

Hearing Session 4

AFFORDABLE HOUSING

2.00 pm, Thursday 8 September 2016

**Anglesey and Gwynedd Joint Local
Development Plan**



**CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL**

This Statement has been produced by the Isle of Anglesey County Council and Gwynedd Council to set out their response to the matters and issues raised by the Inspector for the Hearing relating to the Economy – Employment, Retail and Tourism in the submitted Anglesey and Gwynedd Joint Local Development Plan.

This Statement relates to the elements of the Plan that have been raised by the Inspector as matters to be discussed. Where appropriate the Statement draws on and cross-refers to the main sources of information used in the preparation of the Plan such as the outcomes of public consultation, the Sustainability Appraisal, the Background Documents and the supporting Topic Papers. Document reference numbers are given where appropriate.

For the purpose of clarity within this statement any Matters Arising Changes suggested to the Deposit Plan and/or a Focussed Change to the Plan, is shown in bold **Red** and underlined. Any Focussed Change text to the Deposit Plan is shown in **Bold** underlined text.

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Matters & Issues Agenda

1	Introduction
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2	Procedural Matters
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3	Is the level of affordable housing need (including the required tenure mix) over the Plan period based on robust evidence?
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- 3.1 **Response** - Yes. The Anglesey Local Housing Market Assessment (LHMA) (May 2013) (DC.025) and the Gwynedd Draft LHMA (2013) (DC.026) were prepared on the basis of the guidance issued by the Welsh Government for creating a LHMA. They build on the North West Wales LHMA Baseline Report (2008) a copy of which can be viewed on the following link: https://www.conwy.gov.uk/upload/public/attachments/441/NWWLHMA_baseline_report_November_2008.pdf This report identified 9 House Market Areas completely or partly in the Plan area (3 on Anglesey with one, the Menai area, also partly in Gwynedd and 7 either completely or partly within the Gwynedd Planning Area).
- 3.2 The Anglesey LHMA (2013) considered the 12 House Price Areas identified in the Affordable Housing Viability Study (AHVS) (2013) (DC.001). However it identified 3 market areas with their boundaries based upon clear distinctions between the housing markets and the existing movement patterns of households. These 3 areas consist of different geographical areas to the 3 market areas identified on Anglesey in the 2008 Baseline Report of 2008.
- 3.3 The Draft Gwynedd LHMA incorporated the market areas as agreed in the previous Baseline Report of 2008.
- 3.4 Both the Anglesey Local Housing Market Assessment (LHMA) May 2013 (DC.025) and Gwynedd Draft LHMA 2013 (DC.026) have identified a significant level of affordable need within the Plan area. This of course provides a snapshot at that moment in time. In fact this is acknowledged in paragraph 1.14 of the Local Housing Market Assessment Guide (March 2006) (Welsh Assembly Government) which states "It is accepted that housing assessments are essentially a snapshot of the position at a particular time...".
- A link to the Local Housing Market Assessment Guide (2006): <http://gov.wales/topics/housing-and-regeneration/publications/marketassessguide/?skip=1&lang=en>
- 3.5 Based upon the Welsh Government methodology for calculating need the studies showed a need for 635 dwellings on Anglesey and 709 in Gwynedd per annum for

the next 5 years (it should be noted the Gwynedd figure is for the Gwynedd Local Authority area which includes a large part of Snowdonia National Park which is outside the JLDP area).

