

Supplementary Planning Guidance | Affordable Housing



Foreword

AFFORDABLE HOUSING
SUPPLEMENTARY PLANNING GUIDANCE

This Supplementary Planning Guidance (SPG) supplements and explains the policies in the Unitary Development Plan (UDP). The UDP was adopted in March 2008 and forms the Development Plan for the whole of the County Borough area.

This SPG has been prepared following a public consultation exercise that was undertaken in the Spring of 2008 and it was adopted by the Authority as guidance in July 2008. This is in accordance with the advice set out in the 'Unitary Development Plan: Wales' (WAG 2001). It does not form part of the Development Plan but will be taken into account when planning applications are considered as a material consideration.

As work progresses on the Local Development Plan (LDP) which is programmed to replace the UDP in 2013, the need to review or prepare new SPG's will be kept under consideration.

If you have any comments or suggestions please let us know (see Contacts in Appendix 1).

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CONTENTS

	SUMMARY	3
1.	INTRODUCTION	5
	Status of this document	5
	What is affordable housing and how is it relevant to planning?	5
	Content and structure of this guidance	6
2.	THE POLICY CONTEXT	7
	National Planning Policy	7
	UDP Policies	8
3.	ASSESSING AND MONITORING HOUSING NEED IN NEATH PORT TALBOT	8
4.	TYPES AND MECHANISMS OF AFFORDABLE HOUSING PROVISION	10
5.	SITE THRESHOLDS AND SCALE OF CONTRIBUTION	10
	Preferences for delivery	11
6.	POLICY IMPLEMENTATION	13
	The relevance of affordable housing provision to the decision to grant planning permission	14
	The nature of the planning permission	15
	Monitoring	16
7.	DESIGN	16

APPENDICES

1. Neath-Port Talbot Council Contacts
2. Housing Association Contacts
3. Local Housing Market Assessment Calculations
4. Methodology for Calculating Off-Site Provision
5. Formula for Calculating Financial Contributions/Commuted Sums
for Affordable Housing
6. Neath Port Talbot (TAN 1) Housing Zones
7. Glossary of Terms

Summary

The aim of this Supplementary Planning Guidance (SPG) is to deliver affordable housing to meet the significant need in Neath-Port Talbot County Borough, (currently estimated using WAG's toolkit at approximately 500 houses p.a.).

This will be addressed by two main categories of housing; Social Rented and Intermediate/Assisted Purchase with legal arrangements in place to ensure it remains affordable for future occupiers. Where a scheme allows "stair-casing" to full ownership, there will need to be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing.

The Authority is seeking a contribution of 20% from all housing developments of 3 units and above, with a commuted sum being sought for developments between 3-4 units.

The Council's preferred method of achieving affordable housing is for developers to either build houses (on-site) for transfer to a Registered Social Landlord (RSL)/ Local Authority or to provide a portion of the site as serviced land together with a contribution to cover the construction costs of the affordable housing.

The Authority's preferred list of RSL providers currently operating within the Neath-Port Talbot area are outlined in Appendix 2.

The options in order of preference:

Option 1 - The on-site, 'tenure neutral' built units, will be transferred to an RSL or the Authority at 40% of the market value;

Option 2 – If the development site size falls within the 3-4 units threshold, a commuted sum will be sought. This calculation will be based on an off-site scenario at 30% of the market value, not to discourage small developments. (Refer to Appendix 5 for a worked example);

Option 3 – The on-site serviced land will be transferred over to an RSL or the Authority at no cost. The developer will then pay 30% of construction costs to an RSL or the Authority.

Option 4 – Offsite provision of built units or serviced land (which will be transferred to an RSL or the Authority). In an appropriate location, and including an additional contribution to reflect the whole of the original site having been developed, (allowance has to be made for the 20% of additional market units on the site that would have initially been affordable). In addition to this, where serviced land is provided, the developer will pay 30% of construction costs to an RSL or the Authority.

Option 5 – A commuted sum on sites of 5 units and above, which shall equate to not less than the sum of option 1, would only be implemented where justified. This calculation will be based on an off-site scenario at 60% of the market value (refer to Appendix 5 for a worked example);

The above options use option 1 as a base from which all the other options follow. It identifies the contribution the Authority considers is needed to address affordable housing needs. Where developers consider that this level of provision would make the development of the site uneconomic, the feasibility of the site will be considered.

