

**Bridgend County Borough Council
Bridgend Local Development Plan Examination**

Action Points and Schedule of Matters Arising Changes (MACs) with Inspector Comments (IC) in green

Hearing Session 3 – Affordable Housing and Gypsies and Travellers

Action Point 3.1: Agenda Item No. Qn 1a

Note from BCBC to Inspector – Estimate of total need for affordable housing arising in the whole LDP period

It is not easy to estimate the need for affordable housing over the plan period. Making long term projections is notoriously inaccurate and must be treated with caution. The current need for affordable housing is a high figure and the meeting of that need is limited by viability rather than lack of need. There is no suggestion that that situation will change in the foreseeable future.

The recommended methodology for estimating the long term need for any form of housing is through the Long Term Balancing Housing Market Model as set out in Chapter 8 of the LHMA Update 2012. This set out the amount of all housing (market and affordable) required for the remainder of the plan period in Table 8.4 below:

Table 8.4 Tenure of new accommodation required in Bridgend County Borough over the next nine years (2012-2021)				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2021</i>	<i>Change required</i>	<i>% of change required</i>
Market	51,417	54,637	+3,219	53.4%
Intermediate	182	1,943	+1,761	29.2%
Social rented	8,361	9,411	+1,050	17.4%
Total	59,960	65,990	+6,030	100.0%

Source: Bridgend County Borough Local Housing Market Assessment Update, 2012 (Pg. 82)

This produces a need for the remainder of the plan period of 2,811 affordable dwellings. This represents a more accurate assessment of the long term need for affordable housing than the needs model set out

in the Welsh Government Local Housing Market Assessment Guidance (2006). The model is designed to provide an annual needs figure which is essentially a snapshot in time and should not be used to calculate long term need.

The LHMA Update 2012 provides an estimate of the annual affordable housing need, following the 22 steps of the needs assessment model specified by the LHMA Guidance. This has been used to inform the affordable housing policies in the LDP in accordance with TAN2 guidance. It has two main components:

- a. **Backlog.** This is all the current need. The model suggests that all those households in current need are moved to an affordable home and it is assumed that this is done over 5 years. A household that is in housing need is one that needs to move and cannot afford a house in the market. The reasons for moving are varied and can include overcrowding, the state of the property etc. It also assumes that those households that are in receipt of Local Housing Allowance (LHA) (i.e. help with their rent) and are housed within the Private Rented Sector (PRS) are moved to an affordable house and that households should spend no more than 25% of their household income on rent.

These last two assumptions are not reflective of the current working of the market. There is no suggestion that households adequately housed in the PRS and in receipt of LHA should be moved to affordable housing – indeed the PRS is expected to have a greater part in overall housing over the long term. Secondly many households spend more than 25% of their income on housing – the housing associations operating in the area assess affordability on a third of household income.

- b. **Newly arising need.** This is the need from new households forming in the future that will not be able to afford market housing.

This is split into two main categories: newly forming households unable to buy or rent in the market, and existing households falling into need. Potential out-migrants able to afford market housing are removed, in order to arrive at a total newly-arising need figure. It should be noted that in-migrants unable to afford market housing are included within the figures.

The needs calculation is set out in detail in Chapter 6 of the LHMA Update and summarised in Table 6.13 below:

Table 6.13 Summary of needs assessment model		
<i>Element</i>		<i>Number</i>
Current need	(Step 4)/5	526
Current supply	(Step 9)/5	256
Net current need		270
Future ('newly-arising') need	(Step 18)	2,205
Future supply	(Step 21)	713
Net future need		1,492
Total net annual need		1,762
Total gross annual need		2,731
Total gross annual supply		969
Total net annual need		1,762

Source: Bridgend County Borough Local Housing Market Assessment Update, 2012 (Pg. 49)

The current need (meeting the backlog) is 2,630 (526 x 5) and the newly arising need is 2,205 per year. Under this assumption and using this methodology (including the assumption that the PRS no longer houses tenants in receipt of LHA) the need over the remainder of the plan period would be 22,475 (2,205 x 9 years plus 2,630). To set this in context there are just under 60,000 households currently in the County Borough.