- 3.6 Topic Paper 17A 'Local Market housing' (PT.029) provides further evidence of the need for affordable housing. This can be seen within the table under paragraph 10.9 of the Topic Paper, which identifies households 'Priced out of the Market' based on the percentage of households that have an income below 1/3.5 x lower quartile house price. Based on this assumption, 81 out of the 100 wards within the Plan area have over 50% of their households priced out of the market i.e. household income below 1/3.5 of the lower quartile house price in the same ward. It should be acknowledged that this is a worst case scenario and does not take into account any savings or other assets households may have to assist in purchasing properties. Therefore, it shouldn't be used to determine the overall need. However it does show the high level of variation between incomes and house prices in the area and the need for affordable housing.
- 3.7 The Economic Strategy in Chapter 6 of the Deposit Plan (CDLL.004) outlines the anticipated transformational economic change arising from the unique scale of major infrastructure projects on the Isle of Anglesey. This change, facilitated by the Island's Enterprise Zone status will hopefully retain a higher proportion of young people within the Plan area, provide opportunities for those who have left to return, as well as encourage migration of economically active households. A proportion of these will require affordable housing and the settlement strategy seeks to ensure that the growth is directed to the most sustainable locations within the Plan area.
- 3.8 The Anglesey LHMA (2013) provides detail on the type of households in need and the size of affordable accommodation required within the different affordable tenures. The Gwynedd Draft LHMA (2013) specifies the level of need by different tenures (Social Rent, Low Cost Home Ownership and Intermediate Rent). It has also apportioned the overall level of housing need by the different housing market areas within Gwynedd.
- 3.9 At a detailed application stage an assessment over the appropriate mix of affordable housing types and sizes will be based upon information available to the Councils within their Housing Waiting Register and access to the Tai Teg Register (which provides an opportunity for residents who are interested in home ownership, but are currently unable to buy on the open market to record their interest) as well as any other assessment provided or deemed required, e.g. a Local Housing Needs Assessment at a ward, parish, settlement level.
- 3.10 Therefore there is clear evidence over a need for affordable housing within the Plan area.

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Is the affordable housing target of 1,400, as identified in policy PS14, appropriate?

a. Does the Plan maximise the delivery opportunities for the provision of affordable housing, including in terms of the percentage contributions sought in the 'housing pricing areas'?

- 4.1 **Response** - Yes. The minimum level of 1,400 affordable homes is based upon the Affordable Housing Viability Study (2013) (DC.001) updated in 2014 (DC.003) and again updated in 2016 (DA.018).

- 4.2 The AHVS followed best practice in Wales and England and considers the financial relationship between residual value against existing use value. It involved High Level Testing (HLT) and testing of generic types of small sites. The HLT looks at residual values across a range of sub markets and densities. It considers a set of affordable housing targets (from 0% to 50%) and the impact of other S106 contributions. The viability assumptions made were supported by consultation via a workshop for developers, housing associations and land owners.
- 4.3 The study suggested three options for policy setting, first a single target of 20% across the Plan area, a two way target 25% and 15% and thirdly a three way target 30%, 20% and 10%. It also concluded that smaller sites are no less viable than larger ones. It is not the size of a site but rather its location that determines viability. The importance of small sites in the Plan area was identified which generates a strong case for low threshold. The Study concluded that there was no reason from a viability viewpoint why thresholds should not be streamlined across the Plan area. It concluded that a threshold needs to be set that maximises the supply of affordable housing in the most resource effective way.
- 4.4 The Councils are of the opinion that this approach is in line with paragraph 9.2.16 of Planning Policy Wales (PPW) (Jan16 Edition 8) (PC.009) in that the AHVS identifies the level of developer contribution that can realistically be sought.
- 4.5 This resulted in different threshold sizes being used for different types of settlements from 5 in the Larger Settlements to only allowing affordable housing in the Clusters. These threshold sizes are lower than those used within existing Development Plans and therefore should help with providing more affordable units with the Plan.
- 4.6 The percentage of affordable housing sought is a varied target based upon 2 categories with the most viable housing price areas expected to deliver 'At least 25%' and the lower value areas expected to deliver 'At least 15%'. A two way split was chosen following an analysis of the anticipated number of affordable units that could be delivered on allocated sites between the two and three way split. In addition stating that the percentage provided is 'At least' will allow the Councils to seek a higher percentage in the higher value areas or should there be a significant upturn in the value of properties in the Plan area.
- 4.7 As outlined in the Explanatory Note – Facilitating Affordable Housing (DA.014b) the Councils are in a position to update the affordable housing table introduced under focussed change NF67 due to the publication of the 2015 Joint Housing Land Availability Studies. If deemed acceptable and appropriate by the Inspector the Councils would like to propose that the further amendment to NF67 as shown below be addressed via Matters Arising Changes to clarify between commitments and anticipated new affordable units (amended figures in **RED**):

