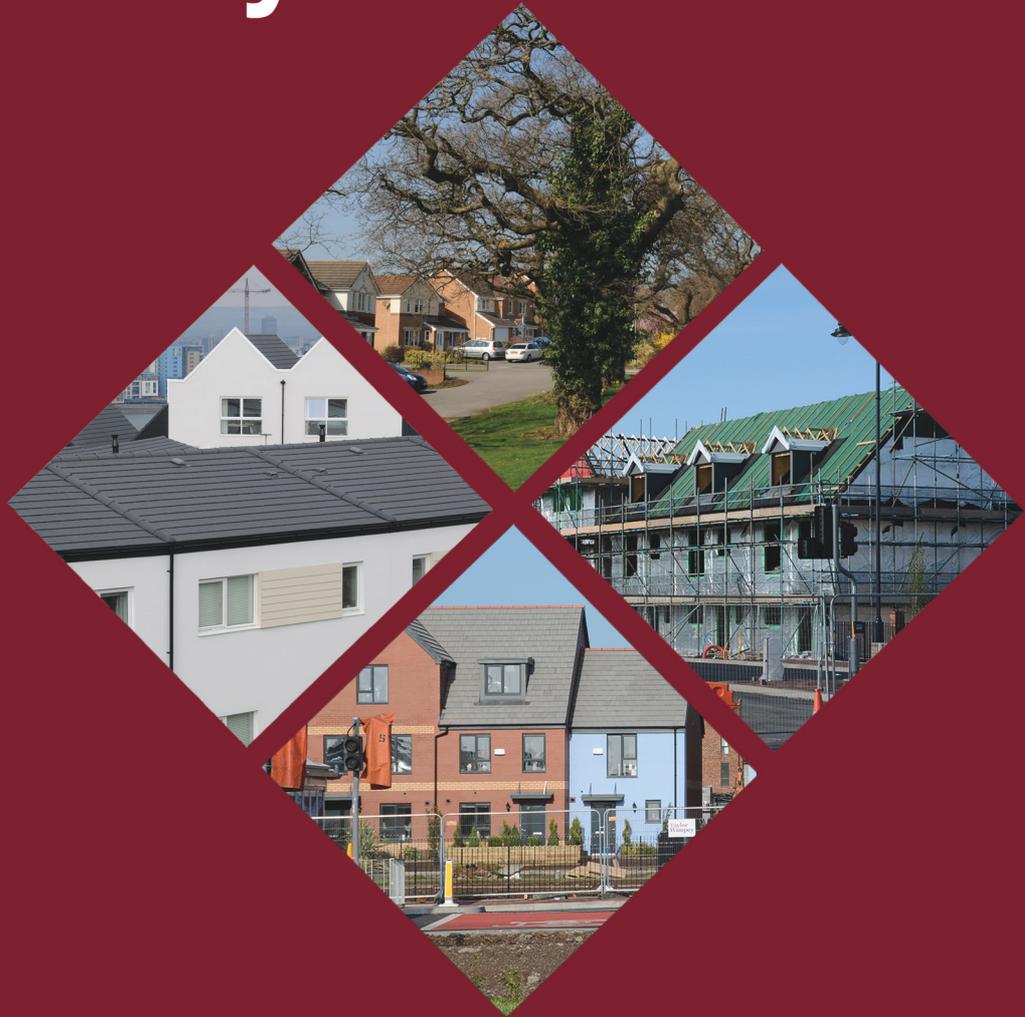


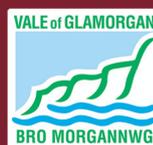
Vale of Glamorgan Local Development Plan 2011-2026

# Affordable Housing Delivery



Update Paper

2015





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## 1. Introduction

1.1 Strategic Policy SP4 "Affordable Housing Provision" of the Vale of Glamorgan Deposit LDP (DLDP November 2013) set a target of 2694 dwellings to be provided over the Plan period 2011 and 2026. Following a review of the Council's affordable housing viability background evidence, contained within the Vale of Glamorgan Affordable Housing Viability Update Report September 2014, the Council has proposed as a Focused Change to the DLDP and amendment to Policy MG4 Affordable Housing Provision. The purpose of this paper is to provide an update on the anticipated affordable housing target to be provided as a consequence of the proposed Focussed Change. The paper also provides an update on the level of affordable housing secured between April 1<sup>st</sup> 2011 and April 1<sup>st</sup> 2015.