1. **INTRODUCTION**

Status of this document

- 1.1 This Supplementary Planning Guidance (SPG) was adopted as planning guidance in July 2008 (see Foreword).
- 1.2 It has been prepared in accordance with Ministerial Interim Planning Policy Statement (MIPPS) 01/2006 which supersedes Chapter 9 of Planning Policy Wales (2002) and Technical Advice Note Wales (TAN) 2 (2006) (available on the WAG web-site: www.wales.gov.uk). It is also informed by the Local Housing Strategy and relevant sub-strategies. It explains the approach the Council will take in applying Policies H4 (Affordable Housing) and H5 (Affordable Housing in Villages to Serve Local Need) of the Neath Port Talbot Unitary Development Plan (UDP). These policies are concerned with securing affordable housing where there is a demonstrable need. The policies can be inspected on the Authority's web-site (www.npt.gov.uk).
- 1.3 The Council will have regard to this SPG when making planning decisions with immediate effect. It will form an important material consideration in decisions on individual planning applications, alongside other relevant SPG. As the Welsh Assembly Government (WAG) advises, SPG that has been subject to public consultation has more weight than that which has not. It does not however carry the special statutory status of the Development Plan.

What is affordable housing and how is it relevant to planning?

- 1.4 Affordability is related to income levels and market prices: whether housing is affordable is defined as the ability of households to purchase or rent property that satisfies their needs on the open market. In recent years, affordability has become an increasing problem throughout Wales, even in areas of traditionally lower house prices, in the context of rapidly rising house prices relative to income levels.
- 1.5 In Wales, “affordable housing” refers to housing with “secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and to subsequent occupiers” (TAN 2, ¶5.1). It comprises social rented

and intermediate housing, the latter including low-cost ownership schemes where measures are in place to recycle capital receipts.

- 1.6 WAG has identified the role of the planning system as one of the key mechanisms that will provide affordable housing, in its concern to provide sustainable and inclusive communities. It expects affordable housing to be part of the mix of most market housing developments, provided for by developers according to the same logic that they have to provide for other infrastructure and facilities necessary to enable a community to function.
- 1.7 Some UDP housing allocations as a result of their location may not be well suited to the needs of those in most need of the affordable housing. In such situations, the Authority is likely to prefer that in place of helping provide affordable housing on-site that developers make financial or off-site contributions to enable provision in more appropriate locations.

Content and Structure of this Guidance

- 1.8 The guidance that follows commences with a look at the detailed requirements of national planning policy, together with the relevant UDP policies. It then explains the Authority's approach to assessing and monitoring housing need, and different types and mechanisms of affordable housing provision that may contribute to meeting affordable housing need. It goes on to set out likely housing site thresholds at which affordable housing provision will become a consideration in the assessment of proposals, before explaining the related policy-implementation procedures. Further guidance is then provided on design issues.
- 1.9 The purpose of this SPG is to explain the application of UDP and national planning policy in the Neath Port Talbot context and thereby clarify for developers the Authority's affordable housing expectations. This should help to speed up negotiations and the completion of Section 106 agreements.
- 1.10 The Authority may seek other contributions from developers to address a range of potential impacts relating to the development (e.g. off-site highway improvements, education provision, community and health facilities, public open space etc...(see Developer Contributions SPG). The Authority recognises that there will be a range of issues that a developer will have to address

including ground conditions, flood consequences, decontamination, water/electric supply etc. New development is needed to meet the area and its communities' needs, and the Authority will balance addressing these needs against the potential for a development to make a reasonable contribution to addressing the impacts. Should the impacts, even having taken developer contributions into account, be considered unacceptable the Authority will consider refusing the application.

1 The Policy Context

National Planning Policy

- 2.1 The MIPPS (01/2006, ¶9.1.4) that supersedes the housing chapter of Planning Policy Wales, (PPW) together with TAN 2, (§7) emphasises the importance of an in-depth knowledge of the local housing market through the production of Local Housing Market Assessments (LHMA). These provide the knowledge required for the planning system to be able to anticipate and deliver local housing requirements, both quantitative and qualitative.
- 2.2 The MIPPS indicates that on the basis of these assessments, there will be a need to make appropriate local provision for affordable housing through the development plan, and that there should be a realistic authority-wide target for such provision (¶9.1.2, 9.2.15). Further to this, it charges local planning authorities (LPAs) with promoting sustainable, mixed-tenure communities through their planning policies and development control decisions (¶9.1.2, 9.2.14,). The MIPPS also advocates that LPAs join with the community and private sector 'to meet the challenges and particular circumstances in their areas in specific locations' (¶9.2.4).
- 2.3 The MIPPS identifies the role of the new Local Development Plan (LDP) in setting strategy and policies to secure affordable housing provision. This will be a key task in the preparation of the LDP and the Neath Port Talbot Local Housing Partnership will play an important role in the work.
- 2.4 The TAN gives advice on how to set such targets and thresholds, emphasising the importance of securing a balance between securing affordable housing provision and site viability (¶10.4). It also notes that affordability can change over a short period of time,

so any targets should be treated as indicative (¶10.10). It adds that LPAs will be justified in stipulating that they will apply their affordable housing policy on sites that fall below a threshold where they can demonstrate this is appropriate to secure sustainable communities. This may be the case for example where the site is capable of delivering more units, or is part of a larger site (¶10.8).

