

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO DEVELOPMENT CONTROL COMMITTEE

3rd SEPTEMBER 2015

REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

**AFFORDABLE HOUSING
SUPPLEMENTARY PLANNING GUIDANCE**

1. Purpose of Report.

- 1.1 To report to committee the outcomes of the consultation exercise on the draft Affordable Housing Supplementary Planning Guidance (SPG) document.
- 1.2 To seek the committee's agreement of the proposed amendments to the draft document and to adopt the amended version as SPG to the Bridgend Local Development Plan.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The recommendation to adopt this Supplementary Planning Guidance will assist in the implementation of policies within the adopted Bridgend Local Development Plan; the Council's statutory land-use planning document.

3. Background

- 3.1 On the 15th November 2012 the Planning and Development Committee resolved to approve Draft SPG 13 – Affordable Housing as the basis for public consultation; authorised officers to make appropriate arrangements for public consultation; and to await a further report on the outcome of the consultation process.
- 3.2 A 6- week period of public consultation was held between 19th December 2013 and 6th February 2014. The consultation was advertised in the following ways:
 - Statutory notices placed in the *Glamorgan Gazette* on the 19th December 2013;
 - The consultation documents were available for inspection with representation forms at every library in the County Borough and at the Planning Department, Civic Offices, Angel Street.
 - A press release was issued at the start of the consultation;
 - Information on the consultation, including all the documentation, representation forms and the facility to make representations electronically was placed on the Councils website; and
 - A copy of the draft SPG was sent to approximately 550 targeted consultees including Community Councils, planning consultants, house builders, housing associations and other relevant external organisations with details on how to respond.

4. Current Situation

- 4.1 By the end of the consultation period three individuals and external organisations had submitted comments on the draft SPG. In response the Council has produced a consultation report which is included in Appendix E in the SPG. The consultation report provides the Council's response to the representations received and outlines any changes which have been made to the document as a result. Given the lapse in time since the draft document was published for consultation, the SPG also includes a small number of factual updates. The SPG (as amended) is included as **Appendix 1** to this report. Copies of the full representations can be viewed by Members at the Planning Department.
- 4.2 In summary, the main areas of change in the document arising from the public consultation responses and due to factual updates are as follows:
- Greater clarity provided regarding the provision of a percentage of affordable housing rather than a specific number of units on applications for outline consent.
 - Greater clarity provided regarding the process of negotiating commuted sums.
 - Updated information relating to the Welsh Government's Acceptable Cost Guidance Figures in Appendix 2.
- 4.3 Committee is requested to consider each of the representations received, approve the suggested reasoned response, decisions, and actions and proposed changes to the document, then recommend that Council adopts it for publication.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 The production of this Supplementary Planning Guidance is required in order to meet the Council's commitments in implementing the Local Development Plan as outlined in the Plan's Monitoring Framework, specifically Policy Target 29.
- 5.2 The SPG will represent a material consideration in the determination of future planning applications.

6. Equality Impact Assessment

- 6.1 An Equalities Impact Assessment Screening has been undertaken and the proposed recommendation is unlikely to have an impact on equality issues.

7. Financial Implications

- 7.1 None.

8. Recommendations

- 8.1 That the Development Control Committee:
- 8.2 Considers the representations received, endorses the suggested reasoned responses, decisions, and changes to the draft Affordable Housing Supplementary Planning Guidance contained in **Appendix 1**.
- 8.3 Recommends that Council adopts SPG13 – Affordable Housing (as amended) as Supplementary Planning Guidance (SPG) to the adopted Bridgend Local Development Plan.

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3rd September 2015

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Background documents

Appendix 1 Supplementary Planning Guidance 13: Affordable Housing

SPG 13 Affordable Housing



Bridgend County Borough Council
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

www.bridgend.gov.uk



Supplementary Planning Guidance (SPG) 13

Affordable Housing

**Development Planning
Regeneration and Development
Bridgend County Borough Council
Civic Offices, Angel Street
Bridgend, CF31 4WB**

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1. INTRODUCTION

1.1. The vision of the Council's Local Housing Strategy (2009) is:

“...To best meet people’s housing needs by ensuring the provision of accommodation of their choice that is appropriate to the needs of each household and is safe, warm and affordable...”

1.2. To help achieve this, the Strategy identifies the Local Development Plan (LDP) as a key tool in the delivery of affordable housing through the planning system within the County Borough. Strategic Objective 4c of the LDP aims:

“To deliver the level and type of residential development to meet the identified needs of the County Borough ensuring that a significant proportion is affordable and accessible to all.”

1.3. Whilst the planning system is not the only method of meeting this need, it plays an important role in increasing the supply of good quality affordable homes.

1.4. The requirement to meet need for affordable housing is a material planning consideration and will be taken into account in the determination of planning applications.

