

GWYNEDD AND ANGLESEY JOINT LOCAL DEVELOPMENT PLAN (2011 – 2026)

PUBLIC EXAMINATION: Hearing Session 4 – Affordable Housing



CYNGOR SIR
YNNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Action Point (S4/PG4), Action Point (S4/PG5), Action Point (S4/PG6), Action Point (S4/PG7) and Action Point (S4/PG9)

1. Action Point (S4/PG4) – Affordable Housing Viability Study

Amend the Affordable Housing Viability Study, giving attention to: (a) additional costs associated with compliance with the requirement to install a sprinkler system under the Building Regulations; (b) a weighted social rent model.

2. The Councils' Response

- 2.1 Appendix 1 to this paper is a note that updates the Affordable Housing Viability Study (AHVS). It outlines the impact of additional costs of sprinklers on tenure neutral basis.
- 2.2 Turning to point b): The interaction on the economics of a scheme is important. The Affordable Housing tenure affects both revenue and cost sides of the equation, therefore scenario testing using different tenures impacts on the whole 'equation'. Installation of sprinklers affects only the cost side of the equation. It is not possible at the current time quantify whether there is any 'value added' from this measure.
- 2.3 In Hearing Session 4 and their response to S4/ PG1 the Councils explained that Gwynedd's LHMA does not provide sufficient information to enable us to identify future affordable housing tenure type requirement for the whole Plan area in a consistent manner. Therefore, it isn't possible to apply a 'weighted social rent model'.
- 2.4 The Councils suggested amendment to the Policy is to clarify that the percentage affordable housing requirement figures in the Policy is based upon schemes delivering social rented tenure affordable housing. This is a 'lowest case' scenario in terms of the number of affordable housing provided. It is reasonable to note that a proposal incorporating a different tenure mix could yield a higher affordable housing provision (subject to detailed viability work). Additional text within the Policy has been included to clarify this approach.
- 2.5 As set out in the Councils' response to action point S4/ PG1, Gwynedd Council will be undertaking a revised and more detailed LHMA during 2016 – 2017. This will inform the SPG in support of the Plan. The Council will have updated information for the Gwynedd Planning Area, from an updated LHMA, which will provide detailed

information in relation to the percentage requirement based upon the identified future tenure needs.

- 2.6 It is also pertinent to note that the type of tenure required will depend on local circumstances and this cannot be projected. This will become apparent at a planning application stage.
- 2.7 The updated AHVS recommends that a 3 way split of 30%, 20% and 10% should be introduced. In addition the Threshold figure for Sub-Regional Centre, Urban Service Centres and Local Service Centres and Service Villages could be reduced within policy TAI 9. A threshold level of a single housing unit could be viable in some circumstances, however a level of 2 units has been selected. This is a balance between maximising Affordable Housing delivery, complying with national planning policy and guidance, and saving resources in house on negotiating Section 106 matters on single dwelling sites and potential negative impact upon the delivery of units (see also response set out at point 4 in this paper).
- 2.8 The findings of this updated AHVS have been used in the Council's response to the remaining Action Points within this paper.

3. Action Point (S4/PG5) – Affordable Housing Indicative Targets

Reconsider the conclusions of the Affordable Housing Viability Study to identify affordable housing indicative targets that could yield as many affordable houses as possible and provide clear guidance to house builders.

4. The Councils' Response:

- 4.1 The updated analysis (see Appendix 1), for development at 30 dwellings per hectare (dph), indicates that 50% could be viable in the Gwynedd High Value Coastal, Rhosneigr and Beaumaris price areas. However this does not take into account that the Centres within these price areas fall under policy TAI 5 Local Market Housing. The experience elsewhere with such restrictions on the market housing element (as described in Topic Paper 17, the Councils' Statement and response to Action Point S2/ PG8) is that house prices could be approximately 20 to 30% lower than the open market value that would normally be achieved.
- 4.2 The update states that 30% could be viable in the Rural North West, Bridgehead and Trearddur price areas. Whilst for the South West, North East Rural, and Larger Coastal Settlements a level of 30% could be marginally viable. (Marginally viable means within less than 5% above the Land Value Benchmark (LVB)).
- 4.3 In light of this, the recommendation within the updated note is that the three sub-groups of housing price areas referred to above should all fall into a 30% Affordable Housing contribution level.
- 4.4 For the Rural Centres, Mid Rural, Northern Coast & South Arfon and Rural West housing price areas 20% is viable and therefore the recommendation is that this figure should be used for these housing price areas.

- 4.5 For Llangefni and Llyn 10% is viable and therefore the recommendation is that this figure should be used for these housing price areas.
- 4.6 For Western Coastal & Rural Arfon, Holyhead, Amlwch & Hinterland, The Mountains, Eastern Gwynedd & National Park and Blaenau Ffestiniog the Viable figure is lower than 10%. In fact in the lower price areas The Mountains, Eastern Gwynedd & National Park and Blaenau Ffestiniog development look marginal at 0% affordable housing. However this does not take into account potential hot spots within these areas and a higher return with a different mix of affordable tenure e.g. intermediate provision. Additionally due to the nature of these areas development anticipated may well be affordable by design even if they do not have a planning mechanism tying them to affordable housing provision. In light of this and to maximise the opportunities for affordable housing provision a target of 10% is recommended for these areas as well.
- 4.7 The update note also recommends that the threshold figures for Sub-Regional Centre, Urban Service Centres and Local Service Centres in Policy TAI 9 could be reduced. The Councils have amended Policy TAI 9 by reducing the threshold to two units for all the different settlement categories above Clusters in the hierarchy. Having considered: the possibility that single plot sites could yield affordable housing, but that it is not definite as much will depend on site specific viability factors; that Planning Policy Wales (at 9.2.15) expects that new housing development in both rural and urban areas incorporates a reasonable **mix and balance of house types so as to cater for a range of housing needs**; the requirement that a proportion of affordable housing be sought from developers applies to both the allocated sites and to unallocated (windfall) sites; that, apart from Clusters, the Plan does not 'allocate' land for 100% affordable housing. On balance, it is considered that reducing the threshold to single plot sites would be inappropriate as it could be perceived as restricting all single plot windfall sites to affordable housing. This would not align with national planning policy described in PPW at 9.2.15. Having discussed a proposal to reduce the threshold to single plots with development management officers, it is also reasonable to note that it would be a resource intensive policy approach.
- 4.8 In light of the findings of the updated AHVS note, the Councils wish to delete existing Table 16 House Price Area and introduce a new table identifying which housing price area falls into the new % figures as a Matters Arising Change to the Plan. Appendix 2 to this paper shows these changes in addition to other changes suggested within this paper (changes shown in **Red**).
- 4.9 In addition paragraphs 7.4.70 and 7.4.71 have been deleted since this wording is repeated in paragraphs 7.4.73 and 7.4.74 within the Explanation to Policy TAI 10.

