



**Brecon Beacons National Park
Authority Approved UDP**

Planning Guidance Note

July 2008



Policy ES29 & ES30:

Affordable Housing

BRECON BEACONS NATIONAL PARK AUTHORITY

Authority Approved UDP Guidance Note

Policy ES29 & ES30:AFFORDABLE HOUSING

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I INTRODUCTION

*"A community's need for **affordable housing** is a material planning consideration which may be properly taken into account in formulating development plan policies ... It may be desirable in planning terms that new housing development in both rural and urban areas should incorporate a reasonable mix and balance of house types and size to cater for a range of housing need".*

Planning Policy Wales paragraph 9.2.14 (March 2002)

This Note is one of a series of Guidance Notes amplifying the National Park Authority's (NPA) development plan policies in a clear and concise format with the aim of improving the process, design and quality of developments. The notes are intended to offer broad guidance which will assist members of the public, Members of the NPA, and officers in discussions prior to the submission of planning applications and assist officers and members in determining planning applications.

The NPA is responsible for developing, implementing and monitoring policies to enable the provision of affordable housing in the National Park. The provision of affordable social housing, including tenure-neutral schemes (i.e. those available either for rent or shared ownership) is the responsibility of the respective unitary housing authorities and housing associations.

The purpose of this guidance note is to:

- Supplement or elaborate on approved UDP policies.
- Take account of national guidance.
- Aid implementation of approved UDP policies

2. Definitions

To avoid confusion a very strong distinction must be drawn between “Affordable Housing” and “Local Needs Housing”. The market is capable of providing housing in sufficient quantities for local needs; but this open market housing may well be offered at above the level that is affordable to those in most need. Affordable housing must be available sufficiently below market levels so as to be accessible to those whose means precludes them acquiring housing on the normal market.

“Affordable Housing”

"For the purposes of the UDP "affordable housing" is defined as properties for rent at registered social landlord benchmark rent levels and intermediate housing, such as properties available for low cost home ownership, in accordance with Welsh Assembly Government or other recognised criteria."
(UDP 5.111)

“Housing Need”

In establishing the need for affordable housing in any community the authority will have regard to several sources of data, these will include such sources as, previous Local Housing Needs Surveys, Community Housing Needs Surveys, Local Authority and Housing Association waiting lists and the statutory County-wide Housing Market Analysis.

In terms of the need for Affordable Housing the following Welsh Office definition is still valid:

"The term (Affordable Housing) describes the circumstances where a household is living in housing which falls below minimum standards or fails to meet their essential needs in other ways and does not have sufficient income to rent or buy even the cheapest housing at prices prevailing in the housing market".

Local Housing Needs Assessment - A Good Practice Guide, Welsh Office (May 1999)

What type of affordable housing is needed in the Brecon Beacons National Park (BBNP)?

On the basis of the data sources mentioned above and in the light of given definitions the identified need in the BBNP is primarily for social rented accommodation. There is also an identified need for some low cost home ownership.

To meet this need the UDP establishes that, on sites where 3 or more dwellings are proposed, a **minimum** of 20% of those dwellings will be required to be affordable housing. This will reflect identified local need and may increase according to local circumstances. This will be considered in concert with the relevant housing authority.

“Local Needs”

The UDP (5.112) states:

“Permissions will be subject to conditions or a Section 106 Agreement will be negotiated, to ensure all initial and subsequent occupiers will be local people in housing need who will benefit from the affordable status of the dwelling.”

In section 5.113 it adds: “To qualify as ‘local’ persons would have to:-

- be currently living in the community, or
- demonstrate a link with the community or
- be needed to fulfil a social service, or
- be employed in an important local service

In deciding what is “local” a concentric circle or cascade approach is applied so that applicants from the Community Council area are considered first followed by those from adjacent Community Council areas. In this way the applicants most closely fitting the stated criteria are given priority. Where Local Housing Authority policies impose a minimum time period for residence this shall also apply.

“ **Who will benefit?**”

Affordable Housing is intended to address the need of those who, needing accommodation, are unable to provide for themselves in the local housing market. In order to qualify for accommodation in any scheme applicants will need to prove this eligibility. Where the housing is social rented this will be through the normal waiting list and allocation processes of the Social Landlord.