2. POLICY CONTEXT

- 2.1. The purpose of this Supplementary Planning Guidance (SPG) is to give further guidance on how the Council will implement the affordable housing policies contained within the LDP. It will outline how the Council will seek to deliver affordable housing as part of new residential developments through the planning process, with the aim of meeting housing need as identified in the Local Housing Market Assessment (LHMA Update, 2012).
- 2.2. The delivery of affordable housing in the County Borough will be facilitated by **Policy COM5** Affordable Housing:

POLICY COM5 Affordable Housing

Where a local need is demonstrated, the Council will expect an appropriate element of 'affordable housing' to be provided on sites capable of accommodating 5 or more dwellings or exceeding 0.15 hectares in size.

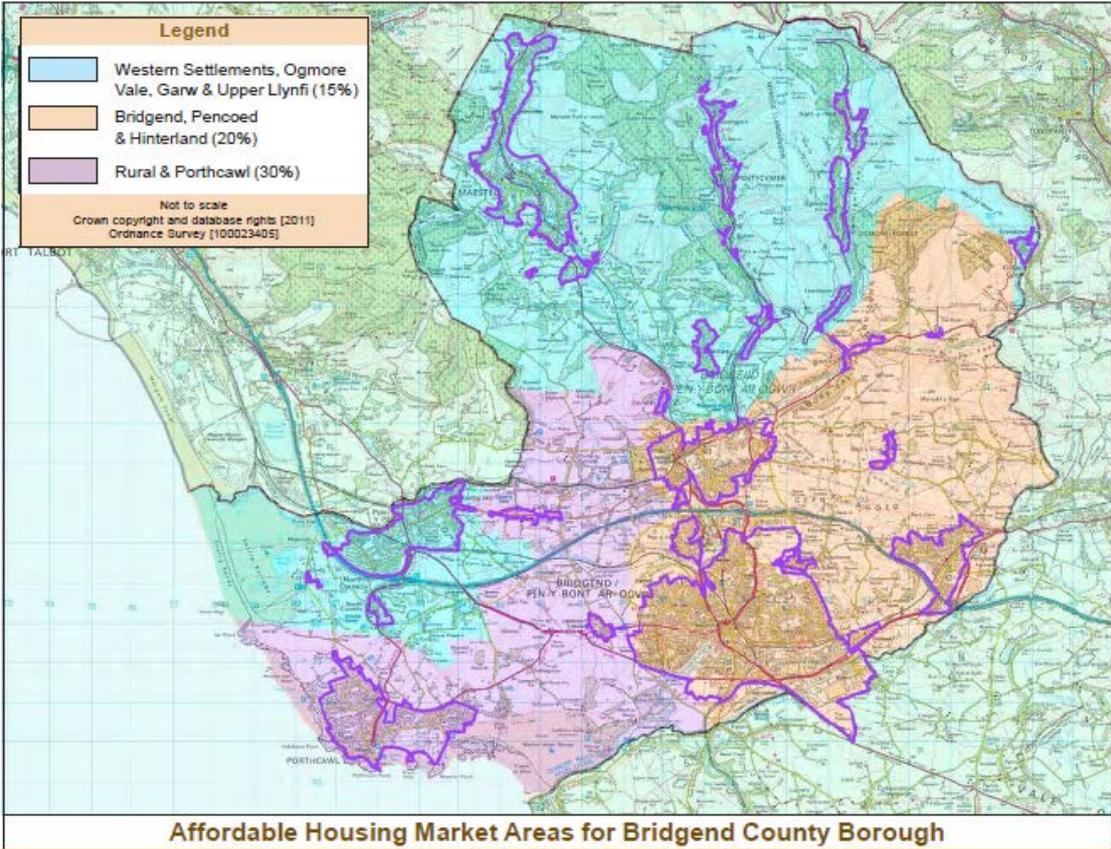
The Council will seek the following affordable housing Market Area targets:

- **30% affordable housing in Porthcawl and Rural;**
- **20% affordable housing in Bridgend, Pencoed and Hinterland;**
- **15% affordable housing in the Western Settlements, Ogmore, Garw and Upper Llynfi Valleys.**

Such affordable housing will be implemented through the use of appropriate planning conditions and/or obligations/agreements and/or through contractual agreements between the Council, developers and Registered Social Landlords.

- 2.3. The area specific targets and thresholds contained in Policy COM5 have been derived from the Affordable Housing Viability Study (AHVS, 2010) that was prepared as part of the LDP evidence base. The AHVS was completed in line with an agreed methodology prepared by Three Dragons on behalf of the South East Wales Strategic Planning Group (SEWSPG). The Study demonstrated that the levels of affordable housing identified in Policy COM5 are challenging yet achievable. Diagram 1 below illustrates the location of the different Market Areas and these are broken down into settlements and post codes in Appendix A.

