

Brecon Beacons Local Development Plan 2007 – 2022

Hearing Session 3: Affordable Housing Provision

Matters & Issues Agenda

1. Welcome and Introduction

2. Procedural Matters

3. Is the level of affordable housing need founded on robust evidence?

- a) Is the calculation of affordable housing need sufficiently robust?
 - ❖ Have the best sources of data been used to analyse need?
 - ❖ Does the analysis of the data source omit the Council Housing Waiting Lists?
 - ❖ Has waiting list information been gathered from Registered Social Landlords (RSLs) which operate in the National Park?

4. Does the assessment undertaken adequately reflect local needs?

- a) Are the proposals based on an up-to-date assessment of the full range of housing requirements across the National Park?
- b) Has there been an assessment of the required tenure mix (e.g. affordable, intermediate and social rented housing) as required by PPW¹ so that the NPA is well informed in negotiating the required appropriate mix of dwellings for new developments?
- c) How does the anticipated geographical distribution correlate with the identified need for affordable housing?

5. Is the target number of affordable homes supported by the evidence?

- a) The level of affordable housing need over the 15 year life of the Plan is estimated as being 1248 dwellings. Policy SP6 (as amended by FC 6-P-19) provides for 269 affordable dwellings over the Plan period. Is there sufficient evidence to justify such a low target in light of the level of identified need?
- b) AFC-6-13 clarifies the provision of affordable units in relation to allocated sites but there is no indication of the estimated proportion of affordable dwellings from small and windfall sites.

¹ PPW paragraph 9.2.15

6. Is the required level of affordable housing contributions realistic and founded on a credible assessment of viability?

- a) Is there sufficient evidence to establish that the mechanisms for the provision of affordable housing are financially viable and will remain so through the Plan period?
- b) The Affordable Housing Viability Assessment (AHVA) undertaken by 3 Dragons says that there is no significant evidence against the Authority reducing thresholds below 3 on viability grounds. However, is there sufficient evidence to support such a reduction? Policy 13 (as amended by FC 6-P-25) requires an affordable housing contribution on all development that would result in the net creation of new dwellings (including the subdivision of existing houses, changes of use and conversion). Would such schemes be viable?
- c) The evidence does not support a 10% affordable housing contribution for dwellings in the Heads of the Valleys.
- d) Policy 41 requires residential development to be developed at a minimum density of 30 dph. The AHVA suggests that this will have a negative impact on residual values in the Heads of the Valleys and Rural South sub markets. Will this impact negatively on affordable housing delivery in these areas?
- e) Has the cumulative effect of providing a contribution towards affordable housing as well as other contributions been taken into account? The AHVA assumes that obligations other than affordable housing will add a total cost of £5000 per unit. There is little evidence that £5000 per unit will be sufficient considering that the Plan expects planning obligations to overcome the constraints identified as well as providing contributions towards, for example, education, community facilities, transport etc.
- f) Policies S LP3 and LGS LP3 (as amended by FC 3-P-25 and FC 3-P-32) require development to achieve the highest standards of sustainability within their design and environmental impact in settlements classed as 3B and 4B. This indicates that the requirements are above national standards. PPW² says that local planning authorities should assess strategic sites to identify opportunities to require higher sustainability building standards to be required but that they should ensure that what is proposed is evidence-based and viable.
- g) Development proposals in settlements classed as 3B and 4B are required to achieve the highest standards of sustainability. Would this be higher than the minimum standard required by national policy? If so, is there sufficient evidence to justify this requirement? The AHVA takes into account the cost of achieving Code for Sustainable Homes Level 4 (anticipated at £5000 per unit) but it is not clear whether this is sufficient to meet the likely costs associated with achieving the requirements in Policies S LP3 and LGS LP3.

² PPW paragraph 4.11.5

- h) The AHVA indicates that sites with Social Housing Grant (SHG) funding in place are more viable. However, the strategy is reliant on meeting a significant proportion of affordable housing need via windfalls. Will the required number of affordable houses be delivered?
- i) Is Policy 13 sufficiently flexible to allow for a case-by-case assessment of viability which will not restrict affordable and open market housing delivery?
- j) What guidance is available on developer contributions in respect of matters other than affordable housing?

7. Supplementary Planning Guidance

- a) Is the Supplementary Planning Guidance (SPG) sufficiently clear as to what the required contribution could amount to?
- b) Has the impact of the commuted sum formula detailed in the SPG on development viability been assessed?
- c) Has the effect of a commuted sum contribution on finance availability been assessed?
- d) Will financiers lend money against properties where restrictions are linked to Acceptable Cost Guidelines (ACG) as opposed to open market value? Is it appropriate to use ACG in the commuted sum formula?

