

Meeting of:	DEVELOPMENT CONTROL COMMITTEE
Date of Meeting:	29 MAY 2025
Report Title:	AFFORDABLE HOUSING SUPPLEMENTARY PLANNING GUIDANCE
Report Owner / Corporate Director:	CORPORATE DIRECTOR - COMMUNITIES
Responsible Officer:	ADAM PROVOOST STRATEGIC PLANNING POLICY TEAM LEADER
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	The purpose of this report is to provide the Development Control Committee with an overview of the public consultation exercise on the draft Affordable Housing Supplementary Planning Guidance (SPG) document. It also summarises the resultant changes made to the SPG and informs Committee of the intention to present the document to Council to seek its adoption following Cabinet approval on 13th May 2025. Adoption of the SPG will enable effective implementation of the Affordable Housing Policies within the adopted Replacement Local Development Plan (RLDP), the Council's statutory land-use Planning document.

1. Purpose of Report

- 1.1 The purpose of this report is to inform Development Control Committee of the outcome of the public consultation exercise on the draft Affordable Housing Supplementary Planning Guidance (**SPG**) document.
- 1.2 The report also informs Development Control Committee of the intention to present the Affordable Housing SPG (**Appendix 1**) to Council to seek its adoption in order to support the Affordable Housing Policies within the adopted Replacement Local Development Plan (RLDP, March 2024).

2. Background

- 2.1 The adopted RLDP has a key role in ensuring new housing development incorporates a mix of market and affordable housing, thereby contributing to the development of sustainable, cohesive communities. '*Affordable Housing*', for the purposes of the land use planning system, is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. Affordable Housing includes *Social Rented Housing* owned by local authorities and Registered Social Landlords (**RSLs**), and *Intermediate Housing* where prices or rents are above those of Social Rent but below market housing prices or rents. All other types of housing are considered market housing, which is private housing for sale or rent where the price is set in the open market and occupation is not subject to control by the local authority. It is recognised that some schemes may provide for staircasing to full ownership and where this is the case there must be secure arrangements in place to ensure the recycling of capital receipts to provide replacement Affordable Housing.
- 2.2 The scale of Affordable Housing need and spatial distribution thereof were key considerations in determining the overall level and location of housing in the RLDP. The delivery of Affordable Housing is also an integral part of the RLDP's overall housing requirement, which sets a target of 1,711 Affordable Housing units. An integrated mix of tenures is a crucial means of fostering sustainable communities and the RLDP plays a key role in securing suitable accommodation for households both able and unable to meet their needs in the open market. The RLDP's contribution to Affordable Housing provision has been robustly determined by considering the housing need identified in the Local Housing Market Assessment (**LHMA**), alongside rigorous viability testing to ensure formulation of viable Affordable Housing policy thresholds and percentages. However, the RLDP should not be considered the only Affordable Housing delivery mechanism to help address identified housing need.
- 2.3 The RLDP is clear that new housing developments must incorporate an appropriate mix of house types, sizes and tenures to cater for the range of locally identified housing needs. The adopted policy framework for the delivery of Affordable Housing is set out in RLDP Policies COM1-COM5. An Affordable Housing contribution of up to 30% is required on residential developments of ten or more dwellings, subject to the area-wide and site-specific policies detailed within Policy COM3. In the interests of achieving balanced, mixed and sustainable communities, the full percentage of Affordable Housing provision will be sought on-site in the first instance.
- 2.4 The LHMA is a core piece of evidence in this respect as it identifies the level and type of housing need, both numerically and spatially. The latest LHMA was approved by Welsh Government on 15th November 2024. This provides updated evidence to inform the appropriate mix of dwellings for new developments, particularly the types of Affordable Housing (namely Intermediate and Social Rented), in short supply in different areas. This evidence will be used to inform appropriate Affordable Housing provision on new developments.

- 2.5 The existing *SPG 13: Affordable Housing* was adopted on 8th October 2015 and was produced to expand upon the previous LDP's Affordable Housing policies. The existing SPG is therefore out-of-date and requires re-drafting to provide current guidance regarding the implementation of subsequently adopted RLDP Affordable Housing planning policies. The SPG also needs to set new Affordable Housing transfer values for reference in section 106 (s106) agreements. This is due to the Welsh Government's decision to cease publishing '*land and works*' Acceptable Cost Guidance (**ACG**) from 2021, upon which such transfer values were previously based.
- 2.6 The Development Control Committee was informed of the need to revise the Affordable Housing SPG at its meeting on 8th August 2024. The Chair of the Development Control Committee, volunteered to champion production of the Affordable Housing SPG and has since been working alongside the Strategic Planning Policy Team Leader to progress the SPG.
- 2.7 A draft Affordable Housing SPG was then prepared intended to support and provide further direction on implementation of the Affordable Housing policies contained within the adopted RLDP. It outlines how Affordable Housing should be delivered through the planning system throughout Bridgend County Borough. New Affordable Housing must meet '*housing need*' as identified in the LHMA or respond to a local need identified by the Local Housing Authority, while enabling placemaking-led sustainable development. This multi-faceted approach is key to ensuring balanced, socially cohesive and sustainable communities.
- 2.8 The draft SPG provides updated, specific guidance on:
- Affordable housing requirements for residential developments, including the level of provision by location together with the type, tenure, size and standard of affordable housing dwellings required;
 - Sustainable clustering of Affordable Housing and the requirement for all developments to comply with sustainable placemaking principles;
 - The use of planning obligations (via s106 agreements) to secure Affordable Housing provision for the lifetime of the development;
 - The nomination process for RSLs;
 - Definitions of '*nomination rights*' and '*qualifying households*' (incorporating local housing need and local connections);
 - The RLDP's approach to off-site provision and financial contributions in lieu of on-site provision of Affordable Housing;
 - The use of Social Housing Grant (the main capital programme funded by the Welsh Government and made available to RSLs), to deliver Affordable Housing in relation to the planning system;
 - Transfer values for nil-grant Affordable Housing provision;
 - How issues relating to development viability may be considered in respect of Affordable Housing provision; and

- Affordable Housing exception sites (affordable housing on land that would not normally be used for housing).

3. Current situation/ proposal

3.1 On 4th February 2025, a draft version of the SPG was presented to Cabinet. Cabinet resolved to approve that draft SPG as the basis for a public consultation period of 6 weeks. Cabinet also authorised officers to make appropriate arrangements for that public consultation and officers to then report the outcome back to Cabinet for approval to send a report to Council to seek adoption of the final form SPG.

3.2 A 6 week public consultation period was held from 13/02/2025 to 27/03/2025. The consultation was advertised in the following ways:

- Information on the public consultation, including all the documentation, representation forms and how to make representations was placed on the Council's online Consultation Portal.
- Consultation details were sent directly to approximately 150 targeted consultees including all Elected Members, Town and Community Councils, planning consultants, house builders and Registered Social Landlords (**RSLs**).
- A social media campaign was launched to promote the public consultation across various social media platforms, aiming to generate awareness throughout the consultation period. Periodic posts were made on the Council's X (formerly Twitter), LinkedIn and Facebook accounts.

3.3 At the close of the consultation period, three representations were received on the draft SPG: one from the Home Builders Federation, one from a private developer and one from a RSL. Summaries of these representations, together with the Local Planning Authority's (**LPA's**) responses to the comments raised, are provided in **Appendix 2** to this report. Copies of the full representations are held by the Planning Department and can be viewed on request. Given the extensive publication of the consultation and direct targeting of consultees, the response rate is considered positive in that there were no wholesale objections to the contents of the SPG.

3.4 The representors principally commented on the wording of certain paragraphs. Therefore, only minor amendments to the SPG are considered necessary in light of the comments received. These proposed amendments are now incorporated within the final draft SPG, which is attached at **Appendix 1**. The paragraphs proposed for amendment following the consultation are detailed in full at the end of **Appendix 2** for ease of reference and include:

- Enhanced clarification regarding the clustering of affordable homes within mixed-tenure residential developments.
- More emphasis to be placed on the [need for consultation between the LPA and the developer to inform the RSL nomination process.

- Enhanced clarification that alternative viability models to the LPA's model can be utilised subject to prior agreement with the LPA (where necessary).
- Further information on the definition of '*affordable housing*' to be included as part of the introduction of the SPG.

- 3.5 A substantive element of the final draft SPG concerns the setting of new transfer values for nil-grant Affordable Housing secured through s106 as part of major residential developments. While the Welsh Government's 'ACG' was used as a longstanding reference point across Wales for this very purpose, the Welsh Government ceased updating ACG in this manner from 2021, due to a change in the model for determining grant funding.
- 3.6 Bridgend County Borough Council therefore participated in a '*Viability Sub-Group*' convened by the South East Wales Strategic Planning Group (representing the ten LPAs in the South East Wales Region), to determine a new methodology. This Group aimed to set new transfer values for nil-grant Social Rented Housing secured through s106 agreements. The Group's recommended option was to continue to use the 2021 ACG values as a baseline and apply an annual uplift in line with the WG's maximum published Social Rent inflation. This method allows for indexation linked to annual Social Rental increases, provides a regular mechanism to update these values in a transparent way and promotes regional consistency.
- 3.7 This methodology was subject to consultation as part of the draft SPG, with derived transfer values specific to Bridgend County Borough. It is important to note that no objections were raised to this methodology as part of the consultation. As such, the proposed methodology is considered an appropriate basis to set derived transfer values for nil-grant affordable housing secured through the planning system until any replacement national or regional methodology is adopted. In order to ensure these values remain current, it is crucial that they are updated on an annual basis, applicable to both on-site provision of Affordable Housing and commuted sums as appropriate.
- 3.8 On 13th May 2025, Cabinet resolved to approve the presentation of the final Affordable Housing SPG (**Appendix 1**) to Council to seek its adoption. If adopted, the new SPG will add weight to the interpretation and application of RLDP Affordable Housing policies, provide more detailed advice to applicants when preparing planning applications and will become a *material consideration* in the determination of planning applications (including applications for renewal of consents). It will update and replace the previous SPG 13: Affordable Housing (2015).

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 An initial Equality Impact Assessment (**EIA**) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations (Wales) Act 2015 - implications and connection to Corporate Well-being Objectives

- 5.1 The Affordable Housing SPG will provide additional guidance and material weight to support adopted RLDP Policies that seek to enhance the supply of Affordable Housing. This is a key contributory factor to delivering Local Well-being Objective 7 '*A County Borough where we support people to live healthy and happy lives*'.
- 5.2 The SPG will also enhance strategic direction and contribute to the following goals within the Well-being of Future Generations (Wales) Act 2015:
- A prosperous Wales – Enabling households to meet their accommodation needs and reducing homelessness supports a prosperous Wales by supporting people to become financially stable and reducing cost to the public purse.
 - A resilient Wales – provision of good quality market and Affordable Housing will increase the resilience of both individuals and communities.
 - A Wales of cohesive communities – enabling well-connected, multi-tenure developments will foster sustainable, socially cohesive communities.

6. Climate Change Implications

- 6.1 There are no direct Climate Change implications from this report, although it will provide additional guidance to reduce the impact of housing on climate change and the environment through the provision of good quality Affordable Homes, grounded in sustainable placemaking principles.

7. Safeguarding and Corporate Parent Implications

- 7.1 There are no Safeguarding and Corporate Parent implications from this report.

8. Financial Implications

- 8.1 There are no financial implications arising from this report.

