

# Bridgend Local Development Plan

2006-2021



**Background Paper 8: Affordable Housing**

Revised May 2012

## **Bridgend Local Development Plan 2006 – 2021**

### **Background Paper Eight Affordable Housing**

**Revised May 2012**

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## **1. Introduction**

- 1.1. This paper has been written to inform the Bridgend Local Development Plan (LDP).
- 1.2. The purpose of this background paper is to explain the evidential basis from which the affordable housing policies contained in the deposit LDP have been developed. In doing so the paper will briefly outline:
  - National Planning Policy;
  - Evolution of emerging LDP policy;
  - Evidence of affordable housing need and viability;
  - The methodology for calculating the amount of affordable housing to be secured through the planning system.
- 1.3. This document should be read in conjunction with the Bridgend Local Housing Market Assessment (2009), LHMA Update (2011), Bridgend CBC Affordable Housing Viability Study (2010) and the Deposit LDP.

## **2. National Planning Policy**

- 2.1. National Planning Policy in respect of affordable housing is contained in Planning Policy Wales (4<sup>th</sup> Ed. February 2011). Additional guidance in relation to affordable housing is contained in Technical Advice Note (TAN) 2.

## **3. Local Development Plan**

- 3.1. The Bridgend LDP provides the framework for securing affordable housing in the County Borough. The Deposit LDP proposes significant revision to the affordable housing policies as contained within the existing adopted Bridgend Unitary Development Plan (UDP) and Supplementary Planning Guidance (SPG) 13: Affordable Housing.
- 3.2. The Deposit LDP seeks through Strategic Policy SP12 to secure 1310 units of affordable housing through the planning system over the plan period up to 2021. In order to do so the plan applies 3 different percentage targets specific to the six different Housing Market Areas within the County Borough. Policy COM5 requires the provision of 30% affordable housing in Porthcawl and Rural, 20% affordable housing in Bridgend and Pencoed & Hinterland and 15% affordable housing in Western Settlements and the Ogmore, Garw & Upper Llynfi Valleys on sites of 5 or more units or exceeding 0.15 hectares in size.
- 3.3. This provides a greater refinement of the existing Affordable Housing Policy within the Bridgend UDP which seeks the provision of 15% affordable housing in the Northern Submarket and 30% in the Southern Submarket on sites of 15 units or more or greater than 0.5 hectares. This was previously based on the assumption that the County Borough was broadly split in viability terms between the south and the north.

#### **4. Affordable Housing Need and Viability**

4.1. The development of a meaningful and robust LDP affordable housing policy is founded on an assessment of the affordable housing requirement. This has been achieved by identifying and understanding the current level of housing need and balancing this against an informed assessment of the viability of developing new housing across the County Borough.

#### **4.2. Existing Need**

4.2.1. The Local Housing Market Assessment (LHMA) provides an assessment of the annual requirement for affordable housing in the County Borough. This is based on the TAN 2 definition of housing need as...*“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.”*...The LHMA arrives at an estimate of the annual affordable housing requirement through a number of detailed calculations grouped together into 4 key stages: the level of current need, the amount of available stock to offset current need, the amount of newly arising need and the supply of affordable units per year.

#### **Bridgend County Borough Council LHMA 2009**

4.2.2. The results of the LHMA 2009 indicates that the annual current need amounts to 557 dwellings, which is offset by the current annual supply of 275 dwellings, leaving a net current need of 282 affordable dwellings per year. Future newly arising need is calculated at 1793 dwellings annually which is offset by a future supply of 561 dwellings, leaving a net future need of 1232 dwellings per year. This produces an annual requirement of 1,514 affordable units per year throughout the County Borough.

4.2.3. In order to deliver against the high level of housing need evidenced by the Welsh Government's (WG) needs assessment model, the LHMA recommends an affordable housing target of 42%, though acknowledges that this needs to be viewed in the context of viability.

#### **Bridgend County Borough Council LHMA Update 2012**

4.2.4 The 2012 LHMA study provides an update of the original 2009 LHMA. It was required because of continued market turbulence and a new initiative within the affordable sector, Rent First - Intermediate Rent, the scope of which needed to be established. The study documents the changes that have been recorded in the County Borough in the last two years as a result of the economic downturn and identifies the appropriate policy response.

- 4.2.5 Following the steps of the needs assessment model specified by the Welsh Government Local Housing Market Assessment Guide, results in a net need estimate of 1,762 affordable dwellings per year in Bridgend County Borough. This represents a slight increase from the equivalent figure of 1,514 calculated in the 2009 Study.
- 4.2.6 However, the 2012 update undertook sensitivity testing as it was considered that the Housing Needs Assessment model requirement of 1,762 additional affordable homes per year did not equate logically with the planned total build rate of 600 dwellings a year for the LDP period. This is because the Welsh Government needs assessment model is a technical exercise that presents an assessment of the need for affordable housing, however it does not account of the functioning of the current local housing market.
- 4.2.7 The sensitivity testing factored in higher affordability thresholds that households in the private rented sector pay in current market conditions and the supply of private rented accommodation (via Local Housing Allowance) to house those requiring affordable housing. The study concluded that these two factors would reduce the need for new affordable units to **292** per year.
- 4.2.8 The 2012 LHMA update further concluded that an affordable housing target of around 40-45% would be ideal as this reflects the continued high level of housing need and also the ongoing requirement to address market imbalance. However the study concluded that it was up to the Council to determine what target is most useful considering current viability limitations. This position is comparable to the original 2009 study conclusion.