UDP Policies

- 2.5 The relevant UDP policies are H4 and H5. H5 is ‘rural exception’ policy, which allows for the favourable consideration of affordable housing development proposals on sites where housing development would not normally be allowed, subject to demonstrable local need and adequate arrangements to ensure its ongoing affordability.
- 2.6 Policy H4, as recommended for amendment by the Inspector following the Public Inquiry into the UDP, is the main affordable housing policy for all other housing sites, whether allocated in the plan or not. The Inspector recommended that the threshold that would trigger the provision of affordable housing be removed. It states that where such a study or other properly conducted survey demonstrates local need, subject to site suitability, an element of affordable housing will be sought on housing sites. Site suitability is defined according to its size, the economics of the development of the site and other objectives which would include accessibility for occupiers and other planning considerations (which could include whether other uses would be more appropriate for the land). It defines affordable housing as both low-cost market and other forms of subsidised housing which may have various tenure or ownership characteristics, available to people who cannot afford dwellings on the open market.

3. ASSESSING AND MONITORING HOUSING NEED IN NEATH PORT TALBOT

- 3.1 The Authority is working with Registered Social Landlords (RSLs), private developers and estate and letting agents to better understand and address local housing requirements. A Local Housing Partnership was created in May 2007, and the review and monitoring of the effectiveness of this guidance will be an important feature of its work.

- 3.2 In 2001-2002, the Authority's Housing Services commissioned a Housing Needs Survey from the consultancy, Opinion Research Services (ORS). This report provides a snapshot of the County Borough Housing Market in 2000/2001, however, due to changing trends and socio-economic conditions it is now out-of-date.
- 3.3 A Housing Market Survey was commissioned of ORS in 2005. Findings from this study show that the population of Neath-Port Talbot and its related local housing market situation has undergone changes. Since 2002 the previous pattern of long-term decline has changed to a more positive situation, due to significant levels of in-migration from the South of England and the rest of Wales. Information on migration can be volatile both as migration flows change and as information is improved and will be closely monitored.
- 3.4 While out-migration has been outbalanced by in-migration, house prices within the County Borough have increased dramatically. As a result, the position concerning affordable housing in Neath Port Talbot since 2000 has changed significantly. High vacancy levels amongst local authority and housing association stock have been replaced by a large and growing waiting list of households in need.
- 3.5 The Authority follows the suggested approach to assessing need in the WAG Local Housing Market Assessment Guide (March, 2006) and guidance issued by the ODPM in December 2005. The results from this work indicate a considerable need which affects the whole of the County Borough. This equates to some 500 affordable housing units being needed each year. This compares with a total average build rate over the last 5 years of some 350 houses per year (ie including both open market and affordable housing). This emphasises the scale of the problem for the County Borough and its communities.
- 3.6 The Authority will provide and keep up-to-date information on the need for affordable housing and sizes of property. This will be summarised and included in Unitary Development Plan (UDP) Annual Monitoring Reports.
- 3.7 It should be noted that while housing markets may overlap local authority boundaries, in the interest of clarity, the efficient processing of applications and securing the prompt delivery of

affordable housing, the Authority will base its consideration of proposals on the identified needs within the County Borough alone.

4. TYPES AND MECHANISMS OF AFFORDABLE HOUSING PROVISION

- 4.1 Affordable Housing need is addressed by two main categories of housing provided with private and/or public subsidy: Social Rented or Intermediate.
- 4.2 **Social Rented Housing** is housing available to rent at affordable, below market prices. It is owned and managed by a Registered Social Landlord (RSL)/ Local Authority and can be subsidised by the Government through the provision of Social Housing Grant (SHG).
- 4.3 **Intermediate Housing** is an option for people whose income may be insufficient to raise a mortgage to buy a suitable home for themselves but who can afford a mortgage or cannot afford to rent without assistance.
- 4.4 Where a scheme allows “stair-casing” to full ownership, there will need to be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing.

5. SITE THRESHOLDS AND SCALE OF CONTRIBUTION

- 5.1 The Council’s preferred method of achieving affordable housing is for developers to either build houses (on-site) for transfer to a Registered Social Landlord (RSL)/ Local Authority or to provide serviced land together with a contribution to cover the construction costs of the affordable housing. This would be secured through Section 106 agreements or planning conditions.
- 5.2 Within the context of the significant scale of affordable housing need described in Section 3, the Authority considers that in principle, all new housing on sites of 3 or more units should make an appropriate contribution to affordable housing provision. This would include conversions from non-residential use to residential use, or the subdivision of a residential property. It would also include proposals to develop part of a site that would be capable of accommodating more housing than proposed (and in which case would be above the threshold) or proposals that could reasonably

be considered to form part of a more substantial site which would in its total be likely to be above the threshold. This would be regardless of ownership.