5. Action Point (S4/PG6) – Affordable Housing Supply Table

Introduce a Matters Arising Change to amend the table in paragraph 7.4.65b (Focussed Change NF 67) to provide current and additional details about the supply of affordable housing expected in applying the Plan's policies to the allocations, commitments and windfall sites, ensuring consistency with the

information about the market housing areas/ affordable housing thresholds, indicative affordable housing targets.

6. The Councils' Response

- 6.1 Below is an amended table to be included in paragraph 7.4.65b. The following paragraphs outline the assumptions behind the figures within this table.
- 6.2 Row A Total Completions (small and large) 01-04-11 to 31-03-15 – This is a factual record of the number of affordable units delivered within the different hierarchy categories in the first 4 years of the plan period.
- 6.3 Row B Units with planning permission 01-04-15 – the total number of affordable units within the separate hierarchy categories with planning permission at April 2015.
- 6.4 Row C New Housing Allocations – The number of affordable units from allocated sites without the benefit of planning permission at April 2015. This is based upon the revised indicative affordable housing targets (30%, 20% or 10%) as outlined in the Councils' response above to Action point S4/PG5.
- 6.5 Row CH Large windfall sites (+5) 11 years remaining – This is based upon actual completions seen in 2016 and an assumption over the anticipated Large windfall sites figure (326 units) as outlined in the spatial distribution table in Action Point S2/PG3:

- The completions seen on **Large Sites** in 2015/16 is shown in the table below:

Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
Total Completions (large) 01-04-15 to 31-03-16	29	6	20	12	0	67

- The assumption within the spatial distribution table is that 326 units will be on **Large Windfall Sites** (232 in the Sub Regional Centre / Urban Service Centres and 94 in Local Service Centres). The Centres lie within different house price areas. An average 20% affordable housing percentage has been used to calculate the potential number of affordable houses that could be delivered under this component:

Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
Large windfall	46	19	-	-	-	65

Sites (+5) 11 years remaining						
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6.6 Row D Small windfall sites (-5) 11 years remaining - This is based upon actual completions seen in 2016 and an assumption over the anticipated Small windfall sites figure (1,307 units) as outlined in the spatial distribution table in Action Point S2/PG3:

- The completions seen on **Small Sites** in 2015/16 is shown in the table below:

Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
Total Completions (small) 01-04-15 to 31-03-16	3	3	6	3	1	16

- The assumption within the spatial distribution table is that 1,307 units will be on **Small Windfall Sites** (656 in the Sub Regional Centre / Urban Service Centres and 293 in Local Service Centres, 329 in Villages and 94 in Clusters). The following assumptions have been used to calculate the potential affordable housing provision from this component:
 - In order to address the fact that the settlements fall into different house price areas an average 20% affordable percentage has been used to calculate the potential number of affordable houses that could be delivered under this component;
 - With a reduced threshold of 2 or more housing units in the Sub-Regional, Urban Service Centres and Local Service Centres a review of the 2015 Small sites land bank reveals that 59% of the units fall on sites of 2 or more units (i.e. either 2, 3 or 4 units) in these Centres. This percentage has been used for calculating future affordable housing units from small windfall sites in these settlement categories.
 - With a reduced threshold for Service Villages of 2 or more housing units and 2 or more within the Local, Rural and Coastal Villages, review of the 2015 Small sites land bank reveals that 50% of the units fall on sites of 2 or more units in these Villages. This percentage has been used for calculating future affordable housing units from small windfall sites in these settlement categories.
 - The policy for Clusters only supports Affordable units. However there is a significant number of commitments¹ on Anglesey, the majority of which is for open market housing that accord with existing permissive policies. Anecdotal evidence seems to suggest that some of the commitments are speculative in nature and therefore unlikely to be delivered within the consented period. Following the adoption of the Plan any sites that seek renewal for open market housing within this Category will be refused. In

¹ Commitments = units with extant planning permission

order to align with the Plan's strategy, the figure included within this table is therefore based upon the number of units required which are without the benefit of an existing planning permission and the assumption that not all of the units with the benefit of an extant permission will be built.

- In the Open Countryside there is a significant number of commitments, the majority of which is for open market housing in light of existing permissive policies on Anglesey. The calculation behind the figure included in the table assumes that some of commitments are speculative in nature and following the adoption of the Plan any sites that seek renewal for open market housing within this Category will be refused. The figure included within this table is based upon an assumed rate of 2 affordable units being provided annually for the remaining 10 years of the Plan period. Whilst this is somewhat higher than the past build rate the change to the policy in relation to Anglesey should see more affordable housing schemes over the remainder of the Plan period.
- It should be noted due to the size of small site provision that in certain cases the affordable provision from this category of development, in line with Policy TAI 9, will be in the form of a pro-rata payment rather than on-site provision.

	Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
	Small windfall Sites (-5) 11 years remaining	77	35	33	91	20	256

6.7 Below is a revised table incorporating all of the above assumptions and this table is suggested as a Matters Arising Change to replace the table in paragraph 7.4.65b (Focussed Change NF 67). Appendix 2 to this paper shows these changes in addition to other changes suggested within this paper (changes shown in **Red**):

Table 1 – Supply of Affordable Housing

	Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
A	Total Completions (small and large) 01-04-11 = 31-	172	60	68	4	2	306

	Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
	3-15						
B	Units with planning permission 01-04-15	327	62	106	29	2	526
C	New Housing Allocations	216	85	35	-	-	336
CH	Large windfall Sites (+5) 11 years remaining	75	25	20	12	-	132
D	Small windfall sites (-5) 11 years remaining	80	38	39	94	21	272
DD	Total Housing Provision	870	270	268	139	25	1,572

7. Action Point (S4/PG7) – TAI 9 and it’s Explanation

Introduce a Matters Arising Change to Policy TAI 9 and its explanation to include:

(i) Indicative affordable housing targets to reflect the analysis of the conclusions of the updated Affordable Housing Viability Study;

(ii) Delete the reference to 'at least' in referring to affordable housing targets;

(iii) The conclusions of the assessment of the suitability of the current affordable housing thresholds;

(iv) Amend the last paragraph of paragraph 7.4.68 to read: “.....then a pro-rata contribution for the percentage of a new house will be requested i.e. 60% in this example.”;

(v) Clear guidance in accordance with the latest information about the variety/types/combination of affordable housing.