### **4.3. Development Viability**

- 4.3.1. The Bridgend Affordable Housing Viability Study (AHVS) looked in detail at the amount of affordable housing that could be delivered from new private market development in the County Borough. The study provides an analysis of the development economics in the County Borough based on a residual development appraisal model.

### **4.4. Affordable Housing Targets**

- 4.4.1. The analysis identified six submarkets throughout the County Borough based on an analysis of postcode sectors and broadly comparable housing market values. These are identified as Porthcawl, Rural, Pencoed & Hinterland, Bridgend, Western Settlements and the Ogmore, Garw & Upper Llynfi Valley. These can be grouped into 3 sub areas as illustrated in Diagram 1 below.
- 4.4.2. The analysis found that market values fluctuate significantly between these areas and that a broad split exists in viability terms between the north and south of the borough. The Porthcawl, Rural, Bridgend and

Pencoed sub markets cover mainly areas in the south half of the borough; with the Western Settlements and the Ogmore, Garw and Upper Llynfi Valley located in the north. This in itself, in accordance with TAN 2, is justification for maintaining a split affordable housing target.

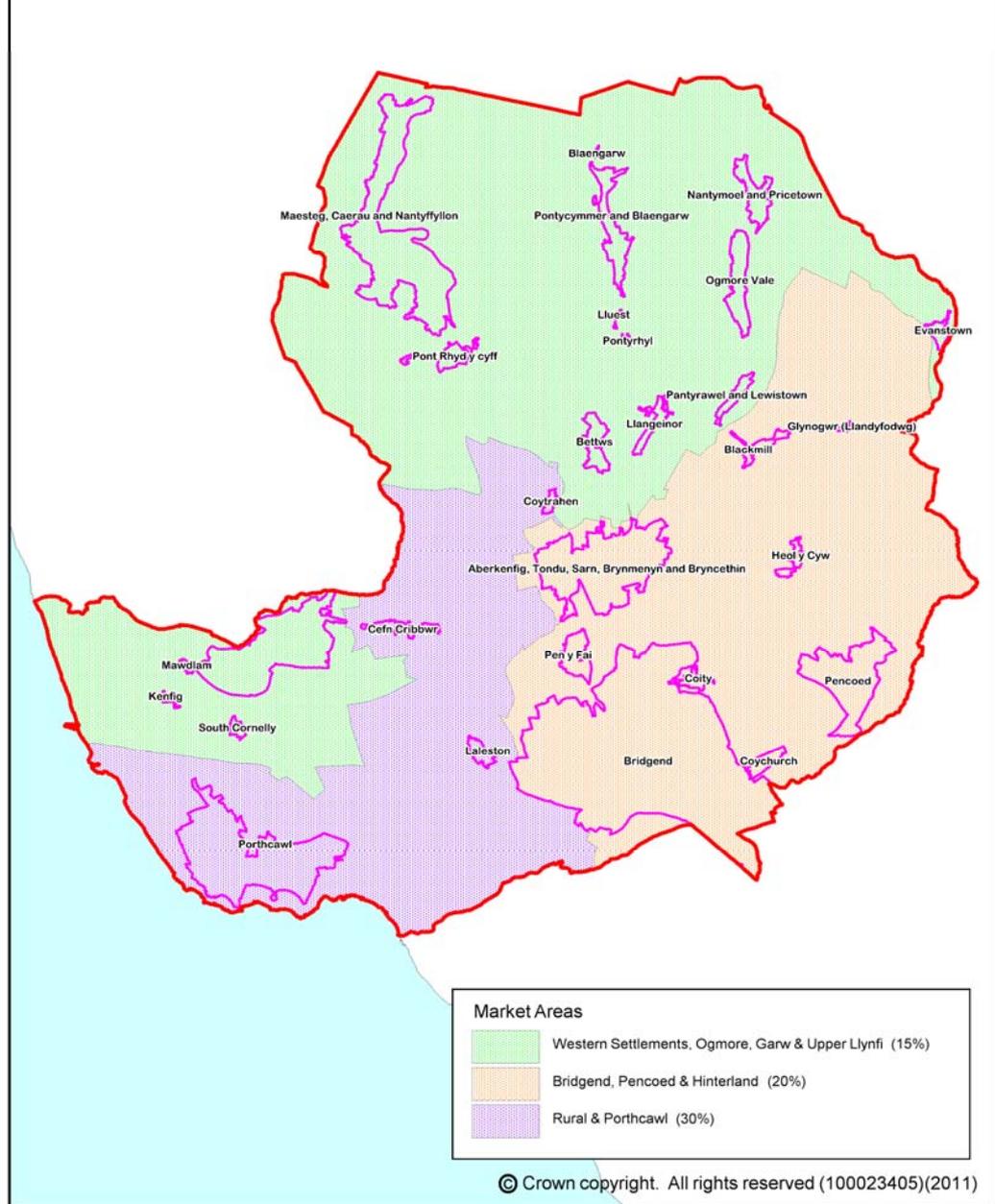
4.4.3. In the South, residual values are higher and so therefore is the potential to deliver Section 106 agreements, with the highest values being achieved in Porthcawl. In comparison, residual values in the Western Settlements and the Ogmore, Garw and Upper Llynfi Valley even at 100% market housing are low with insignificant potential to deliver affordable housing and other Section 106 contributions without the availability of grant funding.

