

WELSH GOVERNMENT

Examination Hearing Statement

Bridgend Local Development Plan

**Hearing Session 3:
Affordable Housing and Provision for
Gypsy and Travellers**

21st November 2012

Affordable Housing COM 5

Qn1a. Has the LHMA update addressed the Welsh Government Concerns?

No. The original LHMA (2009) concluded that the identified need was 1,514 units per annum. The LHMA Update (Feb 2012) has clarified that the need is in fact higher than previously stated (1762 units per annum).

Table 6.12 of the LHMA Update 2012 details the current unmet need as being 1352 units, which would be met over a five year period at a rate of 270 units per annum.

The overall shortfall per annum is given in the same table as being 1762 units, however this includes the 270 units per annum over 5 years to meet the previously unmet need.

What is not clear is what the total future need is over the plan period, when not including the 1352 units of current unmet need. It does not seem feasible that the overall shortfall over the plan period can be 26,430 (overall shortfall per annum x 15).

The private rented sector can be a factor in meeting unmet need, however it must be questionable whether it is reasonable to have such a large discount for affordable housing need to be met this way. The overall level of housing provision for Bridgend over the plan period is less than the level of need for affordable homes and by assuming such a large proportion of need would be met from the private rented sector it could have a serious impact on those seeking market housing.

Qn1b. Is there a more up to date figure for affordable housing delivery since the start of the LDP period?

No comment.

Qn1c. Does the target for provision have regard to the low rate of delivery in the early years of the LDP and does that make achievement of the target unlikely?

No comment.

Qn1d. Does the target for provision have regard to lower delivery of affordable housing on sites with extant permissions that may include a lower proportion of affordable housing such as at Parc Derwen where it appears that only 10% provision has been agreed against the proposed local target of 20%?

Para 6.1.10 of the Deposit Plan highlights the components (e.g. sites with planning consent) of policies COM1 and COM2, however it is not explicitly made clear which sites have a lower proportion of affordable housing. It would be beneficial if the percentage of affordable housing by site were included in the table to demonstrate how the level of affordable housing provision in comprised.

Threshold

Qn1e. Has the further evidence suitably addressed the Welsh Government concerns?

Please see answer to Question QN1f below.

Qn1f. To increase supply, should the plan make exceptional provision for commuted payments for off site provision in circumstances where on site provision would not be viable?

The plan should clarify the position with regards to thresholds and commuted sums in order to maximise the delivery of affordable housing over the plan period. The revised background paper has not addressed this point

Threshold

The evidence suggests that a lower threshold would increase the supply of affordable housing. For example, Table 1 (Affordable Housing Background Paper May 2012) shows that 389 dwellings were delivered on sites of 1-4 units. The Revised Affordable Housing Background Paper (Para 5.29) suggests that there is potential for approximately 52 additional affordable units to come forward on sites of 1-4 dwellings if the threshold were reduced. Where numerically it is not possible to achieve the delivery of a whole affordable housing unit, commuted sums should be sought.

Commuted Sums

There is also scope to consider the use of commuted sums. The LPA have stated that the resource implications of doing so may be onerous; however this is not sufficient justification when the evidence suggests an alternative approach may deliver additional affordable homes. The use of commuted sums would not be considered as exceptional within the context of Bridgend, for example the viability work suggests that areas such as Porthcawl have far greater residual land values and are therefore more viable than others. Policy COM 5 does not appear to maximise the potential for affordable housing in the Borough.

The LPA need to demonstrate the robustness of the approach taken, however based on the supporting evidence it is considered that that there is scope to reduce the threshold and to consider the use of commuted sums.

Tenure Mix

Qn1g. Is it necessary for the LDP to define the appropriate mix of tenure of affordable housing or is this a matter to be left for negotiation having regard to the supporting evidence.

Para 9.2.16 of PPW states that it is desirable that new housing development incorporates a reasonable mix and balance of house types and sizes so as to cater for a range of housing needs and contribute to the development of sustainable communities.

Para 8.0 of TAN 2: Local Housing Market Assessments and the Development Plan, states that it is important that LPA's have an appreciation of the demand for the different dwelling sizes and types of housing (i.e. intermediate and social rented) in relation to supply so that they can negotiate the mix on new sites.

While the LMHA has assessed the social rented / intermediate mix, it is not specifically referenced in the LDP. In order to ensure that plan delivers on its aims, and provides clarity to potential applicants, we consider that the plan should include a broad indication of the mix of tenure in the supporting text. This will ensure that the plan delivers the appropriate balance to meet the identified need. The LHMA Update (page 95) states that 50% should be intermediate and 50% should be social rented.

Qn1h. What wording change to Policy COM5 or its supporting text is sought by Permission Homes (Wales) in the interests of flexibility?

No comment.

Qn1i. What other forms of affordable housing do the Council and others have in mind that are outside the TAN2 definition and should the glossary definition be amended? If so, would the Plan then be at variance with national policy and is any such variance justified?