9. Recommendations

- 9.1 It is recommended that Development Control Committee:

- (a) Note the contents of the report, the final draft replacement Affordable Housing SPG (**Appendix 1**) and the summary of consultation responses received on the draft Affordable Housing SPG, together with resultant amendments attached as **Appendix 2.**

Background documents

None

Bridgend County Borough
Local Development Plan
2018-2033

Draft Affordable Housing
Supplementary Planning Guidance
June 2025

Cyngor Bwrdeistref Sirol

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Non-Technical Summary

Affordable housing is designed to help low- and moderate-income households rent or purchase homes at below market values. A control is put in place to ensure the rent or mortgage payable is lower than what's available on the open market. Affordable housing is ringfenced for households unable to afford to rent or buy market homes due to their income or other circumstances. Affordable housing includes:

- **Social rented accommodation**, where rent levels are set by the Welsh Government. Social landlords can't raise the rent above these levels. People in social housing usually have a more secure form of tenancy than in private rented housing. Bridgend County Borough's main housing associations use one housing register to allocate social housing. This register is called the Bridgend Common Housing Register. Anyone can apply for social rented housing. However, households must be eligible and in housing need to be added to the register.
- **Intermediate accommodation**, where prices or rents are set above social rent but below market levels. This can help people who can afford more than social rent but are struggling to rent or purchase a home in the market. Intermediate accommodation is designed for households on a low to moderate income and can provide a longer term affordable rental option or a stepping stone to full home ownership. Intermediate accommodation is usually allocated to households based on eligibility criteria relating to affordability and local connections.

The planning system provides a means to secure affordable housing as part of residential developments and the definitions above are for planning purposes. It is acknowledged that some households may not qualify for affordable housing yet still find market housing unaffordable. However, this issue is beyond the scope of this document as the planning system doesn't directly set the price of market housing. This document provides guidance on how the planning system can deliver affordable housing to help boost the supply across Bridgend County Borough.



The Rhiw, Bridgend

1.0 Introduction

- 1.1. The purpose of this Supplementary Planning Guidance (SPG) is to support and provide further direction on implementation of the affordable housing policies contained within the adopted (March 2024) Replacement Local Development Plan (RLDP). It outlines how affordable housing should be delivered through the planning system throughout Bridgend County Borough. New affordable housing must meet '*housing need*' as identified in the Local Housing Market Assessment (LHMA) or respond to a local need identified by the Local Housing Authority (LHA), while enabling placemaking-led sustainable development. This multi-faceted approach is key to ensuring balanced, socially cohesive and sustainable communities.
- 1.2. This SPG will be a material consideration in the determination of all planning applications for residential development including applications for renewal of consents. Once adopted, it will update and replace the previous SPG 13: Affordable Housing (2015).
- 1.3. Anyone wishing to submit an application for residential development within Bridgend County Borough is urged to consider this SPG and to contact the Local Planning Authority (LPA) in advance of submitting an application, to discuss the issues that are raised in this document on a site-specific basis.
- 1.4. This SPG provides specific guidance on:
 - Affordable housing requirements for residential developments, including the level of provision by location along with the type, tenure, size and standard of affordable housing dwellings required;
 - Sustainable clustering of affordable housing and the requirement for all developments to comply with sustainable placemaking principles;
 - The use of planning obligations (via section 106 (s106) agreements) to secure affordable housing provision for the lifetime of the development;
 - The nomination process for Registered Social Landlords (RSLs);

- Definitions of nomination rights and qualifying households (incorporating local housing need and local connections);
- The RLDP's approach to off-site provision and financial contributions in lieu of on-site provision of affordable housing;
- The use of Social Housing Grant (SHG) to deliver affordable housing in relation to the planning system;
- Transfer values for nil-grant affordable housing provision;
- How issues surrounding development viability may be considered in respect of affordable housing provision; and
- Affordable housing exception sites.



2.0 Policy Context

- 2.1 The National Planning Policy context for the provision of affordable housing through the planning system is set out in Future Wales: the National Plan 2040, Planning Policy Wales (PPW) and Technical Advice Note 2 (TAN) Planning for Affordable Housing.
- 2.2 **Future Wales: The National Plan** is the national development framework setting out the direction for development in Wales to 2040. '*Delivering Affordable Homes*' is a key policy within Future Wales (Policy 7) and it is recognised that the planning system has a long established role in this respect. Planning authorities are required to develop strong evidence-based policy frameworks to deliver affordable housing for those who cannot meet their housing needs on the open market. Co-ordinating the delivery of housing to meet identified needs is deemed an important task for the planning system in order to engender socially mixed communities that offer a range of housing types and tenures that cater for varied lifestyles.
- 2.3 **PPW (Edition 12)** highlights the important contribution that affordable housing makes to community regeneration, social inclusion and the development of sustainable communities. It requires LPAs to have a full understanding of the level of affordable housing need within their area, alongside development viability and the availability of public subsidy. PPW requires development plans to include a target for affordable housing that is based on the LHMA and takes account of deliverability and viability considerations. In order to deliver this target, site capacity thresholds and proportions should be set that require residential proposals to provide affordable housing. This applies to both allocated sites and unallocated (windfall) sites, after having duly considered viability to ensure residential sites remain deliverable.
- 2.4 **TAN 2: Planning and Affordable Housing** provides practical guidance on the role of the planning system in delivering affordable housing. The TAN requires LPAs to include an affordable housing target in the development plan (based

on the LHMA), indicate how the target will be achieved using identified policy approaches and monitor delivery of affordable housing against that target. TAN 2 also outlines the role of RSLs, planning obligations and conditions in securing affordable housing; specifying a strong presumption in favour of affordable housing being provided on the application site to engender socially mixed communities. TAN 2 defines affordable housing as,

“housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. However, it is recognised that some schemes may provide for staircasing to full ownership and where this is the case there must be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing” (WG, 2006, para 5.1).

2.5 There are two main types of affordable housing as defined by TAN 2:

- Social Rented Housing - provided by local authorities and RSLs under the Welsh Government (WG) Rent Standard.
- Intermediate Housing - where prices or rents are above those of social rent but below market housing prices or rents (see also para 7.9 of this SPG).

2.6 **Cwm Taf Morgannwg Public Services Board (PSB) Local Well-being Plan 2023-28** outlines how the PSB will work together to deliver the seven well-being goals for Wales, as referenced in the Well-being of Future Generations (Wales) Act 2015. The Plan is framed around the sustainable development principle and focusses on addressing the underlying causes of problems, while helping to prevent them worsening or occurring in the future. There are two key objectives: Healthy Local Neighbourhoods and Sustainable and Resilient Local Neighbourhoods. Delivery of affordable housing through the planning system in areas where there is an identified housing need will significantly contribute to both objectives and foster cohesive, sustainable communities. The RLDP expresses, in land-use terms, the objectives of the Well-Being of Future Generations (Wales) Act 2015 and priorities of the Local Well-being Plan.

3.0 Background

- 3.1 The adopted RLDP is centred on a Vision that seeks continued development of a safe, healthy and inclusive network of communities that connect more widely with the region to catalyse sustainable economic growth. The 2021 LHMA formed a key part of the adopted RLDP's evidence base to deliver against this Vision and derived aims and objectives. The scale and spatial distribution of housing need identified by the 2021 LHMA were key considerations in determining the overall level and location of housing in the adopted RLDP.
- 3.2 While additional affordable housing is needed throughout the Bridgend County Borough, this varies by Housing Market Area in terms of quantity and type. Bridgend is denoted as the Primary Key Settlement in the adopted RLDP and is identified as the highest housing need area in the 2021 LHMA. The other identified high need areas including Pencoed, Porthcawl, the Llynfi Valley and the grouped settlement of Pyle, Kenfig Hill and North Cornelly are also denoted as Main Settlements. Affordability was identified as a less significant issue in the other Valleys housing markets, although the 2021 LHMA still identified a need to diversify the housing stock in these areas and deliver smaller yet sustainable affordable housing, especially 1 bedroom provision.
- 3.3 During the Plan period, development proposals within the RLDP are expected to deliver a target total of 1,711 affordable dwellings across Bridgend County Borough in order to contribute to the level of housing need identified by the LHMA. The Plan's contribution to affordable housing provision has been robustly determined by considering the housing need identified in the LHMA alongside rigorous viability testing to ensure formulation of viable affordable housing policy thresholds and proportions. **The affordable housing target only relates to sources of supply that are funded and delivered through the planning system and the Plan has made provision to deliver the affordable housing target within the designated settlement boundaries.**

3.4 The 2024 LHMA has been completed since adoption of the RLDP (March 2024) and provides updated evidence to inform the appropriate mix of dwellings for new developments, particularly the types of affordable housing (namely intermediate and social rented) in short supply in different areas. The LHMA will be refreshed periodically in accordance with WG Guidance and the latest LHMA will provide the most up-to-date evidence on housing need to inform appropriate affordable housing provision on new developments. However, it must be recognised that the housing need identified in the LHMA represents the scale of the affordability gap in the market and the RLDP itself is not the only affordable housing delivery mechanism to help address such need. The Plan's contribution will therefore form part of several streams of affordable housing supply to meet this identified need, including SHG and other capital/revenue grant funded schemes, RSL self-funded schemes, reconfiguration of existing stock, private sector leasing schemes, discharge of homelessness duties into the private rented sector and re-utilisation of empty properties.



Former Crown Inn, Pyle

4.0 Planning Requirements

- 4.1 The RLDP's Sustainable Housing Strategy makes provision for 8,628 homes to meet the housing requirement of 7,575 homes. This includes delivery of a 1,711 affordable homes target over the Plan period. The strategic planning framework is set out within Strategic Policy 6 (SP6) and supported by Development Management Policies COM 1-5:

SP6: Sustainable Housing Strategy

COM1: Housing Allocations

COM2: Affordable Housing

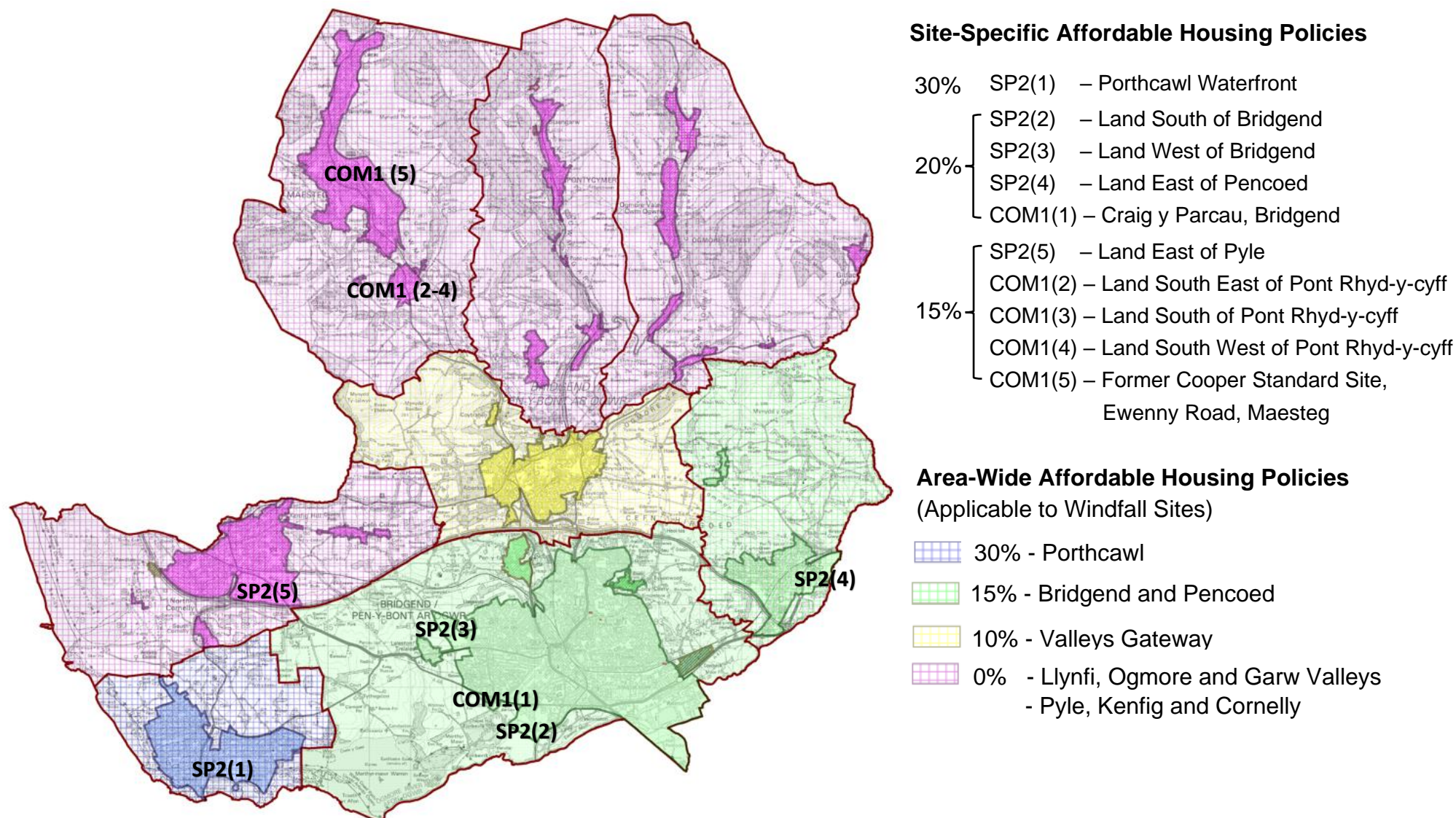
COM3: On-Site Provision of Affordable Housing

