

**ES3.3**



**Blaenau Gwent County Borough Council**

**Local Development Plan**

**Hearing Session 3: Affordable Housing and Housing  
for Gypsies and Travellers**

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**Blaenau Gwent County Borough Council Submission**

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## **SESSION 3 AFFORDABLE HOUSING AND HOUSING FOR GYPSIES AND TRAVELLERS**

### **Introduction**

This Statement has been prepared by Blaenau Gwent County Borough Council in order to help facilitate appropriate discussion at the Affordable Housing and Housing for Gypsies and Travellers Hearing Session. The Paper provides a response to the questions set by the Planning Inspector (Mr Vincent Maher).

Where the Council does not intend to provide any additional written evidence the Inspector's attention is directed to the relevant part of the Evidence Base, which in the view of the Council addresses the matters raised. The paper will not repeat evidence previously submitted for consideration.

The Council's detailed response to the representations received to the affordable housing and housing for Gypsies and Travellers are contained in the Report of Representations (**SD07b**).

### **Council Response to Inspector's Questions** (questions in bold)

#### **Affordable housing**

**1. What is the evidence base to justify the Plan's target of "at least" 10% of all developments that exceed the relevant threshold? Is the term "at least" unclear? If so, what are the implications for developers when seeking planning permission?**

#### **What is the evidence base to justify the Plan's target of "at least" 10% of all developments that exceed the relevant threshold?**

The evidence base to justify the Plan's target of "at least" 10% of all developments that exceed the relevant threshold is set out in detail in the following documents:

- **SD62:** Local Housing Market Assessment
- **SD69:** Study into the Economic Viability of providing Affordable Housing
- **SD42:** Affordable Housing Background Paper
- **SD43:** Updated Affordable Housing Background Paper

In summary, the Local Housing Market Assessment (**SD62**, page 75) identifies the need to provide 86 affordable homes per annum. As a percentage of the proposed average new build of 233, identified in the Plan, this would equate to a need of 37% affordable homes across all sites.

The Study into the Economic Viability of providing Affordable Housing (**SD69**) identified that the authority should set an affordable housing policy that requires the provision of at least 10% affordable homes on all sites of 10 or more units and at least 15% affordable homes on all sites of 100 or more. It was suggested that this should be reviewed periodically and that the policy

should allow sites to be considered on an individual scheme by scheme basis where appropriate (**SD69**, page 4, paragraph 19).

**Is the term “at least” unclear? If so, what are the implications for developers when seeking planning permission?**

The term “at least” does create some uncertainty for developers but this enables more flexibility for the Council in being able to respond to changing circumstances. For example, where a large site came forward which did not require a planning obligation of greater than £2,500 then the Council could ask for a higher percentage of affordable homes. It also provides the ability for the Plan to respond quickly to a more positive market environment.

The implication for developers is uncertainty as to the percentage of affordable housing being required.

**Rebuttal – Welsh Government (Representor No:3)**

WG requests that the SPG on Planning Obligations (**SD128**) is revised to accord with amended paragraph 3.18 contained in the Updated Affordable Housing Background Paper (**SD43**, page 13, paragraph 3.18). The Council will be updating the SPG (**SD128**) to ensure it accords with the Adopted Plan.

WG also request that Section 9: Delivery and Implementation of the Plan (**SD01**, pages 116-121) should refer to “at least”. If the Inspector agrees to retain the reference to “at least”, the Council would have no issue with the proposed amendment.

**Rebuttal – HBF (Representor No:24)**

The Council do not agree with the HBF’s claim that their evidence demonstrated that the 10% target could not be justified.

The HBF argues that the 10% affordable housing requirement is unviable based on the findings of the ‘Study into the Economic Viability of Affordable Housing’ (**SD69**) and the reduction in average house price sales.

The 10% reduction referred to in the Study (**SD69**) relates to sales values per sq m for new properties, not the average house price in Blaenau Gwent.

