

Neath Port Talbot Local Development Plan (LDP)

Preliminary Findings on Affordable Housing (Target and Provision)

1. The hearings part of the examination into the soundness of the Neath Port Talbot LDP began on the 11 March 2015. The issue of affordable housing was discussed with participants at the session held on the 31 March 2015 and a number of action points (AP) were identified which will be addressed by the Council. Whilst no definitive conclusions can be reached until such time as information in respect of these action points has been agreed, there is nevertheless an opportunity to provide some preliminary findings in respect of the target and provision of affordable housing contained in the LDP.

Affordable Housing – Target

2. The Local Housing Market Assessment (LHMA) (2013), which was commissioned jointly with the City and County of Swansea, outlines the future requirements for affordable housing in Neath Port Talbot. The findings of the LHMA indicate that there is a need for 3,100 new affordable houses to be provided over the plan period¹, predominantly social rented units. Whilst there is no identified need for intermediate housing, the LHMA found that there is and will be 'demand' for an intermediate product².
3. The affordable housing target set out in Policy SP8 of the Deposit Draft LDP indicated that 2500 new affordable units will be delivered over the plan period. The target was reduced to 2250 in the Focussed Changes issued in September 2014³. The Affordable Housing Topic Paper indicates that the target will be achieved by a combination of new provision delivered through the planning system and by registered social landlords (RSL). It is anticipated that the planning system will provide 1662 new units and construction by RSL will provide an additional 716 units⁴. The Observations on the Focussed Changes Representations further reduce the target to 1470⁵. This suggested change takes account of proposals to amend the total dwelling requirement figure for the plan and the need to include only those new units which will be delivered through the planning system. A further minor change to the target will be required as a result of AP5.1.
4. The approach contained in Policy SP8 is in line with Planning Policy Wales (PPW) which requires that development plans include an authority-wide target for affordable housing based on the LHMA and identify the expected contribution that the policy approach identified in the plan will make in meeting the target⁶.

¹ Local Housing Market assessment (2013), EB05, paragraph 9.28

² Affordable Housing Topic Paper (September 2014), EB10, paragraph 4.1.9

³ Schedule of Proposed Focussed Changes (2014) FC15 & FC16

⁴ Affordable Housing Topic Paper (September 2014), SD42, paragraph 4.3.32

⁵ Observations on Focussed Changes (January 2015), ED008, paragraph 2.4.2.7 – 2.4.2.9

⁶ Planning Policy Wales, Edition 7 (July 2014) paragraph 9.2.16

5. Whilst the target for the delivery of affordable housing contained in Policy SP8 falls short of meeting the total need identified in the LHMA, it will account for approximately 20% of the total dwelling requirement figure and 48% of the identified need for affordable housing over the plan period. We consider that Policy SP8, subject to AP5.1, has been prepared in accordance with the requirements of Planning Policy Wales, is based on robust and credible evidence and provides a realistic and logical approach to the provision of a target for the delivery of affordable housing.

Affordable Housing – Provision

6. Policy AH1 requires that all housing sites of 3 or more units in Neath and Port Talbot make a contribution of 20% GDV to the provision of affordable housing. In Pontardawe a contribution of 5% GDV is required, whilst in the Afan, Amman, Dulais, Neath and Swansea Valleys a 0% contribution is required, subject to the developers of sites of 10 or more units being able to demonstrate that the scheme is not able to support a contribution. The requirement to provide viability information for development in 0% areas is intended to ensure that contributions are secured from sites which are located in areas that are perceived by the Council to be 'viability hot spots'. A number of amendments to Policy AH1 will be required as a result of the discussion at the session, these include revision to the policy to express the approach to be taken to negotiations (AP5.5), the provision of a geographical definition of the Pontardawe area (AP5.8) and consideration of how to illustrate the spatial requirements of the policy (AP5.9).
7. The approach taken to the securing the provision of affordable housing in Policy AH1 is in line with the requirements of PPW⁷ which requires that development plans contain either site thresholds or a combination of thresholds and site specific targets .
8. The use of GDV alone to determine the number of units to be provided is an innovative approach intended to ensure that the maximum amount of affordable housing is delivered from new housing developments in Neath Port Talbot. Whilst the approach is innovative it is also largely untested. We note that a broadly similar approach is used in the Ceredigion LDP⁸ however, it is not the principal mechanism for securing affordable housing but is used to secure commuted sum with values being fixed at the time of the application.
9. Whilst we recognise that the use of GDV has the potential to the deliver more affordable housing than established approaches, we are nevertheless concerned about the effect the practical application of the policy will have on the provision of both new market and affordable housing in Neath Port Talbot. We consider that the use of GDV would lead to uncertainty amongst land owners, developers and lending institutions about the cost of a development over the life of a scheme and could deter

⁷ Planning Policy Wales, Edition 7 (July 2014) paragraph 9.2.17

⁸ Adopted Ceredigion Local Development Plan 2007 - 2011, Volume 1 pages 71 - 74

much needed investment in the County Borough. Moreover we believe that the approach would mean that every planning application for residential development in the Neath, Port Talbot and Pontardawe areas would be subject to negotiation and potentially re-negotiation as a scheme evolved. The result would be a complicated and protracted application process which would delay the delivery of new housing in Neath Port Talbot.

10. In addition to our concerns about the use of GDV, we also consider that the requirement in Policy AH1 for every development of 10 or more units in the Valleys areas to provide viability assessments is not supported by the evidence contained in the AHVS.

11. For the reasons outlined above we consider that the Council should amend Policy AH1.

Siân Worden

Nicola Gulley

Inspectors