COM4: Off-Site Provision of Affordable Housing

COM5: Affordable Housing Exception Sites

- 4.2 Delivery of the affordable housing target will primarily be facilitated through the Strategic Sites and Housing Allocations detailed within COM1. Combined, these components of supply will enable 977 new affordable homes to be delivered over the RLDP period, forming part of the 1,711 affordable homes target. The remainder of the affordable housing target will be delivered through new windfall applications in addition to previous completions and existing commitments at the point of RLDP adoption.
- 4.3 COM3 outlines the affordable housing policy requirements and thresholds for residential development to contribute to meeting the affordable housing target. Policy COM3 includes area-wide and site-specific policies based on the need identified in the LHMA, together with deliverability and viability considerations. These policy differentials are illustrated in Figure 1. The area-wide affordable housing policies will ultimately be used to assess windfall residential applications, whereas the site-specific affordable housing policies will apply to specific allocations, having been informed by bespoke viability assessments. This dual faceted approach recognises the scope for different areas and sites to viably provide affordable housing, along with all other required and necessary planning contributions.

Figure 1: Affordable Housing Requirements, Bridgend County Borough



- 4.4 Policy COM3 applies to all proposals for self-contained residential dwellings (i.e. all uses that fall within class C3 the Use Classes Order in Wales) with a capacity to deliver a net gain of 10 or more dwellings. This includes C3 residential elements of: housing sites, mixed-use developments, developments targeted at households of a prescribed age category (i.e. 'retirement' apartments), sheltered housing or extra care developments.
- 4.5 However, Policy COM3 does not apply to rural enterprise dwellings as such applications will be subject to an appropriate series of separate planning restrictions (based on the guidance detailed in TAN 6). These restrictions will require the retention of a rural enterprise dwelling for rural enterprise workers. In the event that an appropriate rural enterprise worker cannot not be found to occupy such a dwelling, eligibility would then be extended to persons who would be eligible for affordable housing under the LHA's Allocation Policy.
- 4.6 COM3 is clear that, in the event that the target percentage produces a requirement for a partial affordable dwelling, the affordable housing contribution will be rounded up to the nearest whole number. All viability testing supporting the RLDP has been conducted on this basis and this principle applies to both the area-wide and site-specific policy requirements.
- 4.7 Where a site has been subdivided, including where adjacent parcels have been brought forward separately for development, all development parcels will be aggregated and treated as a single proposal for the purposes of applying the thresholds and policies within COM3. Where such circumstances produce combined total dwelling numbers that meet or exceed the specified thresholds, an affordable housing contribution must be provided on-site in the first instance. Off-site contributions will only be accepted in this scenario provided that all criteria within COM4 are met. A financial contribution in lieu of on-site provision of affordable housing must be fully justified and equivalent in value to what would have otherwise been required on-site. These principles also apply in the event that a major housebuilder transfers part of a site to another developer or Small to Medium Enterprise (SME).

5.0 On-Site Provision of Affordable Housing

- 5.1 Policy COM3 seeks to secure appropriate on-site affordable housing provision from new residential developments in order to contribute to the affordable housing requirement set out in Policies SP6 and COM2. On-site provision is considered to be the optimal means of delivering affordable housing in order to foster sustainable, balanced, mixed tenure communities across the County Borough. For this reason, the full policy compliant percentage of affordable housing provision will be sought on-site in the first instance and there will not be a presumption in favour of off-site contributions.
- 5.2 For outline planning applications, a commitment to the delivery of affordable housing will be necessary where applicable, to be secured through a s106 agreement. This commitment will include details of the dwelling types, sizes, standards and tenures that must be accommodated on any subsequent reserved matters application. The siting and layout of those dwellings must then be detailed in any subsequent reserved matters application following liaison with the LPA. The onus will be on the applicant to ensure that the respective affordable dwellings are identifiable on the site layout plan in order for the extant commitment to be met.

Space Standards

- 5.3 WG specifies that *“all affordable housing, including that provided through planning obligations and planning conditions, must meet the Welsh Government’s development quality standards”* (PPW Edition 12, para 4.2.30). This requirement applies to both social rented and intermediate dwellings. Developers should refer to Welsh Development Quality Requirements (WDQR) 2021 (or subsequent updates thereof), which clarify that:

“New affordable homes delivered through planning agreements (under section 106 of the Town and Country Planning Act 1990) and planning conditions will only be required to meet the Appendix A and Appendix B “space requirements” for agreements entered into after 01 October 2021 (WG, 2021, p.1)”.

5.4 Applicants must demonstrate that proposals for all new affordable housing (including social rented and intermediate dwellings) meet these WDQR standards. **The onus will be on the applicant to demonstrate compliance by clearly annotating the plans and confirming in writing that the proposal complies with these requirements.** All family homes should also have a private garden which is safe for small children to play in, convenient to use, of sufficient size and is easy to maintain.

5.5 The requirement to achieve WDQR compliance also applies to rehabilitated general needs affordable homes. WDQR 2021 states:

“Where homes are being refurbished, providers should (if practicable and cost effective to do so) take all opportunities to meet the standard, but where this is not possible homes must have adequate space and facilities for everyday living (ibid.)”.

This guidance will apply to refurbishment proposals that result in a net gain of 10 or more dwellings where the requirements to provide affordable housing under Policy COM3 are met. The applicant will need to demonstrate that the resultant affordable dwellings achieve WDQR compliance in the first instance. Refurbishment proposals that would result in non-WDQR compliant dwellings must be fully justified based on site-specific constraints and/or viability restrictions, while also demonstrating the dwellings will still provide adequate space and facilities for everyday living.

Clustering, Tenure and Dwelling Mix

5.6 Large concentrations of affordable housing can lead to stigmatisation, social disintegration and unstable communities. Supporting paragraph 5.3.28 to Policy COM3 therefore provides further guidance on sustainable clustering of affordable housing within wider residential and mixed-use developments. It is clarified that *“affordable housing should not be obviously segregated through layout, location or design”* and *“integrated into the overall development through separate clusters of no more than ten affordable units”*.

- 5.7 A 10-unit cluster is considered to be the maximum appropriate size for a sustainable cluster of affordable housing on a mixed-tenure housing development. This has been informed by routine discussions with RSL housing managers that operate across the region. Affordable housing clusters of more than 10 units can otherwise become increasingly uncondusive to the delivery and maintenance of balanced, mixed tenure communities. Clusters of affordable housing should be carefully dispersed throughout the development to avoid over-concentration of single tenures in any part of the layout plan and avoid obvious tenure segregation. In instances where development proposals exceed Policy COM3's minimum affordable housing requirements, due to grant support or otherwise, a more flexible approach to clustering may be acceptable where justified, providing this does not jeopardise sustainable integration of affordable units. Equally, where proposals demonstrate they have sought to deliver sustainably high residential densities in accordance with Policy COM6, it may be considered appropriate to abut limited discrete affordable tenure clusters. This may include, for example, one cluster of social rented units abutted to one cluster of Low Cost Home Ownership units, providing the affordable units are sustainably integrated into the wider development.
- 5.8 The precise mix of affordable dwellings in terms of tenure, size and type will vary geographically and over time. In the first instance, applicants should consult the findings of the latest LHMA in order to inform dwelling mixes or otherwise ensure proposals respond to pressing housing need identified by the LHA. In all cases, applicants must demonstrate and justify how they have arrived at a particular mix of housing. The LPA will consider whether the proposal responds to identified housing need and if it contributes sufficiently towards the objective of creating mixed communities. In some instances, a revision to the mix of housing may be necessary to render the development acceptable in planning terms. The LPA will work collaboratively with developers to optimise affordable housing provision in these respects, having regard to all material considerations.

- 5.9 There is a high and longstanding need for sustainable one bedroom accommodation in the social rented sector. One bedroom walk-up flats with no communal spaces are often the most sustainable means of meeting this need. This is due to their high propensity for seamless integration into the street scene, lack of communal spaces to facilitate effective tenancy management and potential for the ground floor to accommodate households with mobility restrictions. In the first instance, developers should strive to meet any identified need for one bedroom social rented provision via walk-up flats.
- 5.10 Policy COM6 specifies that residential development should seek to reflect a density of 50 dwellings per hectare in the first instance, particularly along public and mass transport hubs to maximise opportunities for transit orientated development. A lower density of development will only be permitted where the criteria within Policy COM6 are met, and, in all cases, Good Design must be utilised to maximise the density of development. PPW defines Good Design as being *"not just about the architecture of a building but the relationship between all elements of the natural and built environment and between people and places"* (WG, 2024, para 3.3). PPW provides five key aspects of Good Design (access, environmental sustainability, character, community safety and movement), which should be applied to all development proposals, at all scales.
- 5.11 It is acknowledged that it may not always be possible to meet the entirety of identified one bedroom social rented need via walk-up flats in order to achieve the policy requirements of COM6. Smaller quantities of flats accessed via communal entrances may therefore be acceptable where they are well integrated into the street scene and do not result in poorly assimilated blocks of social rented flats. Where communally accessed social rented flats are proposed, they should utilise similar scale and massing to other private dwellings within the site to enable design synergies. For example, three storey blocks of flats can be designed in a similar external aesthetic manner to three storey town houses to aid visual integration. Conversely, prominent blocks of social rented flats sited within isolated extremities of site layout plans should

be avoided. Developments should ultimately seek to minimise visual tenure separation by assimilating affordable housing into the wider development through Good Design to promote tenure indistinctiveness.

Nomination and Allocation Process

- 5.12 Affordable housing secured through the planning system should normally be transferred to a Council nominated RSL or to the Council itself and **must be subject to allocation through the Council's Housing Allocation Policy**.
- 5.13 Details of the nominated RSL will be provided by the LHA to the developer prior to commencement of development. The LHA will nominate the RSL for all affordable housing secured through the planning system or take direct ownership of such dwellings in consultation with the developer. No particular RSL will be named in any s106 agreement. The LHA will manage the nomination process in consultation with the developer. This arrangement will also provide flexibility to safeguard delivery of affordable housing in the future should the ownership of the site or the RSL need to change prior to completion of the development.
- 5.14 RSLs should not assume they have been or will be nominated to purchase nil-grant affordable housing secured through the planning system on any particular development site unless this has been confirmed in writing in advance by the LHA. The process for nominating an RSL will be determined and managed by the LHA in consultation with the developer. Proportionate distribution of nil-grant s106 dwellings will be sought across RSL partners over the RLDP period.