- 5.3 On such sites, 20% affordable housing provision will be sought as a starting point. It is recognised that in the case of small sites (between 3 and 4 units), a financial contribution would be likely to be more appropriate than providing affordable units on site. In most other cases, it will be expected that the affordable housing units are provided on site to provide for inclusive, mixed communities. Where this calculation produces less than a whole number, this element might be most appropriately addressed through a financial contribution (i.e. 5.3 units would mean 5 units and a financial contribution for the remainder).

Preferences for delivery

Option 1

The on-site, 'tenure neutral' built units, will be transferred to an RSL or the Authority at 40% of the market value.

Option 2

If the development site size falls within the 3-4 units threshold, a commuted sum will be sought. This calculation will be based on an off-site scenario at 30% of the market value, not to discourage small developments. (Refer to Appendix 5 for a worked example)

Option 3

The on-site serviced land will be transferred over to an RSL or the Authority at no cost. The developer will then pay 30% of construction costs to an RSL or the Authority.

Option 4

Off-site provision of built units or serviced land (which will be transferred to an RSL or the Authority), in an appropriate location, and including an additional contribution to reflect the whole of the original site having been developed, (allowance has to be made for the 20% of additional market units on the site that would have initially been affordable). In addition to this, where serviced land is provided, the developer will pay 30% of construction costs to an RSL or the Authority.

Option 5

A commuted sum on sites of 5 units and above, which shall equate to not less than the sum of option 1, would only be implemented where justified. This calculation will be based on an off-site scenario at 60% of the market value (refer to Appendix 5 for a worked example).

- 5.4 The above options use option 1 as a base from which all the other options follow. It identifies the contribution the Authority considers is needed to address affordable housing needs. Where developers consider that this level of provision would make the development of the site uneconomic, the feasibility of the site will be considered.
- 5.5 Where it is determined that off-site provision of serviced land or built units may be more appropriate, Appendix 4 outlines the methodology for calculating how much will be sought. This takes into consideration the increased number of open market houses that will be built ‘on-site’ and will therefore translate into a higher percentage of affordable housing. A worked example is also provided for clarity.
- 5.6 Where it is determined that off-site provision via a commuted sum may be more appropriate, Appendix 5 outlines the methodology that would be used to calculate the amount. This figure will be based on 60% of the market value (on sites of 5 units and above) and 30% of market value (on sites between 3-4 units). The market value will be based on the average prices for one, two, three and four bedroom dwellings in the relevant housing zone (5 in total), as defined in the TAN 1 Joint Housing Land Availability Study (refer to Map in Appendix 6). These figures will be available from the Authority.
- 5.7 The Authority accepts that the ability of developments to contribute to the provision of affordable housing may be constrained by the viability of the site. Where the developer can demonstrate that the economics of the site cannot carry this level of contribution or that it conflicts with other over-riding planning objectives for the site, there may be scope for it to be relaxed. However, TAN 2 ¶10.10 states: “In negotiation with developers there should be a strong expectation that the indicative target will be provided.” Nonetheless, new development is needed to sustain

communities and there is no wish to discourage it or to jeopardise the delivery of housing identified in the housing landbank (Policy H1) of the UDP.

- 5.8 The Authority also recognises that the affordability of housing can change over a relatively short period of time. As a result, affordable housing targets are subject to change according to up-to-date information, but this will always be fully justified and explained.
- 5.9 While housing markets may overlap local authority boundaries, in the interest of clarity and efficient processing of applications and managing the delivery of affordable housing, the Authority will base its consideration of proposals on the identified needs within the County Borough. Although there are divisions in the housing market, the Authority considers that the whole of the County Borough should be treated as one housing market. This reflects the situation where housing need extends across the whole County Borough, and where people and families in need of affordable housing may seek the accommodation elsewhere within the County Borough in order to better address their needs. This may reflect family or work circumstances, or the need to be able to get better and easier access to facilities.

6. POLICY IMPLEMENTATION

- 6.1 **Pre-Application Discussion** – Before an applicant submits a housing proposal, the Authority recommends a discussion with its planning officers (see Appendix 1 for contact details), who will liaise with internal departments.
- 6.2 The Authority will endeavour to confirm at an early stage in discussions how the affordable housing should be provided (by preference) – refer to Section 5.3.
- 6.3 The location of the site will determine the tenure and size of the affordable housing unit. In the centre of town for instance, it is likely that the need will be for predominantly social-rented, 2 bedroom flats.
- 6.4 Detailed negotiations will focus on which of the options (set out above at 5.3) is most appropriate, the tenure and size of housing units needed to meet the local community's needs.