Table 1 – Affordable Housing Commitments / Opportunities Identified in the Plan

Category	<u>Allocated</u>	<u>Windfall</u>	Total
Completed units ¹	<u>12</u>	<u>294</u>	206 <u>306</u>
Affordable units in the landbank ²	<u>154</u>	<u>412</u>	471 <u>566</u>
New allocations ³	<u>391 to 415</u>	-	404 <u>391 to 415</u>
Windfall in Service Centres	-	60	60
Windfall in Villages	-	30	30
Clusters	-	224 <u>120</u>	224 <u>120</u>
Subdivide rural buildings	-	10	10
Open countryside	-	10	10
TOTAL	<u>557 to 581</u> (37.3% to 38.3%)	<u>936</u> (61.7% to 62.7%)	1,415 <u>1,493 to 1,517</u>

¹ For the period 2011 to 2015

² Affordable housing land bank figure (April 2015) based on an assessment of which sites are likely to be built.

³ On the basis of 25% or 15% affordable housing provision (based on House Price Area noted in Policy TAI9). Higher figure is due to rounding up.

- 4.8 The Explanatory Note – Facilitating Affordable Housing (DA.014b) has explained a change in the number of affordable housing anticipated from the clusters Category. The figure of 224 units within Clusters was based upon the fact that the Plan identifies 112 Clusters which the policy limits development to a maximum of 2 units per cluster and the fact that only affordable housing could be supported under the policy. However this figure did not take into account the number of open market units with existing planning permission in some of these Clusters (this is due to a current permissive policy for open market housing within Clusters on Ynys Môn). In light of this it is recommended that the figure in relation to Affordable houses delivered through Clusters is reduced to 120 units.
- 4.9 The anticipated affordable provisions in Local / Rural / Coastal Villages, 30 units, is based upon such settlements remaining windfall requirements (i.e. anticipated growth minus completions, and land bank) assessed against the level of historical permissions granted that would trigger the affordable housing threshold for such settlements.
- 4.10 In setting the threshold and percentage of affordable housing sought the Councils has aimed to strike a balance between maximising the delivery of affordable housing

to meet the identified need, whilst ensuring that the viability of a scheme is not undermined to the extent that a proposal is undeliverable.

b. How will the Plan's affordable housing policies ensure a balanced mix of house types, sizes and tenure that are related to the needs of the area?

4.11 **Response** - Criterion 3 (i) within the Policy TAI 9 'Affordable Housing Threshold & Distribution' within the Deposit Plan (CDLL.004) states that all developments will be required to achieve an appropriate mix in terms of housing types and house sizes.

4.12 This is further supported by Policy TAI 1 'Appropriate Housing Mix' and the Supplementary Planning Guidance (SPG) that the Councils intend to produce to support the Plan. The broad structure of these SPGs can be seen in the 'SPG Scope and draft timetable' (DA.010b). In relation to the SPG on Affordable housing the SPG is intended to outline the type of evidence the Councils will expect in relation to the appropriate mix of types and sizes of affordable homes being provided.

4.13 At a detailed application stage an assessment over the appropriate mix of affordable housing types and sizes will be based upon information available to the Councils within their Housing Waiting Register and access to the Tai Teg Register (which provides an opportunity for residents who are interested in home ownership, but are currently unable to buy on the open market to record their interest) as well as any other assessment provided or deemed required, e.g. a Local Housing Needs Assessment at a ward, parish, settlement level.

5 Will the Plan deliver the identified target for affordable housing?

a. Are the affordable housing contributions that are sought viable and based on sound methodologies and assumptions?

5.1 **Response** - Yes. See the response to question 4a above in relation to the Affordable housing Viability Study and updates undertaken in 2013, 2014 and 2016.

b. How has the level of contribution taken into account rising build costs, including the sprinkler requirements introduced into the Building Regulations, and other associated costs?

5.2 **Response** - The Affordable Housing Viability Study (AHVS) (2013) (DC.001) 2014 Update (DC.003) and 2016 update (DA.018) outlines the methodology used which is the Wales Development Appraisal Toolkit. This generic model operates in the majority of local authorities in Wales. It is regarded as the industry standard in Wales and is endorsed by the development industry.

5.3 The Toolkit compares the potential revenue from a site with the potential costs of development before a payment for land is made. In estimating the potential revenue, the income from selling dwellings in the market and the income from producing specific forms of affordable housing are considered. The estimates involve (1) assumptions about how the development process and the subsidy system operate and (2) assumptions about the values for specific inputs such as house prices and building costs.