4.4.4. In light of the above, the Viability Study concluded that 3 options were available to the Council in identifying a target for the provision of affordable housing on private market sites:

- A split target of 30% in the higher value areas of Porthcawl, Rural, Pencoed & Hinterland and Bridgend, and, 15% in the Western Settlements and the Ogmore, Garw & Upper Llynfi Valley areas;
- A more refined (three way) split target of 30% in Porthcawl and Rural, 20% in Pencoed & Hinterland and Bridgend and 15% in the Western Settlements and the Ogmore, Garw & Upper Llynfi Valley areas; or
- A final option could be the same as above but with a 35% target for Porthcawl alone.

4.4.5. All of the above options advocate a 15% target for the weakest two submarkets, which the analysis suggests will be a significant challenge. This will need to be borne in mind in terms of site specific negotiations both in terms of applying this figure and when requesting other Section 106 contributions. In this respect the application of the DAT Toolkit model will be useful in determining viability on a site by site basis. However, the application of this target under the previous Development Plan indicates that there will be 'hot spots' within these areas where that target may be achievable. Such is the priority and need for affordable housing that to progress without a target for these two submarkets would be inappropriate. Furthermore, viability will be greatly enhanced if available grant is focused on these areas and / or the overall level of planning obligations is reduced.

## BRIDGEND CBC Market Areas



**Diagram 1: Bridgend CBC Market Areas**

4.4.6. The analysis has demonstrated that within the southern part of the Borough, variation in market conditions exist between the Porthcawl and Rural submarkets and the Bridgend and Pencoed submarkets. This is reflected in the analysis which points to a 30% target for affordable housing being routinely achievable in Porthcawl and Rural but possibly too ambitious in the 'mid market' locations of Bridgend and

Pencoed. This also needs to be considered against targets for affordable housing provision in adjacent housing market areas in neighbouring local authorities, such as Llantrisant in Rhondda Cynon Taf where 20% is the recommended target. In order to recognise this difference in scheme viability, the second and third option above consider a further refinement of the traditional north / south divide in apportioning affordable housing targets.

- 4.4.7. In order to ensure consistency with the strategy and to reflect the variation in the housing market between the six different sub markets, the LDP has identified a three way split target of 30% in Porthcawl and Rural, 20% in Pencoed & Hinterland and Bridgend and 15% in the Western Settlements and the Ogmore, Garw & Upper Llynfi Valley areas.

#### **4.5. Site Thresholds**

- 4.5.1. The AHVS found that small sites are no more problematic in terms of viability than larger sites, and that it is the specific location and nature of development that is likely to have a greater impact on whether a site comes forward for development. A reduction in the site size threshold could lead to the provision of small additional numbers of affordable housing on development sites, or where physical provision of units is not possible, the provision of appropriate financial contributions which could help to fund affordable housing development elsewhere in the Borough. With this in mind, the study found that there is no significant evidence against reducing the threshold below the previous level of 15 or more dwellings on sites of more than 0.5 hectares.
- 4.5.2. In considering how far the site threshold should be reduced, it is important to consider the pattern and profile of sites that currently have planning permission. Information taken from the Bridgend CBC Housing Land Availability Database (up to 31<sup>st</sup> March 2010) is illustrated in Table 1 below:

**Table 1 Number of dwellings in different sizes of sites – Bridgend CBC Land Availability Database**

Bridgend CBC		
Site Size	No of Dwellings	% of Total
1 to 4	389	8.59
5 to 9	206	4.55
10 to 14	226	4.99
15 to 24	255	5.63
25 to 49	338	7.47
50 to 100	676	14.93
> 100	2437	53.83
<b>TOTAL</b>	<b>4527</b>	<b>100.00</b>

4.5.3. The information in the table above demonstrates that the Council will see a high proportion of dwellings delivered on large sites and this to some extent makes the requirement for a lower threshold less pressing. Furthermore, the amount of additional dwellings captured by a reduction in the threshold will be relatively low. However, the affordable housing needs within the Borough remain high and a significant number of dwellings will be developed on small sites which under the current threshold policy framework will not yield any affordable housing. As such any reduction of the threshold is seen as a positive measure to help to reduce the shortfall.

4.5.4. The information from the Database shows that approximately 18% of dwellings currently fall under the UDP 15 dwelling threshold. Reducing the threshold to zero could be justified in viability terms but would greatly increase the workload of the Council in negotiating contributions. Whether this could be justified by the size of contributions provided from schemes of 1 or 2 dwellings is difficult to prove. Reducing the threshold to 5 units would capture an additional 9.5% of dwellings than at present, whilst adopting a threshold of 10 units would capture an additional 5% of dwellings than at present.