Davies Homes are currently marketing the first phase of their Bedwellty Gardens development in Tredegar (HC1.17) for prices of between £234,950 (5 bed detached) to £134,950 (3 bed detached) the equivalent of sales values of between £140/sq ft to £170/sq ft (approx. £1500/sq m to £1800/sq m).

Figures obtained for recent sales at Cae Ffranwais (HC1.3) identify that the average sale values of £146.42 per sq ft (£1,575 £/ sq m) were achieved. This is less than the figure of £1,700 quoted in the study but is not a 10% drop, which would mean that the site is unviable (**SD69**, page 16, Table 3).

According to the study (**SD69**) development appraisals are in essence relatively straightforward and can be illustrated by the following equation:

$$\begin{array}{r} \textit{Completed Development Value} \\ \text{Less} \\ \textit{Development Costs (Land Acquisition + Construction + Fees + Finance)} \\ \text{Equals} \\ \textit{Residue for Developer's Profit and Risk} \end{array}$$

It should also be noted that a reduction in sales price is only an issue if the other elements remain the same. Land values have also decreased in the last few years. Whereas sites were achieving £400,000 per acre (with no abnormal cost) in 2007, this has reduced to an average of £200,000 this year.

<b>2. What is the logic for different sites being required to provide different levels of affordable housing?</b>
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The logic for sites being required to provide different levels of affordable housing is that viability typically increases on larger sites, as this is a function of increased development efficiencies and the spreading of fixed costs over higher development values (**SD69**, page 4, paragraph 18).

In these circumstances it is appropriate that these sites be expected to deliver greater contributions to planning obligations. Logically, this should be through a higher percentage level of affordable housing since the results of the viability assessment demonstrated the ability to deliver 15% (and upwards). However, the District Valuer was aware of the authority's other development priorities (i.e. education) and, on these larger sites, suggested that we could instead decide to seek greater contributions to planning obligations other than affordable housing (**SD69**, page 4, paragraph 18).

The Council determined that it would not seek to achieve 15% on sites of 100+ units as these sites had various constraints and difficulties.

A further reason why some sites may be required to provide different levels is that viability is generally better further north within Blaenau Gwent. However, again this was very site specific as viability could be equally as strong within parts of the south so any geographically split affordable housing policy requirements would need strategic drivers to make them worthwhile and justified (**SD69**, page 4, paragraph 17).

The Council determined not to impose a geographical split.

**3. What is the logic for the two thresholds chosen for requiring affordable housing? Why has the Council chosen the area based threshold of 0.28 ha? What does the term “gross site area” mean? Should Policy DM10 state more clearly a mix of tenures sought that is consistent with the findings of the LHMA (SD62)?**

**What is the logic for the two thresholds chosen for requiring affordable housing?**

There is only one threshold chosen for requiring affordable housing.

**Why has the Council chosen the area based threshold of 0.28 ha?**

The Council identified the threshold of 0.28 ha in an attempt to prevent developers from reducing density to avoid making a contribution to affordable housing. The figure of 0.28 ha is based on the area which would accommodate 10 units based on the average density used in the Plan of 35 per hectare ( $10/35=0.2857$ ).

**What does the term “gross site area” mean?**

The term “gross site area” refers to the boundary of the site.

**Should Policy DM10 state more clearly a mix of tenures sought that is consistent with the findings of the LHMA (SD62)?**

The Council agree that the policy could usefully refer to the mix of tenures sought in the LHMA (SD62).

**4. Should the Council rely on a greater proportion of off site affordable housing payments to enable it to deliver other projects, for example, a reduction in the number of vacant homes?**

TAN 2 (W51) advises that there is a strong presumption that affordable housing will be provided on the application site so that it contributes to the development of socially mixed communities. However, it allows Development plans (or SPG) to set out the exceptional circumstances where provision may not need to be made on an application site (for example where the management of the affordable housing cannot be effectively secured). In such instances, any off-site provision of affordable housing or a financial contribution in lieu of on-site provision must contribute towards the objective of providing affordable housing. This could be achieved by bringing existing housing back into use for affordable housing or supporting the delivery of affordable housing on another site (either for 100% affordable housing or another site where affordable housing is to be provided) (W51, page 13, paragraph 12.5).