Where intermediate housing, such as Low Cost Home Ownership, Equity loans or any similar scheme is involved eligibility criteria will also have regard to the relationship between median local income levels and the sale price of the property/equity share. The intention being to ensure that those most in need and who are unable to satisfy their needs on the open market shall benefit from Affordable Housing provision.

This benefit shall be for first **and** subsequent occupiers and shall be protected by a section 106 agreement to ensure affordability in perpetuity.

“Section 106 Agreement”

Section 106 of the Town and Country Planning Act 1990 (Substituted by the 1991 Act) makes provision for agreements between planning authorities and developers to lay down obligations (Planning Obligations) in the context of the granting of planning consent. Section 106 agreements are intended to be impact mitigation or a positive planning measure. (DoE Consultation Document 2004)

The BBNPA sees Affordable Housing as a positive planning measure.

A section 106 agreement will be required by the BBNPA in relation to all developments incorporating an element of Affordable Housing.

3. *Rural Housing and Local Needs*

The specific nature and requirements of the National Park mean that the majority of its settlements are rural and, apart from the principal settlements, the pattern of housing need reflects this scattered rural character. The housing market in the Park makes it difficult for some local people to compete for housing against others with higher disposable incomes or capital assets.

In order to address this particular question the Park Authority has entered into partnership with Powys and Monmouthshire county councils as well as partner Housing Associations to fund the provision of a Rural Housing Enabler (RHE). The remit of this post is to work with local communities to identify need and possible sites for the provision of affordable housing to address that need.

The RHE provides a major part of the evidence base on which decisions regarding affordable housing provision are made.

Alongside the work of the RHE the UDP makes provision for a “concentric circle” or cascade approach to be applied so that affordable housing provision is targeted primarily at the Community Council area. This will be explained more fully below.

4. *Policy Background*

In Wales the core strategic background for planning is laid out in People, Places, Futures – the Wales Spatial Plan (WAG November 2004) and given context by Planning Policy Wales and a range of Technical Advice Notes (TANs) dealing with specific subject areas. The TAN relevant to Affordable Housing is TAN 2, published in February 2006.

For the BBNPA the current policy document is the Unitary Development Plan (UDP) approved by the Authority in March 2007, within which the relevant policies are the following:

Policy ES29: Enabling Affordable Housing

Where there is evidence of a proven need, the NPA will seek to negotiate with developers the provision of an element of affordable housing on all housing sites of 3 or more dwellings. The element of affordable housing will be a minimum of 20% of the total number of dwellings to be provided on the whole site. The NPA will ensure that the housing provided is always available as affordable housing for local people.

Where a proposal is for 3 or 4 dwellings the NPA may agree to a land swap for an equivalent piece of land on which to provide the affordable

housing, or exceptionally to accept a commuted sum payable to the relevant Unitary Housing Authority to enable the provision of affordable housing in the local area.

And:

Policy ES30: Enabling Affordable Housing Outside Development Limits

Exceptionally, development for affordable housing will be permitted on sites in or adjoining and forming a logical extension to appropriate settlements, to meet a proven local need that cannot be met in any other way, where a local need has been established by a housing needs survey. Such permission will only be granted if:

- i) the dwellings can be controlled, tied to a legal agreement or other mechanism which restrict their occupancy to people with a proven local need for accommodation that cannot be met in any other way; and**
- ii) the proposal can demonstrate that any dwellings built will be affordable to those for whom the need is proven, and that the benefit of affordable housing will be enjoyed by successive as well as the initial occupiers of the property.**

These policies are to be seen and understood in the context of the work of a National Park Authority, which in the case of the BBNPA is to engender:

A partnership of all those who live and work in, enjoy or care for the Brecon Beacons National Park to conserve its beauty, character and tranquillity, its natural and cultural heritage and its way of life, both for their own sakes and in order that the Park may continue to be a source of inspiration and enjoyment for all.