Diagram 1: BRIDGEND CBC Market Areas



3. DEFINITION OF AFFORDABLE HOUSING

3.1. Technical Advice Note (TAN) 2: Planning and Affordable Housing (2006) and Planning Policy Wales Edition 7 (July 2014) defines affordable housing as:

“...Affordable housing for the purposes of the land use 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...” (TAN 2, 2006)

3.2. TAN 2 defines the two main types of affordable housing as:

- Social rented housing – provided by local authorities and registered social landlords where rent levels have regard to the Assembly Government’s guideline rents and benchmark rents; and
- Intermediate housing - where prices or rents are above those of social rented housing but below market housing prices or rents. This can include low cost home ownership models including shared equity and assisted purchase schemes.

3.3. All other types of housing are referred to as ‘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 or RSL. This includes low cost market housing, which the Assembly Government does not consider to be affordable housing for land use planning purposes.

3.4. Annex B of TAN 2 also indicates that affordable housing should include provision for the home to remain affordable for future eligible households, or if a home ceases to be affordable or staircasing to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing.

4. AFFORDABLE HOUSING NEED

- 4.1. As part of the LDP process, a Local Housing Market Assessment (LHMA) was completed in 2009 and updated in 2012. The LHMA followed the steps of the needs assessment model specified by the Welsh Government's Local Housing Market Assessment Guide (2006) and the 2012 Update indicated **a yearly requirement of 1,762 affordable dwellings** throughout the County Borough.
- 4.2. Delivering 1,762 affordable dwellings on a yearly basis through the planning system is unlikely to be achieved given the planned total build rate of 646 dwellings per year for the LDP period. The 2012 update of the LHMA undertook sensitivity testing of the figure to take account of the prevailing market conditions in the County Borough. This factored in higher affordability thresholds that households in the private rented sector pay in current market conditions and the supply of private rented accommodation, supported by Local Housing Allowance, as a short term solution to house those requiring affordable housing. This reduced the **need for new affordable units to 292 per year**, which represents the affordable housing pressure experienced in current market conditions, and still represents some 45% of new housing planned for the County Borough as being affordable. It should be recognised however that this figure does not reflect limitations relating to development viability.
- 4.3. The LHMA only forms part of the evidence base for the LDP, which seeks to maximise affordable housing contributions whilst still ensuring that development is viable. The **LDP target of approximately 1,370 affordable dwellings** as defined in Policy SP12 of the LDP, to be delivered through the planning system is a more realistic assessment of what can be achieved through the Plan period.

5. PROCESS

- 5.1. The Council appreciates that the expected provision of affordable housing can affect land values for residential development at any given location. However, it will expect developers to have taken account of the LDP's affordable housing policy COM5 and this guidance (and its impact on land values) before entering into land and property negotiations. Pre-application discussions are advised and encouraged with Council Officers to determine the likely provision of affordable housing and other planning obligation requirements that will be expected for a proposal; however, it is acknowledged that in exceptional circumstances, such as where there are significant abnormal costs associated with developing a site, the levels of affordable housing sought in policy may result in a development becoming unviable.
- 5.2. **Where the viability of providing affordable housing is considered to be an issue, developers will be required to provide information to the Council to enable Officers to undertake an 'open book' financial assessment of the costs and anticipated profits of the scheme based on properly sourced evidence.**

The submitted information will need to include details of:

- **The acquisition price of the site**
- **Projected construction costs**
- **Any abnormal costs**
- **Proposed final sales values per unit**
- **Developers profit requirement**
- **Unit types**
- **Finance costs**
- **Any other relevant information**

A more detailed viability checklist for applicants and developers is included in Appendix D.

- 5.3. The Council will then use a Development Appraisal Toolkit to examine the economics of the development and determine the viability of affordable housing provision. Where a development appraisal indicates that the provision of affordable housing required would not be viable, a lower percentage may be negotiated.
- 5.4. In the event of a dispute over site viability or any of the information submitted, independent verification should take place by a third party commissioned by the local authority. The identity of the third party should be agreed upon by both the Council and the developer and the cost of this independent appraisal will be met by the developer.

- 5.5. The latest viability assessment was carried out in August 2010 and the assumptions used reflect current market conditions at that time. If it can be demonstrated that there have been significant changes in market conditions since the viability assessment was undertaken, it may be appropriate to reconsider the affordable housing requirements based on an assessment of viability on a site-specific basis.
- 5.6. The targets contained in Policy COM5 assume that no Social Housing Grant (SHG) will be made available by the Welsh Government to assist in funding affordable housing provided as part of market housing developments. If grant funding is available for a scheme then this will be taken into account when determining the appropriate level of affordable housing on the development. A higher level of affordable housing might be sought in such circumstances, though this will be based on an assessment of viability at the time.
- 5.7. Securing affordable housing through planning obligations is seen as a priority by the Council; however this will not negate the need to contribute towards other obligations/levies. Developers should refer to the LDP, other planning obligations SPG and/or other charging schedule information published by the Council for details of other requirements.
- 5.8. **Where the Council identifies that a site has been sub-divided resulting in the number of units on any part of the site falling below the affordable housing threshold, then the total number of residential units will be calculated and the affordable housing policy will be applied accordingly. Similarly, where there is phasing of development on larger sites, the affordable housing must be phased appropriately to ensure that it contributes to the delivery of mixed communities in a phased manner. In all cases, the timing of delivery of the affordable units in relation to the market units on a site will be clearly set out in the Section 106 Agreement.**
- 5.9. An element of affordable housing will be required on all outline, full or change of use planning applications for housing, or for a mix of uses incorporating housing, which either can accommodate 5 or more dwellings or exceed 0.15 hectares of gross site area. **Where affordable housing has been secured at outline stage, any change in numbers as a consequence of a subsequent application may result in an increase or decrease in affordable housing provision.** It is therefore required that any Section 106 Agreement relating to outline consent will specify the amount of affordable housing to be provided as a percentage. Further details will then be agreed in conjunction with any subsequent application for reserved matters. In the case of mixed use schemes, the affordable housing requirement will be calculated on the basis of the housing area(s) proposed, rather than on the total site area.