- 6.5 The Authority recognises that there will also be a range of on-site issues that a developer will have to address including ground conditions, flood consequences, water/electric/sewer supply etc. In negotiating affordable housing provision, the Authority will balance addressing these needs against the potential for a development to be rendered uneconomic, however, the Authority would need to be convinced that the costs would be abnormally high. Where the development would create impacts on infrastructure, facilities and the community, including roads (and cycle/pedestrian ways), public transport, sewerage, schools, open-space community and health facilities, the Welsh Language etc they will also be addressed at this stage (as explained in the Developer Contributions SPG).
- 6.6 When negotiating with a developer over contributions for affordable housing, and other developer contributions, the Authority will need to be convinced that a reduced contribution can be justified. This Authority will favour an “open-book” assessment being undertaken to identify development costs, income and profits. This information would be treated as being commercially sensitive. In the event of a failure to reach agreement, the Authority would favour the appointment of an Independent Chartered Surveyor to arbitrate over the contribution the development could reasonably support. The Authority would make the appointment and the cost to the developer would be borne by the developer. The size and purpose(s) of the resulting contribution would be made available to the public.
- 6.7 In rural areas where developments of 100% affordable housing are proposed in accordance with Policy H5 on land which would not normally be released for residential development, this would have to be fully justified in relation to local need for affordable housing and why this need would not be likely to be met by affordable housing provided by developments within the community or area concerned.

The relevance of affordable housing provision to the decision to grant planning permission

- 6.8 Where a development would pose demands and pressures, having taken potential developer contributions into account, that in the

Authority's view would be unacceptable, it will consider refusing the application.

- 6.9 If, having had regard to all material considerations, the LPA considers that site proposals do not satisfactorily address the objective of making a reasonable contribution to the provision of affordable housing, then the authority will consider refusing the application.

The nature of the planning permission

- 6.10 Where **Outline Planning Permission** is granted, the permission will identify whether a contribution towards affordable housing will be made as part of the development. The proportion and type of properties will also be considered at this stage.
- 6.11 Where **Full Planning Permission** is granted, the Authority will have agreed with the applicant how any affordable housing contribution would be made, including the number, mix, type and location of the dwellings and the tenure.
- 6.12 Any grant of planning permission (whether outline or full) of which includes an element of affordable housing will be subject to a related planning condition and/or the developer will be expected to enter into a related Section 106 (S106) agreement. This will ensure that the affordable housing is provided, occupied and managed in accordance with UDP policy and the guidance in TAN 2.
- 6.13 Where occupancy criteria are specified by the condition and/or S106 agreement, a 'cascade' mechanism will be included to ensure that occupants will always be found for affordable housing when such housing is vacated. Given that there is likely to be a continuing need for affordable housing, either the Authority or RSL will control occupancy to ensure that the affordable housing provided is occupied by people falling within particular categories of need, both now and in the future. This will be particularly important on rural exception sites where the development will only have been granted permission on the basis of over-riding local affordable housing need.
- 6.14 Should it appear that there is no longer a need for affordable housing that the property should meet, the potential to relax the

requirement will be considered. Eligibility criteria could relate to local residents, people employed locally or people with other local connections who are in need of affordable housing and would be led by up-to-date assessments of need.

- 6.15 Where payment of a commuted sum is considered appropriate, the associated S106 agreement will specify how it will be held and its purpose. Should it not be spent within an agreed period (usually 10 years from the date of payment) the money would be refunded to the developer together with accrued interest. In the event of the developer or a successor in title not existing, the funding would be retained and spent on meeting other needs associated with the impact of the development.

Monitoring

- 6.16 The LPA will monitor the provision of affordable housing against the target, and will publish this as part of the Unitary Development Plan Annual Monitoring Report. Where necessary it will take remedial action to ensure that the target is met.

7. DESIGN

- 7.1 Where part of a larger scheme, the affordable housing should be indistinguishable from general market housing and should be located throughout the site and not concentrated. Developers will be expected to take account of good design practice, as set out in the Technical Advice Note 12 (TAN 12) on Design.
- 7.2 Developers should also take account of the Welsh Assembly Government's 2005 Design Guidance: Development Quality Requirements (DQR) for New Dwellings and South Wales Police's Secured by Design initiative, which aims to design out crime.
- 7.3 The 'Lifetime Homes' concept that is promoted by the Joseph Rowntree Foundation aims to provide homes which are flexible and can cater for people with a wide range of disabilities. These standards should also be taken into consideration by developers when designing affordable homes.

APPENDIX 1

Neath-Port Talbot Council Contacts

HOUSING

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Appendix 2

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Ty Gwalia

10-13 The Kingsway

Swansea

SA1 5JN

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APPENDIX 3

Local Housing Market Assessment Calculations

Model 1

(Source: WAG (2005) Local Housing Market Assessment Guide).