(Park Management Plan 2000 – 2005, currently under review)

5. Options for Provision of Affordable Housing

Under ES29, within development limits, the Authority will negotiate with developers the provision of an element of affordable housing on all housing sites of 3 or more dwellings.

Where a development is proposed to meet the identified need of a community on a site outside the development limit, i.e. a “*Rural Exception Site*” then policy ES30 applies and **only** affordable housing will be permitted. See *Flowchart 2 (ES30) for detail*.

Sections 6, 9, 10 & 11 of this guidance apply equally to developments under ES30.

Ideally, in order to address local need for affordable housing, the provision should be on site. **This is the expectation of the BBNPA.** However, there may arise circumstances in which on site provision is not feasible. (See Flow Chart 1 (ES29) for detail.)

Where a site is proposed for 3 or 4 dwellings, and provision on site is demonstrated to be unachievable or undesirable from the BBNPA point of view, then an alternative site may be proposed for the Affordable Housing. If no such alternative site can be identified then, and as a last resort, a payment in lieu of the provision (commuted sum) may be considered. See *Flowchart 1 (ES29) for detail.*

In every case this will be negotiated and the final decision remains with the Authority.

Where either an alternative site or a commuted sum is agreed the level of that provision or commuted sum shall be calculated to reflect a similar contribution level to that which would be made by on site provision. A formula for calculating commuted sums is appended. (Appendix 5)

6. Delivering Affordable Housing.

As the responsible Planning Authority the BBNPA acknowledges the role of the Local Housing Authorities in the delivery process of Affordable Housing.

Therefore the relevant competent Housing Authority's policies shall prevail in the **delivery** process of Affordable Housing under this guidance.

7. Affordable Housing and Listed Buildings.

The Brecon Beacons National Park is rich in historic buildings with more than 1500 currently listed by CADW.

Whilst there is no particular statement in the UDP regarding listed buildings and Affordable Housing it is clear that all proposals for conversion of listed buildings that might trigger policy ES29 should also be considered under the policies relevant to listed buildings, specifically Q14, Q15 and Q16 and Listed Building Consent will be required.

The integrity of listed buildings is very important. Factors that affect this integrity may be taken into account in the negotiation of the specific Affordable Housing contribution.

A section 106 agreement will be required by the BBNPA in relation to all Listed Building developments incorporating an element of Affordable Housing.

8. Levels of Provision

Where proposed sites are within development boundaries of settlements the Authority shall seek a *minimum* of 20% of the development to be affordable housing provision as discussed above. The actual percentage requirement shall be decided on the degree of need within the Community Council area as evidenced in the ways described above. The availability of land within that Community Council area shall also be a factor in this consideration. Where evidenced need is high the percentage shall reflect this in concert with the relevant Housing Authority's policies.

9. Ensuring Continuity of Affordability

The 1990 Town and Country Planning Act provides for legal agreements to be entered into between planning authorities and developers in order to link the granting of planning permission to certain requirements such as ensuring the provision of affordable housing.

The UDP requires that housing be developed that is affordable not only to the initial occupier but also to subsequent occupiers "in perpetuity". In order to achieve this a section 106 agreement will be required in each case and shall reflect the policies of the UDP.

10. Calculating Affordability

Section 5.112 of the UDP states that the section 106 agreement will ensure that "*all initial and subsequent occupiers will be local people in housing need who will benefit from the affordable status of the dwelling*"

The phrase "local people" has been defined above. (Section 2., Definitions)

Where dwellings are transferred to an RSL for Social Rent their affordability is controlled by the norms of social rent levels as set by the Welsh Assembly Government.

In calculating the affordability of low cost home ownership products the relevant Housing Authority's policies will prevail.

Any occupant entering into a low cost home ownership agreement shall be limited in their capacity to "staircase" so that the RSL always maintains a minimum stake in the

property. The BBNPA preferred minimum figure being 30% equity retention by the RSL, which may be higher where local circumstances or Housing Authority practices demand.

This limitation shall form part of the Section 106 agreement.

The option of providing neutral tenure (or flexible tenure) housing is also available to the RSL. This enables the RSL to retain control of the dwelling to enable occupancy to interchange between rented and part owned according to the circumstances of the occupant and evidenced local need.