4.5.6 The Affordable Housing Viability Study finds no viability evidence as to why the Affordable Housing threshold should not be set at zero. However, there are significant reasons why the Council does not see this as desirable:

- Site Supply

4.5.7 Analysis of the size of sites that currently have planning permission in the Bridgend CBC Housing Land Availability Database (Table 1) demonstrates that the large majority - 87% - of all dwellings granted consent have been on sites of 10 or more units.

4.5.8 The majority of sites granted consent of less than 10 units (i.e. small sites) have contained between 1 to 4 dwellings, resulting in 389 dwellings on 255 sites. Most of these, 177, have come forward on single dwelling development sites. If the threshold was reduced to zero it would mean that affordable housing would need to be negotiated on each of these sites and, where viable, a Section 106 agreement drafted and signed for each application. Taking the data in Table 1, the process of negotiation and viability testing would need to take place on 51 sites if the threshold was set to 5, which can be seen to be far more manageable.

- Viability

4.5.9 Viability on small sites can in some instances be more difficult to determine although this depends on the relative challenges on larger sites. Viability testing of single dwelling sites indicates that a positive residual value can be generated even with contributions to affordable housing. However, relative to large green field sites, the Existing Use Value (EUV) of smaller sites is often high, with small sites often being brown field or having extant permissions for housing. Additionally, by the very nature of single dwelling applications, the developers are often small scale builders or individuals far less versed in the planning application process. The cost to them of enlisting third party expertise to assist in providing legal or professional support to establish the need or not of a planning obligation is likely to provide a further time delay and provide a drag on development and investment.

- Resources

4.5.10 One of the key concerns regarding a reduced threshold is that it would require negotiations on significantly more applications than would be required if the threshold was set at 5 dwellings. This would, without additional resources being employed, inevitably lead to delays in determining applications. It is clear that reducing the threshold to zero dwellings would result in a significant increase in workload for which the resources are not likely to be available in proportion to the very few additional affordable units that will be delivered. One way around this is to pass the cost of viability assessment to the applicant who then funds an external consultant or indeed the time of local authority planning or housing officers.

- Additional supply of Affordable Housing

4.5.11 The amount of affordable housing that could be generated if applying the LDP targets on application sites of 1-4 dwellings does not equate to one whole dwelling (without rounding up). The only exception is in Porthcawl, where the affordable housing target of 30% on sites of 4 units would produce a requirement of 1.2 affordable units. Therefore, should the threshold be dropped below 5 units the negotiation of a financial contribution towards the provision of affordable housing is

likely to be more appropriate. The following examples illustrate the amount that could be generated using the suggested formula contained within the Affordable Housing Viability Study:

**RV 100% MV** = Residual Value with 100% market housing  
**RV AH** = Residual Value with X% affordable housing

**Commuted sum** = RV 100% MV minus RV AH

Example 1: Develop one 4-bed detached house on a 0.05 hectare site.

Location	Affordable Housing Target	Commuted Sum (£)
Porthcawl	30%	30,000
Laleston	30%	26,000
Pencoed	20%	13,000
Bridgend	20%	11,000
Maesteg	15%	4,000
Ogmore Valley	15%	4,000

Example 2: Develop three houses (one 4-bed detached and two 3-bed terraced/town houses) on a 0.1 hectare site.

Location	Affordable Housing Target	Commuted Sum (£)
Porthcawl	30%	71,000
Laleston	30%	64,000
Pencoed	20%	29,000
Bridgend	20%	25,000
Maesteg	15%	13,000
Ogmore Valley	15%	14,000

4.5.12 These examples would only provide the Commuted Sum's indicated if the scheme in each location was proven to be sufficiently financially viable. Chapter 5 of the Affordable Housing Viability Study outlines some of the special circumstances and considerations that may affect the viability of developing small sites.

4.5.13 Justification for the adoption of a threshold of 10 dwellings is provided by the fact that this corresponds to the classification of a large site in the Joint Housing Land Availability Study and the definition of a major site in planning application terms. It also equates to the minimum size of site as allocated in the LDP. Based on the data contained within the JHLAS database a reduction of the threshold to 10 units could have resulted in the provision of a further 34 – 68 affordable units. Reduction of the threshold to 5 units would have resulted in the provision of a further 65 – 130 affordable units or an equivalent financial contribution. These figures do not account for any reduction in planning obligation requirements agreed through proven impact on development viability.

4.5.14 Given the scale of the affordable housing need in the Borough, as demonstrated by the findings of the LHMA, and the findings of the AHVS disproving the notion that site size is a key determinant in development viability, it is felt that by reducing its affordable housing threshold to 5 units or 0.15 hectares, the Council is making a clear commitment to increasing its delivery of affordable housing.

## **5. Supply of Affordable Housing**

5.1. The Council's ability to ensure the effective provision of affordable housing derives primarily from its dual roles as both the Local Planning and Strategic Housing Authority. The two principal methods of securing provision of affordable housing in the County Borough over the lifetime of the LDP will be through the planning system and through the application of Social Housing Grant where this is made available.