8. The Council's Response

- 8.1 In light of the findings of the updated Affordable Housing Viability Study (see Appendix 1) (i) the affordable housing targets have been amended to refer to 3 separate categories being 30%, 20% and 10%; (ii) the reference to 'at least' is deleted in order to align with national planning policy, which states that the viability of schemes will determine the % of affordable housing, which could be higher or lower than the indicative target; and the threshold figure has been reduced to 2 or more housing units in all of the Service Centres and Villages categories.
- 8.2 Paragraph 7.4.68 has been amended through replacing 'sought' with 'required' to provide greater clarity about the Councils' expectations about contribution. The Councils have included an additional paragraph 7.4.69a which clarifies that the tenure mix of affordable housing required with a particular scheme should reflect the findings of the latest Local Housing Market Assessment (LHMA) or alternative Council or partner assessment unless the applicant can satisfy the Local Authority that their proposed mix better satisfies an identified need.
- 8.3 In addition other changes are also considered necessary in order to ensure internal consistency, provide updated information, or as a consequence of other Matters Arising Changes. Appendix 2 to this paper shows these changes in addition to other changes suggested within this paper (changes shown in Red).

9. Action Point (S4/PG9) – PS14 Affordable Housing

Introduce a Matters Arising Change to refer to the total affordable housing, reflecting the information arising from work associated with the relevant Action Points.

10. The Council's Response

- 10.1 Appendix 2 to this paper shows the revised total affordable housing in Policy PS14 which is 1,572 units as identified in the table above within the Councils response to Action Point S4/PG6 in addition to other changes suggested within this paper (changes shown in Red).

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Addendum to updated Affordable Housing Viability Study (DA.018) – Incorporating Impact of Sprinkler Costs and other matters discussed in Hearing Session 4

1 Introduction

There were four main actions following a response by the Inspector to the viability work. These related to sprinklers, Affordable Housing tenure, Affordable Housing targets and thresholds.

These are dealt with in turn:

2 Impact of sprinklers

The calculations within the AHVS have been updated to take into account the costs of sprinklers. Within the Welsh Government's Statement for Session 4 of the Examination a figure of £3,100 per unit was given for the costs of sprinklers.

The July 2016 residual values in Table 3.6 are higher than this December update since the July figures did not have sprinkler costs included due to the sample used. The subsequent analysis show lower residual values of circa £90,000 per hectare.

Table 2.1 below sets out the residual values (£ million per hectare) taking into account the cost of sprinklers at £3,100 per unit.

Table 2.1 Residual values per hectare for the sub markets

20 Dph	0%	10%	20%	30%	40%	50%
GHVC, Rhos & Beaumaris	£2.62	£2.24	£1.86	£1.49	£1.11	£0.74
NW Rural, B'Head & Trearddur	£1.42	£1.15	£0.88	£0.61	£0.34	£0.07
SW, NE Rural & Larger CSs	£1.05	£0.82	£0.58	£0.35	£0.12	-£0.12
RCs, Mid Rural, NC & S Arfon & RW	£0.77	£0.56	£0.36	£0.15	-£0.05	-£0.25
Llangefni, Llŷn Peninsular	£0.51	£0.33	£0.15	-£0.03	-£0.20	-£0.38
W Coast & R Arfon, H'Head & Amlwch	£0.31	£0.14	-£0.03	-£0.19	-£0.36	-£0.52
The Mountains, & E Gwynedd	£0.12	-£0.03	-£0.18	-£0.32	-£0.47	-£0.62
30 Dph						
GHVC, Rhos & Beaumaris	£3.55	£3.04	£2.53	£2.01	£1.50	£0.98
NW Rural, B'Head & Trearddur	£1.99	£1.61	£1.19	£0.86	£0.49	£0.11
SW, NE Rural & Larger CSs	£1.49	£1.16	£0.84	£0.51	£0.19	-£0.14
RCs, Mid Rural, NC & S Arfon & RW	£1.05	£0.81	£0.52	£0.23	-£0.06	-£0.34
Llangefni, Llŷn Peninsular	£0.75	£0.50	£0.24	-£0.01	-£0.26	-£0.51
W Coast & R Arfon, H'Head & Amlwch	£0.56	£0.26	£0.02	-£0.22	-£0.46	-£0.71
The Mountains, & E Gwynedd	£0.20	-£0.01	-£0.08	-£0.43	-£0.64	-£0.86
40 Dph						
GHVC, Rhos & Beaumaris	£4.32	£3.69	£3.06	£2.42	£1.79	£1.16
NW Rural, B'Head & Trearddur	£2.46	£1.99	£1.52	£1.05	£0.58	£0.11
SW, NE Rural & Larger CSs	£1.84	£1.43	£1.02	£0.61	£0.21	-£0.20
RCs, Mid Rural, NC & S Arfon & RW	£1.34	£0.98	£0.62	£0.27	-£0.09	-£0.45
Llangefni, Llŷn Peninsular	£0.92	£0.60	£0.29	-£0.02	-£0.34	-£0.66
W Coast & R Arfon, H'Head & Amlwch	£0.65	£0.34	£0.04	-£0.27	-£0.57	-£0.88
The Mountains, & E Gwynedd	£0.23	-£0.03	-£0.29	-£0.56	-£0.82	-£1.09
50 Dph						
GHVC, Rhos & Beaumaris	£5.01	£4.27	£3.53	£2.78	£2.05	£1.30
NW Rural, B'Head & Trearddur	£2.87	£2.32	£1.76	£1.20	£0.65	£0.09
SW, NE Rural & Larger CSs	£2.13	£1.65	£1.16	£0.68	£0.20	-£0.28
RCs, Mid Rural, NC & S Arfon & RW	£1.53	£1.10	£0.68	£0.26	-£0.16	-£0.58
Llangefni, Llŷn Peninsular	£1.04	£0.67	£0.29	-£0.08	-£0.45	£0.38
W Coast & R Arfon, H'Head & Amlwch	£0.73	£0.37	£0.01	-£0.09	-£0.71	-£1.08
The Mountains, & E Gwynedd	£0.24	-£0.08	-£0.39	-£0.70	-£1.01	-£1.32

Note: The data for Blaenau Ffestiniog suggests negative Residual Values (RVs) across all percentages on a tenure neutral basis.