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6.0 Off-Site Affordable Housing Provision and Commuted Sums

- 6.1 Policy COM3 is clear that, “*affordable housing will be expected to be delivered on-site in the first instance and off-site provision and/or financial contributions will only be accepted in lieu of on-site provision in exceptional circumstances*”. As such, there is no presumption in favour of deviating from full, policy compliant affordable housing provision delivered on-site. Robust evidence must be provided to demonstrate any exceptional circumstances that may warrant off-site provision or the payment of financial contributions in lieu of on-site provision in accordance with Policy COM4.
- 6.2 The circumstances where off-site provision or commuted sums may be appropriate will be exceptional by their very nature and this SPG does not seek to provide an exhaustive list. Where these exceptions relate to site-specific constraints the onus is on the developer to demonstrate why it would not be possible to utilise Good Design principles to seamlessly integrate affordable and market dwellings by using similar massing, scale and design.
- 6.3 In the event that a completed s106 agreement provides for affordable units to be transferred to an RSL but the LHA is unable to successfully nominate an RSL to acquire those units, then a commuted sum option may be acceptable as a last resort. Once all avenues for transferring the affordable dwellings to an RSL or the Council have been exhausted, the developer would then be able to treat those dwellings as market dwellings subject to the payment of an equivalent sum to the Council in lieu of on-site provision.
- 6.4 In all cases, any off-site provision or commuted sum agreed as a last resort must be equivalent to achieving full policy compliance on-site. If off-site provision is deemed acceptable, the resultant affordable dwellings must be of the same standard, size and tenure otherwise required on-site. If a financial contribution is deemed acceptable, the commuted sum payable to the Council must be of an equivalent value to the developer’s financial contribution required to deliver the affordable housing on-site (refer to paragraph 7.12).



7.0 Funding Arrangements and Transfer Values

- 7.1 Plan-wide and site-specific viability testing has demonstrated that the affordable housing contributions specified within Policy COM3 are viable without subsidy. The RLDP's contribution to meeting affordable housing need is therefore not grant dependent. Developers should not assume that SHG will be made available to support the development of affordable housing on private developments. Developers are expected to provide the equivalent subsidy to deliver affordable housing and this will be factored into the transfer price for each affordable dwelling based on its size, type and tenure.
- 7.2 It is recognised that affordable housing schemes proposed by RSLs will typically seek to deliver a higher percentage of affordable housing than required by COM3 and are often 100% affordable housing developments supported by grant. In such instances, the RSL will still be required to enter in a s106 agreement to secure RLDP policy compliance as a minimum. This is necessary to safeguard affordable housing delivery in the event that the site changes ownership in the future. **An affordable housing led scheme will also not be exempt from other planning obligations necessary to achieve wider RLDP policy compliance. Such obligations may include parks (such as equipped playing areas and recreation space), education provision and/or highways improvements.**

Transfer Values for Nil-Grant Social Housing

- 7.3 Transfer values for nil-grant social housing secured through the planning system have historically been linked to WG's Acceptable Cost Guidance (ACG). The developer's contribution has conventionally equated to the 58% of ACG grant intervention rate that would otherwise be utilised for SHG funded schemes. In essence, the RSL or the Council would purchase each social rented dwelling from the developer for 42% of the full ACG.
- 7.4 ACGs were historically set to include both a land value component and a works component, varying by dwelling size, type and geographical band. They

were used as a common reference point for s106 transfer values as they were considered to represent typical costs for building social rented dwellings. However, WG ceased updating ACGs in this manner from 2021 due to a change in the model for determining grant funding. Works costs are now the only element WG prescribe, with the land value component determined via a bespoke assessment for each SHG scheme. The 'works only' ACGs now published by WG are therefore unsuitable to set nil-grant affordable housing transfer values for s106 schemes. This is because they do not include a land value component and should only be used in conjunction with WG's Standard Viability Model (SVM) to inform SHG funded schemes.

- 7.5 The final 'land and works' ACGs published by WG in August 2021 remain the last reference point to set nil-grant affordable housing transfer values within s106 agreements. However, these values are becoming increasingly outdated and a new methodology is required. Bridgend County Borough Council participated in a Viability Sub Group convened by the South East Wales Strategic Planning Group (representing the ten LPAs in the South East Wales Region) to determine a new methodology. This Group aimed to set new transfer values for nil-grant social housing secured through s106. The Group's preferred and most pragmatic option was to continue to use the 2021 ACG values as a baseline and apply an annual uplift in line with the WG's maximum published social rent inflation. This method allows for indexation linked to annual social rental increases, provides a regular mechanism to update these values in a transparent way and also promotes regional consistency. This methodology has been proposed for use in this draft SPG, although the derived transfer values are specific to Bridgend County Borough.
- 7.6 The resultant 2025 transfer values are detailed in Appendix A and will be updated as necessary. In practice, the nominated RSL or the Council would pay the developer the 'Transfer Values' detailed in Table 1 or Table 2 of Appendix A (dictated by the size of the development). These transfer values are 42% of the uplifted ACG figures, following the longstanding intervention rate used for nil-grant s106 developments. The values vary according to the

dwelling type, size and Housing Market Area (formerly 'band', now re-defined to reflect the eight Housing Market Areas referenced in the LHMA).

Transfer Values for Nil-Grant Intermediate Housing

- 7.7 Successive LHMAs have found that 70% of Open Market Value (OMV) produces a '*usefully affordable*' intermediate product in many parts of the County Borough. However, due to wider house price to income ratios, a 60% OMV product is typically required within Porthcawl in order to meet the needs of newly forming households. All viability testing to support the adopted RLDP has been undertaken on this basis and developers are therefore required to subsidise purchase of intermediate units by 40% of OMV in Porthcawl and 30% of OMV in all other parts of Bridgend County Borough. Households must be either nominated by or nominated in accordance with criteria set by the LHA for intermediate dwellings based on an assessment of housing need.
- 7.8 In practice, the nominated RSL or nominated household would purchase each intermediate unit from the developer for 60% of OMV (in Porthcawl) or 70% of OMV (elsewhere in Bridgend County Borough). The OMV for each dwelling is to be calculated based on equivalent sales values achieved on the respective site. In the unlikely event that there are no similar property types on the development site to inform the OMV, the transfer value is to instead be based on new build Land Registry Price Paid data within the wider vicinity of the site (with an appropriate new build uplift being applied if there is insufficient new build transactional data available to generate robust average prices).
- 7.9 This transfer arrangement applies to all forms of intermediate accommodation, including:
- Low Cost Home Ownership** – where the nominated purchaser buys a home at a percentage of its OMV (i.e. 70%) and the remaining cost of the property (i.e. 30%) would be subsidised by the developer and effectively held as an interest free equity loan by the nominated RSL or Council.

Intermediate Rent – where rents are set above social rents and below market rents.

Shared Ownership – where the nominated household purchases a share of the property and pays rent to the nominated RSL or Council on the remainder.

- 7.10 The most appropriate form of intermediate accommodation should be determined based on the findings of the latest LHMA and/or needs identified by the LHA. However, the fundamental requirement is to produce a usefully affordable intermediate product for households in need across Bridgend County Borough. In order to be considered '*usefully affordable*', intermediate products should seek to achieve a mortgage or rent that is no more than 25% of gross lower quartile household income within the locality. This is based on the affordability criteria justified within the 2024 LHMA, defined in accordance with WG LHMA Guidance (2022), although is a guide rather than a set target. In practice, there can be an overlap between households who can afford different forms of intermediate tenures. The most appropriate intermediate tenures will be determined on a site by site basis, taking local housing market conditions into account. The precise nature of any intermediate tenures to be delivered will require detailed consideration of local house prices, private rents, social rents and housing need and should be agreed with the LHA in the first instance.
- 7.11 Intermediate provision will most likely comprise a mix of Low Cost Home Ownership and Intermediate Rent tenures as they are most likely to produce '*usefully affordable*' end products. The scope to introduce Shared Ownership products is likely to be more limited in most parts of Bridgend County Borough. This tenure can nevertheless be considered as a means of meeting housing need where robust evidence demonstrates Shared Ownership is capable of producing a '*usefully affordable*' product in the market catchment area of the site.

Calculating Commuted Sums

- 7.12 Where a financial contribution in lieu of on-site affordable housing provision has been justified and deemed acceptable by the LPA, it must be secured through a s106 agreement and calculated on the following basis:

Social Rented Commuted Sum Contribution (per dwelling type) =

A) Uplifted ACG x B) Intervention Rate x C) Number of Dwellings

Where:

- A) = the total uplifted ACG value for that dwelling size, type and Housing Market Area as detailed in Appendix A, Table 1 (for developments of 10 homes and under) or Table 2 (for developments of 11 homes and over).
- B) = 58% of A), which reflects the conventional grant intervention rate and the effective subsidy the developer would otherwise be expected to provide on-site.
- C) = the number of social rented dwellings of that size and type the developer would otherwise be expected to deliver on-site.

Intermediate Commuted Sum Contribution (per dwelling type) =

A) OMV x B) Intervention Rate x C) Number of Dwellings

Where:

- A) = the OMV for each dwelling according to its size and type, based on equivalent open market sales values achieved on the respective site. If there are no similar property types on the development site to inform the OMV, the OMV is to instead be based on new build Land Registry Price Paid data within the wider vicinity of the site (with an appropriate new build uplift being applied if there is insufficient new build transactional data available to generate robust average values).
- B) = 40% of A) in Porthcawl or 30% of A) in the remainder of Bridgend County Borough, which reflects the effective subsidy the developer would otherwise be expected to provide on-site.
- C) = the number of intermediate dwellings of that size and type the development would otherwise be expected to deliver on-site.

8.0 Section 106 Agreements

8.1 S106 agreements are legal agreements between a planning authority and a landowner/developer, or undertakings offered unilaterally by a landowner/developer, that ensure certain obligations related to a development are complied with. Affordable Housing is one such type of obligation which will normally be secured by means of a legal agreement under s106 of the Town and Country Planning Act 1990 (as amended).

8.2 S106 agreements bind the land, are registerable as a local land charge and apply to successive owners of the land. S106 agreements will typically specify the following in relation to affordable housing:

8.2.1 **The number, type, size, layout, tenure and standard of affordable dwellings to be built on site.** Provisions will also be included for those dwellings to be retained as affordable housing at least for the lifetime of the development or, in accordance with TAN2, include secure arrangements to ensure the recycling of capital receipts to provide replacement affordable housing (where applicable). The onus will be on the applicant to identify the location of the respective affordable dwellings on the site layout plan (for full planning applications) and confirm conformity to WDQR within the terms and conditions of the s106 agreement to ensure compliance. For s106 agreements entered into at outline planning application stage, a commitment to the delivery of affordable housing will be necessary where applicable. This will include details of the unit types, sizes, standards and tenures that must be accommodated on any subsequent reserved matters application. The siting of those committed affordable dwellings must then be detailed in any subsequent reserved matters application following liaison with the LPA.

8.2.2 **Definitions relating to nomination rights and qualified households.** Provisions will be included to define the Council's nomination rights for qualifying households, which is the procedure whereby the Council will identify applicants from its housing list to be housed in any given affordable housing dwelling in accordance with its Housing Allocation Policy. Qualifying

households will also be defined as households that have been confirmed by the Council as being in need of affordable housing in the locality. Such households must be registered on the Common Housing Register or any waiting list held by the Council for housing need, have a life or work connection to the locality or be able to demonstrate that they are unable to meet their housing needs within the open housing market.

8.2.3 Trigger points when affordable housing must be provided on-site. The trigger points will conventionally be tied to the occupation of open market dwellings. Affordable housing will either need to be delivered in full on or prior to the defined trigger point or at phased stages on or before several trigger points (for larger sites).