### **5.2. The Planning System**

5.2.1. As part of its role as the Local Planning Authority, the Council has a responsibility to ensure sufficient development land can be delivered to meet the needs of the current and future population of the County Borough. The planning system allows for the provision of land for new housing to come from a range of sources including:

- Sites with planning permission
- Allocating sites for housing in the LDP
- Windfall Sites
- Small Sites

#### **Affordable Housing Delivered Through the Planning System – 2006-2009**

5.2.2. As the base date of the LDP is 2006 it is appropriate to include the number of affordable housing units delivered through the planning system between 2006 and 2009. From Council records of affordable housing delivery and the Affordable Housing Delivery Statement (AHDS, 2009) 31 affordable homes have been provided through the planning system between 2006 and 2009. As stated in the AHDS, the use of S106 Agreements was beginning to have a real impact upon new provision within the County Borough until the events of the current housing market and the economic downturn which reflected in the number of units provided during this timeframe.

#### **Allocated Sites**

5.2.3. The allocated supply of new housing in Bridgend is contained in policies COM1 and COM2 of the deposit LDP. These policies allow for the provision of land for new housing to come from sites with planning consent / approved subject to signing of S106 agreement / pipeline developments subject of pre-application negotiation at April 2009;

regeneration development sites; sites with an approved Development Brief / Framework; and new sites that have been identified as suitable for residential development or for a mix of uses, including housing, as a result of a robust candidate site / development site assessment process.

- 5.2.4. The application of the proposed target and revised threshold figures to the sites allocated in the LDP for residential development provides a projected total supply of approximately 1,318 affordable homes. This equates to approximately 738 affordable units in Bridgend / Pencoed, 467 affordable units in Porthcawl / Rural and 113 affordable units in Valleys / West.

### **Windfall Sites**

- 5.2.5. Windfall sites are sites of 10 or more dwellings that have not been allocated for residential purposes in an extant development plan, that come forward for development over the duration of the plan period. Analysis of previous rates of windfall sites coming forward for development within the Borough reveals that 540 dwellings are likely to be provided over the plan period of 2009-2021, at a rate of 45 dwellings per annum. This is based on patterns of residential development occurring under the policies of previous development plans. Housing completions on windfall sites in the County Borough over the lifetime of the Ogwr Borough Local Plan 1994-2005 and the Bridgend UDP 2005-2009 totalled 650 dwellings over 15 years, hence the rate of approximately 45 units per year. It can reasonably be expected that a similar rate of completions will be realised during the period 2009-2021. The monitoring undertaken as part of the Development Plan process enables a more thorough breakdown of the sites into the market areas identified in Policy COM3. This shows a trend in recent years for 45% of all units coming forward as part of windfall sites to be located in Bridgend / Pencoed, 40% to be located in the Valleys / West and 15% to be located in Porthcawl / Rural.

**Table 2: Windfall Site Completions 1994 - 2009**

<b>Combined Market Area</b>	<b>Number of Units</b>	<b>%</b>
Porthcawl / Rural	96	15
Bridgend / Pencoed	296	45
Valleys / West	258	40
<b>Total</b>	<b>650</b>	

- 5.2.6. If this trend is applied to the 540 'windfall' figure, it indicates that an estimated 243 units could be secured on windfall sites within Bridgend / Pencoed, 216 units in the Valleys / West and 81 units in Porthcawl / Rural. Applying the affordable housing targets to these figures indicates that an estimated 49 units could be secured in Bridgend / Pencoed, 32 units in the Valleys / West and 24 units in Porthcawl /

Rural. The contribution therefore from windfall sites to the supply of affordable housing will be 105 affordable homes.

### Small Sites

5.2.7. Small sites are defined as sites of less than 10 residential dwellings. Analysis of data recorded as part of the Joint Housing Land Availability Study shows an average number of 65 units developed per annum on small sites over a period of 15 years up to 2009. If this pattern were to continue throughout the LDP period it is not unreasonable to assume that 780 dwellings will come forward during 2009-2021.

5.2.8. Analysis of housing completions on small sites over the period 2005 to 2010 reveals that the following number of dwellings has been constructed in the different sub market areas:

**Table 3: Small Site Completions – Bridgend JHLAS**

	Bridgend & Pencoed	Porthcawl & Rural	W Settlements & Valleys	TOTAL
No of completions 2005-2010	166	60	207	433
% of total	38%	14%	48%	
Forecast for 2009-2021	296.4	109.2	374.4	780

5.2.9. Previous patterns of small site development demonstrate that approximately 65% of units will come forward on sites of 1-4 dwellings and 35% on sites containing 5-9 dwellings. If this ratio of development is applied to the LDP plan figure of 780 dwellings, it suggests that 507 dwellings will come forward on sites of 1-4 dwellings. Although this appears to be a significant amount of development, the majority of these sites are likely to consist of 1 or 2 dwellings. The provision of affordable housing on such sites would not, due to their composition, make a meaningful contribution to the supply. The remainder of 273 dwellings will be developed on sites of 5-9 dwellings. Applying this to the geographical pattern of completions highlighted above reveals that 104 units are likely to come forward on sites in Bridgend & Pencoed, 38 units in Porthcawl & Rural and 131 units in Western Settlements & the Valleys. Applying the affordable housing targets to these figures suggests an additional 21 affordable dwellings could be provided in Bridgend and Pencoed, 11 affordable dwellings in Porthcawl and Rural and 20 affordable dwellings in the Western Settlements and the Valleys. This does not take into account instances where a financial contribution may be negotiated in lieu of physical provision of affordable housing, but adopting this approach would result in the provision of approximately an additional 52 affordable dwellings.