CURRENT NEED

(as at – September 2006)

Note: An updated version of this model is available on request from the contacts identified.

	ELEMENT AND STEP IN CALCULATION	DATA SOURCES	NOTES AND ASSUMPTIONS	FIGURES
1	Existing households in need of alternative accommodation	Housing Register	Housing Register → child points →no points	5525
2	PLUS Current non-households in need of affordable housing	-Housing Register -Priority Homeless in temporary accommodation -Hostel move-on needs -Homeless agencies data	Approx 70% on tenants receive Housing Benefit. 30% on average can meet needs financially	72
3	MINUS cases where they can afford to meet their needs in the market	Housing Register	Approx 70% of tenants receive Housing Benefit. 30% on average can meet needs financially	2486
4	EQUALS Total Current Housing Need	1+2-3		3111

AVAILABILITY OF STOCK TO OFF-SET NEED

	ELEMENT AND STEP IN CALCULATION	DATA SOURCES	NOTES AND ASSUMPTIONS	FIGURES
5	Current occupiers of affordable housing in need	Local Authority Transfer List		655
6	PLUS surplus Stock	Local Authority Record	As at 01/01/05	0
7	PLUS Committed supply of new affordable units	Development programmes of LAs and HAs, including conversions and intermediate housing products. Regeneration Schemes.	This is based up to 2016 and an average of 50 units per year.	534
8	MINUS Planned units to be taken out of management.	Demolition and conversion programmes of LAs, HAs, Regeneration Schemes.	No demolitions. Reconfigurations will be negligible.	0
9	EQUALS Total available stock to meet current need	5+6+7-8		1189
10	EQUALS Total Current need	4-9		1922
11	TIMES quota progressively to reduce level of current need	Policy Judgement	Ten years up to plan period.	0.1
12	EQUALS Annual need to reduce level of current need	10 x 11		192.2

NEWLY ARISING NEED

	ELEMENT AND STEP IN CALCULATION	DATA SOURCES	NOTES AND ASSUMPTIONS	FIGURES
13	New Household formation (gross p.a.)	Output of HMA & Demographics	Based on average household formation and average migration rates (over last 7 years).	750
14	TIMES Proportion of newly arising households unable to buy or rent in the market	Secondary data sources on household incomes and income proxies. Output from Chapter 4, establishing entry level rents and property prices	Based on an average entry level house price of £53k.	0.39
15	PLUS Existing households falling into need and unable to afford market housing	Numbers joined housing register within the last year who were already householders. LA data on households recently housed outside normal housing register or where entered register within last year.	Numbers joined register in last year.	764
16	MINUS Potential out- migrants unable to afford market housing	Census data/ HMA		0
17	PLUS in-migrants unable to afford market housing	Census data/ HMA		0
18	EQUALS Newly arising need	(13x14)+15+16+17		1057

[Stage 16 & 17 (In and out migrants) are assumed to be in balance].

SUPPLY OF AFFORDABLE UNITS PER YEAR

	ELEMENT AND STEP IN CALCULATION	DATA SOURCES	NOTES AND ASSUMPTIONS	FIGURES
19	Net supply of social re-lets	Lettings/ voids system for LAs and HAs		697
20	PLUS supply of intermediate housing available for re-let or resale at sub market levels	LA and HA lettings/ voids system and data on resales of sub market LCHO or shared equity schemes.		20
21	EQUALS affordable supply	19+20		717
NET SHORTFALL OR SURPLUS				
22	Overall shortfall or surplus	12+18-21		532.2

All RSL – minus Homeless double count 10 years 0 for < 3%.
05/06 new build taken out of re-let – transferred to committed supply
10% re-let rate.

[Source: Provision of figures and calculations were jointly prepared by officers from Planning Policy and Housing Strategy].

APPENDIX 4**Methodology for Calculating Off-Site Provision**

On-Site Provision = P x N

Off-Site Provision = P(1+P)N

For example:

If N = Units built and
 P = Percentage of Affordable Housing (hence, 20% = 0.2)

On-Site Provision = P x N

Off-Site Provision = P(1+P)N

E.g. N=100 P=20% or 0.2

On-Site Provision: 0.2 x 100 = 20 units

Off-Site Provision: 0.2 (1+0.2) 100 = 24 units

Reasoning: The 20 existing affordable houses are now market houses. Therefore a further 20% of these 20 affordable houses should be secured.