Table 2.2 which follows sets out the viable policy positions taking into account the cost of sprinklers.

Table 2.2 Viable policy positions

30 Dph	0%	10%	20%	30%	40%	50%	Imputed LVE
GHVC, Rhos & Beaumaris	£3.55	£3.04	£2.53	£2.01	£1.50	£0.98	£643,651
NW Rural, B'Head & Trearddur	£1.99	£1.61	£1.19	£0.86	£0.49	£0.11	£561,037
SW, NE Rural & Larger CSs	£1.49	£1.16	£0.84	£0.51	£0.19	-£0.14	£523,945
RCs, Mid Rural, NC & S Arfon & RW	£1.05	£0.81	£0.52	£0.23	-£0.06	-£0.34	£498,655
Llangefni, Llŷn Peninsular	£0.75	£0.50	£0.24	-£0.01	-£0.26	-£0.51	£478,423
W Coast & R Arfon, H'Head & Amlwch	£0.56	£0.26	£0.02	-£0.22	-£0.46	-£0.71	£469,993
The Mountains, & E Gwynedd	£0.20	-£0.01	-£0.08	-£0.43	-£0.64	-£0.86	£439,645
Viable							
Marginally viable (within 5% of LVB)							

The colour coding is linked to the column on the right hand side and shows the extent the Residual Value (RV) exceeds the Land Value benchmark (LVB). Marginally viable means within less than 5% above the LVB.

The policy position would not be significantly changed by taking sprinklers into account.

It should be noted that it is likely that the cost of sprinklers should reduce with efficiency of technology as time passes so the figures here are very much a 'worst case' scenario.

3 Affordable housing tenure

The analysis has been run on a tenure neutral basis assuming that units will be provided by a developer and then sold to a housing association who will then dispose of them having agreed with the local authority what tenure best meets local needs.

The table (3.1) below shows the indicative values to be achieved. The testing was undertaken at 42% of ACG (Acceptable Cost Guidance). ACG figures are updated from time to time and on the basis of past history an update is likely next year – to higher figures.

Table 3.1 ACG bands

ACGs - 100%	Band 2	Band 3	Band 4		ACGs - 42%	Band 2	Band 3	Band 4
1 Bed Flat	£91,200	£95,800	£101,900		1 Bed Flat	£38,304	£40,236	£42,798
2 Bed Flat	£114,500	£119,700	£126,600		2 Bed Flat	£48,090	£50,274	£53,172
2 Bed Terrace	£137,500	£147,800	£161,600		2 Bed Terrace	£57,750	£62,076	£67,872
3 Bed Terrace	£143,900	£154,200	£168,000		3 Bed Terrace	£60,438	£64,764	£70,560
3 Bed Semi	£143,900	£154,200	£168,000		3 Bed Semi	£60,438	£64,764	£70,560
3 Bed Detached	£153,600	£164,700	£179,400		3 Bed Detached	£64,512	£69,174	£75,348
4 Bed Detached	£179,200	£192,000	£209,000		4 Bed Detached	£75,264	£80,640	£87,780
5 Bed Detached	£191,300	£200,400	£226,500		5 Bed Detached	£80,346	£84,168	£95,130

These figures generate assumed payments of between £60,000 and £70,000 per unit depending on the band (these are determined by location) for say, a three bed terraced house.

On the following page are set out the likely payments for two potential alternative Affordable products that the Council may promote to meet housing needs: Discount Market and Shared Ownership.

The table (3.2) at the top set out the economics for Discount Market housing; here sold at 70% of open market housing. For the same type of unit (3 Bed Terrace) this generates revenue between £60,000 and £180,000 per unit. This is significantly above the figures generated by the ACG 'route'.

It is important with all forms of Intermediate Affordable Housing to consider the affordability side of the equation. In the case of Discount Market, this is done by reference to likely interest payments which are set out in the penultimate column from the right hand side. In the final column (right hand side) is set out the income required to be able to afford the product in each of the locations.

The table (3.3) below on the following page (Shared Ownership) follows the same approach and generates values between circa £60,000 and £170,000 per (3 bed) unit depending on location.

As previously, a test of affordability is important, and this test assumes household incomes of between £12,000 and £36,000 per annum to meet Shared Ownership criteria.

Table 3.2 – Discount Market Housing

Discount Market Housing	Terraced 3 Bed	At 70% OMV	Less Deposit	Loan	Repayment (at say 6%)	Household Income (at x 3.5)
GHVC, Rhos & Beaumaris	£254,000	£177,800	£17,780	£160,020	£9,601	£33,604
NW Rural, B'Head & Trearddur	£205,000	£143,500	£14,350	£129,150	£7,749	£27,122
SW, NE Rural & Larger CSs	£183,000	£128,100	£12,810	£115,290	£6,917	£24,211
RCs, Mid Rural, NC & S Arfon & RW	£168,000	£117,600	£11,760	£105,840	£6,350	£22,226
Llangefni, Llŷn Peninsular	£156,000	£109,200	£10,920	£98,280	£5,897	£20,639
W Coast & R Arfon, H'Head & Amlwch	£151,000	£105,700	£10,570	£95,130	£5,708	£19,977
The Mountains & E Gwynedd	£133,000	£93,100	£9,310	£83,790	£5,027	£17,596
Blaenau Ffestiniog	£88,000	£61,600	£6,160	£55,440	£3,326	£11,642