- 5.4 It is confirmed that the build costs used to assess the residual value for notional one hectare site outlined within chapter 3 of the 2016 AHVS update have incorporated recent build costs. These are based on recent schemes which should now be reflecting the impacts of such items as sprinklers.
- 5.5 It is important to note that viability will be a function of both costs and values. Drawing general conclusions on this relationship across Gwynedd and Anglesey is difficult as whilst costs are generally rising it is likely that selling prices are moving at different paces in different locations. For this reason, policy allows for site specific negotiations.

c. How will off site contributions be used to deliver affordable housing, and what mechanisms are in place to ensure that the levels of contributions sought are realistic and transparent?

- 5.6 **Response** - Paragraph 7.4.68 of the Deposit Plan clearly states that the preference is for on-site provision. However a number of factors may determine that on-site delivery is not appropriate. These factors may be mathematical (the relationship between scale of development and the Affordable Housing target sought), location driven (the site not being sustainable for Affordable Housing) or related to management (housing associations not wanting units in that location).
- 5.7 For these and possibly other reasons, the local authority may agree a payment-in-lieu. However, where a payment-in-lieu is agreed this should normally be an equivalent figure to that which would have been sought on site. In other words, whether an Affordable Housing contribution is on or off-site, should not be related to viability, but to the practical reasons set out in Section 5.5 above.
- 5.8 Commuted sums in both Anglesey and Gwynedd are usually negotiated on a site-by-site basis. A Supplementary Planning Guidance will give further clarification as to when a commuted sum will be necessary and the level of the contribution required. When a commuted sum is deemed acceptable, consideration will have to be given as to whether to maintain the site-by-site approach or alternatively if an approach such as a standardised matrix (as used by other authorities) should be used in order to speed up delivery.
- 5.9 An overview of how both Authorities presently deal with financial contributions for affordable housing in lieu of on-site provision and how this is used to deliver affordable housing, is given as follows:

Anglesey:

- Financial contributions for affordable housing is placed in a ring-fenced reserve which is used solely for the purpose of enabling affordable housing schemes.
- There is currently a service level agreement in place which commits some of the funds to a scheme operated jointly by the Council and the RSL Grwp Cynefin. This scheme has enabled a number of qualifying applicants to receive assistance to acquire an affordable home through the benefit of a Homebuy loan and for some applicants to be able to continue living at their home through the mortgage rescue scheme. The target for 2016/17 is for 6 Homebuy loans and 2 Mortgage Rescue assistance. Grwp Cynefin also contribute a sum to the funding of this scheme.

- The loan only becomes payable when the home is sold. The maximum amount of assistance is £75000.00 and unless otherwise agreed the maximum amount of loan assistance will be 30% of the value of the qualifying property.
- Mortgage Rescue can assist people in mortgage default, who own at least 20% of the equity of their home and would be a priority for re-housing. The maximum amount of assistance is £75000.00. The amount of mortgage default can be paid in return for an agreed % of the equity. The householders will then pay rent on the un-owned %.
- In addition the funds in this reserve can be used to support new affordable housing schemes that are developed by RSL's or through the Authority's new council house building programme.

Gwynedd:

- The Council will work to ensure that it makes the best reasonable use of any financial contribution received to assist in the delivery of affordable housing.
- The Council does not consider it appropriate to provide a financial subsidy towards the provision of affordable housing where a developer would normally be required to provide affordable housing on-site. It will use any financial contribution primarily to provide a subsidy to a RSL or formal community group to facilitate the development of an affordable housing scheme.
- The Council wants to ensure equity, as far as possible, in the use of any financial contributions it receives. It will therefore use its best endeavours to use any financial contributions it receives for the provision of affordable housing in the UDP catchment area of the site from which the contribution has been derived.

6 Is the spatial distribution of affordable housing sound?

a. How does the level of provision relate to the spatial distribution of need, particularly in terms of the urban/rural split?

6.1 **Response** - The Plan's Spatial Strategy disperses development proportionately around the Plan area, focussing on those locations that provide the best opportunities for achieving sustainable development. This approach is the same for market and affordable housing provision see Chapter 6 of the Deposit Plan – Written Statement (2015) (CDLL.004).