## 2. Planning Policy Context for Affordable Housing

2.1 The policy context for the provision of affordable housing through the planning system is set out in Planning Policy Wales (Edition 7, July 2014) (PPW) and Technical Advice Note 2 (TAN) Planning for Affordable Housing, which defines affordable housing in relation to the planning system as being:

*"Social rented housing owned by local authorities and registered social landlords 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 referred to as 'market housing', that 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 planning authority."* (Paragraph 9.2.14)

2.2 PPW requires LDPs to include the following policy requirements:

- *An authority-wide target for affordable housing (expressed as numbers of homes) based on the LHMA and identify the expected contributions that the policy approaches identified in the development plan (for example, site thresholds, site specific targets, commuted sums and affordable housing exception sites) will make to meeting this target. The target should take account of the anticipated levels of finance available for affordable housing, including public subsidy, and the level of developer contribution that can be realistically sought. In principle all new market housing may contribute to meeting the need for affordable housing. (Paragraph 9.2.16)*
- *Site capacity thresholds for residential developments above which a proportion of affordable housing will be sought from developers. This applies both to sites specifically allocated in the development plan and to unallocated sites and will normally take the form of on-site affordable housing contributions. Site specific targets are indicative affordable housing targets for each residential site and for each mixed-use site which includes a residential component. For sites which fall below the site threshold local planning authorities may secure commuted sums using a section 106 agreement. Commuted sums should be*

*used by the local planning authority solely for facilitating or providing affordable housing. (Paragraph 9.2.17)*

- 2.5 In setting the above policies, TAN 2 also places a requirement on local planning authorities to ensure that the targets and thresholds for affordable housing set out in LDPs are based on a robust assessment of site viability:

*"The target should take account of the anticipated level of finance available for affordable housing, including public subsidy, and the level of developer contribution that can realistically be sought". (Paragraph 9.1)*

- 2.6 The remainder of this report sets out how the LDP satisfies the requirements for the provision of affordable housing prescribed above.

### **3. Vale of Glamorgan Affordable Housing Viability Study Review (September 2014)**

- 3.1 Following Representations made on the DLDP, in 2014 the Council commissioned Dr Andrew Golland to undertake a review of the Council's original 2010 Affordable Housing Viability Assessment (AHVA).

- 3.2 The purpose of the review was to test the assessments contained within the 2010 study, which informed the affordable housing thresholds and site targets set out in DLDP under Policy MG4 Affordable Housing, taking account of changes that have taken place since the original 2010 study, as summarised below:

- Changes in the key variables affecting development viability, namely house prices and build costs;
- Additional guidance on viability assessment for local authorities, most notably the Harman Report (2012);
- National planning policy updates; notably Planning Policy Wales (2014) and the potential impact of CIL (The Community Infrastructure Levy);
- Building regulations; notably Part L and the requirement for sprinkler systems to be designed in new homes from January 2016.

- 3.3 The findings of the 2014 AVHA reaffirm that within the Vale of Glamorgan, development viability remains strong. Indeed the report findings indicate that higher affordable housing targets than that identified in policy MG4 of the DLDP are justified on the basis of the viability testing. The report recommends that the area targets under policy MG4 be amended to reflect the following:

- 30% Affordable Housing Target on sites resulting in a net dwelling gain of 5 and above in Barry;
- 35% Affordable Housing Target on sites resulting in a net dwelling gain of 5 and above in Llantwit Major, Rhoose and St Athan, and
- 40% Affordable Housing Target on sites resulting in a net gain of 1 dwelling elsewhere.

3.4 On the basis of the latest 2014 AHVA study the Council are proposing as a Focused Change to the DLDP to amend Policy MG4 to take account of the above recommendations. Whilst this matter will be subject to further scrutiny during the LDP Examination in Public, the following section sets out how the proposed policy change will affect the overall LDP housing target identified under Strategic Policy SP4.

#### 4. Delivery of Affordable Housing through the Vale of Glamorgan LDP

4.1 Policy SP4 Affordable Housing Provision on the DLDP, identified a target of 2694 affordable dwellings over the plan period, based on the analysis of the levels of affordable housing delivered from the following sources originally identified within the Council's 2013 Affordable Housing Background Paper.