APPENDIX 5

Formula for Calculating Financial Contributions/ Commuted Sums for Affordable Housing

Option 2

If the development site size falls within the 3-4 units threshold, a commuted sum will be sought. This calculation will be based on an off-site scenario at 30% of the market value, not to discourage small developments.

$$\mathbf{P(1+P)N(30\% \text{ of market value})}$$

Option 5

A commuted sum on sites of 5 units and above, which shall equate to not less than the sum of option 1, would only be implemented where justified. This calculation will be based on an off-site scenario at 60% of the market value

$$\mathbf{P(1+P)N(60\% \text{ of market value})}$$

This commuted sum formula is based on the off-site provision formula because allowance has to be made for the 20% of additional market units on the site that would have initially been affordable.

See below for a worked example.

Example:

If N = Units built and

P = Percentage of Affordable Housing (hence, 20% = 0.2)

MV = Market Value

E.g.

P = 20% or 0.2

MV = means average prices for one, two, three and four bedroom dwellings in the relevant housing zone (5 in total), as defined in the TAN 1 Joint Housing Land Availability Study (refer to Map in Appendix 6). These figures will be available from the Authority.

N = 4 (MV = e.g. 150k, 100k, 80k and 200k)

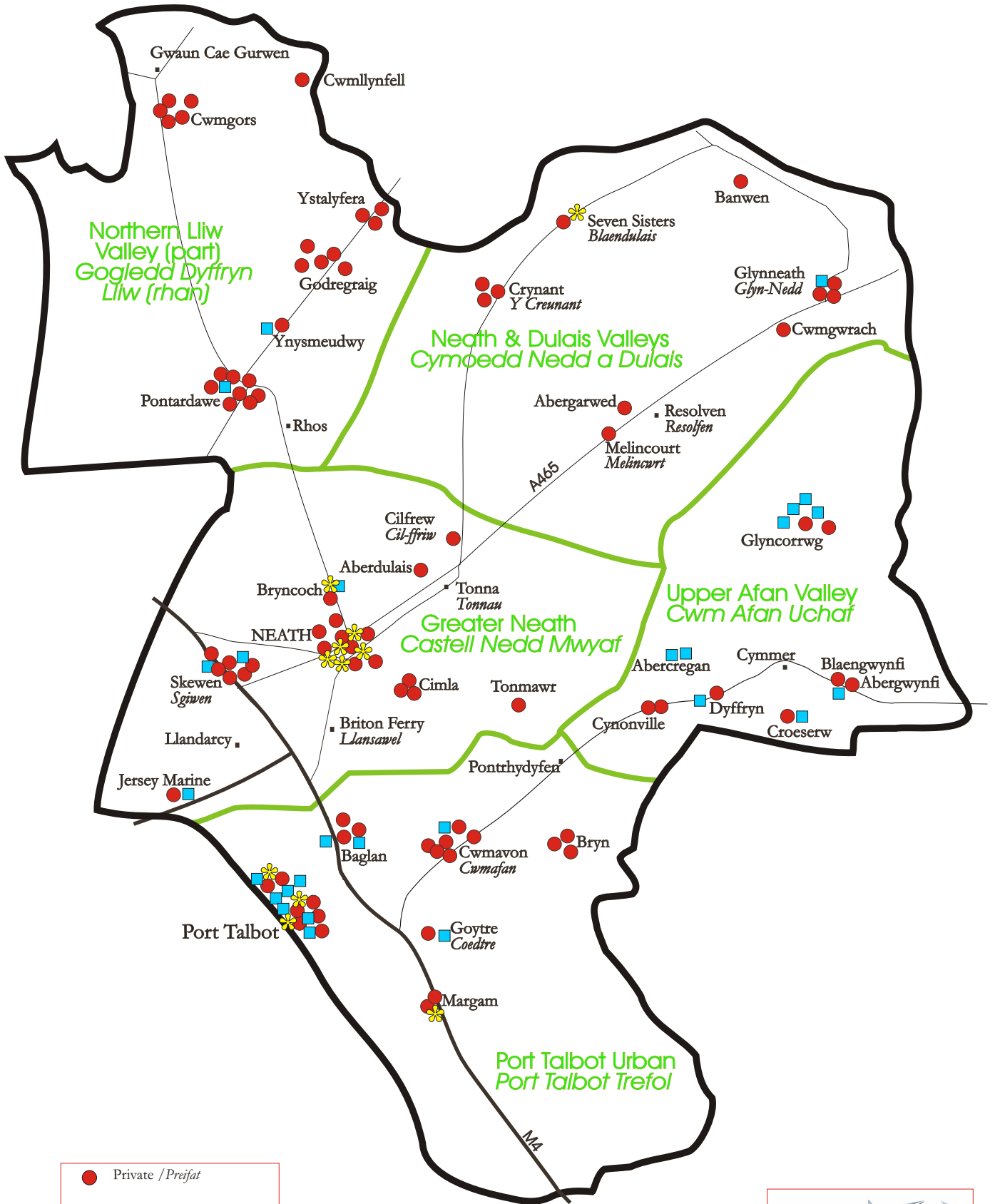
$$[P(1+P)N] \times (60\% \text{ of MV})$$