6.2 Both the Anglesey Local Housing Market Assessment (LHMA) May 2013 (DC.025) and Gwynedd Draft LHMA 2013 (DC.026) have identified a significant level of affordable need within the Plan area. The Anglesey LHMA suggests that of the new housing required up to 2032 (3,970 dwellings), 65% should be market dwellings, 21% intermediate (including rented) housing and 14% social rented accommodation. However the Anglesey LHMA does not provide a spatial distribution for this need. The Gwynedd LHMA has split the annual growth rate of 709 dwellings by each separate Housing Market Areas based on their individual population size. It has also specified the annual level of housing need by different tenures (Social Rent, Low Cost Home Ownership and Intermediate Rent).

b. Are the affordable housing numbers anticipated within lower tier settlements and the countryside, as identified in paragraph 7.4.65b (NF67), based on sound and robust evidence that takes adequate account of local housing markets and need?

6.3 **Response** - As highlighted in the response to question 3 above there is an affordable need throughout the Plan area.

6.4 Chapter 2 of Topic Paper 5A Developing the Settlement strategy (PT.012) reviews the guidance contained within National Policy in relation to the creation of a Settlement Hierarchy together with Key Local Characteristics that influences the role of centres in the locality. This section reflects that:

“The challenge therefore is to balance the number of existing smaller communities with limited or no services / facilities dispersed throughout the area against the National Policy of creating more sustainable communities and reducing the use of the private car.”

6.5 The Explanatory Note – Facilitating Affordable Housing (DA.014b) has explained a change in the number of affordable housing anticipated from the clusters Category. See the response to question 4a above regarding the justification for these changes and a copy of the amended table of affordable housing opportunities can be seen in response to question 4a above.

6.6 Tables 1 to 3 within the Explanatory Note – Facilitating Affordable Housing together with the revised table (seen in response to question 4a above) indicate that just over 400 affordable units (406) could be provided between the Local / Rural / Coastal Villages and Clusters. This would equate to approximately 27% of the overall affordable provision (as outlined in table 1 seen in response to question 4a above) which compares with the Plans anticipated overall housing growth of 25% in such centres.

6.7 At a detailed application stage an assessment over the appropriate mix of affordable housing types and sizes will be based upon information available to the Councils within their Housing Waiting Register and access to the Tai Teg Register (which provides an opportunity for residents who are interested in home ownership, but are currently unable to buy on the open market to record their interest) as well as any other assessment provided or deemed required, e.g. a Local Housing Needs Assessment at a ward, parish, settlement level.

6.8 Therefore the Council feel that the level of affordable provision in the lower tier settlements will help to maintain a vibrant rural area and create a better balance of tenure within areas which currently only have a limited amount of affordable provision.

c. Is there a justification for departing from Planning Policy Wales in the approach to exceptions sites (Policy TAI10)?

6.9 **Response** - Yes. Accept that Planning Policy Wales does not fully promote the approach to Exception Sites that is proposed within Policy TAI 10. However, it is believed that such a policy approach is necessary in order to facilitate the development of affordable housing to meet recognised local needs where the current policy framework struggles to allow this.