4.2 In light of the Council's proposed changes to Policy MG4, and the granting of planning permission on a number of site allocations within the DLDP, the following section provides an update on the number of dwellings anticipated from each source.

##### (i) Contribution from sites allocated for housing within the LDP -

4.3 Since the publication of the DLDP, a number of sites allocated within the DLDP under Policy MG2 have been completed, are under construction or have received planning permission. **Table 1** provides an update of the affordable housing secured or delivered to date by the Council on these sites. This indicates that at April 2015 a total of 698 affordable dwellings had been secured on MG 2 sites with planning permission, including 78 completed units.

Table 1: Affordable Dwellings Secured On MG2 Allocations (April 2015)			
MG2 Site		Affordable Units Secured	Notes
1	Phase 2 Barry Waterfront	62	Site under construction
2	Land at Higher End, St Athan (part)	30	Granted Subject to S106
8	Barry Island Pleasure Park, Barry Island	0	Part site granted for 25 dwellings Granted Subject to S106
9	White Farm, Barry	36	Site under construction
10	Land to east of Pencoedre Lane, North East Barry	20	Site complete
12	Ysgol Maes Dyfan ( Phase 1)	15	Granted Subject to S106
13	Barry Magistrates Court	52	Site complete
17	Cowbridge Comprehensive Lower School	6	Site complete
21	Plasnewydd Farm, Llantwit Major	45	S.106 signed
28	Land at adjoining Ardwyn, Pen y Turnpike	6	S.106 signed
33	Land north of the Railway Line, Rhoose	211	S.106 signed
34	Land south of the Railway Line, Rhoose Point	26	Site under construction
35	Land to the West of Port Road, Wenvoe	33	Includes off site contribution

38	Land to the rear of St. David's Church in Wales Primary School, Colwinston	23	Includes off site contribution
39	ITV Wales, Culverhouse Cross	54	S.106 signed
40	The Garden Emporium, Fferm Goch	12	Site under construction
41	Ogmore Residential Centre	21	S.106 signed
42	Ogmore Caravan Park	32	S.106 signed
45	Land off Sandy Lane, Ystradowen (Part) Badgers Brook Rise	14	S.106 signed
<b>Number of dwellings secured/completed</b>		<b>698</b>	

4.4 In addition at April 2015, the Council was in receipt of a number of planning applications for MG2 housing sites, and whilst these were yet to be determined by the Council, **Table 2** below identifies that these site have the potential to deliver 481 affordable dwellings.

**Table 2: Sites currently subject to planning applications not determined**

MG2 Site		Number of Affordable Dwellings Proposed
12	Ysgol Maes Dyfan (remaining)	10
20	Land to the north and west of Darren Close, Cowbridge	137
22	Land adjacent to Llantwit Major by pass	20
24	Land adjoining St. Josephs School, Sully Road	19
27	Land off Caerleon Road, Dinas Powys	27
29	Land at Cross Common Road	18
31	Land north of Leckwith Road	5
43	Land to the East of St Nicholas (part)	26
43	Land off St. Brides Road, Wick	44
46	Land West of Swanbridge Road, Sully	175
<b>Number of dwellings proposed</b>		<b>481</b>

4.5 As indicated above the Council propose to amend the affordable housing requirements of LDP Policy MG4 Affordable Housing to reflect the recommendations of the Council's latest 2014 viability evidence. **Table 3** overleaf provides an indication of the anticipated level of affordable housing on MG2 housing allocations which are not the subject of any extant planning permission or applications submitted to the Council for consideration

4.6 This indicates a further 887 affordable dwellings may be delivered through Policy MG4 as amended by the proposed Focused Changes. It should be noted that whilst the overall figure summarised below includes 15% affordable housing at Barry Waterfront, the final contribution from the remaining phases will be reliant on future viability testing in line extant agreements.