5.10 If the affordable housing requirement for a scheme, when calculated, produces a decimal number, the number of units will be rounded up or down to the nearest whole number.

6. DELIVERY

6.1. The delivery of affordable housing through the planning system is to be achieved through three policy mechanisms:

- **On-site Provision**
- **Off-site Provision**
- **Commuted Sums**

ON-SITE PROVISION

6.2. **It is the Council's preference for a Registered Social Landlord (RSL) to be involved in the development and management of affordable housing to ensure control over subsequent changes of ownership and occupation. The preferred method of delivery is for affordable housing units to be provided on-site by a developer and then transferred to an RSL approved by the Welsh Government to operate in BCBC (See Section 8 for RSL details).**

6.3. The type, size and mix of affordable housing on a particular site will be determined according to local needs, and will draw on the evidence base provided by the LHMA.

6.4. **Affordable housing units for social rent must comply with the Welsh Government's Development Quality Requirements (DQR). Intermediate affordable units should also aim to be DQR compliant, or as a minimum they should meet the Welsh Government's Welsh Housing Quality Standards.**

6.5. It is expected that for the foreseeable future social rented affordable housing may need to be delivered without the benefit of Social Housing Grant (SHG).

6.6. The developer's contribution to the provision of the required number of affordable dwellings should be equivalent to what would have been (if it was available) the SHG required to deliver a new build scheme on the site (currently at a rate of 58% of Acceptable Cost Guidance (ACG)). As such, the nominated RSL should pay the developer not more than 42% of the ACG per unit, less the RSL's on-costs (the Council will specify the unit transfer price). The Council will also not normally seek to supplement developer contributions with SHG, unless this delivers more than the target percentage of affordable housing for the site. Please find the latest ACG figures in Appendix 2.

6.7. If, after using all reasonable endeavours, the owner has been unable to dispose of the affordable housing to a nominated RSL, an alternative method for securing on site affordable housing benefits (to a value not

less than that which would have been achieved had the owner disposed of the affordable housing to the nominated RSL) will be delivered.

- 6.8. If the owner is unable to comply with the alternative scheme, the owner shall pay the Council a sum equal to the value which would have been achieved had the owner disposed of the units to a nominated RSL. This will be utilised by the Council to facilitate the provision of affordable housing within the Borough (See paragraphs 6.13 – 6.15 relating to commuted sums).

OFF-SITE PROVISION

- 6.11. In the interests of ensuring communities are balanced and mixed, it is the Council's preference for the need for affordable housing to be delivered on site. Off-site provision will only be considered in circumstances where it would be unfeasible for on-site provision to be made, or where the Council's strategic aims would not be achieved. This may include circumstances where:

- The on-site management of affordable units cannot be secured effectively.
- The provision of affordable housing in another location within the vicinity would better contribute to mixed communities by widening the choice of housing.
- The on-site provision of the affordable units could not physically be provided on site by virtue of their size, type and level of contribution.
- There are other exceptional circumstances as considered appropriate by the local authority.

- 6.12. In the exceptional cases where off-site provision is considered acceptable by the local authority, the units provided should be of an equivalent nature to the type of units that would be required on-site. A sequential approach to the location of off-site provision will be appropriate with the preference being for the provision of affordable housing within the same settlement. If this is not achievable then provision should be made within the same submarket and then, only if no other options are available, provision may be acceptable elsewhere in the County Borough where there is evidence of need.

COMMUTED SUMS

- 6.13. In cases where on-site provision is not considered appropriate and units cannot be delivered off-site, the Council will consider whether or not a commuted sum is appropriate. This will be guided in the first instance by consultation with the Council's Housing Strategy Team given their knowledge of suitable local projects and funding requirements.