Towards the end of Chapter 6 of the LHMA Update some alternative assumptions around the needs calculation are set out. These include households spending more than 25% of their household income on housing and the PRS continuing to play a role in accommodating households unable to afford market housing (i.e. through the LHA system). Table 6.17 adjusts the assumptions to households spending 30% of their income on housing and the PRS continuing to be used, with LHA, to accommodate households in need.

Table 6.17 Adjusted housing need assessment in Bridgend County Borough			
Element	Need according to the model	Change due to altered assumptions	Resultant adjusted figures
Total gross annual need	2,731	-111	2,620
Total gross annual supply	969	+1,359	2,328
Total net annual need	1,762	-	292

Source: Bridgend County Borough Local Housing Market Assessment Update, 2012 (Pg. 52)

This calculation gives a more representative current needs figure calculated using the LHMA methodology that is updated to reflect current market conditions and to reflect the current role of the private rented sector in meeting the housing need. This is not a methodology that should be disaggregated and multiplied by the number of years in the plan.

IC1 – Paragraph 9.2.24 provides amongst other things that development plans should ‘quantify the housing requirement (both market and affordable housing) and set an affordable housing target.

The Action Point provided that ‘The Council is to suggest what the estimate of the total need for affordable housing arising in the whole LDP period might be, with a view to including it in the supporting text to Policy COM5’. Is the Council suggesting that the appropriate total need figure should be for 2,811 dwellings, notwithstanding that it has been derived from a different method and assumptions? Or should no affordable housing requirement be stated?

Action Point 3.2: Agenda Item No. Qn1b

MAC change to amend the schedule of housing sites that is currently in Chapter 9 to identify those where delivery would be mainly through a Registered Social Landlord.

MAC Reference	Location in LDP	Details of Change	Reason for Change
MAC 3.1	Chapter 9: Delivery and Implementation	<p>Amend the Implementation and Funding Source column for the following LDP Residential Allocations:</p> <p>COM1(6) Land East of Masonic Hall, Coychurch Road COM1(29) The Nurseries, New Road COM1(37) Glanyrafon COM2 (13) Former Goricon Site COM2 (14) Troed Y Ton COM2 (20) Marlas Farm COM2 (25) 2 Penprysg Road</p> <p>Change text to the following:</p> <p>Implemented and funded through the private sector / Registered Social Landlord (including Section 106)</p> <p>Note to Inspector – Subject to agreement a separate MAC (reference 4.2 of Session 4: Regeneration and Mixed Use Sites) proposes that the matrix in Chapter 9 is included as a new Appendix 5 and that an on-line database will provide supplementary and more detail information.</p>	To add clarity in respect of who will be responsible for the sites implementation and funding.
		IC2 - Agreed	

Action Point 3.3: Agenda Item No. Qn1d

MAC change to add as an appendix to the LDP a list of the postcodes used in the affordable housing viability study) to define the affordable housing market areas shown on LDP Plan 3 and to which Policy COM5 relates.

MAC Reference	Location in LDP	Details of Change	Reason for Change
MAC 3.2	Policy COM5	Add text to Policy COM5 to reference the Table included in Appendix A of this paper:	To add clarity to the Plan

		<p><i>Policy COM5 Affordable Housing</i></p> <p><i>Where a local need is demonstrated, the Council will expect an appropriate element of 'affordable housing' to be provided on sites capable of accommodating 5 or more dwellings or exceeding 0.15 hectares in size.</i></p> <p><i>The Council will seek the following affordable housing Market Area targets*:</i></p> <p><i>30% affordable housing Porthcawl and Rural; 20% affordable housing in Bridgend, Pencoed and Hinterland; 15% affordable housing in the Western Settlements, Ogmore, Garw and Upper Llynfi Valleys.</i></p> <p><i>Such affordable housing will be implemented through the use of appropriate planning conditions and/or obligations/agreements and/or through contractual agreements between the Council, developers and Registered Social Landlords.</i></p> <p><i>*Affordable Housing Market Areas shown in Plan 3 and broken down into settlements and post codes in Appendix 4.</i></p>	
		<p>IC3 – The affordable housing market areas would preferably be shown on the proposals map. However, given their extensive size and the multiple page format of the Proposals Map, this could only be achieved by some form of shading which would be practically difficult to include without obliterating other proposals map information. It is therefore agreed that the use of Plan 3 and a schedule of settlements and postcodes will be acceptable in these particular circumstances.</p>	

Action Point 3.5: Agenda Item No. Qn1f

MAC change to supporting text of Policy COM5 to indicate that whilst the policy preference is for on-site provision of affordable housing, exceptionally that provision may be made off-site or by commuted payments.

