred to as “market housing” – that is private housing for sale or rent where the price is set in the open market and their occupation is not subject to control by the Local Planning Authority.”

- 1.6 Specifically, affordable housing provided through the planning process is expected to meet the following categories in order of cascading priority:

- **Housing available to be rented** usually from a Registered Social Landlord, or exceptionally from a private developer.
- **Housing for part ownership** with Registered Social Landlords, or the Council, or private developers.
- **Housing available for purchase at an affordable price**, with no RSL involvement, considering local incomes, house prices and interest rates (Discounted Low Cost Market Housing)
- **Self build affordable housing** (affordable value to take into consideration local incomes, house prices and interest rates)

- 1.7 Where evidence from local housing needs surveys conclude that the provision of discounted low cost market housing will not be affordable to those in greatest housing need, then the local planning authority will place greater emphasis on applicants to work in collaboration with a Registered Social Landlord.

- 1.8 Gwynedd Council acknowledges that Low Cost Market Housing is part of the overall housing provision within a housing market. Such housing provision is

private housing for sale or rent where the price is set in the open market and their occupation is not subject to control by the Local Planning Authority. This type of housing does not comply with the National and Local planning policy definition of affordable housing, and will not therefore be included in any calculation. If low cost open market housing is proposed, the Council will need to be satisfied that the size and type of housing reflects the housing requirements in the area, thus contributing to creating a balanced and sustainable community.

1.9 Affordability in Gwynedd

1.10 It is essential that all the approved affordable housing remains 'affordable' in perpetuity. It is essential that proposals consider the future and contribute to the long term needs of the whole community, i.e. the property should be suitable to meet future needs as well as the first occupier's needs. Confirmation will be required from the developer (individual or construction company) that the dwelling(s) will be built for an affordable price.

1.11 Affordable housing should only be available to people who are not able to satisfy their housing needs with their own resources at open market prices. Limits on rents and sale prices of affordable housing will be set that reflect local incomes. Affordability will be ensured through the use of affordability levels, both for homes for rent and homes for purchase. These affordability levels will be established annually, basing them on a methodology linked to the median house income levels of the area in question.

1.12 The Local Planning Authority will, in accordance with local policies (see Section 2), restrict the occupancy of the affordable dwellings to local persons as defined in the said local policies. The local planning authority will also place additional restrictions in relation to the affordable housing as indicated in paragraphs 1.15 to 1.39 below.

1.13 The value of an affordable property will be subject to a planning obligation and will be less than the value of property on the open market. In this sense, it must be clear that any investment in such property – be it to build a new dwelling or to purchase a dwelling – is made in order to own a house and remain in a specific area rather than as a financial and/or short-term decision.

1.14 It is certain that the type, size and design of the house will affect its 'affordability' for the first occupier as well as future occupiers. Details of what the local planning authority considers acceptable in terms of size and type is provided in Section 5 of this Supplementary Planning Guidance.

1.15 Affordability in relation to rented housing

1.16 Affordable in relation to rented housing means that the householder (including spouse or partner) would be paying 25% or less of their gross income on the rent for a house of a size appropriate to their needs. Rent in excess of 25% of their gross income would be deemed not affordable. (This percentage level is supported by the Welsh Assembly Government's 'Local Housing Market Assessment Guide' March 2006).

1.17 Affordability in relation to social rented housing

1.18 The rent levels for the affordable housing provided by a Registered Social Landlord (RSL) will be subject to Welsh Assembly Government controls.

1.19 Affordability in relation to private rented housing

1.20 Where, exceptionally, a developer proposes to build and manage affordable housing to rent without the involvement of an RSL, the affordable rent levels will be set in relation to median household income. (The affordable private rental levels, and details of the formula used to calculate these levels, are presented in Appendix 2.)

1.21 Affordable housing for purchase

1.22 Affordable in relation to purchase (including part ownership) means that the proportion of the householder's (including spouse or partner) net disposable income (that is gross wage/salary less income tax and national insurance payments) used to meet the mortgage, for a house of a size appropriate to their needs, should not exceed 30%. (This percentage level is supported by the Welsh Assembly Government's 'Local Housing Market Assessment Guide' March 2006).

1.23 Affordability in Relation to housing developed with Welsh Assembly Government Social Housing Grant

1.24 All housing developed with Welsh Assembly Government Social Housing Grant will have to be developed by RSLs and in accordance with the prevailing Acceptable Cost Guidance levels for the type and size of housing in question.

1.25 Homes developed by RSLs for part-purchase located within the development boundary

1.26 The Local Planning Authority will require that RSLs sign a Section 106 Planning Obligation to include a clause ensuring that the affordable homes in question will have to be sold to people who would otherwise be unable to buy on the open market. In those areas within Gwynedd where open market house prices are high in comparison to local income levels, the Local Planning Authority will in addition place a restriction in the Section 106 Planning Obligation which shall restrict the selling price of the units in question to a defined discount (percentage) below prevailing open market value (fixed in perpetuity). The prevailing open market value will be determined through the RSL obtaining a formal written valuation of the property, certified by suitably qualified chartered surveyor, and then presenting the information to the Council or its nominee. The financial costs in relation to obtaining the valuation will be borne by the RSL. The valuation must state that the values are to the Royal Institute of Chartered Surveyors definition of Open Market Value ignoring all Section 106 restrictions relating to affordable housing.

1.27 Homes developed by RSLs for part-purchase located outside the development boundary

1.28 In the case of RSL developments located outside the development boundary, the Local Planning Authority will require that RSLs sign, as noted in 1.26 above, a Section 106 Planning Obligation to include a restriction to ensure that the affordable homes in question will have to be sold to people who would otherwise be unable to buy on the open market. In addition the Section 106 Planning Obligation will include a clause specifying that part owners will not be permitted to staircase to full ownership of the property (maximum

ownership will normally be up to an 80% share of the property but shall be further restricted in areas of high open market house prices such as on the Llyn Peninsula).

1.29 RSL Pre-Emption rights

1.30 RSLs will also be required to ensure that they have pre-emption rights on all those newly developed properties in their part-ownership. This shall allow the RSL first option to purchase any property in all future re-sales.

1.31 Housing with no RSL involvement - Discounted Low Cost Market Housing

1.32 These are properties which are sold at a defined discount (percentage) below normal market value (fixed in perpetuity) to enable them to be purchased by people who would otherwise be unable to buy on the open market. House types should reflect the local housing need, and not just be smaller cheaper houses or flats. Section 106 Planning Obligations will be imposed to ensure that in the event of the first occupier selling the property, the benefits of the low cost provision are passed on to subsequent occupiers.

1.33 When establishing initial affordable selling prices for homes to be sold with no RSL involvement, the Local Planning Authority will consider local household median incomes. An initial affordable selling price will be published for each of the eight Gwynedd UDP Dependency Catchment Areas, and these will be revised annually by using household income data from the most recently published CACI Paycheck data, and are pegged to local incomes. (The affordable prices, and details of the formula used to calculate the levels, are presented in Appendix 2.)

1.34 The initial sale price will be compared against the prevailing open market value for the same unit and a fixed percentage discount will be established. In order to determine the open market value the applicant must obtain a formal written valuation of the property, certified by a suitably qualified chartered surveyor, and present the information to the Council or its nominee. The financial costs in relation to obtaining the valuation will be borne by the applicant. The valuation must state that the values are to the Royal Institute of Chartered Surveyors definition of Open Market Value ignoring all Section 106 restrictions relating to affordable housing.

1.35 In all subsequent future re-sales, the sale price of the affordable unit will be calculated by multiplying the fixed percentage discount with the prevailing open market value. It will be the responsibility of the homeowner intending to sell the property to obtain a formal written valuation of the property, certified by suitably qualified chartered surveyor, and to present the information to the Council or its nominee. The financial costs in relation to obtaining the valuation will be borne by the homeowner. The valuation must state that the values are to the Royal Institute of Chartered Surveyors definition of Open Market Value ignoring all Section 106 restrictions relating to affordable housing.

1.36 Affordable in relation self build affordable housing

1.37 As part of the process of submitting a planning application for a self build affordable home, the applicant will be required to submit an independent valuation of the open market value of the proposed house (the valuation must

state that the value is to the Royal Institute of Chartered Surveyors definition of Open Market Value ignoring all Section 106 restrictions relating to affordable housing). Any valuation undertaken will be based on the plans drawn up for the proposed house which must be in accordance with the relevant maximum internal floorspace sizes as indicated in Section 5 of this SPG. This valuation will need to be certified by a suitably qualified chartered surveyor and should be sent with the application. The financial costs in relation to obtaining the valuation will be borne by the applicant.

- 1.38 Initial and future affordability in relation to the self build affordable home will be secured through a Section 106 Planning Obligation which shall restrict the initial affordable price and the affordable price in all subsequent re-sales to a level based on a defined fixed discount (percentage) below normal market value, which will be set against the prevailing open market value of the house. In determining the level of percentage discount required, the Council shall give consideration to the information received through the process referred to in paragraph 1.37 above, along with house price information published by HM Land Registry where the housing development is proposed, and information on median income levels for the dependency catchment area in question from the most recently published CACI Paycheck data. All future re-sales will be in accordance with the procedures stated in paragraph 1.35 above.
- 1.39 Planning applications for self build affordable housing under the Rural Villages or Rural Exception Sites policy basis must be based on genuine proven need for such housing and should not be submitted on a purely speculative basis.
- 1.40 Value of land which is subject to an affordable housing obligation**
- 1.41 Given the affordable housing policy context, it is reasonable to state that the provision of affordable housing is a 'known cost'.
- 1.42 Developers are advised to take affordable homes provision and other site specific known costs (including other required Section 106 obligations) into account when negotiating the purchase of land for development. Applicants should seek guidance from the Local Planning Authority regarding affordable housing requirements prior to purchasing land.
- 1.43 Applicants/ developers will be expected to show evidence that they have taken known development costs into account in agreeing realistic land values, and only costs that were unforeseeable at the time of acquisition will be considered abnormal for the purpose of the appraisal. (Please refer to Gwynedd Council's Supplementary Planning Guidance: Planning Obligations 2009).

2. Gwynedd Council Local Planning Authority area affordable housing policies

- 2.1 The Gwynedd Unitary Development Plan (UDP) 2001-2016 will facilitate the provision of affordable housing through providing a range of housing policies that seek affordable housing provision. Such measures will assist in sustaining communities and tackle the key issues impacting on Gwynedd, in particular, the delivery of affordable housing.
- 2.2 All planning applications submitted under the Gwynedd UDP housing policies which seek affordable housing provision, must be supported by an Affordable Housing Statement and other minimum information required to assess the proposal. Further information is provided in **Appendix 3**.
- 2.3 New affordable dwellings on sites within development boundary of settlements**
- 2.4 Affordable housing policies in the Gwynedd UDP will seek affordable housing on sites within the development boundaries of various types of settlements (Sub-regional Centre, Main Centres, Local Centres, Villages and Rural Villages). These include sites specifically allocated for housing, and windfall sites (sites that become unexpectedly available for housing developments).
- 2.5 By using a combination of thresholds on the basis of site capacity and specific indicative targets, it is foreseen that about 656 new affordable homes can be provided in the Plan area on sites allocated for housing. Sites that become available unexpectedly in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli will also be expected to contribute to satisfying this demand and the site capacity-based threshold (5 units or more) will provide developers with guidance as to when it will be necessary to discuss the provision of affordable houses. All this will be in addition to the number of affordable houses coming forward on windfall sites in Local Centres, Villages and Rural Villages and affordable houses coming forward through building conversions.
- 2.6 Planning applications for developments within development boundaries and which, in accordance with UDP policies, must contain an element of affordable housing (UDP policies CH1, CH3, CH4, CH6 and CH11) can either be submitted as detailed or outline. However in the case of an outline planning application the information submitted regarding the affordable housing element must be robust enough to allow the local planning authority to process it. Such information shall include a plan identifying the location of the affordable dwellings together with preliminary drawings which indicate the number of bedrooms and the overall spatial size and area of the dwellings. Please refer to **Appendix 3** for information on how to submit a planning application for affordable housing.
- 2.7 Relevant UDP Policies include:**
- 2.8 Policy CH1 - New houses on allocated sites**
- 2.9 Proposals to build houses on sites allocated for housing use, as noted in the table in Appendix 3 to the Gwynedd Unitary Development Plan 2001-2016

and indicated on the Gwynedd UDP Proposals Map, will be approved provided that all the following criteria can be met:

1. that the specific sites indicated on the Gwynedd Unitary Development Plan 2001-2016 Proposals Map by the letter 'G' are developed in phases during the Plan period;
2. that the development is one that demonstrates quality in terms of the type, size and affordability of the houses, and in terms of its quality, design and form in accordance with the relevant Development Brief prepared by the Council or an agreed Master Plan.

2.10 Considering the results of the 2000 Housing Needs Survey and any other survey approved by the Council, an indicative target of 10% to 50% has been set for every allocated site. Details of these indicative targets are available in the tables in Appendix 3 of the Gwynedd UDP and in the Development Briefs that are available separately from this Plan. The indicative targets are based on a desk survey assessing factors that can affect and influence housing affordability. These factors include local open market house prices, local income levels, current level of social housing provision, second and holiday homes percentage, pressure for housing from outside Gwynedd. The Planning Authority will discuss the indicative targets and negotiate with developers to include an element of affordable housing on sites that are the subject of this policy. The factors listed below will be considered during the negotiations:

- The suitability of the site
- The economics of the provision (type of dwellings, density, number of units proposed)
- Specific costs relating to the development of the site
- Would the provision of affordable housing prevent the realisation of other planning objectives

2.11 The Local Planning Authority will discuss the indicative targets and negotiate with developers to include an element of affordable housing on sites that are the subject of this policy. Prospective developers will be required to provide evidence to demonstrate and justify how they have decided on the specific type of housing on the site and how this contributes to creating mixed communities.

2.12 Policy CH3 - New houses on unallocated sites within the development boundaries of the Sub-regional Centre and Urban Centres

2.13 In principle, proposals to build houses on suitable unallocated sites within the development boundaries of the Sub-regional Centre (Bangor) and the Urban Centres (Caernarfon, Pwllheli, Porthmadog and Blaenau Ffestiniog) will be approved.