6.14. The value of the commuted sum will need to be fairly and reasonably related in scale and kind to the development, whilst mindful of the requirements of other planning obligations. The following formula is a useful starting point, providing a guide to the equivalent value of delivering the affordable housing on-site:

For Social Rented properties,

Committed Sum = (ACG £ per unit) x (% ACG) x N

ACG: Acceptable Cost Guidance per dwelling, related to the current ACG figures published by the Welsh Government (See Appendix B)

% ACG: Rate of Social Housing Grant payable to RSLs. In the absence of SHG this amount is to be provided by the developer (currently 58%)

N: Number of units required, according to Affordable Housing Target

For Intermediate properties for Sale or for Rent,

Committed Sum = (OMV £ per unit) x (% OMV) x N

OMV: Open Market Value per dwelling relating to the dwelling type that would have otherwise been expected on-site

% OMV: Discounted Open Market Value rate for Low Cost Home Ownership or Intermediate Rented properties, set at a level considered affordable by the Council in the locality

N: Number of units required, according to Affordable Housing Target

A worked example of the commuted sum formula is provided in Appendix C.

6.15. Such contributions will be used to support overall affordable housing provision within the County Borough to be delivered in partnership with RSLs. Contributions will be used to provide either part or full funding for schemes, projects and initiatives which may include:

- The purchase and refurbishment of long term empty properties by an RSL for reuse as affordable housing
- Purchase of land for affordable housing

- Delivery of Mortgage Rescue
- Development of supported temporary and move-on accommodation
- Supplementing on site affordable housing provision on other developments in the local area
- Any other scheme identified by the Council that will increase the supply of affordable housing in the County Borough.

7. EXCEPTION SITES

- 7.1. The LDP does not provide for affordable housing 'exception' sites in the countryside, where development is usually strictly controlled. This is because there has been little expressed concern or identified shortfall of affordable rural housing in the County Borough. Any subsequent need that does arise can easily be accommodated within the main urban areas, which lie no more than 4 to 5 miles from any countryside location.
- 7.2. Neither does the Council propose affordable housing exception sites on the edge of the County Borough's towns and villages on the basis that the County Borough is highly urbanised and has ample opportunities within settlements to provide affordable housing opportunities. Even those small villages identified in the LDP's settlement hierarchy are in very close proximity to larger towns and villages which adequately service all of the County Borough's local community needs including for affordable housing.
- 7.3. Given the above LDP policy position, there is no requirement, and indeed, no basis for further commentary of exception sites in this SPG.

8. CONTACTS

8.1. Bridgend County Borough Council

For general affordable housing queries contact:

Housing Strategy, Civic Offices, Bridgend, CF31 4WB
Tel: 01656 643527
Email: housing@bridgend.gov.uk

For Section 106 queries contact:

Development Planning, Civic Offices, Bridgend, CF31 4WB
Tel: 01656 643193
Email: developmentplanning@bridgend.gov.uk

For pre-application enquiries please contact:

Development Control, Civic Offices, Bridgend, CF31 4WB
Tel: 01656 643166
Email: planning@bridgend.gov.uk

8.2. Registered Social Landlords

There are four Registered Social Landlords zoned to operate within BCBC under the Welsh Government's zoning arrangements. These are:

Wales & West Housing Association

3 Alexandra Gate, Ffordd Pengam, Tremorfa, Cardiff CF24 2UD
Tel: 0800 052 2526
www.wwha.co.uk

Valleys to Coast Housing

No.1 Court Road, Bridgend CF31 1BE
Tel: 0300 123 2100
www.v2c.org.uk

Linc Cymru Housing Association

387 Newport Road, Cardiff CF24 1GG
Tel: 029 2047 3767
www.linc-cymru.co.uk

Hafod Housing Association

First Floor, St Hilary Court, Copthorne Way, Cardiff CF5 6ES
Tel: 029 2067 5800
www.hafod.org.uk

Appendices

Appendix A

Housing Sub Markets in Bridgend County Borough

Sub Market & Targets	Primary Key & Main Settlements	Local Service Settlements	Small Settlements	Post Codes
Porthcawl & Rural (30%)	Porthcawl		Cefn Cribbwr Coytrahen Laleston	CF36 3, CF36 5, CF32 0
Bridgend, Pencoed & Hinterland (20%)	Bridgend Pencoed Valleys Gateway (Aberkenfig / Bryncethin / Brynmenyn / Sarn / Tondu / Ynysawdre)		Blackmill Coity Coychurch Glynogwr Heol y Cyw Pen y Fai	CF35 6, CF35 5, CF31 1, CF31 2, CF31 3, CF31 4, CF31 5, CF31 9, CF32 9
Western Settlements, Ogmores, Garw & Upper Llynfi Valley (15%)	Maesteg Pyle/ Kenfig Hill / North Cornelly	Bettws Blaengarw Caerau Nantyffyllon Nantymoel Ogmores Vale Pont Rhyd y Cyff Pontycymmer	Cwmfelin Evanstown Kenfig Llangeinor Llangynwyd Mawdlam Pantyrwel Pontyrhyl South Cornelly	CF33 4, CF33 6, CF34 9, CF32 7, CF32 8, CF39 8, CF34 0

Appendix B

Current Welsh Government Acceptable Cost Guidance Figures (2015)

Acceptable Cost Guidance (ACG) figures are provided as guidance on the likely acceptability of social rented schemes for grant purposes but can be used as a basis for determining the price an RSL pays for an affordable housing unit with or without grant. The figures reflect current standards set out in Development Quality Requirements (2005). To take account of cost variations throughout Wales, five cost bands have been determined. The specific localities falling within each band are shown in Table 1, which is based on Community Council areas within BCBC.