Where this flexibility of tenure is proposed a **maximum** of 20% of the properties on a given site shall be LCHO at any given time.

This limitation shall form part of the Section 106 agreement.

11. *Financial Eligibility*

Information on eligibility is available from the relevant Local Authority Housing Department, the Rural Housing Enabler or the relevant Housing Association.

APPENDIX I

USEFUL CONTACTS:

Affordable Housing issues within Brecon Beacons NPA And Powys County Council

The Affordable Housing Officer
Brecon Beacons National Park Authority
Plas Y Ffynnon
Cambrian Way
Brecon
LD3 7HP

] 01874 624437  terry.flynn@breconbeacons.org

Monmouthshire County Council

Senior Strategy & Policy Officer
Monmouthshire County Council
County Hall Cwmbran NP44 2XH

] 01633 644474  shirleywiggam@monmouthshire.gov.uk

Rural Housing Enabler (South Powys & North Monmouthshire)

The RHE, 9, Neville Street,
Abergavenny
NP7 5AA

] 01873 854526  david.james@rhe-monandpowys.co.uk

Carmarthenshire County Council

Housing Strategy Officer
Carmarthenshire County Council,
County Hall, Carmarthen, SA31 1JP.

] 0845 658 0445  MMiller@carmarthenshire.gov.uk

APPENDIX 2

The following Housing Associations, along with members of their relevant consortia, are zoned by the Welsh Assembly Government to develop within the Park area

Gwalia Housing Group

Ty Gwalia
10-13 The Kingsway
Swansea
SA1 5JN
☎: 01792 460609 ✉: ghg@gwalia.com Website: www.gwalia.com

Melin Homes

19 Neville Street
Abergavenny
NP7 5AA
☎: 01873 857531 ✉: info@gwerin-ha.org.uk Website: www.gwerin-ha.org.uk

Fairlake Properties

Exchange House
The Old Post Office
High Street
Newport
NP20 1AA
☎: 01633 679977 ✉: fairlake@solas-cymru.co.uk
Website: www.charterbychoice.co.uk (and follow link to Fairlake)