- 6.10 It is important to mention that the first part of Policy TAI 10 correlates with the traditional exception sites policy as promoted by PPW and that it is the proposal to allow, in exceptional circumstances, open market housing on exception sites that is the element that departs from this approach. Whilst paragraph 9.2.23 of PPW mentions that "affordable housing exception sites are not appropriate for market housing", paragraph 4.2.2 of TAN 6 ('Planning for Sustainable Rural Communities') states that "Planning authorities should employ all available policy approaches, in an innovative way, to maximise the supply of affordable housing".
- 6.11 In accordance with the wording of TAN 6, this policy therefore provides an innovative approach to increasing the provision of affordable housing and therefore to meet the Plan's affordable housing target. In addition, paragraph 9.2.14 of PPW states that "A community's need for affordable housing is a material planning consideration which must be taken into account in formulating development plan policies". Such an approach is a means to achieve some of the specific aims and priorities noted in PPW e.g. para 4.6.3 states that one of the priorities for rural areas is to secure sustainable rural communities with access to affordable housing and high quality public services.
- 6.12 The policy states that market housing will only be allowed in exceptional circumstances on exception sites. Evidence will have to be provided to demonstrate that 100% affordable housing on the site is not viable. In such circumstances, only the minimum amount of open market dwellings required for cross-subsidizing the affordable units to make the proposal viable can be supported. In addition, such a development will have to be led or be in partnership with a Registered Social Landlord and/or Community Land Trust and/or the Strategic Housing Authority. In this regard, the number of relevant sites is strictly regulated, and the number of market houses provided will be in the minority. Given the connection with a Registered Social Landlord, Community Land Trust or the Housing Authority, it is likely that the provision of open market housing will meet local needs. The number of market houses provided would be small, but this would be the catalyst for the provision of more affordable housing to meet local needs.
- 6.13 Information provided in Topic Paper 3A 'Population and Housing' (PT.007) provides the justification for this policy approach. The following aspects are highlighted:
- The limited impact of exception sites in providing affordable housing in the Plan area. Relatively few affordable units have been developed on rural exception sites (outside development boundaries) in Gwynedd and Anglesey since 2011. Also, relatively few affordable units have received planning permission on rural exception sites in Gwynedd and Anglesey since 2011. A number of units permitted were for renewals of previous planning permissions. This suggests that there has been a lack of development on some of these sites.
 - Number of affordable units that have received planning permission on exception sites in the whole of Wales has reduced in recent years.
 - General viability / costings exercise for potential Gwynedd Community Land Trust schemes that demonstrate the difficulty of ensuring a viable scheme without an element of open market housing.
- 6.14 Social Housing Grant has been a necessity to develop a number of rural exception sites in Gwynedd. This level of this grant has reduced significantly in recent years. Other funding sources are not guaranteed and cannot be relied upon to fund

affordable housing projects. As such it considered that there is a need to consider alternative and innovative ways of providing and funding affordable housing without the need to be dependent on grants. Innovation is vitally important to ensure additional affordable units in circumstances where there is a reduction in grants or where there is less certainty in receiving grant money. This is therefore the basis to consider the provision of an element of open market housing on rural exception sites to cross-subsidise the affordable element.

- 6.15 Community Land Trusts (CLT) is an example of an innovative approach to provide the necessary affordable housing units at a local level. However it is vital that schemes are financial viable in order for the affordable housing to be provided. Gwynedd Council have supported the introduction of a CLT model as part of their response to a lack of supply of affordable housing in rural areas. The CLT model offers the opportunity to develop a small cluster of properties so that people within their community can purchase / part-own their homes. This aims to assist those who are unable to purchase a home within their local communities and offers a model which works with the community to identify and resolve housing need and to keep young people within their communities.
- 6.16 Gwynedd Council have noted there is a barrier in certain circumstances and areas where developments do not move ahead naturally. This is due to lack of confidence in the financial situation. As such, the provision of a minimal number of open market housing can be the financial guarantee required to ensure the viability of schemes and to be the catalyst for providing the vital affordable dwellings to meet the local need. There are examples in England (e.g. in relation to the Cornwall Community Land Trust) where such cross-subsidisation has occurred on exception sites in order to ensure the viability of development.
- 6.17 Such an approach can be facilitated through the English planning system, with paragraph 54 of the National Planning Policy Framework (March 2012) (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf , page 14) stating that “In rural areas, exercising the duty to cooperate with neighbouring authorities, local planning authorities should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate. Local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs”.
- 6.18 An example of the implementation of this approach within an adopted policy document can be seen in Purbeck District Council’s (Dorset) Adopted Local Plan (November 2012). It’s Rural Exception Site Policy (<https://www.dorsetforyou.gov.uk/local-plan/part-1/purbeck> , pages 76-77) states that “On rural exception sites, a small amount of market housing may be permitted provided it enables the provision of significant additional affordable housing to meet local needs. Further detail will be set out in the Council’s Affordable Housing SPD”. As such, Purbeck District Council’s adopted ‘Affordable Housing’ Supplementary Planning Document (SPD) (April 2013) provides further clarification in relation to this aspect (<https://www.dorsetforyou.gov.uk/article/408863/Current-plans-and-strategies-in-Purbeck> , pages 10-11). The policy in full and the relevant section of the SPD can be seen in Appendix 1 of this Statement. Such an innovative approach is likely to increase the supply of affordable housing, which therefore conforms to the approach promoted in paragraph 4.2.2 of TAN 6.