Table 1 ACG Bands

ACG Band	Community Council
1	Garw Valley, Ogmores Valley
2	Coychurch Higher, Llangynwyd Middle, Ynysawdre
3	Cefn Cribbwr, Llangynwyd Lower, Maesteg
4	Brackla, Bridgend, Coity Higher, Cornelly, Coychurch Lower, Laleston, Merthyr Mawr, Newcastle Higher, Pencoed, Porthcawl, Pyle, St Bride's Minor

The costs per dwelling related to occupancy, type of unit and property band are detailed in Table 2.

Table 2 Acceptable Cost Guidance

Unit Type	BAND 1	BAND 2	BAND 3	BAND 4
7P4B HOUSE	176300	191300	206400	226500
6P3B HOUSE	166500	179200	192000	209000
5P3B HOUSE	142600	153600	164700	179400
4P3B HOUSE	133500	143900	154200	168000
4P2B HOUSE	127100	137500	147800	161600
3P2B BUNGALOW	115200	128000	140700	157700
3P2B FLAT	109400	114500	119700	126600
2P1B FLAT	86600	91200	95800	101900
1P1B BEDSIT	64800	68500	72200	77100

Appendix C

Commuted Sum Example

1. Worked Example – Social Rent

	PROCESS	EXAMPLE (30 units in Bridgend)
1	Identify the appropriate target for affordable housing provision	Bridgend is within Bridgend Housing Market Area
2	Identify the number of units required if the provision were to be on site	30 units x 20% = 6 units
3	Identify the size and type of units required if the provision were to be on site	Size/Type required is 2 Person, 1 Bedroom flats (2P1B)
4	Identify the relevant band within the 'ACG for use with SHG funded Housing in Wales.'	Bridgend is Band 4
5	Select ACG in Annex A of ACG Doc for the size/type of units to be provided	ACG for 2P1B flat in Band 4 = £101,900
6	Calculate 58% of ACG which is current rate of SHG payable to Registered Social Landlord	£101,900 x 58% = £59,102
7	Multiply the number of units identified in [2] by the amount calculated in[6]	6 units x £59,102 = £354,612

2. Worked Example – Intermediate for Sale or Rent

	PROCESS	EXAMPLE (30 units in Bridgend)
1	Identify the appropriate target for affordable housing provision	Bridgend is within Bridgend Housing Market Area
2	Identify the number of units required if the provision were to be on site	30 units x 20% = 6 units
3	Identify the size and type of units required if the provision were to be on site	Size/Type required is 4 Person, 2 Bedroom House (4P2B)
4	Developer to indicate likely OMV if not already known; to be verified by BCBC	4P2B house is £140,000
5	BCBC to identify percentage of OMV considered affordable in the locality	Typically 70% of OMV
6	Identify % of OMV to be subsidised by developer (typically 30%)	£140,000 x 30% = £42,000
7	Multiply the number of units identified in [2] by the amount calculated in[6]	6 units x £42,000 = £252,000

Appendix D

Viability Checklist

<p>1. Overview</p> <ul style="list-style-type: none"> • Site Address • Current use • Current use value of site if known • Who owns the site? • Are there any ownership options on the site? • Ward • Site Size (Hectares) • Description of the proposed scheme • Application Number <u>or</u> Pre-Application Reference • State the case for lower levels of planning contributions
<p>2. Characteristics of Development</p> <ul style="list-style-type: none"> • Numbers & Types of dwelling, including both Private and Affordable Housing (i.e. house, flat, bungalow, bedsit etc.) • Size of dwellings by Type (sq. m) • Number of Bedrooms by Type • Parking by Type (none, surface, undercroft or underground) • Number of storeys of buildings
<p>3. Market Values</p> <ul style="list-style-type: none"> • Sale value of Private Dwellings (by Type) <p>NB. All sales values to be supported by evidence for independent verification on a unit by unit basis</p>

4. For Mixed Use Schemes Only - Sales Revenues & Costs
(categorise by: Industrial; Office; Retail; Hotel; Leisure; Community; Other)

Revenues:

- Size of scheme (gross sq. m)
- Rent (£ per sq. m)
- Yield (%)
- Capital Value

Costs:

- Build Costs (£ per GIA sq. m)
- Professional and Other Fees (% build costs)
- Return (% capital value)

5. Development Costs

- Build costs by Type (£ per sq. m)
 NB: Differentiate between sub and super structures and external infrastructure i.e. special landscaping, garages, drives etc.
- Eco-homes Standards (for Private and Affordable)
- Professional Fees (% of build costs)
- Internal Overheads (% of build costs)
- Finance Costs (% of market value)
- Marketing Fees (% of market value)
- Developers Return (% of market value)
- Abnormal/Exceptional Costs
- Actual or Anticipated land acquisition cost (please state if conditional, and the condition) and date of contracts where relevant.