Table 3 : Anticipated Affordable Housing Requirement (Revised Policy MG4)

MG2 Site		Number of Affordable Dwellings Proposed	Revised Policy Requirement
1	Phase 2 Barry Waterfront (remaining phases)	193	15%
2	Land at Higher End, St Athan (part)	35	35%
3	Land at Church Farm, St Athan	77	35%
4	Former Stadium Site / Land adjacent to Burley Place, St Athan	23	35%
5	Land to the east of Eglwys Brewis, St Athan	105	35%
6	Land adjacent to Froglands Farm, Llantwit Major	32	35%
7	Land between new Northern Access Road and Eglwys Brewis Road, Llantwit Major	132	35%
11	Land to west of Pencoedtre Lane, North East Barry	12	30%
14	Court Road Depot	15	30%
15	Holm View (in part)	15	30%
16	Hayes Wood, The Bendricks	17	30%
18	Cowbridge Comprehensive Sixth Form Block, Aberthin Road	8	40%
19	Land adjoining St Athan Road, Cowbridge	52	40%
23	Land at Upper Cosmeston Farm, Lavernock	94	40%
23	Headlands School, St. Augustine's Road	26	40%
26	Land at and adjoining St. Cyres School, Murch Road	120	40%
30	Land south of Llandough Hill/Penarth Road	52	40%
32	Llandough Landings	48	40%
20	Land adjoining Court Close, Aberthin	8	40%
44	Land off Sandy Lane Ystradowen (part)	16	40%
<b>Total</b>		<b>887</b>	

4.7 From the above analysis, the Council anticipate that the allocations within the LDP are able to contribute approximately **2259** affordable dwellings over the plan period.

4.8 The level of affordable housing identified above is based on a presumption that sites allocated in the plan and windfall developments would all be delivered by private market developers, and that the levels of affordable housing on sites currently being considered by the Council would deliver the requirements set out in the original DLDP. Therefore, the actual number of affordable housing delivered through the LDP housing allocations could be greater.

**(ii) Contribution from Large Windfall sites of 10 or more units**

4.9 Although an assessment of the likely spatial distribution of windfall sites has been used in other background papers (based on an analysis of previous windfall developments), it is difficult to project where these will arise on sites of 10 or more units. Based on the provision of 1590 units<sup>1</sup> during the plan period on such sites, it is anticipated that large

<sup>1</sup> Based on Housing Land Supply Background Paper (2013)

windfall sites during the plan period will contribute approximately 556 affordable dwellings. This has been derived by applying a percentage contribution of 35%, this being the medium point between the 30% and 40% of the affordable housing requirements detailed in the proposed revision to LDP Policy MG4.

**(iii) Contribution from Small Windfall sites between 5 and 9 dwellings**

4.10 Based on previous trends, the Council has identified that some 33% of small windfall contributions (284 dwellings) originated on sites between 5 and 9 units between 2000 and 2010. Projecting this forward and against the windfall projections identified in the Housing Supply Background Paper (2013), and applying a 35% affordable housing requirement, the Council estimates that some 99 dwellings will potentially be provided on sites between 5 and 9 units over the plan period (previously estimated to be 92).

**(iv) Contribution from Small Windfall sites between 1 and 4 dwellings**

4.11 The LDP shall seek a contribution towards the provision of affordable housing from all new residential developments within the Penarth, East Vale and Rural Vale housing markets resulting in a net gain of 1 dwelling (excluding barn conversions and residential conversion of a single dwelling). This would be in the form of either a financial contribution – legally termed as a commuted sum – or through the provision of affordable dwellings. Given the nature of these smaller windfall developments, it is difficult to project the number of dwellings that will be delivered through sites of 1-4 dwellings over the lifetime of the LDP particularly where the Council receives commuted sums which will be utilised to secure affordable housing. Therefore a dwelling allowance from this source has not be accounted within the overall LDP affordable housing target, and the Council propose to record in its annual monitoring report the number of affordable homes secured on sites of 1-4 units, as well as the contribution from commuted sums received.

**5. Conclusions**

5.1 The analysis of affordable housing contributions from sites allocated for development in the LDP and projected windfall sites indicate that some 78% of affordable housing will be delivered site allocations within the Plan, and 22% on large and small windfall sites as summarised in Table 5 below:

Table 5 : Anticipated Affordable Housing Units by Source		
Source	Dwellings	Percent
Housing Allocations	2259	78%
Large Windfall Developments (10 or more dwellings)	556	19%
Small Windfall Developments (above 5 units)	99	3%
Small Windfall Developments (between 1 and 4 dwellings)	To be monitored annually	
Total Affordable Units	2914	





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