Table 3.3 – Shared Ownership

Shared Ownership	Terraced	At 40% OMV	Unsold Equity	Loan	Rent	Payments	Household Income	Value	Value Unsold	Total
	3 Bed	(Sold Equity)		(at 6%)	(at 2.75%)		(at x 3.5)	Equity	(at 6% Yield)	
GHVC, Rhos & Beaumaris	£254,000	£101,600	£152,400	£6,096	£4,191	£10,287	£36,005	£101,600	£69,864	£171,464
NW Rural, B'Head & Trearddur	£205,000	£82,000	£123,000	£4,920	£3,383	£8,303	£29,059	£82,000	£56,386	£138,386
SW, NE Rural & Larger CSs	£183,000	£73,200	£109,800	£4,392	£3,020	£7,412	£25,940	£73,200	£50,335	£123,535
RCs, Mid Rural, NC & S Arfon & RW	£168,000	£67,200	£100,800	£4,032	£2,772	£6,804	£23,814	£67,200	£46,209	£113,409
Llangefni, Llŷn Peninsular	£156,000	£62,400	£93,600	£3,744	£2,574	£6,318	£22,113	£62,400	£42,909	£105,309
W Coast & R Arfon, H'Head & Amlwch	£151,000	£60,400	£90,600	£3,624	£2,492	£6,116	£21,404	£60,400	£41,533	£101,933
The Mountains & E Gwynedd	£133,000	£53,200	£79,800	£3,192	£2,195	£5,387	£18,853	£53,200	£36,582	£89,782
Blaenau Ffestiniog	£88,000	£35,200	£52,800	£2,112	£1,452	£3,564	£12,474	£35,200	£24,205	£59,405

4 Affordable housing targets

At the Examination of the JLDP two headline targets being 25% Affordable Housing for the higher value areas and 15% for the lower value areas were included within the Plan. In light of the findings of the 2016 AHVS update and the need to consider the impact of sprinkler costs on the viability figures the Inspector asked the Councils to review their position in relation to this two way split. It was felt to be challenging for some of the lower value areas to achieve 15% affordable housing provision.

The amended figures included within this Note suggests a more nuanced and sensitive approach to target setting might be appropriate, this would be based on a wider range of targets.

The latest analysis is reproduced in the table (4.1) below:

Table 4.1 Policy positions that are viable

30 Dph	0%	10%	20%	30%	40%	50%	Imputed LVE
GHVC, Rhos & Beaumaris	£3.55	£3.04	£2.53	£2.01	£1.50	£0.98	£643,651
NW Rural, B'Head & Trearddur	£1.99	£1.61	£1.19	£0.86	£0.49	£0.11	£561,037
SW, NE Rural & Larger CSs	£1.49	£1.16	£0.84	£0.51	£0.19	-£0.14	£523,945
RCs, Mid Rural, NC & S Arfon & RW	£1.05	£0.81	£0.52	£0.23	-£0.06	-£0.34	£498,655
Llangefni, Llŷn Peninsular	£0.75	£0.50	£0.24	-£0.01	-£0.26	-£0.51	£478,423
W Coast & R Arfon, H'Head & Amlwch	£0.56	£0.26	£0.02	-£0.22	-£0.46	-£0.71	£469,993
The Mountains, & E Gwynedd	£0.20	-£0.01	-£0.08	-£0.43	-£0.64	-£0.86	£439,645
Viable							
Marginally viable (within 5% of LVB)							

This table shows that whilst at the top end of the market a target of 50% might be sought, all the main settlement in these housing price areas fall under Policy TAI 5 Local Market Housing, which could impact upon the revenue obtained, approximately 20 to 30% lower value from the Market element of schemes in these areas. With 30% being viable or marginally viable in the next higher value group of sub markets the recommendation is

that a level of 30% Affordable Housing contributions should be sought in the three highest value group of sub markets.

In Rural Coast, Mid Rural, NC & South Arfon and RW a target of 20% looks viable here with 10% in the Llangefni and the Llyn Peninsular sub group.

In West Coast and Rural Arfon, Holyhead and Amlwch and The Mountains and Eastern Gwynedd development looks marginal at 0% Affordable Housing. However it is probable that there will be hot spots within these areas. In light of this and to maximise the opportunities for affordable housing provision a target of 10% should also be set against these areas.

Where Intermediate Affordable is included within schemes rather than Social Rented housing (at 42%) ACG then there is likely to be an increase in revenue per unit of circa £30,000. This set out in the table (4.2) below:

Table 4.2 Impact of Intermediate Affordable

	Band 2/ Lower Market Values	Band 4/Higher Market Values
ACG at 42%	£60,000	£70,000
Discount Market	£90,000	£180,000
Shared Ownership	£90,000	£170,000

Table 3.1 of this report sets out the ACG band figures within the Plan area. Each sub-market has a prevailing ACG band however it is not possible to allocate specific ACG bands to each sub-market since the bands are bespoke to individual settlements. This means that some generalisation has been required to carry out the policy testing, however this does not significantly affect the approach or conclusions drawn.

For a scheme of 40 dph, this would mean around an additional £240,000 on the revenue side of the equation. This is calculated:

40 dwellings at 20% Affordable Housing (8 dwellings) x £30,000 per dwelling

This could support a significant amount of additional Affordable Housing and help areas that are marginally viable become viable.

The table above indicates very significant increases in value in the middle and higher markets where Intermediate Affordable is developed instead of Social Rent. The figures suggest around £90,000 per unit in the highest value areas which in a scheme of say 30 dwellings per hectare at 30% Affordable Housing would add around £800,000 to the scheme

5 Thresholds

The threshold at which Affordable Housing is required by policy is an issue that is continually under discussion. In England there is a view adopted by the Westminster government that smaller sites are less viable to develop than larger ones. However, the approach is misguided since viability is driven to a greater extent by location than by scale of development – and there would be examples from around Wales and England to show this.

Thus the challenge of viability is not connected with scale of development but with location and it is this that drives deliverability.

Indeed some local authorities in England are defying the government's 10 unit threshold as they have robust evidence bases supporting significantly lower (in some case one unit) thresholds.

Moreover the WG (Welsh Government) is, it is understood, fully supportive of policies that maximise Affordable Housing provision and realistically this cannot be done on relatively high thresholds, particularly in rural areas where development of less than 5 units has continually made a substantial contribution to the housing supply (generally between 40% - 50%).

Re-runs and updates of Affordable Housing Viability Studies across Wales have not supported a change in direction away from low thresholds although monitoring of viability on smaller sites has shown that certain types of schemes are more challenging to deliver than others; in particular, conversion schemes and schemes involving the demolition of an existing dwelling or dwellings.

Where the local authorities foresee a significant volume of windfall and smaller sites coming forward, it would be prudent and justified to reduce the threshold; in some instances this could be as low as one dwelling.

A significant number of small sites will be single dwelling, and be viable to deliver an Affordable Housing contribution, particularly those on garden and back land, and on vacant brown field. In these instances the land value benchmark will be low, probably only the devaluation to the retained dwelling, which will usually not be significant.

That being stated, some small sites may prove problematic; in particular sites involving the demolition of existing dwellings, and conversions. In those instances, a flexible approach may be needed.