NB. All information submitted must be supported by evidence. This should include detailed breakdown of costs provided by appropriate professionals and a method statement of how costs have been calculated.

6. S106 contributions (Please state amount of any agreed contributions)

- Education
- Affordable Housing
- Highway Works
- Public Open Space
- Community Facilities
- Sustainable Transport Improvements
- Public Realm
- Others (e.g. Environmental Improvements, Town Centre Improvements, Public Art, Employment-related training, Flood Defence Measures)

7. Affordable Housing Dwellings

- Percentage and/or number sought by the Council
- Percentage proposed (if different to above)
- Type of Tenure

8. Financial Contribution from any other sources

- Welsh Government
- European Union Funding
- Local Authority Capital Grant
- Other Regeneration Funding
- Commuted Sum
- CADW (Heritage Funding)
- Other

Appendix E

Public Consultation Comments Received, Factual Updates Required and Council Response

Comments Received

Organisation	Section No.	Page No.	Representation	Reasoned Response	Decision and Action
Persimmon Homes			<p>Overall, we are generally supportive of the provision of the proposed guidance, which sets out further guidance on the implementation of the established housing policies contained within the LDP. Importantly, the SPG continues to recognise that the delivery of the envisaged levels of affordable will be challenging. It is on this basis that our representations are submitted, in order to ensure that flexibility is in built in to the guidance to enable site specific issues to be considered when implementation and delivering affordable housing.</p>	<p>Support is welcome.</p>	<p>No action required</p>
	5.2	8	<p>Further clarification required. We welcome and support the proposed open book assessment methodology when considering scheme viability. However, it would be worth considering providing further clarification on the 'make up' and content of what would be considered as abnormal costs as part of this process.</p> <p>We would suggest that a comprehensive schedule be included in an Appendix to the SPG listing what is (and is not) considered to be an abnormal cost on a site, together with clarification that the submission of abnormal costs can be supported by a detailed breakdown of all such costs.</p>	<p>Support for 'open book' assessment approach is welcomed. However, it is not considered necessary to provide further clarification as to what may or may not constitute an abnormal cost. This duty is the responsibility of the Developer/Applicant in cases where they feel the burden of such costs has a negative impact on scheme viability.</p> <p>In such cases, the Council welcomes the submission of a detailed breakdown of all development costs together with a reasoned justification explaining which of these costs should be considered as 'abnormal'.</p>	<p>No action required</p>

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Organisation	Section No.	Page No.	Representation	Reasoned Response	Decision and Action
	5.3	8	Clarification required over ability to negotiate a lower percentage in appropriate circumstances. Change "... a lower percentage may be negotiated" to "...a lower percentage <u>will</u> be negotiated."	Disagree. The provision of Affordable Housing in accordance with the targets of Policy COM5 is a material consideration in the determination of a planning application. Failure to meet the target may be considered a non-conformity with the LDP and will need to be justified through the provision of the information described in Para 5.2 of this SPG. Any subsequent reduction on this basis is only likely to be agreed where there is significant planning merit and/or public interest in the site being developed.	No action required
	5.4	8	Further clarification required. The SPG should clarify that if the developer is expected to pay for an independent verification of scheme viability that these additional costs can also be included within the appraisal as a further abnormal or professional fee element when considering overall viability.	Disagree. The Developer/Applicant should meet any additional cost incurred if independent verification of any data is required, and this should not be seen as an abnormal cost of development. The use of an independent consultant to undertake a third party appraisal of the site at the developer's expense will only be used in exceptional circumstances if no agreement can be reached between the local authority and the developer, so is not expected to be utilised for every application. It is considered this approach is wholly appropriate as a way of progressing applications that would otherwise stagnate.	No action required
	5.9	9	Amendment required addressing outline applications where no information is available on the number of units to be developed. At present the wording of this is considered to be overly complicated and risks setting a	Agree. In cases where affordable housing is secured through a planning obligation relating to outline consent, a percentage of units will be sought. Generally, sites with outline consent will only specify in	Amend wording of Paragraph 5.9: "An element of affordable housing will be required on all outline, full or change of use planning applications for housing, or