Blaenau Gwent's Supplementary Planning Guidance on Planning Obligations (**SD128**) identifies the exceptional circumstances that would enable off-site contributions, these are:

- Where the Council or an RSL consider management of the affordable housing on site cannot be effectively secured, or
- The development site is in an unsuitable location with no or limited local services/facilities nearby, or
- The affordable housing is more effectively secured by bringing vacant stock back into active use, e.g. via the Council's Empty property Strategy, or
- Providing the affordable housing elsewhere in the local area is more likely to widen housing choice and encourage better household mix, or
- It is not physically possible to provide affordable housing of the size or type that is needed in that area, or
- Other exceptional situations where the Council considers that it may be more appropriate to fund another affordable housing scheme in the housing market area. (**SD128**, page 20)

The document explains that these contributions may be used for the following:

- The purchase and refurbishment of long-term empty properties by a RSL, in accordance with the Council's Empty Property Strategy (2009), which will be managed as affordable housing
- Delivery of the Mortgage Rescue scheme.
- The provision of Homebuy Loans.
- Supplementing onsite affordable housing provision on other developments in the local area.
- The development of supported or adapted housing.
- The purchase and refurbishment of properties to meet special needs housing requirements.
- Any other measures that can be categorised as affordable housing. (**SD128**, page 21)

In view of the issue with vacancy rates in the Borough, the Council considers it appropriate that it should rely on a greater proportion of off-site affordable housing payments to enable it to address the issue. WG's reasoning for seeking on-site provision is to contribute to the development of socially mixed communities. It should be noted that the spending of the contribution on empty properties will also meet this objective.

<b>5. Which settlements within the county would be covered by the rural exceptions sites policy (Policy DM9)?</b>
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All settlements within the Borough would be covered by the rural exceptions sites policy as the definition for rural, identified in the Updated Affordable Housing Background Paper, is outside of existing settlement boundaries (**SD43**, page 28, paragraphs 4.1-4.3).

**6. Is the affordable housing target deliverable and appropriate given current economic challenges, the proportion of housing allocations on brownfield sites within the county and other items of infrastructure provision sought in the Plan?**

The Study into the economic viability of providing affordable housing (**SD69**) identified that the affordable housing target of 10% is deliverable based on March 2010 figures (**SD69**, page 4, paragraph 19). It should be noted that 11 out of 12 of the sites used in the study were brownfield sites (**SD69**, page 12, table 1). The study also took into account a contribution of £2,500 per dwelling to deliver infrastructure (**SD69**, page 13, paragraph 3.18).

The Inspector has asked the Council to clarify why the affordable housing figure has been reduced from 800 to 335. The change was made in response to a comment from WG which requested that the Plan identified the number that would be delivered by the Planning system through S106 requirements, rather than the total that may be provided over the Plan period. The total the Plan is estimated to deliver has been increased to over 1,000 as identified in objective 3 (**SD10a**, page 6, FC2A) and in the reasoned justification of Policy SP4 paragraph 6.33 (**SD10a**, page 7, FC2D). The Affordable Housing Background Paper (**SD43**, page 24, paragraph 3.62) identifies that in total 1,070 affordable units will be delivered which is equivalent to 71 per annum which fares favourably against the Housing Market Assessment figure of 86 per annum (**SD62**, page 75).

There should be no disparity between Strategic Policy SP4 and Development management Policy DM8.

The renewal of outline applications are to be judged against policy (DM8) and will be required to provide at least 10% affordable housing on sites of over 10 units. Whilst this may lead to a reduction in the percentage for some sites, it will mean that a number of other sites, which have not made a contribution due to them being less than 30 units, will be required to do so. Overall there may be a loss as a result of the possible reduction at 'The Works' site.