0.2 x (1+0.2) x 4 (x **60% of market value**)

0.96 x 60% of (530/4 = £132,500)

0.96 x £79,500

= £76,320



- Private / Preifat
- ✿ Housing Association Cymdeithas Tai
- Unadopted Local Plan Sites Safleoedd Cynllun Lleol heb ei Fabwysiadu

30th June 2007
30ain Mehefin 2007



APPENDIX 7

Glossary of Terms

Affordable Housing - Affordable Housing need is addressed by two main categories of housing provided with private and/or public subsidy: Social Rented or Intermediate. **Social Rented Housing** is housing available to rent at affordable, below market prices. It is owned and managed by a Registered Social Landlord (RSL) and can be subsidised by the Government through the provision of Social Housing Grant (SHG). **Intermediate Housing** is an option for people whose income may be insufficient to raise a mortgage to buy a suitable home for themselves but who can afford a mortgage.

Authority, The – The Council as a whole.

Condition (Planning) – Requirement imposed on the granting of planning permission in order to ensure the effective and proper implementation of any given development. It must be complied with for a development to be legal.

Market Value – means average prices for one, two, three and four bedroom dwellings in the relevant housing zone (5 in total), as defined in the TAN 1 Joint Housing Land Availability Study (refer to Map in Appendix 6). These figures will be available from the Authority.

Developer Contributions – See planning obligations.

Development Plan – document that sets out the strategic and detailed planning policies for a local authority area, designed to achieve particular aims and objectives. After going through legally-required processes, it is adopted and becomes the plan against which development proposals in an area are assessed. Section 54A of the Town and Country Planning Act 1990 gives this plan a special status: it states that in order for planning proposals to be approved, they must accord with the Development Plan unless material considerations indicate otherwise, giving rise to a plan-led system. The current development plan is called a Unitary Development Plan. Over time these will be replaced with new Local Development Plans.

Housing Market Survey – study to assess the effect of recent housing market changes on the conclusions drawn by the Neath Port Talbot Housing Needs Study 2001.

Housing Needs Survey – survey that assesses the level and type of housing need within the County Borough in relation to changes in the population (migration, births, deaths etc..) and the existing housing stock. One of its primary functions is to highlight the level of affordable housing need.

Housing Officers – Officers from the Housing Strategy Department.

Housing Register – list of people who want to move into or between homes owned by the Council and participating housing associations. It includes both homeless people and those presently housed in dwellings unsuitable for their needs.

Local Housing Market Assessment Guide, March 2006 - document published by WAG which sets out how Local Authorities can understand the nature and level of housing demand and need in their local housing markets.

Local Planning Authority (LPA) – the County Borough’s Planning Policy Team (which prepares the Development Plan) and the Development Control Team (which interprets planning guidance and assesses planning applications) together with the Council’s development control committee.

Ministerial Interim Planning Policy Statement (MIPPS) - Interim statement of national planning policy that allows for changes and additions to Planning Policy Wales in advance of a complete revision of it.

Opinion Research Services (ORS) – a spin-out company of the University of Wales Swansea that specialises in applied social research.

Planning Obligation – commitment made by a developer under Section 106 of the Town and Country Planning Act to undertake certain actions (on- or off-site) necessary to make a development acceptable in planning terms. It may take the form of a unilateral undertaking or an agreement (‘Section 106 agreement’) with the LPA, becomes part of the planning permission and is legally binding on successive landowners. Collectively, the benefits sought and secured are known as ‘developer contributions’

Planning Policy Wales (PPW) – document produced by the Welsh Assembly Government setting out national planning policies.

Registered Social Landlord (RSL) –landlord that owns or manages social housing and is registered with and regulated by the Welsh Assembly Government. A RSL ensures the future occupancy of affordable housing is controlled and managed effectively. Most RSLs are independent non-profit making Housing Associations.

Section 106 agreement – see Planning Obligations

Social Housing Grant (SHG) –capital grant provided by the Welsh Assembly Government to Registered Social Landlords to develop Affordable Housing.

Supplementary Planning Guidance (SPG) – non-statutory piece of guidance produced by the Local Planning Authority which expands upon certain policies and proposals set out in the Development Plan.

Technical Advice Note (Wales) (TAN) – document produced by the Welsh Assembly Government providing additional technical advice on key aspects of national Planning Policy set out in Planning Policy Wales (PPW).

Tenure Neutral – Affordable housing that meets the definitions set out in PPW and the UDP, but irrespective of whether intended for purchase or rent.

Unitary Development Plan (UDP) – see Development Plan, above.