8. What other mechanisms might deliver an appropriate amount of affordable housing?

- a) It is accepted by the NPA that there is a significant need for affordable housing. However, the LDP does not identify sites for up to 100% affordable housing. The Affordable Housing Issues Paper: Addendum 1 says that it is difficult to justify building 100% affordable housing if it exceeds local need. However, the paper says that rural affordable housing schemes on a small scale can enhance an area and ensure a mix of tenures which contribute to creating vibrant and sustainable communities. It is thus not clear why such sites have not been identified and allocated for 100% affordable housing, particularly as circumstances could change in respect of funding.
- b) Have all other policy options been adequately pursued in order to maximise the extent to which the need for affordable homes is met, for example, to allow a greater percentage of open market housing in primary and key settlements?
- c) Would either (or both) of these options (including phasing of either of these options) provide the necessary flexibility within the Plan?

9. Local Needs Housing

- a) How will low cost market housing help deliver affordable housing?
- b) Policy 15 (as amended by FC 6-P-28) allows for local needs housing within Limited Growth Settlements (Level 4) where it is

proven that no RSL or similar body is able to facilitate affordable housing or where it is proven that there is no need for affordable housing within the community. In such circumstances, low cost market housing to meet local needs will be permitted. It is proposed that development enabled through this policy would be tied by occupancy conditions/planning obligations. This does not meet the definition of affordable housing in PPW Technical Advice Note (TAN) 2: Planning and Affordable Housing.³

- c) PPW⁴ refers to local housing needs for market housing (which normally would have no occupancy restriction). PPW says that such housing needs to be justified with robust evidence. There is insufficient evidence to demonstrate that there is a need for such development in Level 4 settlements.
- d) Given the scale of the identified need for affordable housing, is it likely that there will be no proven need for affordable housing in these communities? If so, how do individuals prove that they have a genuine and proven housing need and yet are not in need of affordable housing? Occupancy is restricted to individuals who have a proven local connection but this needs further explanation.
- e) It is proposed to tie development through occupancy conditions and planning obligations but will this meet the tests of Circular 35/95 'The Use of Conditions in Planning Permissions' and Circular 13/97 'Planning Obligations'?

10. Is there sufficient flexibility to deal with the failure of sites listed in the LDP to come forward?

- a) What are the implications of a failure to deliver the required amount of affordable housing? Has the flexibility of the strategy to respond to this scenario been explored?
- b) Does the Plan make adequate provision for monitoring, review and response to changing market conditions? Does it contain clear identifiable targets and milestones as well as triggers for action if the numbers do not come forward as anticipated?

11. Any Other Matters

³ TAN 2 paragraph 5.1

⁴ PPW paragraph 9.2.4

Appendix 1: Miscellaneous Policy Matters

FC 6-T-17

- This change updated the definition of local area. The definition includes a cascade which would apply to both initial and subsequent sales and will therefore be included in S106 agreements which seek to secure on-site affordable housing provision. It has been suggested that Criterion i) of the cascade is too narrow and unlikely to be acceptable to lenders. Would the cascade could be improved by:
 - Merging step i) and ii) to identify a wider area from which to find eligible occupants in the first instance; and
 - Referring to the constituent authority area prior to the whole of the BBNPA?

Policy 14: Enabling Affordable Housing outside Settlement Boundaries

- This Section of the Plan is entitled 'Rural Exceptions Sites'. National planning policy (PPW) has been amended to refer to 'Affordable Housing Exception Sites' as opposed to 'Rural Exception Sites'. Should this be changed to conform to national policy?

Para 6.3.2: Definition of Affordable Housing

- Would a cross reference to TAN 2 suffice?

Policy SP11: Sustainable Design

- Criterion b) requires developments of 3 dwellings or more or 500sqm gross floor space to provide at least 20% of their energy requirements from low or zero carbon resources. How will the planning obligation requirements in criterion c) be delivered post 2014 (CIL Regulations)?

6-TA-1

- Should paragraph 6.3.8.2 refer to the 'Housing Strategy Officer' for consistency?

SPG

- The section on the pre-application process should make reference to the requirement for a Planning Obligations Statement in accordance with LDP Policy 35 Planning Obligations, prior to validation of the application.
- For speed and transparency should a list of the information required by the NPA to assess viability using the Welsh Development Appraisal Toolkit (DAT) be included within the SPG?

- For speed and transparency should a S106 template be included in the SPG? It has been suggested that this would benefit those seeking a mortgage or finance to confirm their lending position early on in the process.
- Appendix 5, Part A of the definition should be amended to state 'A= number or fraction of unit(s).' Powys County Council has provided an example which would aid use and transparency.
- How will commuted sums be managed and administered by the NPA as it is not a Housing Authority?

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