Mid-Wales HA

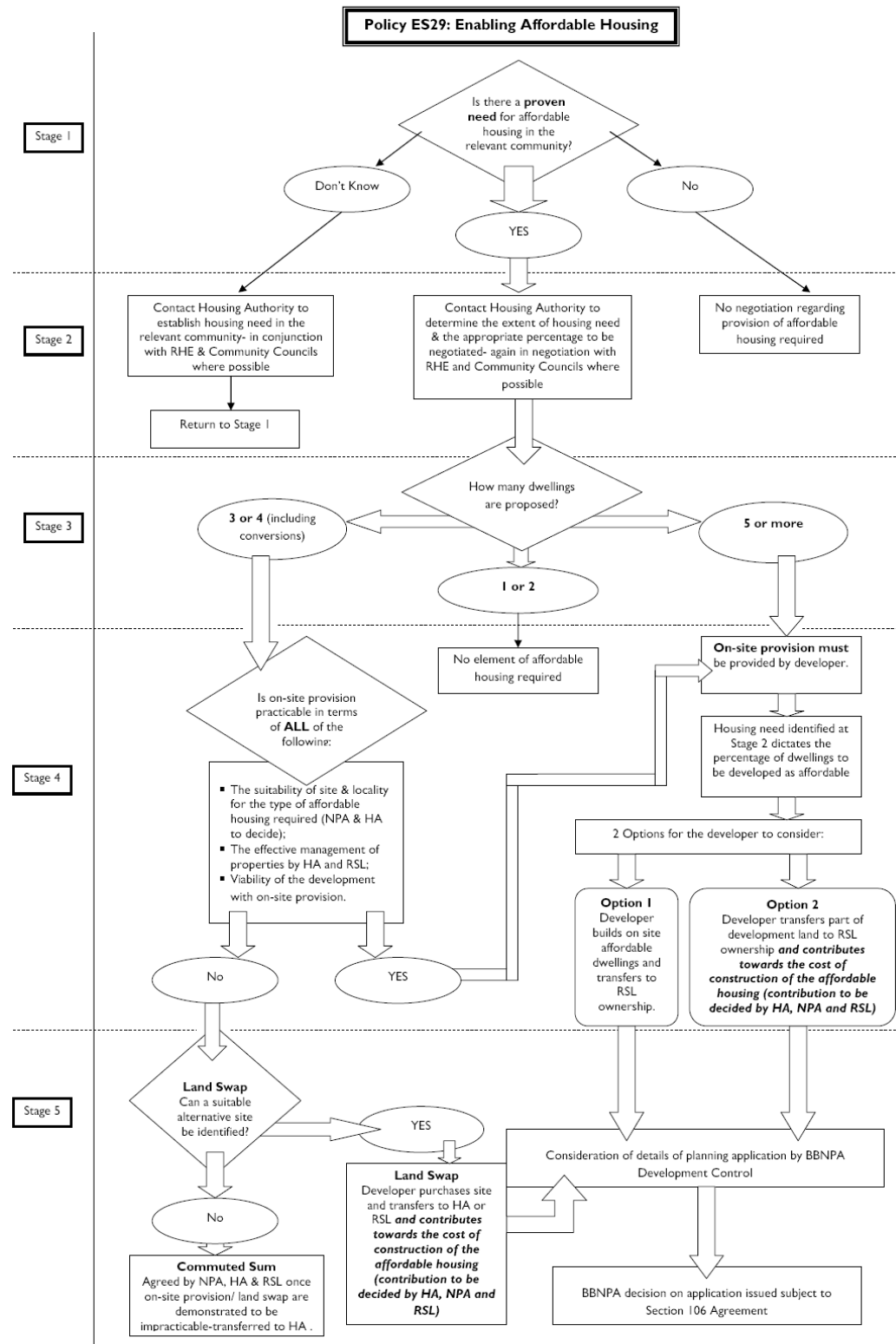
Bryn Aderyn
The Bank
Newtown
SY16 2AB
☎: 01686 627476
✉: post@mid-walesha.co.uk Website: www.mid-walesha.co.uk