## Over Provision of Housing Supply

- 5.2.10 In calculating an appropriate affordable housing target it is important to take account of the proportional over supply of housing provision identified in the LDP. The total Housing Supply identified in the LDP provides a figure that is approximately 13% over and above the total required. As such 13% of the total affordable housing supply is subtracted. However it is feasible that 196 additional affordable units could come forward if all the housing allocations were to be built out in the Plan period.
- 5.2.11 The application of the targets and threshold figures contained in Policy COM5 to sites will therefore seek to deliver 1310 new affordable homes through the planning system over the plan period as detailed in Table 5. The Council considers this represents an achievable yet ambitious target for affordable housing delivered through the planning system in the LDP.

**Table 5: Affordable Housing Target**

<b>SUPPLY</b>	<b>TOTAL</b>
Affordable Housing delivered through the planning system 2006-2009	31 Affordable Units
Allocated Sites	1318 Affordable Units
Windfall Sites	105 Affordable Units
Small Sites	52 Affordable Units
Minus 13% over supply in housing provision	-196 Affordable Units
<b>TOTAL</b>	<b>1310 Affordable Homes</b>

## 6.0 Alternative Means of Delivering Affordable Housing

- 6.1. Social Housing Grant (SHG) is a grant given to Registered Social Landlords (housing associations) by Welsh Government. The grants aim to provide new affordable housing for rent or low cost home ownership. SHG is supplemented by additional capital funding secured by the housing associations from private funding sources such as banks, building societies and monies gained from private market housing developments that are recycled . Whilst the SHG programme is expected to continue over the plan period, its management and funding arrangements will be determined by Welsh Government and it is therefore not pertinent to make forecasts as to what may be delivered in future years from this source over the lifetime of the Plan, although the SHG Programmes provide an indication for the next three years.

### 6.2.1 Empty Homes Initiatives

- 6.2.2 Bringing back existing private sector 'empty homes' into beneficial use can also make an important contribution to providing additional affordable homes.

- 6.2.3 Welsh Government has recently launched a new scheme 'Houses into Homes' which is seeking to bring 5000 empty homes back into use throughout Wales. Bridgend is participating in this scheme on a collaborative basis with Neath Port Talbot and Swansea City Council. Funding for this scheme is on a pro-rata basis, based on a local authority's the percentage of private sector housing stock.
- 6.2.4 The potential £450,000 allocated to Bridgend County Borough will be utilized for the provision of interest free loans, recoverable after 3 years, to bring empty properties into use by sale or rent. Loans will not be available for the purchaser's immediate owner occupation. This is in addition to the Council's on-going commitment to utilize the Empty Homes Grant which is also aimed at bringing back disused homes at affordable local housing allowance rent levels. It is estimated that through these mechanisms a further 10 - 20 properties per annum over the remaining LDP Plan Period – i.e. at least a further 90 affordable homes up to 2021 could be provided by this alternative means of delivery.
- 6.2.4 It should be noted that an element of these empty homes brought back into beneficial use do not fall into the strict definition of 'affordable housing' as defined in TAN 2. As they may be subsequently sold on the open market, this means that they may not be affordable in perpetuity.

