

Bridgend Local Development Plan

Examination

<http://www.bridgend.gov.uk/ldpexamination>

Wednesday 21 November 2012 2.00pm*

(*Start may be postponed if Session 2 has not concluded by 1pm)

Session 3 – Affordable Housing and Provision for Gypsies and Travellers

Inspector's Agenda with Matters and Issues

1. AFFORDABLE HOUSING (COM5)

[Figures in brackets identify a Representor and their representation number eg 64.8].

- 1.1 National policy is set out in Planning Policy Wales (PPW) and Technical Advice Note 2 (TAN2).

Overall Target

- 1.2 Planning Policy Wales at paragraph 9.2.16 requires an authority-wide target for affordable housing provision based on a Local Housing Market Assessment (LHMA). The Welsh Government points out that the Bridgend LHMA of December 2009 (SD133) indicated that the annual level of need for affordable housing is 1,514 units (or 22,710 over the plan period). However Paragraph 6.1.26 expresses the affordable housing target as only 1,310 units. The WG queries these figures and asks what regard has been had to private rental provision in meeting the need for affordable housing (64.8).
- 1.3 In response the Council refers to the LHMA update (February 2012) (SD138). Using the needs assessment model this identified a yet higher level of need (1,762 affordable dwellings per annum). However the report argued for a different affordability threshold of 30% gross income based on local market conditions which would reduce the annual need to 1,651. Taking account of supply of 1,359 dwellings per annum in the private rented sector, the need for other affordable units reduces to 292 per annum. That would equate to almost 49% of the 600 per annum average housing supply figure (Total 9,000 dwellings). However consideration is to be given to viability matters including finance availability and levels of public subsidy.
- 1.4 The 1,310 target for the 15-year LDP period equates to only about 87 dwellings per annum. Moreover Background Paper 8 (SD42) indicates that only 31 affordable dwellings were delivered in the first 3 years (2006-2009).

Qn1a. Has the LHMA update addressed the Welsh Government concerns?

Qn1b. Is there a more up-to-date figure for affordable housing delivery since the start of the LDP period?

Qn1c. Does the target for provision have regard to the low rate of delivery in the early years of the LDP and does that make achievement of the target unlikely?

Qn1d. Does the target for provision have regard to lower delivery of affordable housing on sites with extant permissions that may include a lower proportion of affordable housing such as at Parc Derwen where it appears that only 10% provision has been agreed against the proposed local target of 20%?

Thresholds

- 1.5 Whilst maintaining that all new market housing may contribute to meeting the need for affordable housing, PPW provides for the inclusion of site thresholds. Policy COM5 sets a lower threshold of 5 or more dwellings or 0.15ha above which affordable housing should be provided. The Policy refers to provision on site. There is no reference to commuted sums for off-site provision.
- 1.6 The Welsh Government seeks that the plan should clarify the position with regard to thresholds and commuted sums in order to optimise affordable housing delivery and the number of units that can be delivered through S106 agreements. A lower threshold should be considered against the relevant percentage sought through the viability testing to ensure a pragmatic and deliverable outcome is achieved (64.9).
- 1.7 In response the Council refers to the amended Background Paper 8: Affordable Housing (SD42). Whilst this acknowledges that small sites are no more problematic in terms of viability than large sites which concludes that to seek affordable housing contributions from small sites of 1-4 units is not practical and cost-effective. Particular reference is made to the small number of qualifying sites, the potentially higher existing use values, the resource costs of negotiating on small sites, and the need to make off-site provision in the case of single dwelling sites and other sites where the percentage of affordable housing would be less than one dwelling.

Qn1e. Has the further evidence suitably addressed the Welsh Government concerns?

Qn1f. To increase supply, should the Plan make exceptional provision for commuted payments for off-site provision in circumstances where on-site provision would not be viable?

Tenure Mix

- 1.8 The Welsh Government comments that the LMHA has assessed the social rented/intermediate mix but that this is not referenced in the LDP (64.10).
- 1.9 In response the Council acknowledges that it is prudent to deliver the appropriate mix of social rented or intermediate affordable housing. The findings of the Bridgend CBC Local Housing Market Assessment Update (2012) and the Affordable Housing SPG will form the basis of detailed discussions at planning

application stage in respect of the appropriate mix of affordable housing which will be dependent on site and locational circumstances.

- 1.10 Persimmon Homes (Wales) considers that greater flexibility needs to be allowed in Policy COM5 to encourage suitable and deliverable regeneration projects. Recognition should be given to [undefined] alternative forms of 'affordable housing' which do not necessarily reflect the strict definition within TAN2 but do meet the LDP policies (911.8).
- 1.11 The Council responds that the LDP is required to define its affordable housing in accordance with TAN 2 definitions and these are adopted in the LDP Glossary. However the Council's planning and housing departments recognise the role that alternative housing solutions may be able to play in providing for the housing needs of the County Borough, especially in the intermediate housing market and will be open on a site by site basis at the pre-application and planning application stages.

Qn1g. Is it necessary for the LDP to define the appropriate mix of tenure of affordable housing or is this a matter to be left for negotiation having regard to the supporting evidence?