Wales & West HA

3 Alexandra Gate
Ffordd Pengam
Tremorfa
Cardiff
CF24 2UD
☎: 0870 013 1930 ✉: enquiries@wwha.co.uk Website: www.wwha.net

APPENDIX 3

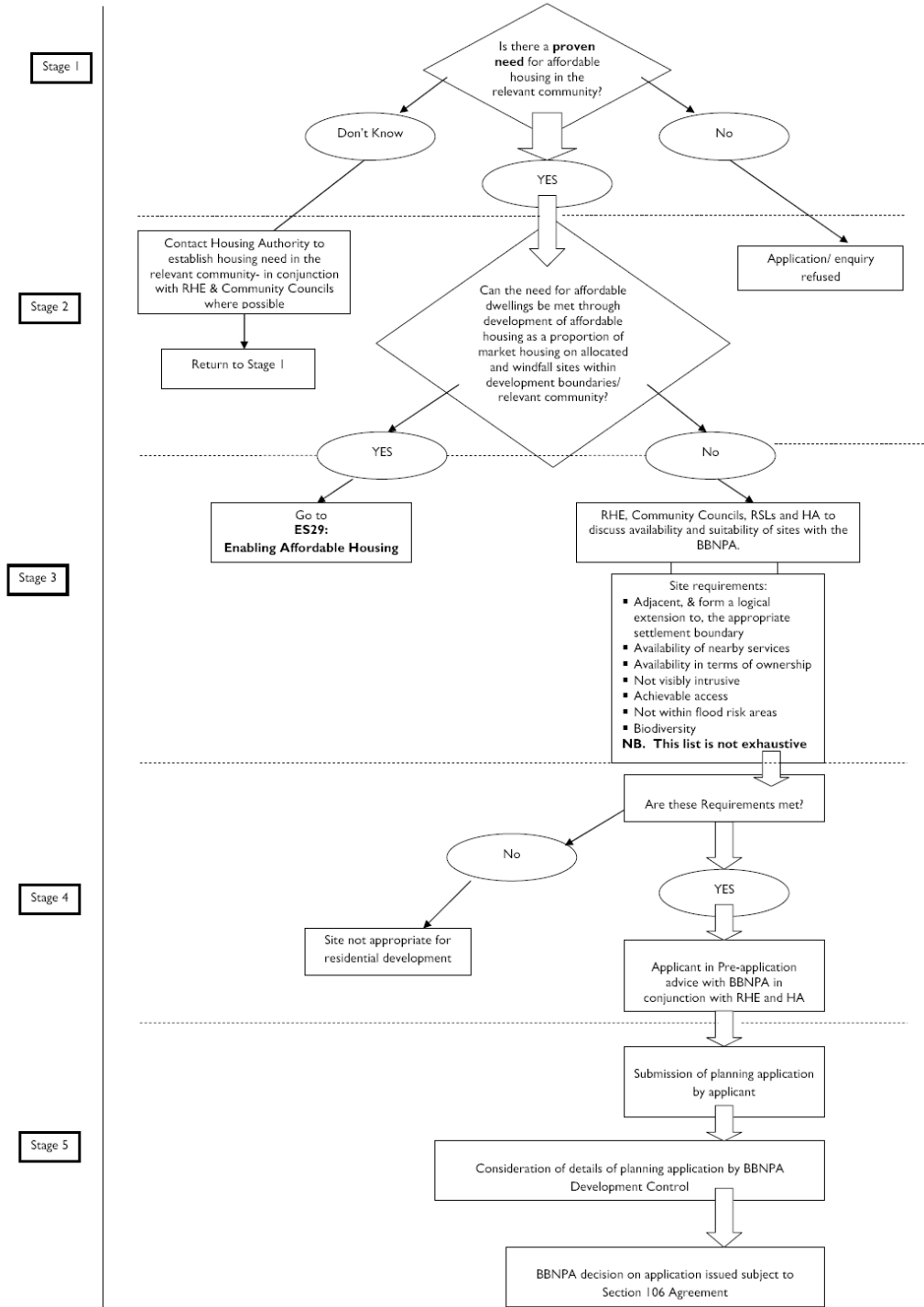
BBNP UDP: Affordable Housing Requirements on Applications for Residential Development
 (For use on all applications for residential development)



APPENDIX 4

BBNP UDP: Development of Affordable Housing Outside Development Limits (For use on all applications for affordable housing outside development limits)

Policy ES30: Enabling Affordable Housing Outside Development Limits



APPENDIX 5

Where it has been demonstrated that on site provision is either unachievable or undesirable to the BBNPA and an alternative site cannot be identified a commuted sum may be considered.

(This shall only apply on schemes within development limits since schemes outside the limits fall under ES30 and require 100% affordability.)

Such a sum is payable to the relevant housing authority and shall be used on a site or sites within the relevant Unitary Authority area of the Park and within a five year period of the payment being made. The allocation of this spending shall be according to a similar principle to that described for eligibility of applicants; i.e.:

- First consideration should be to spend it within the same Community Council area as the original application.
- If no site is available within that Community Council area then spending on provision within the area of the Unitary Authority within the Park shall be considered.
- Only where no such site can be developed should the funding be used by the Unitary Authority outside the Park's boundaries.

This payment shall be made to the housing authority at or before the commencement of the development and shall form part of the section 106 agreement.

In calculating this sum consideration shall be given to the number and type of dwellings that would have been required on site. Once this mix is agreed the following formula can be applied:

$$\mathbf{ACG \text{ £ per unit } \times \% \text{ SHG } \times N = \text{£ contribution}}$$

Where:

ACG = Acceptable Cost Guideline (ACG) for each type of unit of accommodation, being the current ACG published by Welsh Assembly Government applicable to that type of unit, adjusted as necessary by appropriate Key and Supplementary Multipliers.

SHG = Social Housing Grant (SHG) rate. SHG is normally expressed as a total proportion of actual scheme costs that will be funded by Welsh Assembly Government or the Council.

N = Number of affordable housing units (rounded up to the nearest whole unit).