### **6.3 Affordable Housing Exception Sites**

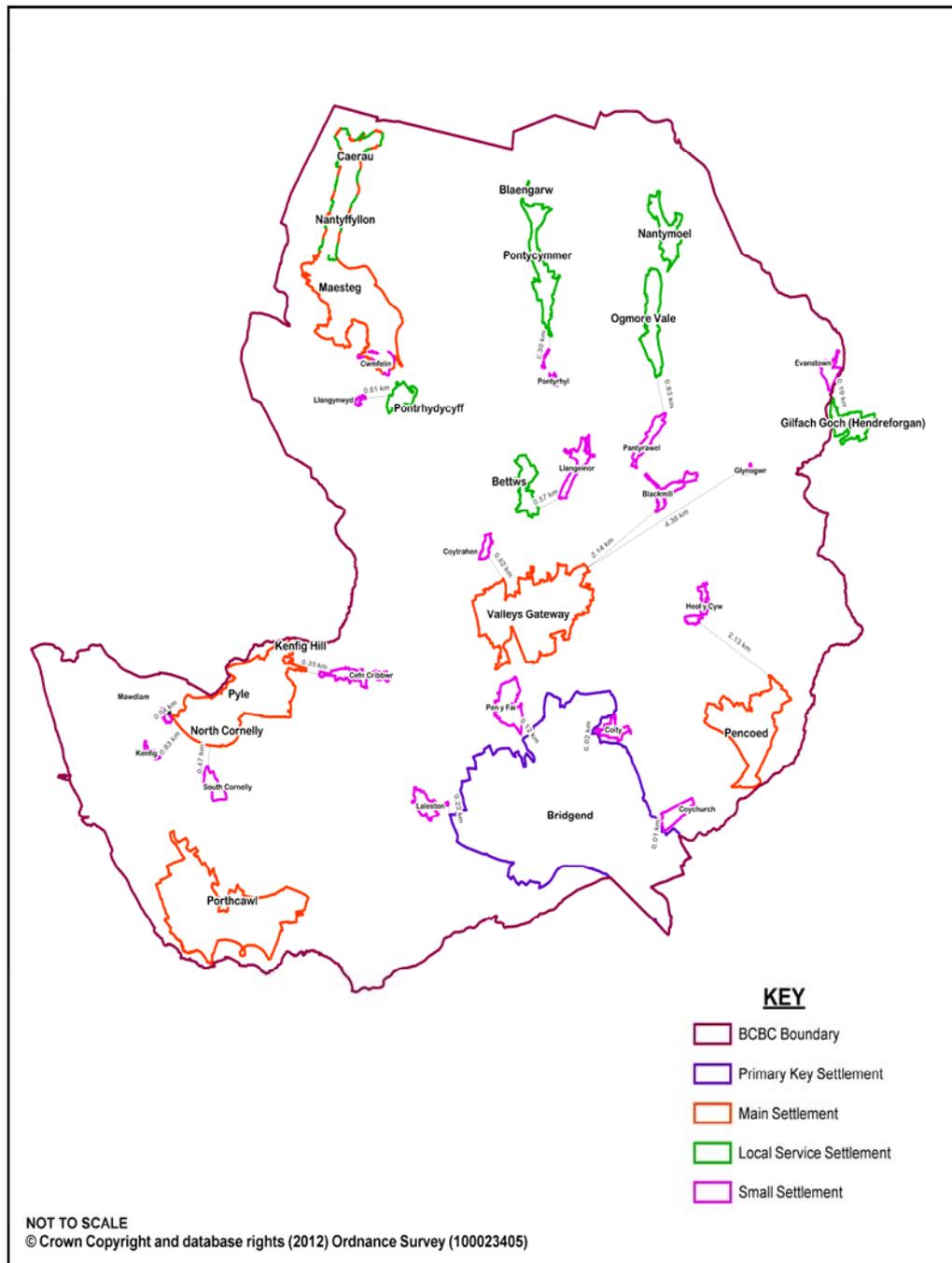
- 6.3.1 Planning Policy Wales (PPW) (2011) states that special provision of affordable housing exception sites must be considered when preparing a Development Plan to help ensure the viability of local communities. Policies that allow the release of small housing sites within or adjoining existing settlements for the provision of affordable housing, to meet local needs which would not otherwise be allocated in the development plan, needs to be considered for inclusion in the Plan.
- 6.3.2 In respect of the Bridgend LDP, Strategic Policy SP1 recognises that the defined settlements of the County Borough will be required to accommodate differing scales of future development and growth in order to maintain sustainable communities, as advocated by PPW (2011), in line with their role and function, to achieve the LDP's Vision and Objectives and this spatial distribution is explained further in Background Paper 12.
- 6.3.3 In order to focus development in areas where the maximum social, economic and environmental benefits can be achieved LDP Policy PLA1 makes a distinction between the settlements of the County Borough categorising them as Primary Key, Main, Local Service and Small – according to levels of service provision. All the identified settlements will continue to be the main focus of future development,

including the provision of affordable housing where opportunities arise, the scale and type of which will reflect their individual role and function. Small settlements defined in the hierarchy may have less opportunities for growth (which is appropriate in sustainability terms given their corresponding lower level of service provision) although it should be noted that all but one of the small settlements are located less than 3km from either a Local Service Settlement, Main or Primary Key Settlement (see Table 6 & Diagram 2) where there are correspondingly greater opportunities for growth to satisfy local needs. The settlement hierarchy is based on the conclusions of the Bridgend County Borough Settlement Role and Function Study (2009).

**Table 6**

<b>Small Settlement</b>	<b>Primary Key/Main/Local Service Settlement</b>	<b>Distance</b>
Blackmill	Valleys Gateway Bryncethin/Brynmenyn/Sarn/Tondu/Ynysawdre	2.14 km
Cefn Cribbwr	Pyle/Kenfig Hill	0.35 km
Coity	Bridgend	0.02 km
Coychurch	Bridgend	0.01 km
Coytrahen	Valleys Gateway (Bryncethin/Brynmenyn/Sarn/Tondu/Ynysawdre)	0.62 km
Cwmfelin	Maesteg	0.00 Km
Evanstown	Gilfach Goch	0.19 km
Glynogwr	Valleys Gateway (Bryncethin/Brynmenyn/Sarn/Tondu/Ynysawdre)	4.38 km
Heol y Cyw	Pencoed	2.13 km
Kenfig	Pyle/Kenfig Hill	0.83 km
Laleston	Bridgend	0.22 km
Llangynwyd	Pontrhydycyff	0.61 km
Llangeinor	Bettws	0.57 km
Mawdlam	Pyle/Kenfig Hill	0.04 km
Pen y Fai	Bridgend	0.12 km
Pontyrhyl	Pontycymmer and Blaengarw	0.30 km
Pantyravel	Ogmore Vale	0.83 km
South Cornelly	Pyle/Kenfig Hill	0.47 km

**Diagram 2: Spatial relationship of Settlements**



6.3.4 All settlements in the hierarchy have defined settlement boundaries which indicate that they have the facilities and services to ensure communities are balanced and sustainable. All the settlement boundaries have been reviewed and amended where appropriate to accurately define the urban area from the countryside. This provides certainty and direction in terms of where appropriate development, including affordable housing, will be permitted; encouraging the re-use of land and buildings and protecting the countryside from development that may have an adverse effect on its character, assisting in the prevention of coalescence of settlements and avoiding urban sprawl.