2.14 These will mainly be infill sites, but some sites also become available unexpectedly, for example as a consequence of redevelopment or relocating another use. However, it must be ensured that the development will not result in the over development of the site nor lead to the loss of open spaces. If it is proposed to build 5 units or more on sites of this type, the application will be

expected to conform to **Policy CH6**, which relates to affordable housing for local need.

2.15 Policy CH4 - New dwellings on unallocated sites within the development boundaries of Local Centres and Villages

2.16 In principle, proposals to build dwellings on unallocated sites within the boundaries of Local Centres and Villages will be approved provided they conform to all the relevant policies of the Plan including the following criteria:

1. that a proportion of the units (which will vary from site to site) on all sites are affordable dwellings that satisfy an identified general local need for affordable housing, unless it can be proven to the satisfaction of the local planning authority, having considered all the relevant factors, that it would be inappropriate to provide affordable housing on the site

2.17 For the avoidance of doubt Policy CH4 also applies to applications for single housing units on individual plots. When assessing a proposal under Policy CH4, whether for a single unit or for a number of units, consideration will be given by the Local Planning Authority to the situation that exists within the settlement in question, matters such as:

1. evidence of the factors that influence affordability in the local area;
2. evidence of specific housing need in the Village or Local Centre;
3. availability of existing affordable housing in the Village or Local Centre i.e. the mix of housing in the settlement in terms of tenure;
4. the realistic potential for addressing the need for affordable housing on land within the development boundary;
5. proposed housing association schemes (within or adjoining the boundary)
6. evidence that the provision of affordable home on the site in question would be financially viable

2.18 Policy CH6 - Affordable housing on all allocated sites and on unallocated sites within the development boundaries of the Sub-regional Centre and the Urban Centres

2.19 Proposals to develop housing units on sites or parts of sites allocated for a specific number of houses in the Plan area or other sites become available unexpectedly in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli for housing developments (windfall) which may in their entirety accommodate 5 or more housing units, will be refused unless the relevant criteria can be met including:

1. that a percentage (which will vary from site to site) of the units provided as part of the scheme
 - a) on any site in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli satisfy a need for affordable housing
 - b) on sites that are allocated for housing in the Local Centres and Villages satisfy a general local need for affordable housing unless it can be proven to the satisfaction of the planning authority that after considering all the relevant factors that it would be inappropriate to provide affordable housing on the site.

- 2.20 Note:**
Appendix 8 provides further guidance on the issue of scheme viability.

- 2.21 New affordable dwellings on sites outside development boundaries of settlements**
- 2.22 Planning applications for developments outside the development boundaries and which, in accordance with UDP policies, must contain 100% affordable housing (UDP policies CH5, CH7 and CH12) can either be submitted as detailed or outline. However in the case of an outline planning application the information submitted must be robust enough to allow the Local Planning Authority to process it. Such information shall include a plan identifying the location of the affordable dwellings together with preliminary drawings which indicate the number of bedrooms and the overall spatial size and area of the dwellings. Please refer to **Appendix 3** for information on how to submit a planning application for affordable housing.
- 2.23 Relevant UDP policies include:**
- 2.24 Policy CH5 – New dwellings in Rural Villages**
- 2.25 In the Rural Villages only proposals for residential development that include one or two units will be permitted. The proposals must conform to the relevant criteria including:
1. local community need for an affordable dwelling has been proven
 2. the site is an infill site between buildings that are coloured on the relevant inset map, or is a site directly adjacent a coloured building
- 2.26 Planning applications for affordable housing under Policy CH5 must be based on genuine proven need for such housing and should not be submitted on a purely speculative basis.

- 2.27 Policy CH7 - Affordable housing on Rural Exceptions Sites within or directly adjoining the boundaries of Villages and Local Centres**
- 2.28 In exceptional cases the UDP allows for permission to be granted on suitable land that is either within or that immediately adjoins the defined development boundaries of certain types of settlements, in order to provide for affordable housing need in local communities. These are called “rural exception sites”.
- 2.29 Such sites and proposals will be assessed on the basis of proven need, the suitability of the site, local requirements and affordability. It must be possible to develop a selected site in a way that contributes positively to the area and it must also be affordable. The density, setting, design, materials, landscaping etc must make a positive contribution to the character of the village or area.
- 2.30 Proposals for affordable dwellings on suitable rural sites directly adjoining the development boundaries of Villages and Local Centres will be approved as an exception to usual housing policies provided that they conform to all of the following criteria:

1. general local need for affordable dwellings has been proven
2. the development will form a reasonable extension to the Village or Local Centre;
3. that the development would not form an unacceptable intrusion into the countryside or create a fragmented development pattern
4. the need cannot be reasonably accommodated by using the housing stock, buildings or existing land within the development boundary
5. that satisfactory arrangements are in place to restrict the occupation of an affordable house/ houses on first occupation and in perpetuity to those who can prove general local need for an affordable house

2.31 Planning applications for affordable housing under Policy CH7 must be based on genuine proven need for such housing and should not be submitted on a purely speculative basis.

2.32 New affordable dwellings delivered through the conversion of buildings for residential use

2.33 The conversion of buildings for residential use can also contribute to the housing stock. The conversion of buildings into dwellings within the development boundary can reduce the pressure to release green field sites and in general such conversions are considered favourably. Because the situation is more sensitive outside development boundaries, priority is given to proposals that would benefit the local economy. However when it can be proven that a suitable economic use cannot be secured for a building, favourable consideration may be given to convert a building to an affordable residential use.

2.34 Relevant UDP policies include:

2.35 Policy CH11 - Conversion of buildings within development boundaries of Local Centres or Villages for residential use

2.36 Proposals to convert buildings for residential use within development boundaries will be approved provided they conform to all the relevant criteria including:

- 1) If the building is located in one of the Local Centres or one of the villages, a proportion of the units (which will vary from site to site) on all sites are affordable dwellings that satisfy an identified general local need for affordable housing, unless it can be proven to the satisfaction of the Local Planning Authority, having considered all the relevant factors, that it would be inappropriate to provide affordable housing on the site.

2.37 Policy CH12 - Conversion of buildings in Rural Villages and in open countryside for residential use

2.38 In Rural Villages and the countryside conversions of buildings to residential use will not be permitted without first providing proof that a suitable economic use cannot be secured for the building. Planning permission to convert the building to a residential use will be subject to criteria including that a local community need for an affordable house has been proven.

- 2.39 Planning applications for affordable housing under Policy CH12 must be based on genuine proven need for such housing and should not be submitted on a purely speculative basis.

2.40 Extensions and adaptations to affordable housing in the countryside

2.41 Policy CH8 – Extensions and adaptations to affordable housing and new houses in the countryside

- 2.42 Extensions and adaptations to affordable housing in the countryside are permitted provided that the size and scale of the house after the extension or adaptation reflects the intention to ensure that the benefits of affordable housing in the countryside continue forever and that the proposal is in keeping with the original house and the local area. In addition to considering issues involving the appearance of the extension and its impact on the local area, the Local Planning Authority will consider whether the adaptation/extension is likely to make to property inappropriate or unaffordable to another person who will have a need for such dwellings in future.

2.43 Note:

The full wording of the above Policies can be found in **Appendix 1** or alternatively can be viewed in the Gwynedd Unitary Development Plan 2001-2016.

- 2.44 **Appendix 3** provides Information In Relation To How to Approach a Planning Application for The Provision of Affordable Housing (including Rural Exception Site Developments).

- 2.45 **Appendix 4** presents a Flow Chart Mapping Out the Process in Relation to How to Approach a Planning Application for the Provision of Affordable Housing.

2.46 Conforming to need and local criteria

- 2.47 In order to conform to these policies the applicant must be able to prove the **NEED** for an **AFFORDABLE DWELLING** and, in Local Centres, Villages and Rural Villages, that he/she is **LOCAL** and must conform with all the relevant criteria. In order to assess to determine whether the applicant conforms to these criteria the Council (or its nominee) will prepare questionnaires relating to: proving need (as well as the type of need), complying with the definition of local (where applicable).

- 2.48 Applicants must prove that they are (where applicable) local, that they cannot afford a dwelling on the open market, that they are living in an unacceptable situation, such as an overcrowded house, and are in need of other accommodation. It is possible that financial evidence will be required and, where there is an alleged need on medical or similar grounds, evidence from a qualified/professional person in the relevant field will also be needed to support the application. The content of the questionnaire will help the Council (or its nominee) determine whether the proposed house will satisfy either a

desire for a house or a genuine need for a house. This is an essential element of the policy's criteria.

2.49 The main terms are defined below:

2.50 Need:

2.51 For the purposes of the policies, a genuine 'need' for a dwelling arises from the applicant's financial inability (through equity or savings) to better their living situation and that sufficient financial evidence can be provided to substantiate this, and that the applicant can be described as **one** of the following categories:

1. People who do not own a house and who are establishing a new home e.g. marriage, cohabitation etc.
2. People who do not own a house and who are leaving rented accommodation where they have been living **for at least two years** (less than two years is considered too transitory);
3. People who own a house but require a new dwelling to meet genuine need e.g.
 - because the house is too small for the family or
 - the dwelling is deemed to be in sub-standard condition by the Council, or
 - the dwelling is unsuitable due to requirements associated with a disability; long term illness or other long term physical difficultiesand where it can be proven that the present home cannot be converted in an acceptable way, or suitably upgraded, to meet those needs and the owners cannot purchase a suitable house from the existing stock.
4. 'Key workers' with a permanent job offer in the Plan area and a need to live in the Sub-Regional Centre, or Urban Centres but are unable to take advantage of the offer because they themselves cannot afford to buy or rent a home on the open market.

2.52 When assessing need, in order to avoid misuse of the policy, consideration will be given to any property that the intended occupant(s) of the new accommodation have sold or disposed of. Owning a site is not in itself evidence of need – merely an opportunity. A site might not be suitable for development although the owners of the site are able to demonstrate evidence of need.

2.53 For the purpose of the Unitary Development Plan and this guidance 'key workers' are defined as persons who need to live in the Gwynedd Local Planning Authority area to take up a full time permanent job (37 hours or more) as a:

1. Teacher in a school or further education establishment or a tertiary college;
2. Nurse or another member of staff employed by the National Health Service;
3. Police officer;
4. Probationary services officer;
5. Social worker;
6. Educational psychologist;
7. Occupational therapist employed by the Local Authority;
8. Emergency services officer;
9. Other jobs proven vital to the Plan area's economy.

2.54 Local:

2.55 For the purpose of the Unitary Development Plan and this guidance, two degrees of “local” have been defined: namely as “**general local**” and “**community local**”. Applicants must be able to provide sufficient evidence to prove that they conform to the definition of ‘local’. Such evidence includes:

1. Bank statement / payslip / utility bill provided that these demonstrate that the applicant has lived in the area in question for the required time period;
2. Letter from Local Authority confirming that the applicant in question has been on the Electoral List for the required number of years;
3. Details of all residential addresses that the applicant has resided in for the 10 year period prior to applying for an affordable dwelling;
4. In the case of younger applicants that cannot provide the evidence noted in 1 and 2 above, evidence will be required to prove that their parents have lived in the area in question for the required time period.

2.56 General Local (relevant to sites in Local Centres and Villages – see the lists below)

- People who have lived or worked in the dependency catchment area (see the Plan strategy) in question or within a Community Council adjoining the Dependency Catchment Area for a continuous period of **ten years** immediately before submitting the application/occupying the property in question.
- People who reside outside the Dependency Catchment Area but who have lived within it for a continuous period of **ten years** or more in the past.
- People who reside outside the Dependency Catchment Area or within the dependency catchment area that have not lived or worked there for a continuous period of ten years immediately before submitting the application/occupying the property in question, but who have lived in the Dependency Catchment Area in the past for a total period of **ten years** including a continuous period of five years or more within a period of twenty years.

2.57 Centres:

2.58 The Centres are identified as follows:

Sub-regional Centre	Bangor
Urban Centres	Caernarfon, Blaenau Ffestiniog, Porthmadog, Pwllheli
Local Centres	Abermaw, Bethesda, Criccieth, Llanberis, Nefyn, Penrhyndeudraeth, Penygroes, Tywyn

2.59 Villages

2.60 The Villages are identified as follows:

Villages in Arfon	Bethel, Brynrefail, Bontnewydd, Caeathro, Carmel, Cwm y Glo, Deiniolen a Clwt y Bont, Dinas Dinlle, Dinas, Groeslon, Llandwrog, Llandygai, Llanllyfni, Llanrug, Llanwnda, Nantlle, Penisarwaun, Rachub, Rhiwlas, Rhosgadfan, Rhostryfan, Talysarn, Tregarth, Waunfawr, Y Felinheli.
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Villages in Dwyfor	Aberdaron, Abererch, Abersoch, Borth y Gest, Botwnnog, Chwilog, Clynnog Fawr, Eder, Efailnewydd, Garndolbenmaen, Llanaelhaearn, Llanbedrog, Llanengan, Llanystumdwy, Liithfaen, Morfa Bychan, Morfa Nefyn, Mynytho, Pentrefelin, Pontllyfni, Rhoshirwaun, Rhydyclafdy, Sarn Mellteyrn, Trefor, Tremadog, Tudweiliog, Y Ffor
Villages in Meirionnydd	Corris, Fairbourne, Llandderfel, Minffordd, Y Garreg – Llanfrothen.

2.61 Community Local (relevant to Rural Villages for new build and Rural Villages and open countryside in the case of conversions of buildings for residential use) :

2.62 The second definition of ‘local’ is more limited and it has been formed for rural villages that have a more sensitive character, socially, culturally, linguistically and/or physically.

- People who have lived in the Community Council area for a continual period of **ten years** immediately before submitting the application/occupying the property in question.
- People who have lived within the Community Council area for a continual period of **ten years or more** in the past.
- People who have lived or worked for a continual period of **ten years or more** within 4 miles ‘as the crow flies’ from the ‘heart’ of the rural village (namely, the location of the coloured buildings) where the application site lies.