8.2.4 Transfer arrangements to a Nominated RSL or the Council. Provisions will be included in the s106 agreement to confirm when details of the Nominated RSL or the Council (if the Council is to acquire any affordable dwellings), will be provided to the developer in writing by the Council (normally prior to commencement of development and following consultation with the developer). Details of the transfer price will be included in accordance with the guidance in Chapter 7 of this SPG. The point(s) by which the developer must enter into a contract for the sale of the affordable dwellings to the nominated RSL or to the Council (as applicable) will also be specified in the s106 Agreement.

8.2.5 Contingency arrangements for provision of financial contributions in lieu of on-site provision in exceptional circumstances. Specification of alternative arrangements will be provided if a nominated RSL or the Council declines or fails to purchase the affordable dwellings on-site within a specified period. Such contingency arrangements will firstly include nomination of an alternative RSL followed by payment of a commuted sum equivalent in value to on-site provision (as appropriate). If a commuted sum (calculated in accordance with paragraph 7.12 of this SPG) is paid to the Council in lieu of on-site provision, the developer would then be able to treat those dwellings as

market dwellings. Arrangements for other unusual circumstances such as mortgage default / mortgagee in possession scenarios will also be provided for in the s106 agreement, which is usually necessary to ensure that the affordable dwellings are mortgageable.

8.2.6 The amount and timing of any financial contribution to be paid in lieu of on-site delivery (if appropriate). The commuted sum will be calculated as per the guidance detailed in paragraph 7.12 of this SPG and will be payable at a defined trigger point or phased proportionately over several trigger points (for larger sites). The trigger points will normally be tied to the occupation of open market dwellings.



9.0 Affordable Housing Exception Sites

- 9.1 The adopted RLDP seeks to promote sustainable development through its strategic settlement hierarchy. This identifies sustainable growth within settlement boundaries to ensure that the open countryside, as a finite resource, is protected from uncontrolled and unsustainable development. The adopted RLDP includes provision to deliver the affordable housing target of 1,711 affordable dwellings (as specified in SP6) within the designated settlement boundaries in accordance with placemaking principles.
- 9.2 The RLDP also provides a framework to enable affordable housing exception sites via Policy COM5. This policy recognises that there may be specific factors prohibitive to delivery of affordable housing and is intended to act as a ‘pressure valve’ to meet demonstrably pressing housing need. COM5 provides an exception to the general housing provision policies of the RLDP which do not otherwise permit new housing outside of settlement boundaries or on certain sites allocated for other specific uses within settlement boundaries. Nevertheless, Policy COM5 is not intended to be a mechanism to deliver significant quantities of affordable housing within unsustainable countryside locations or other inappropriate locations within settlement boundaries. The policy seeks to enable sustainable developments that are small in scale, exceptional in circumstance and respond specifically to a pressing housing need identified by the LHMA and/or LHA. **An unsustainable site will not become sustainable in planning terms on the sole basis that an applicant intends to deliver 100% affordable housing on that site.** In order for an exception site to be considered acceptable, the applicant must clearly demonstrate that the criteria within COM5 are met in the first instance, while also evidencing conformity with wider RLDP policies as a whole. The RLDP’s affordable housing target does not factor in potential supply stemming from exception sites for these reasons.
- 9.3 The primary consideration outlined within Criterion 1 of Policy COM5 is that *“the proposal meets an identified local need that cannot be satisfied on*

alternative sites within the locality's identified settlement boundary". In the first instance, the applicant must clearly document what identified need the proposal seeks to meet, providing written confirmation evidencing support from the LHA. The applicant must then demonstrate why that need cannot be satisfied on appropriate, alternative sites within the local settlement boundary. This applies whether the proposal is to develop a site in open countryside adjoining an existing settlement or to develop a site allocated for another use within an existing settlement boundary. The applicant should clearly evidence which alternative sites have been considered within the respective settlement boundary and justify why they have been discounted. This approach is necessary to robustly demonstrate why the pressing, identified need cannot be realistically met on alternative sites within the locality's identified settlement boundary in order to fulfil Criterion 1.

9.4 Criterion 2 of Policy COM5 also requires proposals to represent a logical extension to the existing settlement at a scale appropriate to and in keeping with the character of the settlement. Applicants must demonstrate that the development will promote legibility, which is a coherent pattern of development that reinforces local identity and facilitates well defined enclosure character. This latter point is particularly important for exception sites adjoining and edging settlement boundaries in order to retain a sense of rural fringe. Houses should front such rural edges to clearly demarcate where urban space meets countryside. Exception sites should be sensitively designed at a locally appropriate scale and provide pedestrian connections to an existing core of services and facilities to enable assimilation within the existing settlement. Exception sites that are remote relative to the existing settlement, which propose divorced concentrations of affordable housing and/or are of a scale and design that conflicts with local scale and character would be contrary to this criterion.

9.5 Criterion 2 of Policy COM5 also restricts exception sites to proposals comprising no more than ten affordable dwellings. This 10 unit cluster principle has been informed by routine discussions with housing managers in

terms of the appropriate size for a sustainable cluster of affordable homes. This principle follows best practice to disperse affordable housing across larger multi-tenure housing developments and is therefore equally applicable to an exception site. Affordable housing clusters of more than 10 units can otherwise become increasingly uncondusive to the delivery and maintenance of balanced, mixed tenure communities. This 10 dwelling limit applies to all Local Settlements as defined by Policy SF1.

9.6 Policy COM5 does however provide some flexibility to the 10 dwelling cluster for proposals within or adjoining Tier 1 (i.e. Bridgend) and Tier 2 Settlements (i.e. Maesteg and the Llynfi Valley, Porthcawl, Pencoed and Pyle, Kenfig Hill and North Cornelly). Exception site proposals for more than ten affordable dwellings can be considered in these settlements where applicants clearly justify the need to depart from a ten-unit cluster in the context of the wider environ and in response to acute local housing need identified by the LHMA and/or LHA. In order to substantiate the need to develop more than ten affordable homes, applicants must provide a robust affordable housing statement following the guidance detailed in RLDP supporting paragraph 5.3.35, while demonstrating Criteria A, B and C of Policy COM5 have been met. This is fundamental to evidence how a larger exception site would integrate with nearby existing communities in a manner that prevents stigmatisation and non-inclusivity, while maximising opportunities for different household structures to reside cohesively.

9.7 Criterion 3 of Policy COM5 requires any exception site to be *‘in a sustainable location, within or adjoining an existing settlement boundary with reasonable access to at least a basic range of local community services and facilities’*. Proposals that would necessitate future residents to be unduly reliant on the private car will not be in accord with this criterion. These include sites divorced from existing settlements, within remote locations and/or lacking the ability to provide suitable active travel connections. In all cases, Policy COM5 is clear that exception sites must provide enhanced active travel links to connect to the Active Travel Network (walking and cycling routes in designated areas

throughout the County Borough as shown on the Active Travel Network Map) and/or nearest commercial centre as appropriate. Safe, direct pedestrian and cycle access to local convenience retail provision and community facilities (such as a primary school) is essential so that residents are not forced to travel to other destinations to meet their basic needs. Applicants should demonstrate how these policy requirements have been considered and will be achieved when proposing any exception site to meet pressing, locally identified housing need.

- 9.8 In demonstrating Criteria 4 of Policy COM5, applicants should clearly reference how the proposed mix of dwellings, including house types, sizes and tenures has been informed to address the identified housing need for the locality. Clear linkages should be made to the latest LHMA and evidence that the proposal has been devised following dialogue with the LHA should also be provided. Applicants will also be required to enter in a s106 agreement to provide mechanisms ensuring the dwellings are accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers in accordance with Criterion 5 of Policy COM5.
- 9.9 As specified within Policy COM5, any form of market housing, which is accommodation that does not conform with the definition of 'affordable housing' set out in paragraph 2.4 of this SPG, will not be permitted on exception sites.

10.0 Development Viability

- 10.1 The thresholds for and percentages of affordable housing provision have been set with regard to the housing need identified within the LHMA, the Plan-Wide Viability Assessment and site-specific viability testing. Deviation from the requirements set out in Policy COM3 should not therefore be necessary and will only be acceptable in exceptional circumstances.
- 10.2 For allocations supported by site-specific viability appraisals at the plan making stage, applicants citing viability issues must clearly demonstrate what variables have changed that may warrant deviation from Policy COM3. Appropriate supporting evidence must be provided to substantiate any such claim and this evidence must be comprehensive. For example, it would not be acceptable to solely highlight a change in one variable (such as build costs), without clearly evidencing how other variables (such as house prices), may have also changed. A comprehensive refreshed viability appraisal must therefore be provided, with all inputs and assumptions being robustly evidenced. Unsubstantiated commentary will not be acceptable.



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- 10.3 For windfall sites, applicants must robustly demonstrate any site-specific constraints, abnormal costs and/or other viability challenges that could necessitate a reduction from the area-wide policies set out within Policy COM3. The LPA will work collaboratively with developers in such instances to evaluate site-specific evidence. Should the LPA agree that robustly evidenced, site-specific issues adversely affect a site's viability at full policy compliance, an appropriate percentage of on-site affordable housing provision will be sought instead. The LPA reserves the right to reject any development viability claims without comprehensive supporting evidence being provided.
- 10.4 In all cases, it is recognised that some information necessary to demonstrate viability may be commercially sensitive. However, this is not a sufficient reason to avoid providing the appropriate evidence to the LPA and this information will be used solely to consider whether any deviation from Policy COM3 is justifiable.
- 10.5 There is a common viability appraisal model in use across the South East Wales Region known as the Burrows-Hutchinson Ltd Development Viability Model (DVM). The DVM has been created as a comprehensive, user-friendly model to assess the financial viability of development proposals. The LPA is able make the DVM available to applicants to appraise the financial viability of a proposed development and demonstrate any necessary deviation from Policy COM3. The primary inputs required to undertake a financial viability appraisal through the DVM are provided in Appendix B.
- 10.6 The DVM and user guide can be released to any applicant subject to the LPA receiving payment of a standard fee (set out in the Council's latest Fees and Charges Schedule). The fee is intended to cover the LPA's administrative costs of locking and distributing the model, verifying the completed appraisal and providing a high-level review to the applicant. However, payment of a fee will **not** guarantee a lower proportion of affordable housing will be deemed acceptable or directly result in the granting of planning permission. The fee will only enable the LPA to consider whether:

- a) the DVM has been completed correctly and appropriately;
- b) the evidence supplied to support the costs and values submitted is sufficient and proportionate;
- c) the suggested timescales for the development are realistic; and
- d) the appraisal accords with policy requirements of the RLDP and with other guidance and/or policy statements that are pertinent to the assessment of viability in a planning context.

10.7 The preliminary fee does not allow for any further time that an applicant might wish to spend debating the findings of the LPA's initial high-level review. It also does not allow for any officer time necessary to re-appraise subsequent submissions of the model and supporting evidence, which will be re-chargeable. Alternative viability models can be used subject to prior agreement with the LPA. In the event of any unresolvable disputes, the LPA may need to draw upon expertise from a third party to act as an independent arbitrator. The costs associated with this must be met by the developer/applicant. For larger sites (of several hundred units), mixed-use developments or sites of a strategic scale, it may be more appropriate for an applicant to commission an independent arbitrator from the outset, following discussion with the LPA.