The Inspector also questions why some sites are identified as 100% affordable housing sites. H1.17 is owned by Tai Calon and is to be used for affordable housing. Site H1.18 is owned by Registered Social Landlords who with the aid of Social Housing Grant will bring the site forward as a mix of social rented and low cost home ownership. The schemes identified in the Plan as 100% affordable are in the Councils Social Housing Grant programme. These sites have been excluded from the calculation of the number of houses to come forward from the planning system through planning obligations.

**Rebuttal – Welsh Government (Representor: 3)**

WG view the prioritisation of S106 benefits to be crucial. This issue is to be dealt with in Hearing Session 16 Delivering Infrastructure.

## Rebuttal – HBF (Representor: 24)

The HBF points to the fact that the assessment does not take into account the changing national policy situation. It is only possible to take account of what is known. Future changes need to be monitored so that they can trigger a review of the situation.

## Gypsy and travellers' housing

### 7. Should the Plan make provision for the needs of travelling showpeople as well as gypsies and travellers? If not, why not?

Where there has been a tradition of sites occupied by showpeople and/or a need has been identified, plans may make specific proposals (Circular 78/91WO paragraph 6). The Criminal Justice and Public Order Act 1994 removed the duty on local councils to provide authorised pitches.

The Plan is not required to make provision for travelling showpeople but may make provision where there is a tradition of sites or an established need is demonstrated.

There was confusion over the definition used by the Blaenau Gwent Gypsy and Traveller Needs Assessment (**SD63**) as the study predated the Welsh Government definition of Gypsies & Travellers. The definition used in the study was: people with a cultural tradition of nomadic living in a caravan, and all other people of nomadic habit of life including those who have stopped travelling for health or educational reasons or because of old age, including those living in housing (**SD63**, page 6, paragraph 1.2.).

The Welsh Government Circular WAGC30/2007 on Planning for Gypsy and Traveller Caravan Sites does not include showpeople. In responding to the issue raised by WG a comparison was made between the two definitions to identify if the definition used in **SD63** was sufficiently similar. In so doing it was concluded that the definition did not include travelling show people or circus groups.

However, in re-examining the definition it does appear to include showpeople as it covers 'all other people of nomadic habit of life'. The survey asked respondents to categorise themselves and 'showpeople' was identified as a category (**SD63**, page 13, paragraph 4.3).

In conclusion, the study (**SD63**, page 13) included showpeople in the survey but none of those surveyed identified themselves in this category. As this is not an issue for the area no site is identified for this purpose.



**8. Would the plan be unsound if the Council were to plan for six additional pitches for gypsies and travellers over the plan period instead of four? Is the survey on which the Council has based its forecast up-to-date?**

**Would the plan be unsound if the Council were to plan for six additional pitches for gypsies and travellers over the plan period instead of four?**

No the plan would not be unsound if the Council were to plan for six additional pitches instead of 4.

**Is the survey on which the Council has based its forecast up-to-date?**

The survey on which the Council has based its forecast is up-to-date. A new survey was undertaken in September 2011 to extend the study period to cover the whole Plan period to 2021.

**9. What is the logic for the focussed change (FC) to criterion (b) of Policy DM10? How is the term "primary highway network" defined in criterion (f) of Policy DM10? Should the glossary state what this term means?**

**What is the logic for the focussed change (FC) to criterion (b) of Policy DM10?**

The logic for the focussed change to criterion (b) of Policy DM10 is to overcome an objection from WG who considered criteria (b) and (e) to be questionable in light of advice in paragraph 25 of Circular 30/2007. It was considered that criterion b and e placed undue constraints on the provision of gypsy and traveller sites.

**How is the term "primary highway network" defined in criterion (f) of Policy DM10?**

The primary highway network includes all roads identified in the road hierarchy map identified at Appendix 6 of the Plan (SD01).

**Should the glossary state what this term means?**

It is accepted that it would be helpful if the glossary stated what this term means.