2.63 Rural Villages:

2.64 The Rural Villages are identified as follows:

Rural Villages in Arfon	Aberpwwll, Bethesda Bach/ Ty’n Lon, Dinorwig, Dolydd/ Maen Coch, Gallt y Foel, Glasinfryn, Groeslon Waunfawr, Llanfaglan, Llanllechid, Mynydd Llandygai, Nebo, Pentir, Rhos Isaf, Saron, Talybont, Tan y Coed, Y Fron
Rural Villages in Dwyfor	Boduan, Bryncir, Bryncroes, Bwlchtocyn, Dinas, Llanarmon, Llangian, Llanybi, Llanestyn, Llannor, Llwynhudol, Pantglas, Pencaenewydd, Penmorfa, Penrhos, Pentreuchaf, Pistyll, Rhiw, Rhosfawr, Sarn Bach.
Rural Villages in Meirionnydd	Aberllefenni, Corris Uchaf, Glanrafon, Llanfor

3. Delivering affordable housing

3.1 Delivery Mechanisms

3.2 Registered Social Landlords, Community Land Trusts, private developers in addition to individual people (including those wishing to 'self build', builders or land owners) can develop affordable housing subject to their proposals conforming to the policies referred to in this Guidance and all appendices. The most common and likely mechanism for providing affordable housing will be:

1. Through a Registered Social Landlord (RSL) or other appropriate providers of affordable housing or;
2. Through a private developer.

3.3 Gwynedd Council will consider other arrangements suggested by applicants, which conform to policies referred to in this Guidance and all appendices.

3.4 Involvement of Registered Social Landlords

3.5 Developers will be encouraged to work with Registered Social Landlords (RSL) to provide affordable housing. RSLs are obliged to have open and fair policies for allocating tenancies based on housing need.

3.6 Developers are encouraged to seek an RSL partner at the earliest opportunity. They should ensure that proposals for affordable housing provision meet the requirements of the RSL, who should preferably be party to any Section 106 agreement.

3.7 The implementation of development plan policies should ensure that the affordable housing is provided in such a way that is economically viable for the RSL, is genuinely affordable to those in housing need and represents best value in the use of public funds.

3.8 The Council therefore seeks to achieve the provision of affordable housing at a price that requires no public subsidy. This will allow the Welsh Assembly Government (WAG) Social Housing Grant to be invested to meet specific needs and other costs over and above those normally expected for affordable housing through these policies.

3.9 It is envisaged that the most common methods of providing affordable housing through a RSL will be either:

- a) A developer transfers fully serviced plots of affordable housing land to a RSL, or;
- a) A developer transfers affordable housing land at a nominal sum and enters into a building contract with the RSL. or;
- b) A developer builds affordable housing units and transfers ownership to a RSL.

3.10 Costs will be calculated according to the prevailing WAG Acceptable Cost Guidance level and grant rates. The proposed delivery route should be the subject of negotiation and agreement between the Developer and RSL.

However, whatever route is chosen, early pre-application discussions must take place between a developer and a RSL to ensure that the relevant design requirements are taken into account. Failure to do so can require costly modifications to the scheme at a later stage.

3.11 Non involvement of a Registered Social Landlord

3.12 Where a landowner/developer proposes to develop and manage the affordable homes without the involvement of a RSL, planning obligations will be sought to ensure that the occupancy criteria set out in planning policies are complied with and the houses provided are occupied only by people in housing need or local housing need as appropriate.

3.13 Where an applicant does not propose to work with a RSL, Gwynedd Council will nominate a RSL to verify that prospective occupiers of any proposed affordable housing units are eligible, i.e. that they comply with definitions of Local and Need. The verification process will be in accordance with that of the Homebuy scheme of which RSLs have expertise in carrying out financial assessments of applicants. A verification fee will be paid, to the nominated RSL, by the applicant not the Council. The verification fee will be based per affordable housing unit and will be at percentage of the affordable price of the unit (normally between 0.5% and 1% of the affordable price of the unit and should be agreed with the nominated RSL prior to the verification work being undertaken).

3.14 It is envisaged that the most common methods of providing affordable housing through this option will be through a developer providing on-site affordable housing. In exceptional circumstances a developer makes a financial or other contribution to off-site provision of affordable housing.

3.15 Off-Site Provision of Affordable Housing

This will be generally unacceptable. A financial or other contribution towards affordable housing on a suitable site will only be acceptable in exceptional circumstances when a need has been established, all other alternatives have been explored and soundly discounted, and when it can be demonstrated that the affordable housing will be provided.

3.16 Welsh Assembly Government advice in Technical Advice Note 2 (TAN 2) advises that affordable housing should normally be provided through planning obligations on site. Off-site provision of affordable housing, or a financial contribution towards providing affordable housing, will only be allowed in exceptional circumstances. Exceptions could include instances where it would be unfeasible, unsuitable or otherwise inappropriate to have on-site provision.

3.17 The onus will be on the developer to set out the exceptional circumstances as to why provision may not need to be on site and how their alternative proposal will address the affordable housing need identified by the Local Authority. The exception should be based on the nature of the site rather than the circumstances of the applicant/ developer; that the development is the minimum required to address the established need and that there is a clear balance of advantage to the community in allowing the exception.

3.18 Criteria Where Off site provision may be acceptable

3.19 Off site provision on an alternative site will only be allowed where the principle of residential development has been agreed on both the application site and the alternative site(s) and where the following apply:-

- I. There is no defined need for low cost home ownership in the immediate locality – but there is on an alternative site
- II. Where a sequentially better alternative site (transport and facilities) has come forward which would not otherwise have done so, has been secured and itself possesses no affordable housing planning obligation
- III. At least the same level of provision if not increased or enhanced is proposed and will lead to better integration across a community
- IV. The application site meets a separate special or particular housing need OAP/sheltered – which takes precedence over affordable housing
- V. The application site is unsuitable based on adverse geography, hostile site characteristics, and a satisfactory alternative site has been secured
- VI. The alternative would entail bringing existing housing stock into use for affordable housing.

3.20 Financial Contribution

3.21 The principle of in situ affordable housing secured through the planning process must not be compromised by offers of cash in lieu payments, and in considering contributions the Council would want to ensure that there is no loss of opportunities to provide affordable housing where it is needed.

3.22 In exceptional circumstances, e.g. when the proposed site is unsuitable for affordable housing and when an alternative and more suitable site is not in the applicant's ownership, planning obligations will be drafted so that they ensure that the developer makes a contribution towards the cost of providing affordable housing on an alternative site.

3.23 With regards to a financial contribution, the amount of contribution will reflect the type, size and number of properties that would have been required to be provided on-site. Such contributions will be used by the Council to fund alternative affordable housing when sufficient funds have been generated and suitable opportunities arise

3.24 The financial contribution will be calculated on the basis of the amount of Social Housing Grant that a Registered Social Landlord would normally expect to receive from the WAG to facilitate the development of an affordable housing scheme. This is based upon WAG's ACG which sets out the typical cost of building specific house types in the area. The financial contribution per unit is calculated on the basis of 58% of this figure.

3.25 Payment Formula

3.26 Payment is based on a formula calculated as follows:

$$A \times (B \times C) = \text{Sum payable}$$

Where:

A = Total number of affordable units

B = Relevant Accepted Cost Guidance level for the type of unit in question

C = Social Housing Grant Rate (58% of the Accepted Cost Guidance for the type of unit in question)

Worked Example (based on a fictional development)

Development Site for 30 Units in Bangor.

10 Affordable Units to be provided as part of the development.

However none to be provided on-site so a commuted sum payable of :

(i) 5no. 3 Person 2 Bedroomed Units	5 x (£115,600 x 58%) = £335,240
(ii) 3no. 4 Person 3 Bedroomed Units	3 x (£146,000 x 58%) = £254,040
(iii) 2no. 5 Person 3 Bedroomed Units	2 x (£154,500 x 58%) = £179,104

Total Contribution

£768,384

*Figures used in the above example based on WAG Acceptable Cost Guidance levels published in October 2007

3.27 The Use made by the Council of a Financial Contribution

3.28 The Council will work to ensure that it makes the best reasonable use of any financial contribution received to assist in the delivery of affordable housing.

3.29 The Council does not consider it appropriate to provide a financial subsidy towards the provision of affordable housing where a developer would normally be required to provide affordable housing on-site. It will use any financial contribution primarily to provide a subsidy to a RSL or formal community group to facilitate the development of an affordable housing scheme.

3.30 The Council wants to ensure equity, as far as possible, in the use of any financial contributions it receives. It will therefore use its best endeavours to use any financial contributions it receives for the provision of affordable housing in the UDP catchment area of the site from which the contribution has been derived.

3.31 Issues of scheme viability

3.32 It is recognised that all sites and projects will differ in terms of their context and characteristics. In some cases abnormal development costs may limit the opportunity to deliver against policy requirement. There is a clear need to share an understanding of the financial facts and assumptions that provide

the context for each individual proposal at the planning application stage and development stage.

- 3.33 Where an applicant advises that the cost of providing affordable housing means that the site will not be viable to develop they will be expected to prove this by describing the costs and the value of the development fully. This process will include a thorough appraisal of the site economics and will require co-operation and an open book approach between the applicant, developer or landowner and the Local Planning Authority.
- 3.34 Using open-book accounting as referred to above in paragraph 3.33, the Local Planning Authority will seek the advice of its Head of Corporate Property Services in respect of issues of viability.
- 3.35 A 'Development Appraisal Toolkit', used elsewhere in Britain by local planning authorities and developers alike, will be used if necessary by the Local Planning Authority where there is a dispute about the provision of affordable housing on a site which is the subject of a planning application.
- 3.36 The toolkit is software used to arrive at a residual value for the land by comparing the full costs of building a residential development with the revenue generated through house sales and any revenue generated by the affordable housing. The results can then be compared against information about commercial land values to determine whether an individual site is viable. A range of planning obligations, including affordable housing, can be added in to the calculation and their impact on the scheme's residual value can be reviewed. In simple terms it calculates the level of profit a landowner and developer can expect according to different scenarios.
- 3.37 In cases where disputes remain, the services of the District Valuer Service will be sought to resolve such disputes with the costs to be borne by the applicant.
- 3.38 In accounting for scheme viability, Gwynedd Council will also guard against reducing affordable housing obligations due to the current market conditions, as planning permissions may not be implemented until future years when market conditions improve. This is in accordance with guidance provided by the Welsh Assembly Government in the 'Affordable Housing Delivery Statements Final Guidance' document published in February 2009.
- 3.39 **Note:**
Appendix 8 provides further guidance in relation to the issue of scheme viability.

4. Measures to manage affordable housing for the future

- 4.1 Gwynedd Council in adopting this SPG sets out its favoured approach for promoting affordable housing through the planning system. However, in identifying preferred approaches to securing affordability the Council will, in individual cases, be prepared to consider alternative but equally robust arrangements for achieving these goals.
- 4.2 It is important to ensure that where affordable housing is provided, it remains affordable for subsequent purchasers and occupiers. Robust occupancy controls are therefore required in order to secure the housing in question. The methods identified by Gwynedd Council to control and manage affordable housing developed are as follows:
- 4.3 Legal Agreements (Section 106 Planning Obligations)**
- 4.4 The future affordability, management and ownership of any affordable dwellings will be ensured in perpetuity through the imposition of planning agreements and obligations under Section 106 of the Town and Country Planning Act, which shall be applied planning permissions. Section 106 Planning Obligations will apply to successive owners.
- 4.5 Section 106 Planning Obligations will apply to individuals, groups and Registered Social Landlords. Furthermore, in the case of dwellings in private ownership it will be necessary to ensure that the dwelling will always be used as the principal residence of a qualifying person in need of an affordable dwelling.
- 4.6 A fee will be charged by Gwynedd Council to applicants for affordable housing to meet the costs associated with preparing the Section 106 Planning Obligation legal documentation.
- 4.7 Section 106 Agreements will reflect the 5 tests set out within Circular 13/97. These are:-
1. Any obligation must be necessary to make the proposed development acceptable in planning terms.
 2. The obligation must be relevant to planning.
 3. The obligation must be directly related to the proposed development.
 4. Obligations must be fairly and reasonably related in scale and kind to the proposed development.
 5. Obligations must be reasonable in all other respects
- 4.8 Section 106 Planning Obligations will contain the following elements:
- A description of the affordable units
 - A description of who will be eligible to occupy the units
 - A price fixing mechanism
 - Protection mechanism for future re-sales
 - A description of the future re-sales cascade procedure
- 4.9 The future re-sales cascade procedure will vary in accordance with the type of settlement in question i.e. whether or not a development is located:
- On a site within the development boundary
 - On a Rural Exception Site basis

- Located within a Rural Village

4.10 Note:

Further information on Section 106 Planning Obligations is presented in **Appendix 5**.

Appendix 6 elaborates on both the affordable housing re-sales cascade and mortgagee in possession procedures for the various settlement types.

4.11 Registered Social Landlords (RSLs)

4.12 The Council's preferred approach for controlling the occupancy of affordable housing provided will be for its management to be undertaken by a RSL. The involvement of an RSL to manage such affordable housing will be an effective way of controlling occupancy and should ensure control over subsequent changes of ownership and occupation.

4.13 Nomination Rights

4.14 It is considered important to ensure that properties provided by developers on-site or off-site as affordable housing are available to those in greatest needs, initially, and in perpetuity. In the case of developments on land in Gwynedd Council's ownership, the Council will seek to negotiate with developers and/or RSLs nomination rights for the Council to play a role in nominating purchasers for the housing available for purchase at an affordable price, purchasers for the part-ownership homes and tenants for the rented accommodation provided.

4.15 Pre-emption rights

4.16 The Section 106 Planning Obligation will include a clause giving the Council or its nominee a pre-emption right on re-sales of all affordable dwellings secured through the Section 106 Planning Obligation. This shall allow the Council or its nominee first option to purchase any affordable property in future re-sales.

4.17 Duration of a planning consent for affordable housing

4.18 In the case of Gwynedd UDP Policies CH5, CH7 and CH12, it will be necessary to ensure that the Policy is not misused and consequently undermined, especially by a speculative development, detrimentally affecting the supply of affordable dwellings in the long term. The duration of consent for all affordable housing planning permissions, approved under Gwynedd UDP Policies CH5, CH7 and CH12, will be restricted to 3 years rather than 5 years. (This builds on Section 91 of the 1990 Town and Country Planning Act which allows for the duration of planning consent in specific circumstances to be restricted to 3 years). If there is genuine need for such a property, it is argued that the property will be built soon after it is approved.