Appendix A –Transfer Values for Social Rented Dwellings

1.1 The values contained within Tables 1 and 2 below are derived from the 2021 Acceptable Cost Guidance (ACG) figures. A cumulative uplift has been applied for the four financial years since the last (and final) set of ‘land and works’ ACGs were published by Welsh Government (WG) in 2021. These 2021 ACGs are detailed within Table A, Annex A of the WG publication ‘Acceptable Cost / On Costs for Use With Social Housing Grant Funded Housing in Wales’, 2021 for self-contained general needs schemes of 11 homes or more. The 2021 ACG values have been uplifted by the following WG maximum social rent uplift caps per annum:

- April 2022 – 3.1%
- April 2023 – 6.5%
- April 2024 – 6.7%
- April 2025 – 2.7%

1.2 The nominated Registered Social Landlord (RSL) or the Council would purchase the social rented units for the respective Transfer Values detailed in Table 1 and 2 (depending on the number of homes planned within the overall development, respectively). These transfer values represent 42% of the uplifted ACG values, which reflects the longstanding grant intervention rate. Commuted sums would be payable at 58% of the uplifted ACG values, which reflects the level of subsidy the developer would effectively be required to provide on-site.

Table 1: Transfer Values for Developments of 10 Homes and Under

Housing Market Area(s)*	Dwelling Size	Dwelling Type	Uplifted ACG from 1 st April 2025	Transfer Values from 1 st April 2025 (42% of Uplifted ACG)	Commuted Sum Values from 1 st April 2025 (58% of Uplifted ACG)
<ul style="list-style-type: none"> Ogmore Valley Garw Valley (Former WG Band 1)	7 Person, 4 Bed	House	£295,990.82	£124,316.14	£171,674.68
	6 Person, 4 Bed	House	£281,431.92	£118,201.41	£163,230.52
	5 Person, 3 Bed	House	£240,763.27	£101,120.57	£139,642.69
	4 Person, 3 Bed	House	£225,602.76	£94,753.16	£130,849.60
	4 Person, 2 Bed	House	£214,172.22	£89,952.33	£124,219.89
	3 Person, 2 Bed	House	£205,749.72	£86,414.88	£119,334.84
	2 Person, 1 Bed	House	£162,674.63	£68,323.34	£94,351.29
	3 Person, 2 Bed	Bungalow	£190,228.25	£79,895.86	£110,332.38
	3 Person, 2 Bed	Flat	£188,182.78	£79,036.77	£109,146.01
	2 Person 1, Bed	Flat	£154,372.45	£64,836.43	£89,536.02
<ul style="list-style-type: none"> Llynfi Valley (Former WG Band 3)	7 Person, 4 Bed	House	£332,087.26	£139,476.65	£192,610.61
	6 Person, 4 Bed	House	£311,993.58	£131,037.30	£180,956.27
	5 Person, 3 Bed	House	£267,233.99	£112,238.28	£154,995.71
	4 Person, 3 Bed	House	£250,388.98	£105,163.37	£145,225.61
	4 Person, 2 Bed	House	£238,958.44	£100,362.55	£138,595.90
	3 Person, 2 Bed	House	£230,535.94	£96,825.09	£133,710.85
	2 Person, 1 Bed	House	£187,340.53	£78,683.02	£108,657.51
	3 Person, 2 Bed	Bungalow	£220,789.90	£92,731.76	£128,058.14
	3 Person, 2 Bed	Flat	£200,575.89	£84,241.88	£116,334.02
	2 Person 1, Bed	Flat	£165,442.02	£69,485.65	£95,956.37

Housing Market Area(s)*	Dwelling Size	Dwelling Type	Uplifted ACG from 1 st April 2025	Transfer Values from 1 st April 2025 (42% of Uplifted ACG)	Commuted Sum Values from 1 st April 2025 (58% of Uplifted ACG)
<ul style="list-style-type: none"> • Bridgend • Porthcawl • Pencoed • Pyle, Kenfig and Cornelly • Valleys Gateway (Former WG Band 4)	7 Person, 4 Bed	House	£356,151.56	£149,583.65	£206,567.90
	6 Person, 4 Bed	House	£332,327.91	£139,577.72	£192,750.19
	5 Person, 3 Bed	House	£284,921.25	£119,666.92	£165,254.32
	4 Person, 3 Bed	House	£266,873.02	£112,086.67	£154,786.35
	4 Person, 2 Bed	House	£255,442.48	£107,285.84	£148,156.64
	3 Person, 2 Bed	House	£247,019.98	£103,748.39	£143,271.59
	2 Person, 1 Bed	House	£203,944.89	£85,656.86	£118,288.04
	3 Person, 2 Bed	Bungalow	£241,124.23	£101,272.18	£139,852.05
	3 Person, 2 Bed	Flat	£208,757.75	£87,678.26	£121,079.50
	2 Person 1, Bed	Flat	£172,781.63	£72,568.29	£100,213.35

*The historic WG ACG bandings have been re-defined to reflect Bridgend County Borough's eight Housing Market Areas as referenced in the LHMA.

Table 2: Transfer Values for Developments of 11 Homes and Over

Housing Market Area(s)*	Dwelling Size	Dwelling Type	Uplifted ACG from 1 st April 2025	Transfer Values from 1 st April 2025 (42% of Uplifted ACG)	Commuted Sum Values from 1 st April 2025 (58% of Uplifted ACG)
<ul style="list-style-type: none"> Ogmore Valley Garw Valley (Former WG Band 1)	7 Person, 4 Bed	House	£272,407.81	£114,411.28	£157,996.53
	6 Person, 4 Bed	House	£258,570.84	£108,599.75	£149,971.09
	5 Person, 3 Bed	House	£221,271.19	£92,933.90	£128,337.29
	4 Person, 3 Bed	House	£207,313.90	£87,071.84	£120,242.06
	4 Person, 2 Bed	House	£196,966.25	£82,725.82	£114,240.42
	3 Person, 2 Bed	House	£189,025.03	£79,390.51	£109,634.52
	2 Person, 1 Bed	House	£149,559.59	£62,815.03	£86,744.56
	3 Person, 2 Bed	Bungalow	£175,669.35	£73,781.13	£101,888.22
	3 Person, 2 Bed	Flat	£172,180.03	£72,315.61	£99,864.42
	2 Person 1, Bed	Flat	£141,377.73	£59,378.65	£81,999.08
<ul style="list-style-type: none"> Llynfi Valley (Former WG Band 3)	7 Person, 4 Bed	House	£308,504.25	£129,571.79	£178,932.47
	6 Person, 4 Bed	House	£289,132.50	£121,435.65	£167,696.85
	5 Person, 3 Bed	House	£247,741.91	£104,051.60	£143,690.31
	4 Person, 3 Bed	House	£232,100.12	£97,482.05	£134,618.07
	4 Person, 2 Bed	House	£221,752.47	£93,136.04	£128,616.43
	3 Person, 2 Bed	House	£213,811.26	£89,800.73	£124,010.53
	2 Person, 1 Bed	House	£174,225.49	£73,174.71	£101,050.78
	3 Person, 2 Bed	Bungalow	£206,231.00	£86,617.02	£119,613.98
	3 Person, 2 Bed	Flat	£184,573.14	£77,520.72	£107,052.42
	2 Person 1, Bed	Flat	£152,447.30	£64,027.87	£88,419.44

Housing Market Area(s)*	Dwelling Size	Dwelling Type	Uplifted ACG from 1 st April 2025	Transfer Values from 1 st April 2025 (42% of Uplifted ACG)	Commuted Sum Values from 1 st April 2025 (58% of Uplifted ACG)
<ul style="list-style-type: none"> • Bridgend • Porthcawl • Pencoed • Pyle, Kenfig and Cornelly • Valleys Gateway (Former WG Band 4)	7 Person, 4 Bed	House	£332,568.55	£139,678.79	£192,889.76
	6 Person, 4 Bed	House	£309,466.83	£129,976.07	£179,490.76
	5 Person, 3 Bed	House	£265,429.17	£111,480.25	£153,948.92
	4 Person, 3 Bed	House	£248,584.16	£104,405.35	£144,178.81
	4 Person, 2 Bed	House	£238,236.51	£100,059.34	£138,177.18
	3 Person, 2 Bed	House	£230,295.30	£96,724.02	£133,571.27
	2 Person, 1 Bed	House	£190,829.85	£80,148.54	£110,681.32
	3 Person, 2 Bed	Bungalow	£226,565.33	£95,157.44	£131,407.89
	3 Person, 2 Bed	Flat	£192,755.00	£80,957.10	£111,797.90
	2 Person 1, Bed	Flat	£159,786.91	£67,110.50	£92,676.41

*The historic WG ACG bandings have been re-defined to reflect Bridgend County Borough's eight Housing Market Areas as referenced in the LHMA.

Appendix B – Data Inputs Required for Financial Viability Appraisals

- 1) List of open market dwelling types, specifying for each one:
 - a) Number of bedrooms
 - b) Number of habitable rooms
 - c) Gross/net internal floor areas
 - d) Estimated open market value (freehold selling price) with supporting evidence
 - e) Total number of each dwelling type within the proposed development
- 2) List of affordable dwelling types, specifying for each one:
 - a) Number of bedrooms
 - b) Number of habitable rooms
 - c) Gross/net internal floor areas
 - d) Estimated open market value (unrestricted freehold selling price) for intermediate dwellings
 - e) Transfer values (with reference to Appendix A) for social rented dwellings
 - f) Total number of each dwelling type within the proposed development
- 3) Site layout plan for the development (outline, or detailed if available) with net developable areas and dwelling numbers for each element/phase of the proposed development.
- 4) Estimated construction and sales programmes for the development.
- 5) Details of current land ownership or details of the contractual terms and stage of transaction reached for its acquisition by the developer. This must include the land price paid (or, if estimated and not yet paid, the basis for that estimate) and allowance made for acquisition fees and Land Transaction Tax.
- 6) Planning costs and anticipated period before commencement of development (in months) after land acquisition has been completed.
- 7) Housing construction costs (plot costs), as a total sum or £/m², noting any additional allowance made for achieving compliance with forthcoming building regulations. Evidence must be provided to justify what these costs are based on.

- 8) Physical infrastructure costs, broken down between:
- a) Off-site drainage, highway and/or other works, with detailed analysis/justification
 - b) Normal on-site costs for providing road access and services to individual plots (including “externals” such as detached garaging and landscaping, which may be assessed on a fixed average sum per dwelling, or as a percentage of plot costs)
 - c) Abnormal site costs (if any) with detailed analysis/justification
- 9) Allowance made for professional fees in connection with:
- a) Planning and building regulations approvals
 - b) Housing construction costs
 - c) Physical infrastructure works
- 10) Estimated sum (or percentage allowance) for contingencies
- 11) S106 contributions necessary to achieve full RLDP policy compliance and anticipated timing of payments
- 12) Sale and marketing costs for open market dwellings
- 13) Finance costs, including interest rate(s) applied, and the basis for their calculation
- 14) Details of any proposed non-residential uses, including gross external and net internal floor areas, together with estimated costs and revenues associated with those parts of the development. This will include, where available, estimated freehold and rental values for each element/unit, the investment yield(s) on which estimated freehold values have been based/calculated, and details of any pre-lets or forward sale arrangements.

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Appendix 2: Consultation Representations, Responses and Resultant Action

Section 5: On-Site Provision of Affordable Housing	
Organisation	Redrow
Representation	It is considered that the suggested clustering of 10 affordable housing units is too low and that 15, more akin to other LPAs, would be appropriate.
Local Planning Authority Response	Large concentrations of mono-tenure affordable housing can lead to stigmatisation, social disintegration and unstable communities. A 10 unit cluster is considered the maximum appropriate size for a sustainable cluster of affordable housing on major, mixed-tenure housing developments. This limit has been informed by routine discussions with RSL housing managers that operate across the region. Affordable housing clusters of more than 10 units can otherwise become increasingly uncondusive to the delivery and maintenance of balanced, mixed tenure communities. This issue was considered as part of Hearing Session 3 during the RLDP Examination. The policy position was deemed sound by the independent Planning Inspector and adopted as part of the suite of RLDP policies and supporting text to those policies (Policies COM3 and PLA1-5 refer).
Resultant Action	No action necessary – the SPG provides supplementary information and guidance in respect of the adopted RLDP policy framework, but it cannot introduce new policies or change the policies in the adopted RLDP.
Organisation	Redrow
Representation	<p>Notwithstanding the first point above it is considered that the wording of a maximum cluster of affordable housing units is too restrictive in some scenarios and more flexible wording should be utilised to take account of:-</p> <ul style="list-style-type: none"> - The inclusion of flatted accommodation should be an example of whereby clusters of more could be appropriate.