In conclusion it is suggested that the JPPU does reduce the current thresholds but recognises that lessons from elsewhere in Wales suggest that conversions and demolition schemes present challenges and hence a flexible approach will be needed.

Dr Andrew Golland BSc (Hons) PhD MRICS

APPENDIX 2 – Matters Arising Changes to the Affordable Housing section of the Plan

AFFORDABLE HOUSING

7.4.60 Context

- Improving affordability is a key objective of national policy
- National planning policy requires local development plans to set an informed target for affordable housing that can be delivered by the planning system and a likely development threshold size
- Local planning authorities should balance the need for affordable housing against site viability
- A key aim of national policy is to create sustainable mixed communities for current and future residents
- Affordability is an issue across the Plan area
- Evidence suggests that affordable need is greater in coastal villages particularly within the AONBs and along the Meirionnydd coast

Introduction

7.4.61 The provision of affordable homes is an objective of the Plan. Providing affordable homes is also a priority of **both the Single Integrated Plans** and is a key priority for both Councils. The majority of affordable housing that is built in the Plan area has been delivered as part of new development. Therefore, planning policies have a central role in helping to deliver low cost homes through quotas of affordable dwellings being negotiated and delivered on open market housing sites. Applying these policies can also contribute to achieving wider social policy goals such as maintaining and strengthening Welsh speaking communities. The following Strategic Policy and detailed policy set out the circumstances for securing affordable housing, which will be supported by an Affordable Housing Supplementary Planning Guidance.

7.4.62 Affordable Housing is defined in national policy as social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Social and affordable rented housing is normally rented from a Housing Association **or the Isle of Anglesey County Council**. Intermediate Housing refers to housing which is available to buy or to part buy/part rent at below the market price. Planning mechanisms, such as Section 106 Agreements are used to control occupancy and prices.

7.4.63 In **May 2011–2015 median average** house price in Anglesey and Gwynedd stood at approximately **£170,471** **£156,000** and **£169,780****£144,000**, respectively. While this is not considered high by national standards, when compared to average household income

they are considered unaffordable. At entry level the problem is more pronounced and many local people, especially younger people, often find themselves priced out of the market. Despite the recent economic downturn the issue of housing affordability remains a key concern across the Plan area. Additionally over the last few decades ‘Right to Buy’ sales and the proliferation of second/ holiday homes have significantly reduced the supply of both social sector and market properties, available to meet local housing needs.

7.4.64 A key theme of national policy is that local planning authorities can seek the provision of affordable housing through the planning system where there is strong evidence on need. In order to demonstrate the need for affordable housing within the Plan area, the Councils carried out Local Housing Market Assessments (LHMA), Housing Needs Study and an Affordable Housing Viability Assessment.

7.4.65 The Anglesey LHMA and Housing Needs Study [2016](#) and the Gwynedd LHMA [2013](#) provide a snapshot of the scale of affordable housing likely to be required in Anglesey and Gwynedd, i.e. approximately [1,344 889](#) housing units per annum for 5 years to meet backlog and emerging needs, [with an overall need of 8,174 for the whole Plan period](#) (these figures are based upon Welsh Government methodology which calculates 25% of household income on housing costs). ~~The current assessments also indicated that across the Plan area most of the need was for social rented units rather than shared ownership dwellings.~~ ‘Tai Teg’, an affordable housing register, will be the main information source for intermediate/ shared equity schemes in the Plan area.

7.4.65a ~~Not all new affordable units identified in the LHMA will be newly built and managed within the joint LDP policies. It is not expected that the planning system alone will, or should, provide for this shortfall.~~ The ~~JLDP Plan~~ is just one tool to ensure that the demand for affordable housing is met. ~~It’s important however that the Plan contributes sufficiently to meeting a proportion of this need.~~ The importance of the Plan’s role in contributing to meeting affordable housing need is therefore recognised.

7.4.65b The minimum new affordable housing target figure identified in the Plan is based on the following information:

Category	Total
Completed units¹	206
Affordable units in the landbank²	471

New allocations³	404
Windfall in Service Centres	60
Windfall in Villages	30
Clusters	224
Subdivide rural buildings	10
Open countryside	10
TOTAL	1,415

¹ - Since the JLDP base date

² - Affordable housing landbank figure 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 TA19).

	<u>Component of Affordable Housing Supply</u>	<u>Sub Regional Centre / Urban Service Centres</u>	<u>Local Service Centres</u>	<u>Villages</u>	<u>Clusters</u>	<u>Open Countryside</u>	<u>Total</u>
<u>A</u>	<u>Total Completions (small and large) 01-04-11 = 31-3-15</u>	<u>172</u>	<u>60</u>	<u>68</u>	<u>4</u>	<u>2</u>	<u>306</u>
<u>B</u>	<u>Units with planning permission 01-04-15</u>	<u>327</u>	<u>62</u>	<u>106</u>	<u>29</u>	<u>2</u>	<u>526</u>
<u>C</u>	<u>New Housing Allocations</u>	<u>216</u>	<u>85</u>	<u>35</u>	<u>=</u>	<u>=</u>	<u>336</u>

	<u>Component of Affordable Housing Supply</u>	<u>Sub Regional Centre / Urban Service Centres</u>	<u>Local Service Centres</u>	<u>Villages</u>	<u>Clusters</u>	<u>Open Countryside</u>	<u>Total</u>
<u>CH</u>	<u>Large windfall Sites (+5) 11 years remaining</u>	<u>75</u>	<u>25</u>	<u>20</u>	<u>12</u>	<u>=</u>	<u>132</u>
<u>D</u>	<u>Small windfall sites (-5) 11 years remaining</u>	<u>80</u>	<u>38</u>	<u>39</u>	<u>94</u>	<u>21</u>	<u>272</u>
<u>DD</u>	<u>Total Housing Provision</u>	<u>870</u>	<u>270</u>	<u>268</u>	<u>139</u>	<u>25</u>	<u>1,572</u>

7.4.66 As the private sector is by far the largest house builder it is recognised that the provision of affordable housing can affect the profitability and the viability of housing development. The Affordable Housing Viability Assessment has been produced to demonstrate the levels at which housing development is capable of being delivered profitably while at the same time providing an appropriate level of affordable housing and tenure mix.