4.19 Land Registry restriction

4.20 Gwynedd Council will arrange for a Land Registry restriction to be place on the title of all affordable dwellings developed. This restriction prohibits any disposal of the property without the Council's consent and enables the Council to enforce the applicable affordable housing restrictions.

5. Key principles for the design of affordable housing

5.1 The type, size and design of the house will affect its 'affordability' for the first occupant and subsequent occupants. The Local Planning Authority will ensure that any proposal for affordable housing is of an appropriate size which will meet an identified local need. It will also be necessary to consider the relation between the size of the plot and the size of the property/number of houses to be developed etc. so that this also reflects the affordability of the property.

5.2 All new development should protect and enhance the character of towns and villages. Development should be in keeping with the character of adjoining development and the locality, and with local building styles. Specific regard will be given to:

- Siting, layout, density, orientation and landscape treatment
- Size, shape, height, massing, scale and proportions of dwellings
- Architectural detailing, building materials, floorscape and boundary treatment
- Important trees, hedgerows and other valuable landscape features

5.3 Design and Quality Standards

5.4 The Local Planning Authority will not discriminate between open market housing and affordable housing when applying design considerations.

5.5 All affordable housing developments (new build or refurbishment and upgrading of existing buildings) should as a minimum requirement conform to:

- the Design Quality Requirements Guidebook published by the Welsh Assembly Government for both new dwellings and existing rehabilitated buildings, and
- Code for Sustainable Homes Level 3

5.6 All development should be undertaken in accordance with the Gwynedd Council Design Guide (April 2003) and the Gwynedd Council Affordable Housing Design Guide (April 2005).

5.7 Developments must also conform to:

- i. Planning Policy Wales Technical Advice Note 12:Design (2009)
- ii. Relevant Policies contained within Gwynedd Unitary Development Plans (2001-2016)

5.8 **Note:**

Appendix 1 contains the policy wording for the Gwynedd Unitary Development Plan (2001-1016) Policy C7 – Building in a Sustainable Manner.

5.9 Type and Size of Properties

5.10 To ensure that the affordable housing provided meets local housing needs, the type and size of the property to be provided will be based upon advice from one or a combination of the following: the Council Housing Service, Affordable Housing Officer, from Registered Social Landlords and also from

results of the relevant housing needs surveys undertaken or other accredited sources of information.

5.11 Acceptable Size

5.12 Developments in receipt of Welsh Assembly Government Social Housing Grant

5.13 All developments in receipt of Social Housing Grant will have to conform to the acceptable size in accordance with:

- the Design Quality Requirements Guidebook published by the Welsh Assembly Government for both new dwelling and existing rehabilitated buildings
- the Welsh Housing Quality Standards published by the Welsh Assembly Government
- the Lifetime Homes Standards
- the RSL Design Brief
- Secured by Design (UK Police flagship initiative)

5.14 Developments with no RSL involvement or not in receipt of WAG Social Housing Grant

5.15 There will be a need to ensure that the affordable homes are of an appropriate size and responds to a specific type of need.

5.16 The size of dwellings must not be excessive in relation to the size of the property required to meet the target need (or it may not be affordable to other people).

5.17 To ensure that people do not misuse the policy the maximum size of affordable units with no RSL involvements or not in receipt of WAG Social Housing Grant must not exceed:

- Bungalow 2 bedroomed – 80m²
- Bungalow 3 bedroomed – 90m²
- Bungalow 4 bedroomed – 105m²
- Two storey 2 bedroomed – 90m²
- Two storey 3 bedroomed– 100m²
- Two storey 4 bedroomed– 120m²
- Two storey 5 bedroomed– 130m²
- (Garage – an additional 20m²)

(If the dwellings are dormer bungalows then they should be treated as two storey dwellings)

The maximum sizes noted above relate to the total collective internal floorspace area of the affordable units (that is the collective total for all the floors within the building).

5.18 In determining the number of bedrooms required by an applicant for affordable housing, consideration must be given to the following:

Separate bedrooms should be ensured for:

- Husband/wife or similar partnership

- Each person aged 18 years or over
- Children aged 8 or over of different sex from children of any age
- No more than two persons should occupy one bedroom

5.19 Layout and Distribution

5.20 In order to help create mixed and balanced communities the Local Planning Authority seeks to ensure a mix of size, type and affordability in new housing developments. This should include both a mix of types and sizes of market dwellings such as flats and terraced houses for smaller households and larger family accommodation, as well as affordable housing to meet a range of local needs. The types and sizes of affordable dwellings to be provided will depend on the identified housing needs within the local area at the time a housing development is proposed.

5.21 The Local Planning Authority considers that on sites where affordable housing is provided this can only be achieved where the affordable housing is integrated into the design and layout of the site.

5.22 With the exception of affordable housing provided as flats, the Local Planning Authority expects that in the case of developments of 10 or more units, the affordable housing provision should be dispersed across the site rather than by grouping them together on part of the site.

5.23 Extensions to affordable houses – removal of Permitted Development Rights

5.24 Permitted Development Rights are the rights property owners have to alter or extend the property without formal planning consent. The Local Planning Authority will manage extensions to affordable houses in order to ensure that new houses remain affordable by removing the relevant Permitted Development Rights to prevent the construction of extensions without approval. This does not mean that the owners will never be able to alter or extend their homes. It does mean that they will require planning consent to carry out the alteration/extension.

5.25 In considering the application the Local Planning Authority will consider whether or not the alteration/extension would be likely to make the property unsuitable or unaffordable to another person in local housing need. If it does, consent will not be granted.

USEFUL DOCUMENTS

- 1. Gwynedd Council Affordable Housing Delivery Statement 2007-11 (2009)**
- 2. Gwynedd Council Unitary Development Plan 2001 – 2016**
- 3. Gwynedd Council Design Guide (2003)**
- 4. Gwynedd Council Affordable Housing Design Guide (2005)**
- 5. Gwynedd Council Supplementary Planning Guidance: Planning Obligations (2009)**
- 6. Gwynedd Council Local Housing Strategy 2009-2012**
- 7. Welsh Assembly Government Planning Policy Wales (2002)**
- 8. Welsh Assembly Government Ministerial Interim Planning Policy Statement (01/2006)**
- 9. Welsh Assembly Government Technical Advice Note 1 (2006)**
- 10. Welsh Assembly Government Technical Advice Note 2 (2006)**
- 11. Welsh Assembly Government Technical Advice Note 12 (2009)**
- 12. Welsh Assembly Government Affordable Housing Toolkit (2006)**
- 13. Welsh Assembly Government Affordable Housing Delivery Statements Final Guidance (2009)**

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GLOSSARY OF TERMS

Note: these are not precise definitions but are provided to give the reader a simple introduction to some of the technical terms used in the document.

Acceptable Cost Guidance (ACG) levels: These are provided by the Welsh Assembly Government (WAG) as guidance on the likely acceptability of housing scheme cost for Social Housing Grant purposes. It is expected by WAG that the majority of schemes are capable of being produced at or below ACG. ACG levels include both development and acquisitions costs.

Affordable Housing: Housing available to people who cannot afford to rent or buy houses generally on the open market.

Development Quality Requirements (DQR): Set out the minimum quality requirements for new and rehabilitated housing developments funded from the Welsh Assembly Government's Social Housing Grant.

Housing Association: An organisation that provides affordable housing either through rent or low cost home ownership.

Housing demand: The quantity and type/quality of housing which households wish to buy or rent and are able to afford. It takes account of both preferences and ability to pay.

Housing need: Refers to households lacking their own housing or living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some financial assistance.

Housing Needs Survey: A survey of housing need amongst a given population, often within an identified community or across a wider area such as across the entire County.

Local Housing Market Assessment: Local Planning Authorities' assessments of the requirement for both market housing and affordable housing in their local housing market area(s). These assessments should be carried out in accordance with the Welsh Assembly Government's 'Local Housing Market Assessment Guide', 2006.

Mortgagee in Possession: Means a person or body which has entered into a mortgage in respect of a Dwelling constructed on the Land and has taken action following a default by the borrower in respect of the repayment due under that mortgage and shall include any receiver appointed by such mortgagee.

Nomination Rights: In the case of developments on land in Gwynedd Council's ownership, the Council retains a right to put forward a person or persons when new developments are completed or when existing affordable housing units become available for occupancy.

Occupancy cascade: A mechanism to ensure that occupants who fulfil the occupancy criteria will always be found for affordable housing when such housing is vacated. This mechanism might set out the geographical areas and/or types of households that would be eligible for such housing.

Permitted Development Rights: These are the rights that property owners have to alter or extend the property in certain circumstances without planning consent.

Private Rental Sector Housing: Means property owned by a private, voluntary or not for profit body, where the rental levels are not subsidised but are nevertheless set at affordable levels for people in local housing need and the property will not have been acquired, or redeveloped, using any public funds.

Registered Social Landlord (RSLs): The technical name for social landlords that own or manage social housing and are registered with, and regulated by, the Assembly Government.

Most RSLs are Housing Associations (independent, not-for-profit organisations which are able to bid for Social Housing Grant funding).

Rural Exception Site: An area of land that immediately adjoins the development boundary for a certain type of settlement which can only be used for providing affordable housing.

Rural Housing Enabler: A person independent of the Council and Housing Associations who works with local communities to identify housing need and provide guidance to communities on the development process.

Section 106 Planning Obligation: Section 106 of the Town & Country Planning Act 1990 as amended by the 1991 Act, enables planning authorities to seek to negotiate a contribution from developers towards the cost of meeting the infrastructure necessary to support their development.

Social Housing: For the purpose of this Guidance means property owned by the Council, a charitable housing trust or a Registered Social Landlord where rents are, in effect, subsidised.

Social Housing Grant: Capital grant provided by the Assembly Government to Local Authorities to fund Registered Social Landlords to fully or partially fund investment in social housing.

Staircasing: Staircasing refers to the practice of purchasing additional percentages of a shared ownership house. The cost of staircasing depends on the valuation of the property at the time the purchase takes place. The amount of additional shares and blocks of shares that can be purchased in a shared ownership property will vary on a case by case basis.

Supplementary Planning Guidance: Formal guidance issued by the Council that provides further detail in support of planning policies.

GWYNEDD COUNCIL AFFORDABLE HOUSING SUPPLEMENTARY PLANNING GUIDANCE

APPENDICES

- | | |
|------------|--|
| Appendix 1 | Gwynedd Council Unitary Development Plan 2001-2016 affordable housing policies |
| Appendix 2 | Affordable private rental levels and affordable prices of discounted low cost market housing |
| Appendix 3 | Information in relation to how to approach a planning application for the provision of affordable housing |
| Appendix 4 | Flow Chart mapping out the process in relation to how to approach a planning application for the provision of affordable housing |
| Appendix 5 | Section 106 Planning Obligations |
| Appendix 6 | Affordable housing re-sale cascade and mortgagee in possession procedures |
| Appendix 7 | Obligations in relation to developing Affordable Housing |
| Appendix 8 | Issue of scheme viability |

APPENDIX 1

Gwynedd Council Unitary Development Plan 2001-2016 Affordable Housing Policies

POLICY CH1 - NEW HOUSES ON ALLOCATED SITES

Proposals to build houses on sites allocated for housing use, as noted in the table in Appendix 3 to the Gwynedd Unitary Development Plan 2001-2016 and indicated on the Gwynedd UDP Proposals Map, will be approved provided that all the following criteria can be met:

1. that the specific sites indicated on the Gwynedd Unitary Development Plan 2001-2016 Proposals Map by the letter 'G' are developed in phases during the Plan period;
2. that the development is one that demonstrates quality in terms of the type, size and affordability of the houses, and in terms of its quality, design and form in accordance with the relevant development brief prepared by the Council or an agreed master plan.

Explanation - The sites allocated in the Plan have been carefully selected in order to provide a source of new homes for general need during the Plan period. By assessing and consulting, the Council has attempted to ensure that these sites are suitable for housing, and that there are no obvious barriers to their development and that they are actually "available".

The Council has used a density of 30 houses per hectare as a standard in order to calculate the number of houses for each site. This will vary slightly depending on the characteristics of the site, the surrounding area and the nature of the proposed housing development. It is also intended to phase the release of some of the larger house building sites in order to control development on the sites. The development brief will contain further details of the reasons leading to the need for phased development. The Local Planning Authority will negotiate the details of phasing with developers at the planning application stage, which will allow the actual pace of development to reflect the circumstances that prevail at that time while protecting interests of acknowledged importance.

New development must conform to the relevant development brief prepared for each allocated housing site. The proposal must be suitable for the site as regards basic planning considerations and accord with the relevant policies. Applications that do not conform with these considerations and policies will be refused.

POLICY CH3 - NEW HOUSES ON UNALLOCATED SITES WITHIN THE DEVELOPMENT BOUNDARIES OF THE SUB-REGIONAL CENTRE AND URBAN CENTRES

In principle, proposals to build houses on suitable unallocated sites within the development boundaries of the Sub-regional Centre (Bangor) and the Urban Centres (Caernarfon, Pwllheli, Porthmadog and Blaenau Ffestiniog) will be approved.

Explanation - These will mainly be infill sites, but some sites also become available unexpectedly, for example as a consequence of redevelopment or relocating another use. However, it must be ensured that the development will not result in the over development of the site nor lead to the loss of open spaces. If it is proposed to build **5 units or more** on sites of this type, the application will be expected to conform to Policy CH6, which relates to affordable housing for local need.

POLICY CH4 - NEW DWELLINGS ON UNALLOCATED SITES WITHIN THE DEVELOPMENT BOUNDARIES OF LOCAL CENTRES AND VILLAGES

In principle, proposals to build dwellings on unallocated sites within the boundaries of Local Centres and Villages will be approved provided they conform to all the relevant policies of the Plan and all the following criteria:

1. that a proportion of the units (which will vary from site to site) on all sites are affordable dwellings that satisfy an identified general local need for affordable housing, unless it can be proven to the satisfaction of the Local Planning Authority, having considered all the relevant factors, that it would be inappropriate to provide affordable housing on the site
2. the size/ layout, design and materials of an affordable dwelling, including the number of bedrooms, reflects the specific need for an affordable dwelling
3. that secure mechanisms are in place to restrict the occupancy of any affordable housing on the site, both on first occupation and for subsequent occupiers in perpetuity, to those who can prove a general local need for affordable housing.