MAC Reference	Location in LDP	Details of Change	Reason for Change
MAC 3.3	Para 6.1.23	<p>Include additional text at the end of paragraph 6.1.23:</p> <p><i>6.1.23 Policy COM5 will be applied to all proposed housing developments covered by the policy thresholds, including proposals on previously developed land, redevelopment schemes, schemes providing specialised accommodation (except those in which residents require a significant element of care), conversions, changes of use, and mixed-use developments containing housing. In the interests of achieving balanced and mixed communities, it is the Council's preference for affordable housing provision to be met on site. However, there may be exceptional circumstances where on-site provision is considered unfeasible or unable to deliver the Council's strategic objectives. In such cases, off site provision or payment of a commuted sum may be considered as an acceptable alternative.</i></p>	<p>To provide a link between the SPG and the LDP</p> <p>To maximise the supply of affordable housing</p>
		IC4 - Agreed	

Action Point 3.6: Agenda Item No. Qn1g

MAC change to supporting text to Policy COM5 to say that the tenure mix on a site will be negotiated having regard to the latest available information on both housing needs and site viability.

MAC Reference	Location in LDP	Details of Change	Reason for Change
MAC 3.4	Para 6.1.23	<p>Include additional text at the end of paragraph 6.1.23:</p> <p><i>6.1.23 Policy COM5 will be applied to all proposed housing developments covered by the policy thresholds, including proposals on previously developed land, redevelopment schemes, schemes providing specialised accommodation (except those in which residents require a significant element of care), conversions, changes of use, and mixed-use developments containing housing. In the interests of achieving balanced and mixed communities, it is the Council's preference for affordable housing to be provided on-site. However, there may be exceptional circumstances where on-site provision is considered unfeasible or unable to deliver the Council's strategic objectives. In such cases, off-site provision or payment of a commuted sum may be considered as an acceptable alternative. The type, size and tenure of affordable housing to be delivered on a particular site will</i></p>	<p>To acknowledge that the appropriate tenure mix of affordable housing will have regards to local needs</p>

		<i>be determined on a case by case basis, and will be informed by the recommendations of the LHMA (2009) and the LHMA Update (2012).</i>	
		IC5 – Agreed	

Action Point 3.7: Agenda Item No. Qn 1j

Note from BCBC to Inspector – To confirm delivery of affordable housing achieved against the UDP target of 15% in those areas where the LDP also proposes a 15% target. Also to identify which locations in the proposed valleys and western settlements market areas it considers to qualify as ‘hotspots’.

The table in Appendix B of this Paper illustrates the achievement of the UDP target of 15% in the Valleys and Western Settlements. .

The Affordable Housing Viability Study recommends a target of 15% in the Western Settlements and the Ogmore, Garw and Upper Llynfi Valley sub markets. Whilst acknowledging that this will represent a challenge due to the low house prices in these areas, the study recognises that there will be ‘hot spots’ within these areas where the target may be achievable. The settlements of Cornelly and Pyle are provided as examples, largely due to the proximity to the M4.

IC6 – It is notable that all 5 examples of the successful negotiation of affordable housing in the weaker market areas were achieved at the time of the strongest housing market in 2006-07 and that, even so, the numbers achieved in some cases fell short of the then policy requirements. It is also noted that the suggested examples of Cornelly and Pyle as ‘hotspots’ within the weaker market areas are the main urban settlements in the western area. They closely adjoin the strongest market area of Rural and Porthcawl and also have strong transport links by train and the M4.

No hotspots have been identified in the Valleys area in response to the Action Points.

Blackmill was referred to at the hearing session as an example of a hotspot where 15% affordable housing is being negotiated but that village appears to lie not in the Valleys market area but within the Bridgend, Pencoed and Hinterland market area where the target is for 20% provision? Also the LDP COM2(4) site allocation only estimated the delivery on a site of 43 dwellings of 5 units (12%). The negotiated 6 units equates to about 14%.