7.4.67 The results of the Affordable Housing Viability Assessment indicate that in lower market areas the land values and house prices make the delivery of affordable housing challenging. While, elsewhere in medium and high market areas land values and house prices suggest that development is capable of delivering higher levels of affordable housing without adversely affecting the profitability of sites. Furthermore, as market conditions improve, sites across the Plan area should be able to accommodate increased levels of affordable housing without impacting on profitability.

STRATEGIC POLICY PS14: AFFORDABLE HOUSING

~~Sufficient land is~~ Development opportunities have been identified to provide a minimum target of ~~1,400~~ 1,572 new affordable homes.

POLICY TAI 9: AFFORDABLE HOUSING THRESHOLD & DISTRIBUTION

The Councils will seek to secure an appropriate level of affordable housing across the Plan area by

working in partnership with Registered Providers, developers and local communities to meet the minimum target presented in Strategic Policy PS14.

1 Threshold

Housing development, both new build and conversions, in settlements identified within the settlement hierarchy as shown in Strategic Policy PS 15 will be expected to make an affordable housing contribution in line with the threshold figures introduced in the table below:

CATEGORY OF SETTLEMENT	THRESHOLD
Sub-regional	5 or more housing units
Urban Service Centres	
Local Service Centres	
Service Villages	
Rural / Coastal Villages	2 or more housing units
Local Villages	
Clusters	Only sites of 100% affordable housing will be supported within clusters.
Subdivision of Rural Dwellings	2 or more additional units
<u>Conversion of Traditional Buildings in Open Countryside</u>	<u>100% affordable housing (unless the residential use is a subordinate element associated with a wider scheme for business re-use)</u>

2 Percentage of Affordable Housing

The following percentage of affordable housing provision (**based on social rent tenure**) is expected within the Housing Price Area presented in the table below:

Percentage of Affordable	Housing Price Areas
--------------------------	---------------------

Housing	
At least 25% <u>30%</u>	Gwynedd High Value Coastal, Rhosneigr, Beaumaris, Rural North West, Bridgehead, Trearddur & Rhoscolyn, South West, North East Rural, Larger Coastal Settlements, Rural Centres, Mid Rural, Northern Coast and South Arfon, Rural West
<u>20%</u>	<u>Rural Centres, Mid Rural, Northern Coast and South Arfon, Rural West</u>
At least 15% <u>10%</u>	Llangefni, Llyn, Western Coastal & Rural Arfon, Holyhead, Amlwch & Hinterland, The Mountains, Eastern Gwynedd & National Park, Blaenau Ffestiniog.

See table in the explanation below in relation to which settlements fall within these areas.

A proposal including an alternative affordable tenure mix should yield a higher percentage of affordable provision subject to consideration of criteria 3i – 3viii of this Policy.

Where the affordable housing requirement of a particular scheme falls below a single dwelling on the site, providing an affordable unit within that development should will remain the priority. However if it is deemed that this is not possible, a pro-rata payment would will be expected rather than no affordable provision on the site.

3 Other Matters

- i. All developments will be required to achieve an appropriate mix in terms of housing tenure, types and house sizes of local need affordable housing within a development, determined by the local housing market assessment or any alternative Council or partner assessment.
- ii. Affordable units should be fully integrated within a development and indistinguishable from non-affordable housing.
- iii. Where the viability of individual schemes fall short of the policy requirements specified, the onus will be on the applicant/ developer / landowner to clearly demonstrate on a viability assessment pro-forma the circumstances justifying a lower affordable housing contribution or tenure mix.
- iv. Where, following the submission of a viability pro-forma, disagreement remains between the applicant / developer / landowner and the Local Planning Authority as to the affordable housing provision within a scheme, an independent external assessment of the scheme (e.g. by the District Valuers Service) will be undertaken at the applicant's expense. The number of affordable housing provided will reflect the conclusions of this assessment.

- v. That there are suitable mechanisms in place to manage the occupation of the affordable housing unit(s) upon initial occupation, and in perpetuity, to those who can prove a need for an affordable dwelling.
- vi. If it can be demonstrated that there are no **such** eligible occupiers for rural enterprise dwellings then the housing will be occupied by those eligible for consideration for affordable housing.
- vii. Extensions and adaptations to affordable housing will be permitted provided that the alterations or adaptations allow the house to remain as an affordable dwelling. **Any extension or alteration should comply with the detailed policy on design.**
- viii. **Dwellings are of a size, scale and design compatible with an affordable dwelling.**

Explanation:

7.4.68 The viability study together with an analysis of historic applications has identified the relevant threshold levels where an element of affordable provision will be sought from a proposal. Whilst on-site provision is the preference when a site triggers the threshold requirement but the scale of the scheme is below the level of a single affordable unit e.g. 6 units in a housing price area of 10% would equate to 0.6 of a dwelling, then a pro-rata contribution for the percentage of a new house **could** will be **sought required** i.e. 60% in this example.

7.4.69 Different House pricing areas have been identified in the Viability study. The Table below identifies **into** which House Price areas different settlements belong (Clusters not included since all development in Clusters will be for affordable housing). Plan monitoring work will re-assess the average house prices noted in the Viability Study. This could impact upon the percentage of affordable houses sought in the different house price areas:

Table 16: House price area

<u>HOUSING PRICE AREA</u>	<u>MAIN SETTLEMENTS</u>
<u>AT LEAST 25%</u>	
<u>Gwynedd High Value Coastal</u>	<u>Abersoch</u>
<u>Rhosneigr</u>	<u>Rhosneigr</u>
<u>Beaumaris</u>	<u>Beaumaris</u>
<u>Rural North West</u>	<u>Cemaes</u>
<u>Bridgehead</u>	<u>Llanfairpwll, Menai Bridge</u>

<u>HOUSING PRICE AREA</u>	<u>MAIN SETTLEMENTS</u>
<u>Trearddur & Rhoscolyn</u>	<u>No service centre in this area.</u>
<u>South West</u>	<u>Newborough</u>
<u>North East Rural</u>	<u>Benllech, Pentraeth</u>
<u>Larger Coastal Settlements</u>	<u>Bethel, Bontnewydd, Caernarfon, Criccieth, Pwllheli, Porthmadog, Tremadog</u>
<u>Rural Centres</u>	<u>Area within the Park</u>
<u>Mid Rural</u>	<u>Gaerwen, Llannerch-y-medd</u>
<u>Northern Coast & South Arfon</u>	<u>Bangor, Penygroes</u>
<u>Rural West</u>	<u>Bodedern, Gwalchmai, Valley</u>
<u>AT LEAST 15%</u>	
<u>Llangefni</u>	<u>Llangefni</u>
<u>Llyn</u>	<u>Botwnnog, Chwilog, Nefyn, Y Ffor</u>
<u>Western Coastal & Rural Arfon</u>	<u>Abermaw, Deiniolen, Penrhyndeudraeth, Tywyn</u>
<u>Holyhead</u>	<u>Holyhead</u>
<u>Amlwch & Hinterland</u>	<u>Amlwch</u>
<u>The Mountains</u>	<u>Bethesda, Llanberis, Llanrug, Rachub</u>
<u>Eastern Gwynedd & National Park</u>	<u>Area within the Park</u>
<u>Blaenau Ffestiniog</u>	<u>Blaenau Ffestiniog</u>