When development is approved a planning condition will be used to control Permitted Development Rights in order to ensure that an extension or alteration would not increase the value of the property beyond the value of an affordable dwelling that meets an identified need.

Explanation - Proposals to build new housing units on sites that have not been designated for any specific use and that lie within the boundaries of the Local Centres (Llanberis, Abermaw, Tywyn, Bethesda, Penygroes, Nefyn, Penrhyndeudraeth, Cricieth) and Villages (too numerous to name) of the area must conform to the above policy. The policy will be a means of maintaining local communities, in accordance with the Strategy of the Plan, by facilitating development that contributes to the development of socially mixed communities. These sites will mainly be individual infill sites, but some larger sites may also become available unexpectedly, for example as a consequence of redevelopment or relocation.

Prospective developers will be required to provide evidence to demonstrate and justify how they have decided on the specific type of housing on the site and how this contributes to creating socially mixed communities. The Local Planning Authority will discuss the indicative targets and negotiate with developers to include an element of affordable housing on sites that are the subject of this policy. The factors listed below will be considered during the negotiations:

- the site's suitability
- economics of the provision (type of dwellings, density, number of units proposed)
- specific costs relating to the development of the site
- whether provision of affordable housing prevent the realisation of other planning objectives

If, following negotiations with developers, affordable housing is possible on the site, planning permission will only be given if secure measures are in place to ensure that the house(s) is kept as an affordable dwelling to fulfil an identified general local need in perpetuity. Agreements with a Registered Landlord, legal agreements (which include restrictive covenants and/or 106 Planning Obligations) are examples of how housing occupancy can be restricted in perpetuity to those who can prove a general local need for an affordable home. Further guidance is given regarding these matters in the Supplementary Planning Guidance Affordable Housing and in the Affordable Housing section of the Gwynedd Design Guide.

Because of the nature of some of the Villages, the Local Planning Authority will pay detailed attention to the location, scale, density and nature of the development as well as the materials, design and landscaping. The Council is eager to ensure that developments are in keeping with the site, location and character of the Villages especially those within the Llŷn AONB and in conservation areas.

POLICY CH5 - NEW DWELLINGS IN RURAL VILLAGES

In the Rural Villages only proposals for residential development that include one or two units will be permitted. The proposals must conform with all the following criteria:

1. local community need for an affordable dwelling has been proven;
2. the site is an infill site between buildings coloured on the relevant Inset Map, or is a site directly adjacent a coloured building,
3. the proposal would not create an intrusive feature in the countryside, and would not introduce a fragmented development pattern, nor create a ribbon development contrary to the general development pattern of the settlement;
4. the size of the property reflects the specific need for an affordable dwelling in terms of the size of the house in general and the number of bedrooms;
5. because of the more sensitive rural location, the development must utilize the natural features of the site in the best way and retain any natural features present at the edges of the site or on its boundary that are worth retaining;
6. that secure mechanisms are in place to restrict the occupancy of the dwelling both on first occupation and in perpetuity to those who have a local community need for an affordable dwelling.

When a development is permitted a planning condition will be used to control Permitted Development Rights in order to prevent the construction of an extension or alterations that would increase the value of the property beyond the value of an affordable dwelling that meets local community need. Also, a planning condition will be used to ensure that the limited number of consents granted will be brought forward expeditiously to meet a community local need for affordable housing.

Explanation - Rural villages are characterised by an extremely sensitive social character and environment as well as a limited level of services and facilities. In accordance with the intention of the Plan to maintain and strengthen local indigenous communities, this policy permits only a limited number of new dwellings to meet a local need for affordable housing (as defined) only on suitable sites. By restricting the number of sites where planning permission could be granted the number of houses to be built is limited to ensure that the rate of construction will not detrimentally affect the sensitive character (environmental and social) of the Rural Villages.

For the purposes of the Policy an infill site is defined as 'a small gap in a continuous line of built development'. In some circumstances, where terraced housing or semi-detached dwellings are common, two applicants could develop semi-detached houses jointly in order to save construction and services costs.

The restriction on the size of a dwelling will control its affordability. Section 91 of the Town and Country Planning Act 1990 provides Local Planning Authorities with a means of limiting the life of a planning consent in specific circumstances. It is considered that the extremely sensitive social and environmental character of the Rural Villages and the limited level of services and facilities available in them justify the use of a condition to restrict the duration of the permission - if there is genuine need for such a property, it is argued that the property will be built soon after it is approved.

On account of the sensitive and rural nature of the Rural Villages, the Council will pay detailed attention to the location, scale, density and nature of the development as well as the materials, design and landscaping. The Council is eager to ensure that developments are in keeping with the site, location and character of the Rural Villages especially those within the LIÿn AONB and in conservation areas.

POLICY CH6 - AFFORDABLE HOUSING ON ALL ALLOCATED SITES AND ON UNALLOCATED SITES WITHIN THE DEVELOPMENT BOUNDARIES THE SUB-REGIONAL CENTRE AND THE URBAN CENTRES

Proposals to develop housing units on sites or parts of sites allocated for a specific number of houses in the Plan area or other sites that become available unexpectedly in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli for housing developments (windfall) which may in their entirety accommodate 5 or more housing units, will be refused unless all the following criteria can be met:

1. that a percentage (which will vary from site to site) of the units provided as part of the scheme
 - a) on any site in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli satisfy a need for affordable housing
 - b) on sites that are allocated for housing in the Local Centres and Villages satisfy a general local need for affordable housingunless it can be proven to the satisfaction of the Planning Authority that after considering all the relevant factors that it would be inappropriate to provide affordable housing on the site;
- 2) that secure mechanisms are in place to restrict the occupancy of the affordable dwelling(s) provided both on first occupation and in perpetuity to those who can prove a need for affordable housing in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli or to those who can prove a general local need for an affordable dwelling in the Local Centres and the Villages.

Explanation - The Housing Needs Survey notes that the provision of a minimum of 105 affordable units per year is necessary in the Plan area. A percentage of the new living units must be affordable units because of the inability of local people to compete in the local housing market (purchase and rent). By using a combination of thresholds on the basis of site capacity and specific indicative targets, it is foreseen that about 656 new affordable homes can be provided in the Plan area on sites allocated for housing. Other sites that become available unexpectedly in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli will also be expected to contribute to satisfying this demand and the site capacity-based threshold will provide developers with guidance as to when it will be necessary to discuss the provision of affordable housing with the Local Planning Authority. All this will be in addition to the number of affordable homes coming forward on un-allocated sites in Local Centres, Villages and Rural Villages, rural exception sites and affordable houses coming forward by means of converting buildings.

The inability to compete in the local housing market is a symptom of low incomes and a weak economy and this manifests itself in the competition from inward migrants for houses throughout the County. In the past, competition from inward migrants for houses was concentrated on the popular coastal areas but now, as a consequence of changes in working practice, early retirement, information technology as well as higher wages and improved opportunities in the towns and cities, the pressure has extended throughout the whole County and the affordability gap has widened.

In order to assess the need for affordable housing in a specific area the Council will consider the information contained in the latest Housing Needs Survey and any other local survey completed and approved by the Council. The policy will be relevant to sites allocated for a specific number of housing in the Plan area and other individual sites that become available in Bangor, Blaenau Ffestiniog, Caernarfon, Porthmadog and Pwllheli which would be able to accommodate 5 units or more. The policy would also apply to a development site that forms part of a more substantial site which in its totality be above the site threshold capacity of 5 units or more. After considering the results of the 2000 Housing Needs Survey and any other survey approved by the Council, an indicative target of 10% to 50% has

been set for every designated site. Details of these indicative targets are available in the tables in Appendix 3 to the Plan and in the development briefs that are available separately from this Plan. The indicative targets are based on a desk survey into the need for affordable housing and the factors below:

- The suitability of the site
- The economics of the provision (type of dwellings, density, number of units proposed)
- Specific costs relating to the development of the site
- Whether the provision of affordable housing would prevent the realisation of other planning objectives

The Planning Authority will discuss the indicative targets and negotiate with developers to include an element of affordable housing on sites that are the subject of this policy. Prospective developers will be required to provide evidence to demonstrate and justify how they have decided on the specific type of housing on the site and how this contributes to creating mixed communities.

POLICY CH7 - AFFORDABLE HOUSING ON RURAL EXCEPTIONS SITES DIRECTLY ADJOINING THE BOUNDARIES OF VILLAGES AND LOCAL CENTRES
Proposals for affordable dwellings on suitable rural sites directly adjoining the development boundaries of Villages and Local Centres will be approved as an exception to usual housing policies provided that they conform with all of the following criteria: <ol style="list-style-type: none">1. general local need for affordable dwellings has been proven;2. the development will form a reasonable extension to the Village or Local Centre;3. that the development would not form an unacceptable intrusion into the countryside or create a fragmented development pattern;4. that satisfactory arrangements are in place to restrict the occupation of an affordable house/ houses on first occupation and in perpetuity to those who can prove general local need for an affordable house.

Explanation - When the Housing Needs Survey or independent surveys that have received guidance or assistance from the Local Planning Authority or a registered social landlord, demonstrate a shortage of affordable housing in a rural area, the Council, as an exception to usual planning policies, will be willing to release sites outside the Local Centre and Village boundaries (not Rural Villages) for an affordable housing scheme provided that the scheme conforms to the criteria in the above policy. Consideration will only be given to proposals for individual houses if such a development would be in keeping with the site and the character of the nearby Village or Local Centre and would promote a sustainable pattern of development.

Strict criteria have been set in order to ensure that unsuitable developments that would detrimentally affect the rural environment will be refused. The aim is to supply affordable housing in the Centres on sites allocated for housing or other sites that become available unexpectedly.

The purpose of the rural exception policy is to release sites on the periphery of Villages and Local Centres for affordable housing where housing would not usually be approved. Consequently, the land for the development must be released at a reduced price that would be advantageous in order to provide the affordable dwellings. This will be higher than the agricultural value of the land but substantially lower than the value of land located within development boundaries.

The Local Planning Authority will require a legal obligation through a 106 Agreement restricting the occupancy of dwellings on sites of this type to local inhabitants in need of affordable dwellings as defined at the head of these policies. This will be operative even in the case of Registered Social Landlords because of the exceptional nature of approving a housing development contrary to usual planning guidance.

POLICY CH8 - EXTENSIONS AND ADAPTATIONS TO AFFORDABLE HOUSING AND NEW HOUSES IN THE COUNTRYSIDE

Extensions and adaptations to affordable housing and new houses in the countryside are permitted provided that the size and scale of the house after the extension or adaptation reflects the intention to ensure that the benefits of affordable housing and new houses in the countryside continue forever and that the proposal is in keeping with the original house and the local area.

Explanation – This policy is relevant to dwellings which have been granted permission as they provide an important source of affordable housing in the area or are dwellings which are granted permission because they fulfil a proven functional need in connection with agriculture or another special functional need. When planning permission was granted to construct the dwelling, the Planning Authority ensured that the size of the dwelling was in proportion to the need for an affordable house or in proportion to the functional requirement of an established scheme. In order to control the situation in future, planning conditions were used to make it a requirement to submit a planning application for every extension or adaptation to these types of dwellings. In addition to considering issues involving the appearance of the extension and its impact on the local area (and further guidance is given on this in Policy B23 of the Plan and in Gwynedd Design Guide), the Planning Authority will consider whether the adaptation/extension is likely to make the property inappropriate or unaffordable to another person who will need such a dwelling in future. Further guidance is available regarding this in the Gwynedd Council Affordable Housing Supplementary Planning Guidance.

POLICY CH11 - CONVERSION OF BUILDINGS WITHIN DEVELOPMENT BOUNDARIES OF LOCAL CENTRES OR VILLAGES FOR RESIDENTIAL USE

Proposals to convert buildings for residential use within development boundaries will be approved provided they conform to all the following criteria:

- 1) If the building is located in one of the Local Centers or one of the Villages, a proportion of the units (which will vary from site to site) on all sites are affordable dwellings that satisfy an identified general local need for affordable housing, unless it can be proven to the satisfaction of the Local Planning Authority, having considered all the relevant factors, that it would be inappropriate to provide affordable housing on the site;
- 2) the proposal will not lead to the loss of serviced holiday accommodation in one of the main holiday centers listed in the explanation below, unless firm evidence has been submitted to the Council demonstrating that the property has been marketed unsuccessfully as holiday accommodation for sale for a reasonable price for a continuous period of 12 months;
- 3) the proposal will not lead to the loss of a community resource or service, unless, where relevant, firm evidence has been submitted to the Council demonstrating that the property has been marketed unsuccessfully as a business for sale for a continuous period of 12 months.

When conversion of a building is approved in accordance with this policy in one of the Local Centres or Villages, a suitable mechanism must be in place to restrict the occupancy of the house on first occupation and in perpetuity to people who have a general local need for affordable housing. In suitable cases there will be a condition abolishing general permitted rights in order to ensure full planning control over developments concerning the building in question and its surrounding curtilage.

Explanation - By approving the conversion of suitable buildings into houses or flats in Local Centres or Villages, the Local Planning Authority will reduce the pressure to develop on greenfield sites. There

are many buildings suitable for conversion for residential use including old chapels and churches, offices and banks. There will be a presumption against converting a building that is used to provide a community resource or service in any Local Centre or Village, or when such a conversion would lead to the loss of holiday accommodation in the main holiday centres, defined for the purpose of the policy as: Aberdaron, Abermaw, Abersoch, Criccieth, Llanberis, and Tywyn.