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Organisation	Section No.	Page No.	Representation	Reasoned Response	Decision and Action
			<p>level of affordable housing that may ultimately be subject to further change and not reflect the final built development.</p> <p>If the number of units is unknown, the Council should request that affordable units be set on a percentage basis, which would remove uncertainty. The reference to assumed densities should therefore be removed and replaced with reference to an agreed percentage value for affordable provision.</p>	<p>the S106 the amount of affordable housing to be provided in percentage terms rather than specifying the number of units. This allows for flexibility if the reserved matters identify a higher or lower number of units than originally envisaged at outline application stage. The actual number of units and type will normally be resolved as part of the application for reserved matters.</p>	<p>for a mix of uses incorporating housing, which either can accommodate 5 or more dwellings or exceed 0.15 hectares of gross site area. Where affordable housing has been secured at outline stage, any change in numbers as a consequence of a subsequent application may result in an increase or decrease in affordable housing provision. It is therefore felt appropriate that any Section 106 Agreement relating to outline consent will specify the amount of affordable housing to be provided as a percentage. Further details will then be agreed in conjunction with any subsequent application for reserved matters. In the case of mixed use schemes, the affordable housing requirement will be calculated on the basis of the housing area(s) proposed, rather than on the total site area."</p>
	5.10	10	<p>Further clarification required. The number of units should be rounded down to reflect the fact that a whole unit is not applicable.</p>	<p>Disagree. Rounding the number of units to the nearest whole number provides more accuracy. In this way, any number equal to or greater than .5 will get rounded up and any number below .5 will get rounded down.</p>	<p>No action required</p>
	6.4	11	<p>The reference to DQR is unnecessary, as these requirements will be determined by each RSL. Change</p>	<p>All affordable housing should be constructed to the requirements of the Welsh Government at the time the</p>	<p>No action required</p>

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Organisation	Section No.	Page No.	Representation	Reasoned Response	Decision and Action
			the wording of the paragraph to read: "All affordable housing units should as a minimum, meet the Welsh Government's Welsh Housing Quality Standards and the required level of the Code for Sustainable Homes. The RSL involved in the development should then identify and negotiate with the site developers the delivery of dwellings to comply with the Welsh Government's Development Quality Requirements (DQR), as appropriate."	application is submitted. Details of current requirements can be obtained from either the Housing Section at Bridgend CBC, Registered Social Landlords (RSL's) or the Welsh Government. BCBC understands that the Welsh Government is currently undertaking a review of its Development Quality Requirements (DQR). Until the outcome of this review is known, the Welsh Government standard remains for affordable housing to meet the requirements of the DQR.	
South Wales Police, Crime Prevention Design Advisor			I have no observations to make.	Noted	No action required
Natural Resources Wales			Natural Resources Wales do not have any comments on this Draft SPG.	Noted	No action required

Late Representations Received

Organisation	Section No.	Page No.	Summary of Representations	Reasoned response	Decision and Action

Factual Updates Required

Organisation	Section No.	Page No.	Update Required	Decision and Action
BCBC	4.2	7	Build rate of dwellings per year for the LDP needs updating to reflect the adopted LDP housing provision	Amend wording of Paragraph 4.2: "Delivering 1,762 affordable dwellings on a yearly basis through the planning system is unlikely to be

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Organisation	Section No.	Page No.	Update Required	Decision and Action
BCBC	4.2	7	figure of 9,690. Update percentage of affordable housing needed as proportion of new homes planned for the County Borough for remainder of plan period.	achieved given the planned total build rate of 600-646 dwellings per year for the LDP period.” Amend wording of Paragraph 4.2: “This reduced the need for new affordable units to 292 per year , which represents the affordable housing pressure experienced in current market conditions, and still represents some 48.7- 45% of new housing planned for the County Borough as being affordable.”
BCBC	5.2	8	Include a Viability Checklist to provide further clarity to the information required when developers consider the provision of affordable housing to be an issue.	Viability Checklist included in Appendix D and referenced at Paragraph 5.2: “ A more detailed viability checklist for applicants and developers is included in Appendix D. ”
BCBC	6.4	11	Code for Sustainable Homes no longer applies in Wales.	Delete reference: “Affordable housing units for social rent must comply with the Welsh Government’s Development Quality Requirements (DQR). Intermediate affordable units should also aim to be DQR compliant, or as a minimum they should meet the Welsh Government’s Welsh Housing Quality Standards. In addition, the Welsh Government requires all new dwellings, including affordable housing, to meet the required level of the Code for Sustainable Homes.”
BCBC	6.7 & 6.8	11 & 12	Determining how SHG is spent is a function of the Housing Strategy.	Delete paragraphs 6.7 and 6.8.
BCBC	6.14	13	Provide greater clarity to formula used for calculating commuted sums, so that the sum provides equivalent value to delivering the affordable housing on site.	Amend Commuted Sum formula to relate to the Welsh Government’s Acceptable Cost Guidance. Worked example included in Appendix C.
BCBC	6.15	14	Update the supported accommodation requirement to meet new housing legislation requirements.	Amend wording of Paragraph 6.15 Development of supported temporary and move-on accommodation or adapted housing schemes;
BCBC	Appendix B	19	Update Acceptable Cost Guidance figures to relate to those published by Welsh Government in February 2015.	Update Appendix B Table 2.