Qn1h. What wording change to Policy COM5 or its supporting text is sought by Persimmon Homes (Wales) in the interests of flexibility?

Qn1i. What other forms of affordable housing do the Council and others have in mind that are outside the TAN2 definition and should the glossary definition be amended? If so, would the Plan then be at variance with national policy and is any such variation justified?

Viability

- 1.12 The HBF believe Policy COM5 as written will have a detrimental impact on development viability and hence the delivery of affordable housing and housing in general in Bridgend. Their submitted evidence highlights additional costs of site remediation, sustainability requirements and fire sprinkler costs which they consider have not been allowed for in the viability assessments and which will make some developments non-viable if affordable housing is required at the proposed levels. They consider that the evidence base for the policy should be revised and the detailed issues set out in their representation should be taken into account when undertaking the revised affordable housing viability assessment. The policy should then be re-drafted when this work has been completed (160.1).
- 1.13 In response the Council consider the HBF paper helpful but maintain that policy cannot be set at the most pessimistic outlook. Sites are being brought forward in the most difficult locations, often urban ones. There are hotspots where affordable housing can be viable notwithstanding costs and values in other locations. To start with a nil policy requirement is inappropriate given housing needs. The appropriate way to deal with the uncertainties that face developers at the moment is by making allowance for risk. The DAT makes provision for a 17% net margin, along with an overhead allowance of 5%. For many developers this will give a net margin of some 20%. The Council may increase this margin in its

negotiations with developers to allow for an element of risk on a site-by-site basis.

Qn1j. Does the Council's estimate of the delivery of affordable housing on sites at the rates proposed for the three sub areas assume that all the sites will deliver at these levels before any negotiations on viability on individual sites?

Qn1k. Increased housing development costs derived from raised sustainability costs and fire sprinkler installation will apply to all housing developments across Wales. What if any account should be taken of such costs on the viability assessment and associated targets for provision?

Qn1l. Having regard to both site remediation costs and alternative use values, should the policy distinguish between greenfield and brownfield sites in respect of the target provision of affordable housing, or can that be suitably addressed by negotiation at the planning application stage?

Qn1m. Does the Westminster Government's recently revised approach to affordable housing provision have any bearing on policy in Wales or the availability of grant funding?

Qn1n. Should the Policy or text refer to the negotiation of affordable housing provision?

Exceptions

- 1.14 PPW at paragraph 9.2.23 requires the consideration of exception sites for affordable housing within or adjoining small settlements to 'help ensure the viability of the local community'. The Welsh Government considers that an Affordable Housing exception policy could assist the delivery of affordable housing and should be considered (64.11).
- 1.15 In response the Council relies on the evidence contained in an amended Background Paper 8: Affordable Housing which concludes that 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. The Paper comments that no exceptions sites have been brought forward since the UDP was adopted in 2005 and suggests that this demonstrates a lack of need. It suggests that public sector land is available within settlement boundaries which could be made available for affordable housing.

Qn1o. Did the UDP include an exceptions policy?

Qn1p. Given the shortfall of the LDP target against the estimated need for affordable housing, would the lower alternative value of land outside settlement boundaries encourage additional provision if exception sites were allowed?

Qn1q. Having regard to the urban character of most of the Plan area, how might an exception site help 'to ensure the viability of a local community'?

2. GYPSY AND TRAVELLER PROVISION (COM6)

- 2.1 Paragraph 6.1.30 of the LDP, states that the LMHA identified a need for 6 transit pitches. The Welsh Government considers it unclear why the authority has not included a specific site, but rather chosen a "peripatetic" approach towards transit sites, neither is it clear what this approach might mean to Gypsies and Travellers. Further justification is required to the policy to explain what the 'peripatetic' approach might mean to the Gypsies and Travellers. If a need is identified it should be met (64.12).
- 2.2 The Council responds that Bridgend County Borough has a very small Gypsy and Traveller population, with two private sites and a small number of identified stopping places that Gypsy Travellers use whilst travelling through the County Borough along the M4 corridor. Research indicated there was no need for additional permanent residential pitches but recommended that the Council assess whether the provision of a small transit site to accommodate the small number of Gypsy Travellers travelling through Bridgend would be suitable in preference to unauthorised temporary encampments, or if a management solution might be more cost effective taking into consideration the Council's needs as to how to manage unauthorised encampments for transient Gypsies and Travellers. Based on the evidence from the 2010 survey and monitoring of gypsy travellers over a 7 year period which records nil counts, a Bridgend Gypsy & Traveller Protocol is being developed with the aim of addressing the need for an effective, inter agency approach to the management of unauthorised Gypsy and Traveller encampments in Bridgend County Borough when these instances frequently occur. The purpose of the Protocol is to consider the human rights and the ongoing welfare of Gypsies and Travellers in Bridgend County Borough balanced against the need to protect land and property from trespass.

Qn2a. Why did the Council conclude that the management of unauthorised encampments would be more cost effective than the provision of a transit site?

Qn2b. Would grant aid be available from the Government to cover the costs of provision of a transit site?

1 October 2012