POLICY CH12 - CONVERSION OF BUILDINGS IN RURAL VILLAGES AND IN OPEN COUNTRYSIDE FOR RESIDENTIAL USE
<p>In rural villages and the countryside conversions of buildings to residential use will not be permitted without first providing proof that a suitable economic use cannot be secured for the building. Planning permission to convert the building to a residential use will be subject to meeting all the criteria set out below:</p> <ol style="list-style-type: none">1. local community need for an affordable house has been proven;2. the proposal will not lead to the creation of a substantial number of new dwelling units that are/would be likely to have a detrimental affect on the structure and character of the village and/or community of which it is part;3. the proposal will not lead to the loss of a community resource or service, unless, where relevant, firm evidence has been submitted to the Council demonstrating that the property has been marketed unsuccessfully as its relevant use for sale or for rent for a continuous period of 12 months.4. that suitable mechanisms are in place that will restrict the occupancy of the dwelling on first occupation and in perpetuity to those with a local community need for an affordable dwelling. <p>In suitable cases when permission is granted for a development a planning condition will be used to control Permitted Development Rights in order to ensure full planning control over developments concerning the building in question and its curtilage.</p>

Explanation - in accordance with Assembly advice and given that economic development and increasing employment are Council priorities; proposals to convert vacant buildings for residential use will not be approved unless prior efforts have been made to find a suitable economic use for the building or that that the conversion of the building will lead to a concentration of similar uses, such as self-catering holiday lets, thus leading to a negative effect on the local area. See Policy D10 on converting buildings for industrial/employment use and policies D14 and D15 on converting buildings for holiday accommodation. If there is evidence that such efforts have failed, the Local Planning Authority will be willing to approve conversion for residential use when the proposal fully conforms to the above policy and policy C4 that relates to the re-use of buildings. In some cases, where the building is in a prominent location, the Local Planning Authority will manage Permitted Development Rights in order to ensure full planning control over developments relating to the building in question and its surrounding curtilage.

POLICY C7 - BUILDING IN A SUSTAINABLE MANNER
<p>Proposals for new development, or for the adaptation and change of use of land or buildings, which have not demonstrated that consideration has been given to matters relating to using more sustainable building materials, energy efficiency, waste recycling and the long term use of the building will be refused.</p> <p>In order to reduce the detrimental effect of a development on the environment, applications for new buildings, to adapt buildings or to change the use of land or buildings must comply with the following criteria unless it can be demonstrated</p>

that it is impractical to do so:

1. retaining and re-use existing buildings;
2. improve energy efficiency through siting, design and orientation;
3. incorporate a landscape scheme and planting that will provide the building(s) with adequate shelter from the weather;
4. use drainage systems that do not increase flood risk and do not cause significant impact on local hydrological conditions;
5. use locally sourced sustainable building materials and materials from certified sustainable sources;
6. incorporate waste reduction measures (such as home composting) and waste recycling, sorting, storing and collection facilities;
7. incorporate water conservation measures (e.g. rain water harvesting) ;
8. provide life-time buildings which can be re-used or easily adapted for future use; and
9. provide the opportunity to share facilities where appropriate.

An Energy Design Advice Report will be required to accompany each planning application (apart from outline ones) for non-residential buildings over 1000 square meters.

The energy efficiency credentials of proposed development will be assessed against the standards established under the Code for Sustainable Homes or BREEAM.

Explanation - When considering planning applications for new buildings or the alteration, extension or change of use of an existing building, the Local Planning Authority will expect to see a resourceful attitude to the plan and design of the proposed development. The plan and design should reflect the need to reduce the harmful impact of development on the environment and there is a wide range of measures that can be adopted whilst planning and building new developments that can help to achieve this. For example, a new development scheme and building design should contribute towards energy conservation by locating the building to face a southerly direction and ensuring a landscaping scheme that shelters the building from the wind. The type of building materials can also have an effect. The process of producing some materials uses much more energy than others and opting for local materials can save energy by reducing the need to travel. If buildings are built with the long-term use of the users in mind, building extensions or new buildings can be avoided. Further details regarding these principles are contained in the Gwynedd Design Guide 2002. Other sources of guidance include for example, the Building Research Establishment, CIRIA (Construction Industry Research and Information Association), and the Forestry Stewardship Council.

The Energy Design Advice Report which is required in relation to planning applications (with the exception of outline planning applications) for new non-residential buildings over 1000 square meters will be expected to contain recommendations regarding energy efficiency and appropriate renewable technologies which could be incorporated into the development. The developer should also provide their response to that report to accompany the application. If the Local Planning Authority is of the opinion that energy matters were not given sufficient consideration when designing non-residential building projects over 1000 square meters, then planning permission will be refused.

The Welsh Assembly Government has adopted the Code for Sustainable Homes as its preferred tool to assess the sustainability of new homes. For all other type of buildings the Assembly Government has adopted BREEAM (the Building Research Establishment Environmental Assessment Method) Excellent.

APPENDIX 2

Affordable private rent levels

Maximum rental levels for private sector Affordable housing in 2009 (based on 2008 CACI Paycheck data) are:

UDP Catchment Area	Median household income	1 bedroom apartment	2 bedroom apartment	2 bedroom house	3 bedroom house	4 bedroom house
	Weekly rents					
Bangor	£24,477	£56.49	£65.90	£75.31	£84.73	£94.14
Caernarfon	£25,580	£59.03	£68.87	£78.71	£88.55	£98.38
Porthmadog	£24,452	£56.43	£65.83	£75.24	£84.64	£94.05
Llyn	£23,995	£55.37	£64.60	£73.83	£83.06	£92.29
Tywyn	£24,086	£55.58	£64.85	£74.11	£83.37	£92.64
Dolgellau	£23,904	£55.16	£64.36	£73.55	£82.74	£91.94
Bala	£25,419	£58.66	£68.44	£78.21	£87.99	£97.77
Ffestiniog	£21,865	£50.46	£58.87	£67.28	£75.69	£84.10

Formula used

1 bed apartment affordable weekly rent level = 12% of relevant UDP dependency catchment area weekly median income

2 bed apartment affordable weekly rent level = 14% of relevant UDP dependency catchment area weekly median income

2 bed house affordable weekly rent level = 16% of relevant UDP dependency catchment area weekly median income

3 bed house affordable weekly rent level = 18% of relevant UDP dependency catchment area weekly median income

4 bed house affordable weekly rent level = 20% of relevant UDP dependency catchment area weekly median income

Important note:

Gwynedd Council will publish the updated rent levels annually.

Affordable housing for sale prices (with no Registered Social Landlord involvement)

Maximum affordable housing for sale prices in 2009 (based on 2008 CACI Paycheck data) are:

UDP Dependency Catchment Area	Median household income	1 bedroom apartment	2 bedroom apartment or house	3 bedroom house	4 bedroom house
Bangor	£24,477	£54,393.33	£67,991.67	£81,590	£95,188.33
Caernarfon	£25,580	£56,844.44	£71,055.55	£85,266.67	£99,477.78
Porthmadog	£24,452	£54,337.78	£67,922.22	£81,506.67	£95,091.11
Llyn	£23,995	£53,322.22	£66,652.78	£79,983.33	£93,313.89
Tywyn	£24,086	£53,524.44	£66,905.55	£80,286.67	£93,667.78
Dolgellau	£23,904	£53,120	£66,400	£79,680	£92,960
Bala	£25,419	£56,486.67	£70,608.33	£84,730	£98,851.67
Ffestiniog	£21,865	£48,588.89	£60,739.11	£72,883.33	£85,030.55

Formula used

1 bed affordable price = UDP dependency catchment area median income x 2 income multiplier + 10% deposit

2 bed affordable price = UDP dependency catchment area median income x 2.5 income multiplier + 10% deposit

3 bed affordable price = UDP dependency catchment area median income x 3 income multiplier + 10% deposit

4 bed affordable price = UDP dependency catchment area median income x 3.5 income multiplier + 10% deposit

Important note:

The formula price for first sale will be reviewed annually in line with changes in the median household income in each community area, which is updated annually. Gwynedd Council will publish the updated prices annually. However once the % discount is fixed in relation to a specific property, future re-sales will be subject to the fixed % discount against the prevailing Open Market Value.

APPENDIX 3

INFORMATION IN RELATION TO HOW TO APPROACH A PLANNING APPLICATION FOR THE PROVISION OF AFFORDABLE HOUSING

i) PRELIMINARY STEPS

An assessment of existing properties in the area should be carried out to find out if any could be acquired (to renovate/convert/modernise as necessary) to meet the needs at affordable cost before proposing a new build development.

An initial meeting must take place between the landowner and/or developer, the relevant Registered Social Landlord and Officers from Gwynedd Council's Development Control, Planning Policy, Housing, Highways, Legal and Property Services. This meeting shall ensure that all parties involved are fully aware of all proposals and of the obligations in relation to any proposal from the start.

ii) NUMBER OF AFFORDABLE HOUSING TO BE PROVIDED

a) Sites within the development boundary

Affordable housing may be permitted on specific sites within the development boundaries of various types of settlements. Sites include some of those specifically designated for housing, undesignated sites, or windfall sites (sites that become unexpectedly available for housing developments). The number of affordable housing to be provided must be in accordance with the requirements of the relevant Policies contained in the Gwynedd Unitary Development Plan.

b) Rural Exception Sites

All houses provided on Rural Exception Sites must be affordable housing for local persons in genuine need of such housing provision.

iii) OFF-SITE PROVISION OF AFFORDABLE HOUSING

The Council prefers to secure affordable housing on-site wherever possible. However, in exceptional circumstances the Council will be prepared to consider entering into agreements either to provide affordable housing on alternative sites or to require financial contributions to enable such provision.

iv) ENSURING AFFORDABILITY

Arrangements must be put in place to ensure that the benefits remain in perpetuity for local people who cannot afford to occupy houses generally available on the open market. These arrangements are discussed in Section 4 and Appendixes 5 and 6 of this Supplementary Planning Guidance.

v) NOMINATION RIGHTS

In the case of a development on land in Gwynedd Council ownership, the Council will seek to negotiate with developers and/or RSLs nomination rights for nominating purchasers for housing available for purchase at an affordable price, purchasers for the low cost home ownership (part-ownership) and tenants for the rented accommodation provided.

vi) DESIGN, SIZE, LAYOUT, TIMING OF CONSTRUCTION

With the exception of affordable housing provided as flats, the Local Planning Authority expects that in the case of developments of 10 or more units, the affordable housing provision should be dispersed across the site rather than by grouping them together on part of the site. Details of the timing of the construction and of the affordable housing element in relation to the development of the whole site will be included in the Restrictive Covenant or Section 106 Planning Obligation.

Because of the nature of some of the villages, the Local Planning Authority will pay detailed attention to the location, scale, density and nature of the development as well as the materials, design and landscaping. The Local Planning Authority is eager to ensure that developments are in keeping with the site, location and character of the villages especially those within the Llŷn AONB and Conservation Areas.

vii) LOCAL HOUSING NEEDS SURVEY

A comprehensive survey of local housing needs will be required to demonstrate that the need is a community need and not an individual need.

viii) LEGAL DOCUMENTATION IN RESPECT OF THE PLANNING PERMISSION

All of the appropriate legal documentation will be drawn up by the relevant parties in respect of the detailed planning application including:-

- Appropriate land transfers, in respect of the properties to be constructed, from the landowner to the Developer/Registered Social Landlord/Council signed by all parties but subject to the granting of planning consent.
- Section 106 Planning Obligation – this imposes conditions relating to future ownership/occupancy, affordability and removes certain Permitted Development Rights.

ix) PLANNING APPLICATIONS IN RELATION TO THE PROVISION OF AFFORDABLE HOUSING ON LAND WITHIN THE DEVELOPMENT BOUNDARY

All planning applications for planning permission in relation to development under the relevant affordable housing policies will need to be supported by an Affordable Housing Statement that demonstrates:

- The affordable housing provided will be affordable to those in genuine local need
- Evidence of local housing need
- The number of affordable dwellings that are proposed for delivery on the site
- Whether the affordable properties will be for rent and/or low cost home ownership
- The size of each affordable dwelling (no of bedrooms) needed
- The type of dwelling (e.g. flat or house)
- Information on the affordable selling prices and/or rent levels
- The scale of the proposed development is appropriate in relation to the size of the settlement. Development should be in keeping with the character of adjoining development and the locality, and with local traditional building styles
- Adequate arrangements for ensuring the future affordability, management and ownership of the housing
- Details of the location of the affordable housing in relation to the development of the whole site
- Details of the timing of the construction and of the affordable housing element in relation to the development of the whole site
- The affordable housing provided will be constructed to the relevant Development standards and constructed to achieve high levels of fuel etc., economy
- Evidence of viability

- Evidence that the site in question is not in an area identified as being in risk of flooding

x) PLANNING APPLICATIONS FOR RURAL EXCEPTION SITE DEVELOPMENTS

a) Policy Context

The implementation of an affordable housing scheme under the rural 'exception' policy will be treated as additional to the stipulated housing provision of the Gwynedd Unitary Development Plan. Each of these schemes will be required to satisfy an identified and recognised local need.

The exceptions policies can be used where the proposals can be demonstrated to meet the needs of local people (including affordability) and are conditioned to remain affordable on first and all subsequent "disposals".

The Rural Exception Site policy relates to both land within development boundaries and land immediately adjoining development boundaries where development will not normally be permitted. Therefore the principal issue is whether a site is suitable in planning terms.

Particular importance is given to sustainability considerations including the location of a site in relation to an existing settlement and local services, the scale of development proposed, the impact on the character of surrounding development, the landscape and countryside, as well as other normal planning criteria. Isolated locations will not be acceptable.

Proposals which include the provision of general demand housing outside the development boundaries to cross-subsidise the funding of affordable housing will not be permitted.

b) Proposals for developments on Rural Exception Sites will only be permitted where the Local Planning Authority is satisfied that the following criteria is met: -

- (i) the proposed development is located within or on land immediately adjoining the development boundary;
- (ii) the proposed development provides reasonable accessibility to local services;
- (iii) the proposed development is not intrusive in the countryside and is not harmful to the character of the landscape;
- (iv) the scale of the proposed development is appropriate in relation to the size of the settlement. Development should be in keeping with the character of adjoining development and the locality, and with local building styles;
- (v) the proposed development conforms with the Gwynedd Unitary Development Plans' policies, for access, parking, retention of trees, landscaping and impact on neighbouring properties;
- (vi) there is clear evidence of an unsatisfied local housing need in the parish that cannot be met through normal market mechanisms;
- (vii) the proposed development is of a size, type and cost, directly appropriate and affordable for those people in proven local housing need identified in (vi) above;
- (viii) the future affordability, management and ownerships of any dwellings can be ensured forever through the imposition of covenants and/or appropriate legal agreements;
- (ix) the proposal can be shown to be viable and achieve affordable housing;
- (x) Evidence that the site in question is not in an area identified as being in risk of flooding.

c) Planning applications for Rural Exception Site developments

Applicants for planning permission in relation to exception sites developments will be asked to demonstrate how their proposals meet criteria (i) – (x) above. (This will then be the subject of assessment by the Local Planning Authority, advised as appropriate by Gwynedd Council's Housing Service and Affordable Housing Officer.)