	<ul style="list-style-type: none"> - If more than a policy compliant affordable housing requirement is delivered on-site (e.g. mixed tenure delivery by RSL or private developer partnering with an RSL) then clusters would likely be larger to enable good placemaking to take place. - From a management perspective RSLs would often prefer to see affordable units delivered through S106 to be in limited clusters as can limit overheads and ease of maintenance.
Local Planning Authority Response	<p>The RLDP does not seek to promote large concentrations of mono-tenure affordable housing for the aforementioned reasons and it is beyond the scope of the SPG to change the adopted policy framework in this respect. Adopted Policies PLA1-5 state that affordable housing delivered as part of strategic sites is “to be integrated throughout the development in sustainable clusters of no more than ten units”. Equally, supporting paragraph 5.3.28 to adopted Policy COM3 states, “Where affordable housing is provided, it should be constructed to Development Quality Requirement Standards and integrated into the overall development through separate clusters of no more than ten affordable units”. The use of the term ‘maximum cluster’ in the SPG therefore accurately reflects this adopted policy framework. In response to the three examples provided:</p> <ul style="list-style-type: none"> - Firstly, the inclusion of flatted accommodation within a proposed development is not considered to provide a suitable exception to the adopted policy framework alone. - Secondly, the affordable housing policy requirements detailed in COM3 are minimum requirements and assume no availability of grant. The percentage of affordable housing on a mixed-tenure site could be boosted if, for example, grant was secured to ‘top up’ the minimum policy requirements. It is acknowledged that 10 unit clusters may be not prove feasible to deliver completely in instances where the affordable housing ratio increases significantly with grant support. An addition to the SPG would helpfully clarify a degree of flexibility may be warranted in such circumstances and where justified by the applicant.

	<ul style="list-style-type: none"> - Thirdly, and contrary to the representor's statement, the 10 unit cluster policy was devised following routine discussions with RSL housing managers as to the appropriate size for a sustainable cluster of affordable homes. These discussions indicated the optimal size of a cluster is 6-8 affordable units and 10 units is therefore considered to represent the upper limit of sustainability in this respect. This approach was considered sound by the independent Planning Inspector and forms part of the adopted RLDP policy framework.
Resultant Action	Add a clarifying sentence to paragraph 5.7 that states, "In instances where development proposals exceed Policy COM3's minimum affordable housing requirements, due to grant support or otherwise, a more flexible approach to clustering may be acceptable where justified, providing this does not jeopardise sustainable integration of affordable units".
Organisation	Redrow
Representation	<p>Paragraph 12.4 of Technical Advice Note 2 (TAN 2) states "Local planning authorities should not seek to prescribe through planning conditions or planning obligations which partners developers should use to provide affordable housing, but rather should aim to ensure practical arrangements that will deliver their policy".</p> <p>The proposed wording in paragraph 5.14 of the draft SPG stating "The Process for nominating an RSL will be determined and managed by the LHA (Local Housing Authority)" is considered to contract to TAN 2 advice. It is considered wording of "the LHA can suggest its preferred RSL..." would be more appropriate. The LHA cannot enforce which RSL is ultimately used providing that a developer enters a contract with an RSL (suitably defined to meet Welsh Government (WG) requirements) that operates in the area.</p>
Local Planning Authority Response	As drafted, the SPG does not seek to prescribe a nominated RSL through conditions or planning obligations. Paragraph 5.13 currently states, "no particular RSL will be named within any s106 agreement". This is for several reasons including the future possibility that the RSL first nominated

	<p>by the LHA does not complete the transfer of the affordable housing units or the units need to be transferred to another RSL for a certain reason.</p> <p>Paragraph 3.1 of Technical Advice Note (TAN) 2 states its purpose “is to provide practical guidance on the role of the planning system in delivering” (affordable housing) and emphasises the “need to work collaboratively” to this end. Paragraph 13.1 of TAN 2 also states that “an effective way of achieving control over occupancy is to involve a registered social landlord”.</p> <p>The draft SPG sought to remove ambiguity from the RSL nomination process and this was intended to ensure practical arrangements to deliver the RLDP’s affordable housing policies in accordance with paragraph 5.14 of TAN 2.</p> <p>However, in light of the representor’s comments and the need to work collaboratively as specified within TAN 2, more emphasis will be placed on consultation with the developer to inform the RSL nomination process.</p>
Resultant Action	Paragraphs 5.13, 5.14 and 8.2.4 will be amended to include references to consult with the developer to inform the RSL nomination process.
Organisation	Home Builders Federation
Representation	<p>Para 5.7 HBF suggest that the 10 unit cluster should not be described as a maximum, as on larger housing developments including a number of strategic sites allocated in the plan a larger number may be acceptable. Considering that this cluster could be a mix of tenure types, social rented/low-cost home ownership, this further reduces any perceived impact.</p> <p>HBF would suggest the following alternative wording:</p>

	Although in most cases a 10-unit cluster is considered to be the maximum appropriate size for a sustainable cluster of affordable housing on a mixed-tenure housing development each site will be considered on its own merits.
Local Planning Authority Response	<p>Adopted Policies PLA1-5 state that affordable housing delivered as part of strategic sites is “to be integrated throughout the development in sustainable clusters of no more than ten units”. Equally, supporting paragraph 5.3.28 to adopted Policy COM3 states, “Where affordable housing is provided, it should be constructed to Development Quality Requirement Standards and integrated into the overall development through separate clusters of no more than ten affordable units”. The use of the term ‘maximum cluster’ in the SPG therefore accurately reflects this adopted policy framework.</p> <p>However, it is acknowledged that in certain limited instances, it may be appropriate to abut several discrete tenure clusters of up to ten affordable housing units (such as one discrete cluster of social rented units alongside one discrete cluster of Low Cost Home Ownership units). This may be necessary to facilitate sustainable high density development, while still seeking to avoid undue concentrations of mono-tenure affordable housing, providing this does not jeopardise sustainable integration of affordable units.</p>
Resultant Action	Add a clarifying sentence to paragraph 5.7 that states, “where proposals demonstrate they have sought to deliver sustainably high residential densities in accordance with Policy COM6, it may be considered appropriate to abut limited discrete affordable tenure clusters. This may include, for example, one cluster of social rented units abutted to one cluster of Low Cost Home Ownership units, providing the affordable units are sustainably integrated into the wider development”.
Organisation	Wales and West Housing Association
Representation	With regard to the overall delivery of affordable housing, we have a general concern over the availability of suitable sites and the lack of windfall sites within Bridgend to meet the evidenced need.
Local Planning Authority Response	The SPG clarifies the adopted policy framework although cannot change the adopted affordable housing target, suite of housing allocations or settlement boundaries.

	<p>The RLDP's affordable housing target of 1,711 affordable dwellings has been robustly determined by considering the housing need identified in the Local Housing Market Assessment (LHMA) alongside rigorous viability testing to ensure formulation of viable affordable housing policy thresholds and proportions.</p> <p>The affordable housing target will primarily be delivered on allocated sites and existing sites with planning permission together with windfall sites within the settlement boundaries. There are a range of housing supply components within and to balance the housing trajectory. The affordable housing target and components of supply were both deemed sound at independent examination by the appointed Planning Inspector and form part of the RLDP's adopted policy framework. It is beyond the scope of an SPG to alter the settlement boundaries or allocate additional sites beyond those allocated as part of the recently adopted RLDP.</p>
Resultant Action	No action necessary – the SPG provides supplementary information and guidance in respect of the adopted RLDP policy framework, but it cannot introduce new policies, new allocations or change the policies in the adopted RLDP.
Organisation	Wales and West Housing Association
Representation	The affordable housing requirements for housing allocations and windfall sites are considered to be conservative as a target and more ambitious targets may encourage higher delivery, particularly as these requirements are often eventually reduced. It is appreciated however that this will be dictated by viability on each individual scheme.
Local Planning Authority Response	The SPG clarifies the adopted policy framework although cannot change the adopted affordable housing requirements detailed within Policy COM3, which were subject to independent examination and deemed sound by the appointed Planning Inspector.

	<p>The scale of affordable housing need and spatial distribution thereof were key considerations when determining the overall level and location of housing in the adopted RLDP. During the RLDP period (2018-33), development proposals are expected to deliver a target total of 1,711 affordable dwellings across Bridgend County Borough. The Plan's contribution to affordable housing provision has been robustly determined by considering the housing need identified in the LHMA alongside rigorous viability testing to ensure formulation of viable affordable housing policy thresholds and proportions. The affordable housing target only relates to sources of supply that are funded and delivered through the planning system and the Plan has made provision to deliver the affordable housing target within the designated settlement boundaries. As such, this target represents the added value the RLDP will contribute to affordable housing supply alongside a range of other delivery mechanisms. These include, although are not limited to, Social Housing Grant, other capital/revenue grant funded schemes, RSL self-funded schemes, reconfiguration of existing stock, private sector leasing schemes, discharge of homelessness duties into the private rented sector and re-utilisation of empty properties.</p> <p>In summary, the RLDP is one mechanism to increase affordable housing supply. It has maximised nil-grant affordable provision as far as possible by setting robust affordable housing policies although cannot address all affordable housing need identified across the County Borough alone. Viability testing undertaken as part of RLDP preparation demonstrated the affordable housing policies cannot be increased further without grant intervention.</p>
Resultant Action	No action necessary – the SPG provides supplementary information and guidance in respect of the adopted RLDP policy framework, but it cannot introduce new policies or change the policies in the adopted RLDP.
Organisation	Wales and West Housing Association
Representation	It is hoped that the Council will take a pragmatic approach to limiting affordable housing to clusters of no more than 10 units. Whilst the reasoning is understood, limiting to clusters of 10 may not always be appropriate and it would seem reasonable to have this as a target rather than an upper limit and

	for planning officers to have the flexibility to determine what is appropriate for individual sites and locations.
Local Planning Authority Response	<p>The RLDP does not seek to promote large concentrations of mono-tenure affordable housing for the aforementioned reasons and it is beyond the scope of the SPG to change the adopted policy framework in this respect. Adopted Policies PLA1-5 state that affordable housing delivered as part of strategic sites is “to be integrated throughout the development in sustainable clusters of no more than ten units”. Equally, supporting paragraph 5.3.28 to adopted Policy COM3 states, “Where affordable housing is provided, it should be constructed to Development Quality Requirement Standards and integrated into the overall development through separate clusters of no more than ten affordable units”. The use of the term ‘maximum cluster’ in the SPG therefore accurately reflects this adopted policy framework. However, and as aforementioned, further clarity will be added to the SPG to account for situations where:</p> <p>A) More flexibility may be required where the percentage of affordable housing exceeds Policy COM3’s minimum affordable housing requirements, due to grant support or otherwise.</p> <p>B) It may be appropriate to abut several discrete tenure clusters of up to ten affordable units (such as one discrete cluster of social rented units alongside one discrete cluster of Low Cost Home Ownership units) in order to facilitate sustainable, high density development in accordance with Policy COM6.</p>
Resultant Action	<p>Add clarifying sentences to paragraph 5.7 that state,</p> <p>“In instances where development proposals exceed Policy COM3’s minimum affordable housing requirements, due to grant support or otherwise, a more flexible approach to clustering may be</p>