7

Does the Plan incorporate robust monitoring and review mechanisms that will enable the strategy for delivering affordable housing to respond effectively to changing circumstances?

- 7.1 **Response** - The amount of affordable housing provided will be kept under review in the Annual Monitoring Report (AMR). The AMR forms the basis on which to assess the effectiveness of the Plan's policies and proposals. Key indicators will be closely monitored throughout the Plan period to ensure the strategy is meeting its intended targets and its proposals are delivered within the anticipated timeframes.
- 7.2 The AMR will also analyse the effectiveness and continued relevance of the Plan's policies in the light of circumstantial changes. Monitoring will enable the Councils to not only record behind any deviation from anticipated rates. If it appears that the targets are not being reached, or that there is a significant circumstantial change, it will be necessary to deal with this through a partial or full review.
- 7.3 Chapter 8 of the Plan includes a Monitoring Framework, which was subject to Focus Changes (CDLL.023). In response to the Inspector's preliminary note to the Councils in May 2016 (DA.002), the Monitoring Framework's presentation was refined and presented to the Examination (DA.010c). The Councils are prepared to make additional necessary changes to the Framework to ensure it is always a forward looking process to monitor the Plan's effectiveness, incorporating a commitment to take action if development does not come forward as expected and identify measures to be undertaken to address any changes.

8

Any other matters

Appendix 1

Purbeck District Council Local Plan Part 1: ‘Planning Purbeck’s Future (Adopted November 2012), Pages 76-77 (<https://www.dorsetforyou.gov.uk/local-plan/part-1/purbeck>).

Policy RES: Rural Exception Sites

In order to meet local needs in rural areas, excluding the settlements of Swanage, Wareham and Upton, affordable housing will be allowed in the open countryside in and around settlements where residential development is not normally permitted, provided that:

- The Council is satisfied that the proposal is capable of meeting an identified, current, local need within the parish, or immediately adjoining rural parishes, which cannot otherwise be met;
- Ideally, the site is not remote from existing buildings and does not comprise scattered, intrusive and isolated development and is within close proximity to, or is served by, sustainable transport providing access to local employment opportunities, shops, services and community facilities. However if evidence can be submitted to demonstrate the site is the only realistic option in the parish, the Council will give consideration to supporting the proposal;
- The number of dwellings should be commensurate with the settlement hierarchy set out in Policy LD: Location of Development, of character appropriate to the location and of high quality design; and
- There are secure arrangements to ensure that the benefits of affordable housing will be enjoyed by subsequent as well as initial occupiers.

Affordable housing will be allowed adjacent to existing settlements within the South East Dorset Green Belt where it meets an identified local housing need and does not harm the function or integrity of the green belt.

On rural exception sites, a small amount of market housing may be permitted provided it enables the provision of significant additional affordable housing to meet local needs. Further detail will be set out in the Council’s Affordable Housing SPD. [Paragraph not highlighted in the original].

Purbeck District Council – Affordable Housing Supplementary Planning Document (SPD) (Adopted April 2013), Pages 10-11
(<https://www.dorsetforyou.gov.uk/article/408863/Current-plans-and-strategies-in-Purbeck>)

(c) Policy RES: Rural Exception Sites

26. This policy allows landowners to bring forward rural exception sites to meet the housing needs of rural communities. Settlements that are eligible for rural exception sites are defined in legislation and in Purbeck includes all settlements except Swanage, Upton and Wareham. Further guidance on the location of rural exception sites is set out in the Council’s Rural Exception Site Checklist.

Allowing some market housing to facilitate significant affordable housing

27. The policy permits small numbers of market homes on rural exception sites to facilitate the provision of significant additional affordable housing to meet local needs. Property values vary greatly across the district and therefore the Council does not prescribe ratios of market to affordable homes on exception sites. Instead, the Council will make a judgement on the proportion of market housing site by site using an open book approach.

28. Rural exception sites are exceptions to normal planning policy, which strictly prohibits market housing outside settlement boundaries. The market housing element of Policy RES is to increase the viability of exception sites and incentivise landowners to bring forward sites. It is not a way for applicants to circumvent the planning system to achieve unnecessarily large numbers of market homes in the countryside.