All planning applications for affordable housing under the exceptions policy will need to be supported by an Affordable Housing Statement that demonstrates:

- Evidence of local housing need
- The number of affordable dwellings that are proposed for delivery on the site
- Whether the affordable properties will be for rent and/or low cost home ownership
- The size of each affordable dwelling (no of bedrooms) needed
- The type of dwelling (e.g. flat or house)
- Information on the affordable selling prices and/or rent levels
- Adequate arrangements for ensuring the future affordability, management and ownership of the housing
- Evidence of viability

APPENDIX 4

STAGE 1
Pre-planning application stage

- Initial contact by developer/ land owner / agent to Gwynedd Council's Development Control Section for advice.

- Initial contact by individual applicant to Gwynedd Council's Development Control Section for advice on developing 1 self-build dwelling.

No – site unsuitable for housing. End of discussions.

- Development Control Section to informally assess whether the proposed development site is suitable for affordable housing in Planning Terms

No – site unsuitable for housing. End of discussions.

Yes - Site might be suitable for housing.

- Affordable Housing Officer to be informed of possible suitability of land
- Development Control Section to provide copies of
 - Supplementary Planning Guidance
 - RSL contacts
 - Needs profile
 - Model Section 106 agreements
- Development Control Case Officer identified
- The Development Control Officer to organise a Development Team meeting (pre-application)

- Local Planning Authority to :
 - assess if the applicant conforms to the Local and in Need of Affordable Housing criteria and
 - ensure that the applicant is aware and agrees that the proposed dwelling must be affordable initially and remain so in perpetuity

Yes

No

Gwynedd Council unable to support the proposal

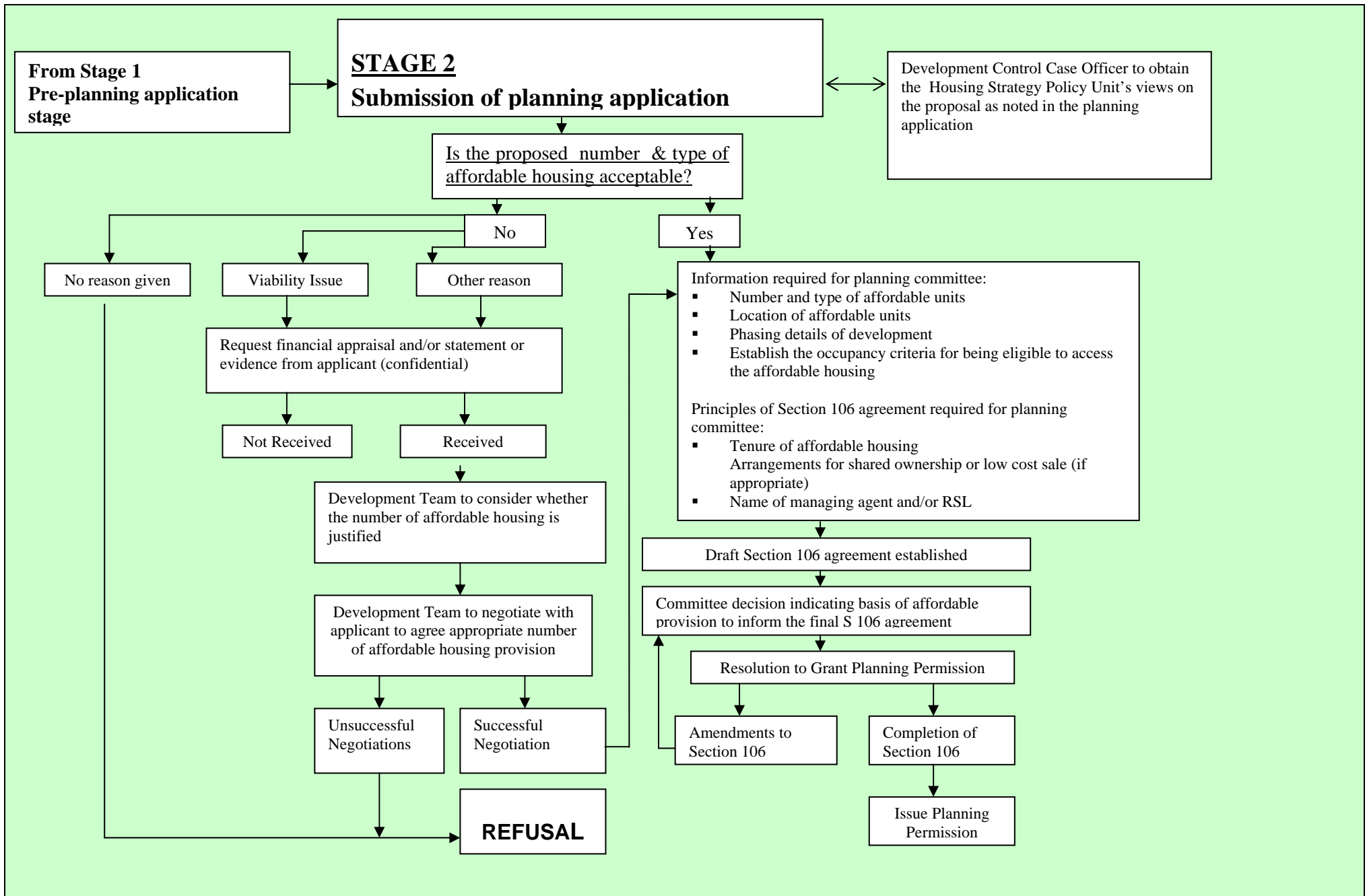
- Information to be provided/discussed at Development Team meeting:
- Number, location and types of affordable units
 - Phasing details
 - Tenure/Delivery mechanism of affordable units
 - Design details
 - Viability issues
 - Other policy requirements

- Development Control Section to provide copies of:
 - Supplementary Planning Guidance
 - RSL contacts
 - Needs profile
 - Model Section 106 agreements
- Development Control Case Officer identified

Heads of Terms for Section 106 agreement to be established with Council Legal Section

Stage 2
Submission of planning application

Flow Chart Mapping Out the Process in Relation to How to Approach a Planning Application for the Provision of Affordable Housing



APPENDIX 5

SECTION 106 PLANNING OBLIGATIONS

Planning agreements and obligations under Section 106 of the Town and Country Planning Act will be applied to all planning permissions where affordable housing is required. Section 106 Planning Obligation will apply to successive owners.

Gwynedd Council will draft a Section 106 Planning Obligation and the contents agreed by the Landowner and/or prospective Developer in advance of Planning Consent being granted. Gwynedd Council will expect to be involved in the negotiation of the detail of the Section 106 Planning Obligation at an early stage.

Section 106 Planning Obligation documents will not necessarily be identical but the Council will initially work from a standard model, which can be varied according to changing circumstances. The Agreements will follow a pattern and will contain common elements.

The Section 106 Planning Obligation must include clauses setting out requirements with regard to the following issues:

- The mix of affordable housing types and sizes sought as part of the development
- The location and distribution of affordable housing within the development site
- A price fixing mechanism for the affordable units which will determine initial sale price and subsequent sales
- A description of who can buy or rent the affordable units
- Arrangements in relation to the selling on of affordable units
- The timing of the construction and occupation of the land or affordable housing element in relation to the development of the whole site
- The timing and conditions for the transfer of the land or affordable housing to a RSL (or other bona fide affordable housing provider)
- The arrangements regarding the future affordability, management and ownership of the affordable dwellings including a protection mechanism for future re-sales

Note:

A fee will be charged by Gwynedd Council to applicants for affordable housing to meet the costs associated with preparing the Section 106 Planning Obligation legal documentation.

APPENDIX 6

Affordable housing re-sales cascade and mortgagee in possession procedures

A. Procedures in relation to selling, disposing of, or the transfer of affordable properties within the Sub-regional Centre or Centres

1. Affordable housing for purchase - procedures for home owners to conform to:

- 1.1 If a house subject to an affordable housing restriction is to be sold the owner must notify the Council of any such intention and first offer to sell or rent the Affordable Dwelling to the Council or the Council's nominee at the Affordable Price or Affordable Rent. The Council's nominees may be a Registered Social Landlord (RSL).
- 1.2 In order to determine the affordable price of the Affordable Dwelling, the applicant must obtain a formal written valuation of the property, certified by a suitably qualified chartered surveyor, and present the information to the Council or its nominee. The financial costs in relation to obtaining the valuation will be borne by the home owner. The valuation must state that the values are to the Royal Institute of Chartered Surveyors definition of Open Market Value ignoring all Section 106 restrictions relating to affordable housing. The Council or its nominee will calculate the affordable selling price by multiplying the prevailing open market valuation with the fixed percentage discount as stated in the Section 106 Planning Obligation attached to the Affordable Dwelling in question.
- 1.3 If neither the Council, nor a body nominated by the Council, agree to purchase or rent the Affordable Dwelling within 8 weeks of notification as referred to in paragraph 1.1, then the home owner can proceed to market the property at the affordable price for sale, or rent the property at the affordable rent level, to person(s) as defined by the relevant UDP policy as being in affordable housing need.
- 1.4 Homeowners will be required to pay an RSL, as nominated by Gwynedd Council, an administration charge to cover the costs of the work associated with verifying that any potential buyers or tenants for the affordable units, as identified by the homeowner, are eligible. This charge will normally be around 0.5% and 1% of the affordable value of the house in question.

B. Procedures in relation to selling, disposing of, or the transfer of affordable properties within Local Centres, Villages and Rural Villages

2. Affordable housing for purchase - procedures for home owners to conform to:

- 2.1 If a house subject to an affordable housing restriction is to be sold the owner must notify the Council of any such intention and first offer to sell or rent the Affordable Dwelling to the Council or the Council's nominee at the Affordable Price or Affordable Rent. The Council's nominees may be a Registered Social Landlord (RSL).
- 2.2 In order to determine the affordable price of the Affordable Dwelling, the applicant must obtain a formal written valuation of the property, certified by a suitably qualified chartered surveyor, and present the information to the Council or its nominee. The financial costs in relation to obtaining the valuation will be borne by the home owner. The valuation must state that the values are to the Royal Institute of Chartered Surveyors definition of Open Market Value ignoring all Section 106 restrictions relating to affordable housing. The Council or its nominee will calculate the affordable selling price by multiplying the prevailing open market valuation with the fixed percentage discount as stated in the Section 106 Planning Obligation attached to the Affordable Dwelling in question.

- 2.3 If neither the Council, nor a body nominated by the Council, agree to purchase or rent the Affordable Dwelling within 8 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 affordable price, 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 three consecutive months, 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 three months 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.
- 2.6 If sold within a defined wider geographical area under the provisions of paragraph 2.5, the Council, in giving its consent, would require that the restrictions as to who may occupy, and the sale value, will still apply to subsequent occupants of the dwelling in question.
- 2.7. Homeowners will be required to pay an RSL, as nominated by Gwynedd Council, an administration charge to cover the costs of the work associated with verifying that any potential buyers or tenants for the affordable units, as identified by the homeowner, are eligible. This charge will normally be around 0.5% and 1% of the affordable value of the house in question.

C. Mortgagee in Possession procedures

3. Mortgagee in Possession Clauses for affordable dwellings located within development boundaries of the Sub-regional Centre, Centres, Local Centres, Villages, Rural Exception Sites or in Rural Villages

- 3.1 In the case of all Affordable Dwellings developed, if a purchaser defaults on their mortgage and the Mortgagee “takes possession” or assumes control of the property (directly or through an agent) that Mortgagee must adhere to the following procedures:
- 3.2 The Mortgagee must immediately inform the Council in writing that the Mortgagee has taken possession or assumed control of the Affordable Dwelling.
- 3.3 The Mortgagee must first offer to sell or rent the Affordable Dwelling to the Council or its Nominee at the Affordable Price or Affordable Rent.
- 3.4 If after a period of 12 weeks (from the date that the Mortgagee notifies the Council in accordance with 3.2 above) neither the Council, or its Nominee, whether an RSL or a qualifying person, have agreed to purchase or rent the Affordable Dwelling, the Mortgagee (or its agent) can dispose of the Affordable Dwelling for sale at Open Market Value and to any purchaser free from qualifying restrictions but subject to payment (after recouping first the mortgage debt and costs) by the Mortgagee in Possession to the Council of all the difference between the sale price and the Affordable Price (subject to the sale price exceeding the Formula Price) which sum the Council will use towards the provision of affordable dwelling(s) elsewhere in the relevant UDP catchment area.

- 3.5 Following completion of the sale by the Mortgagee in Possession in accordance with clause 3.4 of this Schedule the Council shall remove the provisions of this Agreement from the local land charges register in connection with the Land and if required to do so consent to removal of the Restriction.

APPENDIX 7

OBLIGATIONS IN RELATION TO DEVELOPING AFFORDABLE HOUSING

The following are a set of issues which must be addressed in relation to developing affordable housing. These issues will be incorporated into a Planning Obligation. The issues are in relation to the affordable housing delivery mechanisms referred to in Section 3 of this Supplementary Planning Guidance document.

INITIAL OBLIGATION FOR ALL AFFORDABLE HOUSING DELIVERY MECHANISMS

An initial meeting must take place between the landowner and/or developer, the relevant Registered Social Landlord and Officers from Gwynedd Council's Development Control, Planning Policy, Housing, Highways, Legal, and Property Services. This meeting shall ensure that all parties involved are fully aware of all proposals and of the obligations in relation to any proposal from the start.