	<p>acceptable where justified, providing this does not jeopardise sustainable integration of affordable units”.</p> <p>And</p> <p>“Where proposals demonstrate they have sought to deliver sustainably high residential densities in accordance with Policy COM6, it may be considered appropriate to abut limited discrete affordable tenure clusters. This may include, for example, one cluster of social rented units abutted to one cluster of Low Cost Home Ownership units, providing the affordable units are sustainably integrated into the wider development”.</p>
Section 6: Off-Site Provision of Affordable Housing and Commuted Sums	
Organisation	Wales and West Housing Association
Representation	No comment – this policy is supported.
Local Planning Authority Response	Noted.
Resultant Action	No amendments necessary.
Section 7 and Appendix A: Funding Arrangements and Transfer Values	
Organisation	Redrow
Representation	<p>Redrow acknowledges that the approach/methodology proposed is following on that undertaken on a regional basis with the Vale of Glamorgan having already adopted their updated transfer values.</p> <p>From the adoption date of the SPG Redrow would strongly suggest that the values are updated ideally every 6 months or as a minimum every 12 months and commitment made to this. This is to ensure that contracts with RSLs can be entered into reflecting up-to-date information.</p>

Local Planning Authority Response	The proposed methodology seeks to provide an annual uplift to the transfer values in Appendix A in line with the WG's maximum published social rent inflation. The rent cap is published by WG annually so it will not be possible to update the values every 6 months. However, the original intention was to allow for indexation linked to annual social rental increases. The representor's suggestion to update the values annually is therefore supported. This will provide a reference point for use in s106 agreements.
Resultant Action	No amendments necessary. Council approval will be sought to update the transfer values within Appendix A on an annual basis to ensure they remain current.
Organisation	Wales and West Housing Association
Representation	These changes are supported as they enable transparent conversations to be held with housebuilders and limit the opportunity to reduce on-site deliverability through viability arguments, thereby encouraging the delivery of affordable housing.
Local Planning Authority Response	Noted.
Resultant Action	No amendments necessary.
Section 8: Section 106 Agreements	
Organisation	Redrow
Representation	As commented on under section 5 above, the Council should not have a definitive say on the Nominated RSL and this be stipulated within the S106 agreement. It is suggested that paragraph 8.2.4 of the draft SPG be re-worded to reflect the previous comments made under section 5 above.
Local Planning Authority Response	As drafted, the SPG does not seek to prescribe a nominated RSL through conditions or planning obligations. Paragraph 5.13 currently states, "no particular RSL will be named within any s106 agreement". This is for several reasons including the future possibility that the RSL first nominated

	<p>by the LHA does not complete the transfer of the affordable housing units or the units need to be transferred to another RSL for a certain reason.</p> <p>Paragraph 3.1 of TAN 2 states its purpose “is to provide practical guidance on the role of the planning system in delivering” (affordable housing) and emphasises the “need to work collaboratively” to this end. Paragraph. 13.1 also states that “an effective way of achieving control over occupancy is to involve a registered social landlord”.</p> <p>The draft SPG sought to remove ambiguity from the RSL nomination process and this was intended to ensure practical arrangements to deliver the RLDP’s affordable housing policies in accordance with paragraph 5.14 of TAN 2.</p> <p>However, in light of the representor’s comments and the need to work collaboratively as specified within TAN 2, more emphasis will be placed on consultation with the developer to inform the RSL nomination process.</p>
Resultant Action	Paragraphs 5.13, 5.14 and 8.2.4 will be amended to include references to consult with the developer to inform the RSL nomination process.
Organisation	Home Builders Federation
Representation	Para 8.2.1 HBF question the need for the S106 to include the ‘standard of affordable Homes’ as this is already set by WG in the Welsh Housing Quality Standard (WHQS).
Local Planning Authority Response	Planning Policy Wales (para 4.2.30) requires all affordable housing, including that provided through planning obligations and planning conditions to meet WG’s Development Quality Requirements. This is equally referenced in RLDP supporting paragraph 5.3.28 to Policy COM3. Inclusion of this requirement within s106 agreements will ensure these obligations are complied with by means of a legal agreement under s106 of the Town and Country Planning Act 1990, thereby providing clarity to

	the owners and any successive owners of the land. It will also provide certainty to the nominated RSL or Council when surveying dwellings prior to handover.
Resultant Action	No amendments are considered necessary.
Organisation	Wales and West Housing Association
Representation	<p>We are generally supportive of this guidance.</p> <p>We would welcome a mechanism whereby grant funded additional social housing could be facilitated through Section 106 Agreements.</p> <p>We would also encourage a suite of standard Section 106 conditions.</p>
Local Planning Authority Response	<p>The affordable housing policy requirements detailed in COM3 are minimum requirements. The percentage of affordable housing on a mixed-tenure site could be boosted if, for example, grant was secured to 'top up' the minimum policy requirements. As drafted, the SPG would not prevent additional grant funded social housing from coming forward. Equally, s106 agreements are utilised to secure the RLDP's minimum policy requirements in this respect and would not prevent additional grant funded social housing from coming forward. The LPA would work collaboratively with the developer and/or RSL in such instances.</p> <p>A standard s106 template is in development to complement this SPG; for use in the drafting of future s106 agreements involving affordable housing contributions. While this process is related to the SPG it is ultimately a separate exercise.</p>
Resultant Action	No amendments are considered necessary to the SPG itself, although comments are noted in respect of s106 working practices.

Section 9: Affordable Housing Exception Sites	
Organisation	Wales and West Housing Association
Representation	<p>We agree in principle with this guidance.</p> <p>In terms of restricting exception sites to proposals of no more than 10 dwellings, this will not always be appropriate, and it may be that some sites outside of Tier 1 and Tier 2 locations could be suitable for a larger number of units, particularly where this has a positive impact on viability. It is considered that this should be a target rather than an upper limit and we would encourage the onus to be placed on planning officers to determine what is appropriate for individual sites.</p> <p>We are supportive of the flexibility for larger exception sites within and adjoining Tier 1 and Tier 2 settlements.</p>
Local Planning Authority Response	<p>The SPG clarifies the adopted policy framework although cannot change adopted Policy COM5: Affordable Housing Exception Sites, which was subject to independent examination and deemed sound by the appointed Planning Inspector.</p> <p>The RLDP seeks to prioritise delivery of affordable housing within the designated settlement boundaries in accordance with placemaking principles. COM5 is intended to act as a 'pressure valve' to meet very pressing housing need that is both small in scale and exceptional in circumstance and clearly cannot be accommodated within settlement boundaries. It is not intended to be a mechanism to deliver significant quantities of affordable housing within inappropriate or unsustainable countryside locations.</p>

	<p>Policy COM5 will facilitate delivery of small affordable housing schemes within or adjoining existing settlements where it can be clearly demonstrated that there is a pressing local need and this need cannot otherwise be accommodated within the respective settlement boundary. Affordable Housing Exception Sites must typically comprise of no more than ten units, which is the appropriate size for a sustainable cluster of affordable housing. However, Policy COM5 recognises that the Tier 1 (Bridgend) and Tier 2 (Llynfi Valley, Porthcawl, Pencoed and Pyle, Kenfig Hill and North Cornelly) Settlements are the most sustainable in the settlement hierarchy. Proposals for more than 10 affordable units may be acceptable within or adjoining Tier 1 and Tier 2 Settlements where justified in accordance with Policy COM5. This issue was considered as part of Hearing Session 3 during the RLDP Examination and the resultant policy position was deemed sound by the independent Planning Inspector.</p>
Resultant Action	No action necessary – the SPG provides supplementary information and guidance in respect of the adopted RLDP policy framework, but it cannot introduce new policies or change the policies in the adopted RLDP.
Section 10 and Appendix B: Development Viability	
Organisation	Home Builders Federation
Representation	HBF request that some additional wording is added to indicate that other viability models can be used, but it is suggested that the model to be used is agreed with the Council prior to its use.
Local Planning Authority Response	There is no objection to the proposed amendment. While the LPA is able to make the Development Viability Model available to applicants, the SPG does not seek to prohibit the use of certain alternative viability models subject to prior agreement with the LPA. Clarification will be added to the SPG.
Resultant Action	Add a clarifying sentence to paragraph 10.7 that states “alternative viability models can be used subject to prior agreement with the LPA”.

Other Comments	
Organisation	Wales and West Housing Association
Representation	We are generally supportive of the SPG and have no further comments.
Local Planning Authority Response	Noted.
Resultant Action	No amendments necessary.

Proposed SPG Changes as a Result of the Consultation

The paragraphs proposed for amendment following the consultation are detailed below, for the reasons explained in the previous table. Strikethrough text is used to indicate proposed deletions from the SPG, whereas blue text is used to indicate proposed additions to the SPG. Only paragraphs proposed for amendment are included below, there are no proposed changes to the remainder of the draft SPG following consultation. The final draft version of the SPG (**Appendix 1**) incorporates the proposed amendments below.

- 5.7 A 10-unit cluster is considered to be the maximum appropriate size for a sustainable cluster of affordable housing on a mixed-tenure housing development. This has been informed by routine discussions with RSL housing managers that operate across the region. Affordable housing clusters of more than 10 units can otherwise become increasingly uncondusive to the delivery and maintenance of balanced, mixed tenure communities. Clusters of affordable housing should be carefully dispersed throughout the development to avoid over-concentration of single tenures in any part of the layout plan and avoid obvious tenure segregation. *In instances where development proposals exceed Policy COM3's minimum affordable housing requirements, due to grant support or otherwise, a more flexible approach to clustering may be acceptable where justified, providing this does not jeopardise sustainable integration of affordable units. Equally, where proposals demonstrate they have sought to deliver sustainably high residential densities in accordance with Policy COM6, it may be considered appropriate to abut limited discrete affordable tenure clusters. This may include, for example, one cluster of social rented units abutted to one cluster of Low Cost Home Ownership units, providing the affordable units are sustainably integrated into the wider development.*
- 5.13 Details of the nominated RSL will be provided by the LHA to the developer prior to commencement of development. The LHA ~~will reserves the right to~~ nominate the RSL for all affordable housing secured through the planning system or take *direct* ownership of such dwellings *directly in consultation with the developer.* ~~On this basis,~~ No particular RSL will be named ~~with~~ in any s106 agreement. The LHA will manage the nomination process *in consultation with the developer.* This arrangement will also provide flexibility to safeguard delivery of affordable housing in the future should the ownership of the site *or the RSL need to* change prior to completion of the development.
- 5.14 RSLs should not assume they have been or will be nominated to purchase nil-grant affordable housing secured through the planning system on any

particular development [site](#) unless this has been confirmed in writing in advance by the LHA. The process for nominating an RSL will be determined and managed by the LHA [in consultation with the developer](#). Proportionate distribution of nil-grant s106 dwellings will be sought across RSL partners over the RLDP period.

8.2.4 Transfer arrangements to a Nominated RSL or the Council. Provisions will be included in the s106 agreement to confirm when details of the Nominated RSL or the Council (if the Council is to acquire any affordable dwellings), will be provided to the developer in writing [by the Council](#) (normally prior to commencement of development [and following consultation with the developer](#)). Details of the transfer price will be included in accordance with the guidance in Chapter 7 of this SPG. The point(s) by which the developer must enter into a contract for the sale of the affordable dwellings to the nominated RSL or [to the Council \(as applicable\)](#) will also be specified in the s106 Agreement.

10.7 The preliminary fee does not allow for any further time that an applicant might wish to spend debating the findings of the LPA's initial high-level review. It also does not allow for any officer time necessary to re-appraise subsequent submissions of the model and supporting evidence, which will be re-chargeable. [Alternative viability models can be used subject to prior agreement with the LPA](#). In the event of any unresolvable disputes, the LPA may need to draw upon expertise from a third party to act as an independent arbitrator. The costs associated with this must be met by the developer/applicant. For larger sites (of several hundred units), mixed-use developments or sites of a strategic scale, it may be more appropriate for an applicant to commission an independent arbitrator from the outset, following discussion with the LPA.