The definition of affordable housing is defined within Planning Policy Wales (para 9.2.14) and TAN 2 (para 5.0 – 5.4). Only those affordable units that accord with this definition can contribute to the overall target of 1310 units (Policy SP12). Therefore it would not be appropriate to amend the definition within the glossary as this would be contrary to national guidance.

Viability

Qn1j. Does the Council's estimate of the delivery of affordable housing on sites at the rates proposed for the three sub areas assume that all the sites will deliver at these levels before any negotiations on viability on individual sites?

No comment.

Qn1k. Increased housing development costs derived from raised sustainability costs and fire sprinkler installation will apply to all housing development across Wales. What if any account should be taken of such costs on the viability assessment and associated targets for provision?

It is important that the viability work supporting the plan is up-to-date and takes account of current known costs. All associated known build costs should be factored into any assessments. Whilst challenging, targets need to be grounded in evidence and enable specific negotiations to occur, if/where necessary. All components of viability evidence need to be justified by the local authority.

The Affordable Housing Viability Study 2010 pre dates the current WG Consultation: Building Regulations Part L Review (31st July – 23rd October 2012).

While the additional costs within the document are indicative and subject to consultation, it suggests that the additional costs of fire sprinklers and building regulations range from approximately £6100 to £6900 per dwelling.

The changes to Part L are likely to come into force within the plan period. (precise figure yet to be determined). The Council should confirm what impact, if any, this would have in relation to the viability of the affordable housing thresholds of the Deposit Plan. In addition the Council should also clarify, to what magnitude, if any, this has implications for the overall affordable housing requirement.

Qn1l. Having regard to both site remediation costs and alternative use values, should the policy distinguish between greenfield and brownfield sites in respect of the target provision of affordable housing, or can that be suitably addressed by negotiation at the planning application stage?

PPW (para 9.2.16) states that development plans should include an authority-wide target for affordable housing. National guidance does not require LPAs to distinguish between greenfield and brownfield land within the policy or threshold. In addition, please see our response to Qn1n.

However, if the LPA has undertaken this work and wishes to include it within the policy, such an approach would not conflict with national policy.

Qn1m. Does the Westminster Government's recently revised approach to affordable housing provision have any bearing on policy in Wales or the availability of grant funding?

No, planning is a devolved function in Wales. The delivery of affordable housing through grant funding is in addition to the delivery of affordable housing through the planning system.

Qn1n. Should the policy or text refer to the negotiation of affordable housing provision?

TAN 2 (para 10.10) states that the affordability of housing can change, and therefore LPAs should treat the affordable housing thresholds as indicative. It is generally the case that the exact provision on a particular site will be subject to negotiation at the planning application stage. It may be prudent to incorporate into the policy the ability to negotiate where the evidence regarding financial viability indicates a different outcome is achievable. It is to comply with case law.

Exceptions

Qn1o. Did the UDP include an exceptions policy?

No comment.

Qn1p. Given the shortfall of the LDP target against the estimated need for affordable housing, would the lower alternative value of land outside settlement boundaries encourage additional provision if exception sites were allowed?

Given the high level of need identified in the LHMA (1,762 per annum), it is possible that an exception site policy could assist the delivery of affordable housing and should be considered.

It is essential that the LPA demonstrates that it has considered all options open to them in order to maximise affordable housing provision over the plan period.

Gypsy & Traveller Provision (COM6)

Qn2a. Why did the Council conclude that the management of unauthorised encampments would be more cost effective than the provision of a transit site?

Local authorities have a statutory duty under sections 225 & 226 of the Housing Act 2004 to consider the needs of Gypsies & Travellers. The Council is required to identify suitable sites in the LDP to meet identified unmet need (para 17 of WG Circular 30/2007 Planning for Gypsy and Traveller Caravan Sites). In the case of Bridgend, the LHMA has identified a need for 6 transit pitches.

It remains unclear what is meant by a "Bridgend Gypsy & Traveller Protocol" which is described as an interagency approach to the management of unauthorised encampments in the County Borough. If this were the preferred current position, the Council should seek to resolve this over the longer term through the identification of sufficient sites to meet the identified need.

It is critical that the monitoring framework has suitable indicators and triggers to ensure a site(s) could come forward to meet the identified need over the plan period binding the authority into such action as is necessary.

Qn2b. Would grant be available from the Government to cover the costs of provision of a transit site.

The Welsh Government has a capital grant available for the building of new sites (including transit sites) or the refurbishment of existing sites. Local authorities are invited to submit proposals which are then assessed before the relevant Minister takes a final decision on how funding should be awarded.

In terms of timescales, the date that the grant is announced varies each year (and is subject to the Minister's agreement). The WG Inclusion unit hope to announce the 2013-14 grant before Christmas. Grants are announced on an annual basis. If a grant has not been bid for, the Welsh Government cannot guarantee future funding and whether Bridgend would be able to access such funding.