OBLIGATIONS IN RELATION TO THE VARIOUS AFFORDABLE HOUSING DELIVERY MECHANISMS

Option 1 – With the involvement of a Registered Social Landlord or other appropriate providers of affordable housing.

A) A developer transfers serviced affordable housing land to a Registered Social Landlord (or to other appropriate providers of affordable housing).

Developer's obligations

- 1 Obligation to obtain the approval of the Local Planning Authority to a programme and timetable for the provision of the affordable housing units and to the location, type, cost, standard, size and level of servicing and element of subsidy in respect of such units.
- 2 Not to commence until the developer has entered into an unconditional contract with an RSL for the transfer to such RSL (either by freehold transfer or leasehold transfer) of all of the land required for the affordable housing units such transfer to be effected when all services and access have been provided.
- 3 Not to occupy or permit occupation of any of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has transferred to the RSL for a nominal sum (either by freehold transfer or leasehold transfer) all of the land required for the affordable housing units (fully serviced and accessible by vehicles and pedestrians).
- 4 To construct the affordable housing units in accordance with the approval referred to in paragraph 1.
- 5 To ensure that the affordable housing units are either let by an RSL in accordance with its objectives and with such published housing waiting list and allocation system as it may adopt or are made available by an RSL for part ownership depending upon the agreed split (if any) between affordable housing units available for rent and those available for part ownership only where such provision is acceptable under the Local Planning Authority's planning policies.
- 6 To ensure that those affordable housing units which are to be let or made available for part ownership are occupied by persons considered by an RSL to be in need of such accommodation and the RSL shall have regard to the categories of need and qualifying residents as referred to in the Gwynedd Unitary Development Plan. Approval of such persons will be required in writing by the Council (or its nominee).

- 7 If after using all reasonable endeavours the Developer has been unable to find an RSL which is prepared to take a transfer of the land for the provision of the affordable housing units upon the terms specified above within an agreed timescale of entering into the Section 106 Planning Obligation the Developer will notify the Local Planning Authority of this fact and comply with such alternative method of securing the affordable housing benefits and within such reasonable timescale as shall be specified by the Local Planning Authority.

B) A developer transfers affordable housing land at a nominal sum and enters into a building contract with the RSL or other appropriate providers of affordable housing

Developer's obligations

- 1 Obligation to obtain the approval of the Local Planning Authority to a programme and timetable for the provision of the affordable housing units and to the location, type, cost, standard, size and level of servicing of and element of subsidy in respect of such units.
- 2 To construct the affordable housing units in accordance with the approval referred to in paragraph 1.
- 3 Not to occupy more than an agreed percentage of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has entered into an unconditional contract with the RSL for the sale of the affordable housing units to the RSL (either by freehold transfer or leasehold transfer) at a sum calculated, and agreed with the RSL, using the prevailing Welsh Assembly Government's Acceptable Cost Guidance (ACG), when such units have been substantially completed and has produced to the Local Planning Authority evidence of such contract.
- 4 Not to occupy the remainder of the dwellings to be sold on the open market until the Local Planning Authority has been provided with evidence that all of the affordable housing units have been transferred to the RSL (by either freehold transfer or leasehold transfer) in accordance with the contract referred to in paragraph 1.
- 5 To ensure that the affordable housing units are either let by an RSL in accordance with its objectives and with such published housing waiting list and allocation system as it may adopt or are made available by an RSL for part ownership leasing depending upon the agreed split (if any) between affordable housing units available for rent and those available for part ownership leasing only where such provision is acceptable under the Local Planning Authority's planning policies.
- 6 To ensure that those affordable housing units which are to be let or made available for part ownership are occupied by persons considered by an RSL to be in need of such accommodation and the RSL shall have regard to the categories of need and qualifying residents as referred to in the Gwynedd Unitary Development Plan. Approval of such persons will be required in writing by the Council (or its nominee).
- 7 If after using all reasonable endeavours the Developer has been unable to find an RSL which is prepared to take a transfer of the land for the provision of the affordable housing units upon the terms specified above within an agreed timescale of entering into the Section 106 Planning Obligation the Developer will notify the Local Planning Authority of this fact and comply with such alternative method of securing the affordable housing benefits and within such reasonable timescale as shall be specified by the Local Planning Authority.

C) Developer builds and transfers affordable housing units to Registered Social Landlord (or to other appropriate providers of affordable housing)

Developer's obligations

- 1 Obligation to obtain the approval of the Local Planning Authority to a programme and timetable for the provision of the affordable housing units and to the location, type, cost, standard, size and level of servicing of and element of subsidy in respect of such units.
- 2 To construct the affordable housing units in accordance with the approval referred to in paragraph 1.
- 3 Not to occupy more than an agreed percentage of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has entered into an unconditional contract with the RSL for the sale of the affordable housing units to the RSL (either by freehold transfer or leasehold transfer) at a sum calculated, and agreed with the RSL, using the Welsh Assembly Government's Acceptable Cost Guidance (ACG), when such units have been substantially completed and has produced to the Council evidence of such contract.
- 4 Not to occupy the remainder of the dwellings to be sold on the open market until the local planning authority has been provided with evidence that all of the affordable housing units have been transferred to the RSL (either by freehold transfer or leasehold transfer) in accordance with the contract referred to in paragraph 1.
- 5 To ensure that the affordable housing units are either let by an RSL in accordance with its objectives and with such published housing waiting list and allocation system as it may adopt or are made available by an RSL for part ownership depending upon the agreed split (if any) between Affordable Housing Units available for rent and those available for part ownership leasing only where such provision is acceptable under the Local Planning Authority's planning policies.
- 6 To ensure that those affordable housing units which are to be let or made available for part ownership are occupied by persons considered by an RSL to be in need of such accommodation and the RSL shall have regard to the categories of need and qualifying residents as referred to in the Gwynedd Unitary Development Plan. Approval of such persons will be required in writing by the Council (or its nominee).
- 7 If after using all reasonable endeavours the Developer has been unable to dispose of the affordable housing units to an RSL upon the terms specified above within an agreed timescale of entering into the Section 106 Planning Obligation the Developer will notify the Local Planning Authority of this fact and comply with such alternative method of securing the affordable housing benefits and within such reasonable timescale as shall be specified by the Local Planning Authority.

Option 2 – The developer provides and/or manages the affordable housing without the involvement of a Registered Social Landlord. The proposed affordable housing product and provisions for its future disposal or management must be first approved by the Local Authority as acceptable and controls over the future management and occupancy of the dwellings will be secured through legal agreement.

A) Developer provides on-site affordable housing

Developer's obligations

- 1 Obligation to obtain the approval of the Local Planning Authority to a programme and timetable for the provision of the affordable housing units and to the location, type, cost, standard, size and level of servicing of such units.
- 2 To construct the affordable housing units in accordance with the approval referred to in paragraph 1.
- 3 To sign a service level agreement with a RSL (to be nominated by Gwynedd Council) and to pay a fee to be agreed with the RSL for the process of verification by the RSL that the applicants for the proposed affordable units are eligible for the units in terms of meeting the relevant Local and In Need criteria.
- 4 Not to occupy or permit the occupation of an agreed percentage of the dwellings which are to be sold or let on the open market until the affordable housing units are all available for immediate occupation.
- 5 To ensure that those affordable housing units which are to be let, or made available for part ownership or made available for purchase at an affordable price are occupied by persons considered by the Local Planning Authority to be in need of such accommodation and the Developer shall have regard to the categories of need and qualifying residents as referred to in the Gwynedd Unitary Development Plan. Approval of such persons will be required in writing by the Council (or its nominee).
- 6 To ensure that the rent levels for affordable units, to be made available for rent, will be no higher than the affordable rent levels published annually by Gwynedd Council.
- 7 To ensure that the affordable units, to be made available as discounted low cost market housing, will be disposed at a price not exceeding the affordable house sale prices published annually by Gwynedd Council.

B) Developer makes a financial contribution to off-site provision of affordable housing

Developer's obligations

1. Not to commence the development until the Developer has paid to the Council a sum to facilitate the provision of affordable housing, the amount of contribution will reflect the type, size and number of properties that would have been required to be provided on-site. Such contributions will be used by the Council to fund alternative affordable housing when sufficient funds have been generated and suitable opportunities arise
- 2 The financial contribution agreed should be sufficient to enable provision of an equivalent amount of affordable housing to that sought on the principal site, which would otherwise not be provided.

Council's Obligations

1. The Council wants to ensure equity, as far as possible, in the use of any financial contributions it receives. It will therefore use its best endeavours to utilise any financial contributions it receives for the provision of affordable housing in the Unitary Development Plan dependency catchment area of the site from which the contribution has been derived.

APPENDIX 8

ISSUE OF SCHEME VIABILITY

1. Introduction

- 1.1 Gwynedd Council is anxious not to jeopardise the viability of development schemes by seeking too great a contribution from developers. It is also mindful that when assessing the appropriate level of contributions allowance should only be made for genuine abnormal development costs. The Council will assume that any costs associated with developing a particular site have been taken into account when land has been purchased (land purchase agreements). Therefore allowance will usually only be made where applicants can demonstrate genuine post-purchase abnormal costs.
- 1.2 In some cases, particularly large scale development projects, after taking account of site development costs, an appropriate 'planning balance' will have to be reached to address competing policy and financial objectives. The balance between, for example, affordable housing and all the other Planning Obligations will be determined within the Council, so that it does not become part of the negotiations with the applicant/ developer. Nonetheless, it should be stated that it is the Welsh Assembly Government's view that, provided the infrastructure necessary to allow development to proceed has been secured, affordable housing should be the priority. (Inter-departmental groups will be set up within Gwynedd Council in circumstances where the appropriate 'planning balance' is required, which shall include Officers on an appropriate level to ensure that decision can be made in relation to possible reductions in contributions towards certain elements.)
- 1.3 While scheme viability may require that the total contribution has to be less than the Council would wish for, the balance between 'other' contributions and affordable housing will be agreed in advance of any further discussions with the applicant/ developer, including setting out the proportionate reduction in requirement that may have to be made in order to ensure the scheme goes ahead.
- 1.4 In accounting for scheme viability, Gwynedd Council will also guard against reducing affordable housing obligations due to the current market conditions, as planning permissions may not be implemented until future years when market conditions improve. This is in accordance with guidance provided by the Welsh Assembly Government in the 'Affordable Housing Delivery Statements Final Guidance' document published in February 2009.

2. Greenfield Sites¹

- 2.1 With regards to the impact on the deliverability of sites, the Council does not consider it to be the case that the affordable housing policy will prevent Greenfield Sites¹ from being developed on the basis that proposals will become unviable. It is for the applicant to provide convincing evidence that demonstrates unviability when submitting an application. Any evidence would be considered on a site-by-site basis.

3. Brownfield Sites²

- 3.1 The Council does accept that there could be more difficulty in delivering the necessary affordable housing where Brownfield sites are concerned. This situation may arise on brownfield sites where abnormal development costs may render the development marginal before any planning gain is considered. It is for the applicant to provide convincing evidence that demonstrates unviability when submitting an application. Any evidence would be considered on a site-by-site basis.

4. Financial Viability Appraisal

- 4.1 If negotiations fail to reach agreement on matters in relation to the number and types of affordable housing required by the Local Planning Authority in relation to a particular development, because of the alleged unviability of the development, it will be necessary for the applicant to present to the Local Planning Authority “open book” information on the costs of the development and residual values.
- 4.2 A financial viability appraisal will need to be provided by the applicant to prove the case regarding the unviability of providing a proportion of affordable housing from the market units.

5. Assessing viability

- 5.1 Using open-book accounting as referred to above in paragraph 4.1, the Local Planning Authority will seek the advice of its Head of Corporate Property Services in respect of issues of viability.
- 5.2 The following list sets out the typical information required in order for the Local Planning Authority, or an independent expert appointed by the Local Planning Authority, to undertake a financial appraisal:
- Details of the proposed development (site layout plan, unit descriptions and areas (GIA))
 - Details of affordable content (identification of units, tenure, type for each and areas (GIA))
 - Details of any RSL bid for the affordable content or likely bids
 - Details of S106 obligations provided
 - Acquisition price of the site and date price agreed or price under option agreement
 - Applicant’s opinion/ evidence of final sales values unit by unit
 - Applicant’s opinion/ evidence of construction costs on a price per m² GIA
 - Applicant’s opinion/ evidence of additional costs – fees, contingency, abnormals, finance
 - Applicant’s profit requirements as a % of a Gross Development value and of Costs
- 5.3 The information should be provided during the pre-application discussion stage so as not to unduly delay the planning approval process.
- 5.4 A ‘Development Appraisal Toolkit’, operated elsewhere in Britain, will be used if necessary by the local planning authority where there is a dispute with an applicant about the provision of affordable housing on a site which is the subject of a planning application.

6. Use of the District Valuer Service

- 6.1 In cases where disputes remain, the services of the District Valuer Service (DVS) will be sought to resolve such disputes with the costs to be borne by the developer.
- 6.2 The purpose of obtaining external advice will be to provide either of these two alternatives:
- Confirmation that the amount and type of financial contribution that is being sought is justified, so the Local Planning Authority can be confident in determining the application accordingly;

- The extent to which economic considerations would justify a reduced amount of contribution, so that the Local Planning Authority can be confident in agreeing to that reduction without the risk of either undermining policy or being unreasonable.

6.3 In order to provide either of the above the DVS will be required to:

- Review the financial information, including costs and values, supplied by the applicant and provide commentary on the appropriateness of each of the figures, with any suggested alternatives;
- Provide evidence to support any suggested alternative figures, based on comparable developments;
- Comment on the strength of that evidence in the context of potential cross examination at a planning appeal;
- Comment on the potential for a form of development that would offer a greater potential for providing, for example, affordable housing.

7. Further guidance

7.1 Further guidance in relation to the process of assessing financial viability can be sought from Gwynedd Council's Supplementary Planning Guidance: Planning Obligations (2009).

¹ A Greenfield Site in this context is one which has been used for agriculture immediately prior to its consent for residential development. The site will not have been developed previously and it may, or may not, be contaminated.

² A Brownfield Site in this context is one which has been used for a purpose other than agriculture. The site may, or may not, have been developed previously and it may, or may not, be contaminated.