The Affordable Housing Viability Study (SD130) suggested that, if any affordable housing was to be included without grant subsidy, negative residual values are likely to be experienced both in the western

market area and especially in the Valleys market area. The study acknowledged that development would be difficult in these areas and affordable housing contributions not routinely viable although there may be some 'hotspots'.

There was further evidence submitted by Representors concerning the claimed potential for higher construction costs than assumed in the viability study. At the hearing the Welsh Government representative was of the opinion that the percentage should be set at a level to which the majority of sites should be able to adhere and that it would be pointless to need to have an open book viability exercise every time. He concluded that if more than half of the housing sites in that area could viably deliver the percentage set out in policy, then that seems an appropriate percentage requirement.

In these circumstances I will need to consider in my report whether the proposed percentages are appropriate, particularly in the lower housing market areas. (Action Points 3.8-3.10)

Action Point 3.11: Agenda Item No. Qn1n

MAC Change to supporting text to Policy COM5 to make clear that the provision of affordable housing will be subject to negotiation

MAC Reference	Location in LDP	Details of Change	Reason for Change
MAC 3.5	Para 6.1.24	<p>Include additional text at the end of paragraph 6.1.24:</p> <p><i>6.1.24 Policy COM5 responds to the requirement for the planning system to play its part in securing affordable housing. It is based on the findings of the Bridgend Affordable Housing Viability Study (June 2010) which uses the methodology agreed with the South East Wales Strategic Planning Group (SEWSPG). This is based on an appraisal model that mimics the approach developers take when purchasing land. Its basic assumptions are that the value of a site will be the difference between what the scheme generates and what it costs to develop. The model can take into account the impact of affordable housing, other Section 106 agreements and the availability of grant funding. It is acknowledged that the provision of affordable housing can affect the viability of residential development, and such a requirement will therefore be subject to negotiation at the pre-application stage.</i></p>	To clarify that the requirement for affordable housing is subject to negotiation.
		IC7 – Agreed	

Action Point 3.13: Agenda Item No Qn2a

Note to the Inspector: BCBC to prepare a paper in advance of the Monitoring and Delivery Hearing Session to consider how a continued need for a gypsy and traveller transit site would trigger the identification of a site to meet that need.

The Council would continue to monitor the incidents of unauthorised encampments of Gypsy and Traveller Sites in the County Borough through the Monitoring Framework as detailed in the revised Chapter 7: Monitoring and Review set out in BCBC`s Further Statement for Hearing Session 14: Monitoring, review, delivery and Implementation. The monitoring sets a trigger for the Council to undertake an updated Gypsy and Traveller Needs Assessment Study if unauthorised encampments continue). Depending on the Needs Assessment conclusion if a need is identified, there will be a requirement to identify a site.

Appendix A

Appendix B

**Bridgend County Borough Council
Bridgend Local Development Plan Examination**

Action Points and Schedule of Matters Arising Changes (MACs)

Hearing Session 3 – Affordable Housing and Gypsies and Travellers

Action Point 3.7: Agenda Item No. Qn 1j

Note from BCBC to Inspector – Confirm delivery of affordable housing achieved against the UDP target of 15% in those areas where the LDP also proposes a 15% target. Also to identify which locations in the proposed valleys and western settlements market areas it considers to qualify as ‘hotspots’.

Appln Ref	Date	Development	Location	Affordable Housing Provided (%)	15% Target in UDP and LDP
P/05/1610/FUL	03/11/2006	15 dwellings at the former Tynewydd School.	Ogmore Vale	Commuted Sum of £20,000	Yes
P/05/1112/FUL	15/05/2007	19 dwellings at the former Abercerdin School	Evanstown, Gilfach Goch	3 (15%)	Yes
P/06/605/FUL	02/07/2007	33 plot housing development	Pant-yr-Awel, Lewistown, Ogmore Valley	5 (15%)	Yes
P/06/409/FUL	26/07/2007	Replan of existing consent for 16 additional	Marlas Farm, North	2 (15%)	30% in UDP

		dwellings	Cornelly		
P/06/522/FUL	20/08/2007	Construction of 89 no. 1&2 bed dwellings	Dol Gorwel, Marlas Farm, N Cornelly	18 (20%)	30% in UDP