6.3.4 The LDP Settlement Boundary Review (Background Paper 3) outlines the methodology which was adopted to inform the settlement boundary designations in the Deposit LDP. Stage 1 of the review involved logical amendments to settlement including:

- Small-scale development opportunities which would provide infill and rounding off opportunities that are logical in terms of being physically, functionally and visually related to the existing urban area.
- Small-scale brownfield sites on the edge of settlements where these are logical in terms of being physically, functionally and visually related to the existing urban area.

6.3.5 This approach resulted in sites (under 0.3 ha), including Candidate Sites, being included within the urban area as 'white land' which provide the opportunity for affordable housing in the context of the LDP policies.

6.3.6 Stage 2 of the settlement boundary review assessment allowed for further flexibility by accommodating larger areas of land (over 0.3 ha) within the settlement boundary in areas where a need for growth had been identified (i.e. within, or adjacent to Strategic Regeneration Growth Areas (SRGA's)). This resulted in areas of land being included within settlement boundaries which were either allocated for residential development (including elements of affordable housing) or as white land which provide the opportunity for affordable housing in the context of the LDP policies.

6.3.7 In addition to the above, the settlement boundary review also identified areas which did not have defined settlement boundaries in the UDP but did function as part of an adjoining settlement. This has resulted in them being defined as urban areas which are now also suitable for residential development, including affordable housing.

6.3.8 In light of the above, the LDP position aligns with PPW (2011), which places great importance of safeguarding the character and appearance of the countryside whilst also providing sufficient land within its defined settlement boundaries, including small settlements, to meet future housing and population requirements, including affordable housing. Therefore it is anticipated that affordable housing can be met locally, within the defined settlements, through the general affordable housing policy framework and on residential windfall and small sites which have not been specifically allocated for housing in the LDP. Indeed settlement boundary changes from the adopted UDP position has resulted in 55 additional hectares of land being located within settlements – thereby demonstrating this additional scope and flexibility.

- 6.3.9 In addition to the above, it should also be noted that no applications for affordable housing exception sites have been submitted in the County Borough since the Bridgend UDP was adopted in 2005, which also supports the fact that there is little identified need for affordable housing outside of the defined settlement boundaries.
- 6.3.10 The LDP with respect to its settlement boundary review then has already implicitly helped to release potential housing sites adjoining existing settlements (although not explicitly identified for this purpose). This is especially the case within the valley settlements where such land is capable of meeting local needs, and because of lower land values are likely to be more attractive to the RSLs and / or developers to acquire for 100% affordable housing purposes.
- 6.3.11 On a similar basis within existing settlement boundaries public sector land, especially that owned by the Council and V2C Housing as part of the large scale stock transfer of the Council's former housing land and building estate provide opportunities to provide additional affordable and affordable special needs housing to meet local needs without the need to encroach on the Countryside. Such opportunities exist as potential windfall opportunities, but are not specifically identified, remaining as 'white land', because of the element of uncertainty (the programmes of RSLs do not go beyond three years) and the requirement of the LDP to ensure deliverability. The estimate of affordable housing contribution from 'windfall' sites as detailed in paragraphs 5.2.5 to 5.2.9 – based on the affordable housing targets, could therefore potentially be supplemented by alternative provisions (not directly through the planning system) if such opportunities are taken up for 100% affordable housing provision.

## 7. Analysis

- 7.1. The findings of the 2009 LHMA and its update in 2012 indicate that 1,514 and 1793 affordable dwellings respectively are 'needed' per annum. This represents a high level of affordable housing need compared to the total housing requirement of 9,000 dwellings which the LDP seeks to deliver up to 2021. This incompatibility of provision is however substantially reduced by the 2012 LHMA Update analysis, which when factoring in a higher more realistic affordability threshold and the supply of private rented accommodation to house those requiring affordable housing reduces the need to **292 new affordable dwellings per annum**.
- 7.2 This still represents a significant need; however the findings of the AHVS make clear that seeking to secure more than 15% affordable housing in the Valleys / Western strategy area and 20% in the Bridgend / Pencoed strategy area and 30% in Porthcawl and Rural would significantly impact on the viability of the housing market in the County Borough thereby affecting overall deliverability of new sites. The Plan therefore includes policies which seek to deliver significant

and appropriate amounts of affordable housing facilitated by ambitious but realistic targets and a lower site size threshold upon which affordable housing is sought, than that which was previously existed in the UDP.

- 7.4 As outlined above, there are also other alternative means of delivering affordable housing which will also go towards meeting the overall need in the County Borough. However for the purpose of the LDP these have not been included within the overall affordable housing target identified in the LDP.
- 7.5 Therefore, the application of the targets and threshold figures contained in Policy COM5 of the LDP will seek to deliver 1310 new affordable homes through the planning system over the plan period.**