Table 16: House price area

<u>Housing price Area</u>	<u>Sub-Regional Centre, Urban & Local Service Centres & Service Villages</u>	<u>Local, Rural, Coastal Villages</u>
<u>Percentage of Affordable Housing Sought 30%</u>		

<u>Housing price Area</u>	<u>Sub-Regional Centre, Urban & Local Service Centres & Service Villages</u>	<u>Local, Rural, Coastal Villages</u>
<u>Gwynedd High Value Coastal</u>	<u>Abersoch</u>	<u>Llanbedrog, Llangian, Mynytho, Sarn Bach</u>
<u>Rhosneigr</u>	<u>Rhosneigr</u>	
<u>Beaumaris</u>	<u>Beaumaris</u>	<u>Llanddona, Llangoed</u>
<u>Rural North West</u>	<u>Cemaes</u>	<u>Carreglefn, Llanfechell, Tregele</u>
<u>Bridgehead</u>	<u>Llanfairpwll, Menai Bridge</u>	<u>Llandegfan</u>
<u>Trearddur & Rhoscolyn</u>	<u>No service centre in this area.</u>	<u>Four Mile Bridge (part), Trearddur</u>
<u>South West</u>	<u>Newborough</u>	<u>Brynsiencyn, Dwyran</u>
<u>North East Rural</u>	<u>Benllech, Pentraeth</u>	<u>Llanbedrgoch, Moelfre</u>
<u>Larger Coastal Settlements</u>	<u>Bethel (Gwynedd), Bontnewydd, Caernarfon, Criccieth, Pwllheli, Porthmadog, Tremadog</u>	<u>Borth y Gest, Caeathro, Efailnewydd, Llanystumdwy, Morfa Bychan</u>
<u>Percentage of Affordable Housing Sought 20%</u>		
<u>Rural Centres</u>	<u>Area within the Park</u>	<u>Corris</u>
<u>Mid Rural</u>	<u>Gaerwen, Llannerch-y-medd</u>	<u>Llanddaniel Fab, Llangaffo</u>
<u>Northern Coast & South Arfon</u>	<u>Bangor, Penygroes</u>	<u>Llandygai, Llanllyfni, Nantlle, Rhiwlas, Talysarn, Tregarth, Y Felinheli</u>
<u>Rural West</u>	<u>Bodedern, Gwalchmai, Valley</u>	<u>Aberffraw, Bethel (Anglesey), Bryngwran, Caergeiliog, Four Mile Bridge (part), Llanfachraeth, Llanfaelog, Llanfaethlu, Llanfihangel yn Nhowyn, Llangristiolus, Llanrhyddlad, Malltraeth, Pencaernisiog,</u>
<u>Percentage of Affordable Housing Sought 10%</u>		

<u>Housing price Area</u>	<u>Sub-Regional Centre, Urban & Local Service Centres & Service Villages</u>	<u>Local, Rural, Coastal Villages</u>
<u>Llangefni</u>	<u>Llangefni</u>	<u>Bodffordd, Talwrn</u>
<u>Llŷn</u>	<u>Botwnnog, Chwilog, Nefyn, Y Ffor</u>	<u>Aberdaron, Abererch, Clynnog Fawr, Dinas (Llanwnda) (part), Dinas Dinlle, Edern, Garndolbenmaen, Llanaelhaearn, Llandwrog, Llanybi, Llithfaen, Morfa Nefyn, Pentref Uchaf, Rhoshirwaun, Sarn Mellteyrn, Trefor, Tudweiliog,</u>
<u>Western Coastal & Rural Arfon</u>	<u>Abermaw, Deiniolen, Penrhyndeudraeth, Tywyn</u>	<u>Brynrefail, Carmel, Dinas (Llanwnda) (part), Dolydd & Maen Coch, Fairbourne, Groeslon, Garreg-Llanfrothen, Penisarwaun, Rhosgadfan, Rhostryfan, Y Fron</u>
<u>Holyhead</u>	<u>Holyhead</u>	
<u>Amlwch & Hinterland</u>	<u>Amlwch</u>	<u>Penysarn, Rhosybol</u>
<u>The Mountains</u>	<u>Bethesda, Llanberis, Llanrug, Rachub</u>	<u>Cwm y Glo, Waunfawr</u>
<u>Eastern Gwynedd & National Park</u>	<u>Area within the Park</u>	
<u>Blaenau Ffestiniog</u>	<u>Blaenau Ffestiniog</u>	

7.4.69a The tenure mix of affordable housing required with a particular scheme should reflect the findings of the latest LHMA or alternative Council or partner assessment, unless the applicant can satisfy the Local Authority that their proposed mix better satisfies an identified need.

~~7.4.70 — Planning Policy Wales refers to affordable housing exception sites as small housing sites within or adjoining existing settlements for the provision of affordable housing to meet local needs. This is further clarified in TAN2 which states rural exception sites should be small (as locally defined in the plan), solely for affordable housing and on land within or adjoining existing rural settlements which would not otherwise be released for market housing.~~

~~7.4.71 — Due to the rural nature of the area exception sites will be considered for all the settlements identified in the Plan however they should be of a scale compatible to the role of the centre. The only exception should be if justification is provided to explain how a proposal serves a wider area than the settlement itself e.g. due to lack of opportunities in other settlements within the same area. Sites adjacent to the boundary should not form an unacceptable intrusion into the countryside or create a fragmented development pattern.~~

7.4.72 In line with national [planning](#) policy, which seeks to restrict the amount of residential development in the open countryside, approvals for Rural Enterprise Dwellings will include a condition that supports their usage as affordable housing when it can be demonstrated that there are no eligible occupiers for a rural enterprise.