

# **SUPPLEMENTARY PLANNING GUIDANCE**

## **AFFORDABLE HOUSING**



**APRIL 2019**

**ANGLESEY AND GWYNEDD JOINT LOCAL DEVELOPMENT PLAN**

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## CHAPTER 1 – INTRODUCTION

### 1.1 Purpose

1.1.1 The objective of this guide is to:

- assist the public and their agents in the preparation of plans and proposals and to guide them in discussions with officers before submitting planning applications,
- assist officers to assess planning applications, and officers and advisors to make decisions on planning applications, and
- to help Planning Inspectors to make decisions on appeals.

1.1.2 The overall aim is to improve the quality of new developments and to facilitate consistent and transparent decision making.

### 1.2 The policy context

#### Local Development Plan

1.2.1 Under planning legislation, the 'development plan' includes planning policies for each area. The Gwynedd and Anglesey Joint Local Development Plan was adopted on 31 July 2017. It is relevant to Gwynedd Planning Authority area and the Anglesey Local Planning Authority area.

1.2.2 The Plan provides broad policies as well as designations for the main land uses such as housing, employment and retail, and it will help shape the future of the Plan area in a physical and environmental way, as well as influencing it in economic, social and cultural terms. Therefore, the Plan seeks to:

- guide the Local Planning Authorities to make rational and consistent decisions on planning applications by providing a policy framework that is consistent with national policy, and
- guide development to appropriate locations for the period up until 2026.

#### The need for Supplementary Planning Guidance

1.2.3 Although the Plan contains policies that the Local Planning Authorities can use to make consistent and transparent decisions on development proposals, it cannot provide all the detailed advice needed by officers and potential applicants to guide the proposals locally. In order to provide this detailed advice, the Councils prepare a range of Supplementary Planning Guidance to support the Plan by providing more detailed guidance on a variety of topics and issues to help interpret and implement the policies and proposals in the Plan.

1.2.4 There are a number of different ways in which affordable housing can be provided for local people. This SPG only deals with the provision of affordable housing through the planning process. This includes dwellings provided through all forms of development opportunities i.e. on allocated, windfall and rural exception sites, including both new build and adaptation and change of use of existing buildings. The Gwynedd Council Housing Strategy (2013-2017) and the Anglesey Council Local Housing Strategy (2014-2019) elaborate on the various tools applied in the area to provide affordable housing.

### 1.3 Supplementary Planning Guidance Status

- 1.3.1 Supplementary Planning Guidance can be considered as a material planning consideration in the assessment process and when deciding on planning applications. The Welsh Government and the Planning Inspectorate place great emphasis on Supplementary Planning Guidance derived from, and consistent with, the development plan. The Supplementary Planning Guidance does not present any new policy.
- 1.3.2 In line with the Welsh Government advice, the Supplementary Planning Guidance has been subject to public consultation and a decision by the Joint Planning Policy Committee on behalf of the Councils. The draft of this Supplementary Planning Guidance was approved for public consultation on 16 November 2018 by the Joint Planning Policy Committee. The Supplementary Planning Guidance has been the subject of a public consultation exercise between 13 December 2018 and 31 January 2019. Consideration was given to comments submitted to the Authorities, and where it was appropriate, appropriate improvements were included in the final draft approved by the Joint Planning Policy Committee on 15 April 2019 to be used as a material consideration in assessing and determining planning applications and appeals. Comments made together with the Authorities' response are available on the Council's web-site on the Supplementary Planning Guidance page.

**Considerable emphasis should be given to this document therefore as a material planning consideration.**

### 1.4 Acronyms

- 1.4.1 The table below identifies the acronyms used within this Guidance:

<b>Acronym</b>	<b>Meaning</b>
AHLN	Affordable Housing for Local Need
AHVS	Affordable Housing Viability Study
CIH	Chartered Institute of Housing
CML	Council of Mortgage Lenders
Dph	Dwellings per hectare
DQR	Development Quality Requirement
GDV	Gross Development Value
JHLAS	Joint Housing Land Availability Study
JLDP	Joint Local Development Plan
LHMA	Local Housing Market Assessment
LPA	Local Planning Authority
LSOA	Lower Super Output Area
NFA	Notional Floor Area
PPW	Planning Policy Wales
RED	Rural Enterprise Dwelling
RHE	Rural Housing Enabler
RSL	Registered Social Landlord
SHA	Strategic Housing Authority
SPG	Supplementary Planning Guidance
TAN	Technical Advice Note
VOA	Valuation Office Agency

## CHAPTER 2 – POLICY CONTEXT

### 2.1 National Policy Guidance

2.1.1 Welsh Government guidance in relation to planning for affordable housing is contained in Planning Policy Wales (PPW) (Edition 9, November 2016), Technical Advice Note (TAN) 2 ‘Planning and Affordable Housing’ (June 2006) and Technical Advice Note (TAN) 6 Planning for Sustainable Rural Communities’ (July 2010).

2.1.2 Below are the key issues in relation to affordable housing that should be addressed within a development plan (Further detail regarding these issues is contained within Appendix 1 to this SPG):

- Affordable housing is a material planning consideration in preparing a development plan (para 9.2.14 PPW).
- When a development plan policy makes it clear that an element of affordable housing or other developer contribution is required then this will be a material consideration in determining relevant applications (para 9.3.5 PPW).
- Affordable housing is housing where there are secure mechanisms in place to ensure that it is accessible to those that cannot afford market housing, both on first occupation and for subsequent occupiers. It includes:
  - Social rented Accommodation which is that provided by local authorities and registered social landlords; and
  - Intermediate housing which is that where prices or rents are above those of social rent but below market housing prices or rents. (para 5.2 TAN 2 & para 9.2.14 PPW).
- All other type of housing is referred to as ‘market housing’ (para 5.3 TAN 2)
- Where an affordable scheme allows for staircasing to full ownership there must be secure arrangements in place to ensure recycling of capital receipts to provide replacement affordable housing (para 9.2.14 PPW).
- Development plans must include an authority-wide target for affordable housing and identify the expected contributions that the policy approaches identified in the development plan will make to meeting this target (para 9.2.16 PPW).
- Development plan should include either site thresholds, or a combination of thresholds and site-specific targets (para 9.2.17 PPW).
- When setting site-capacity thresholds and site specific targets local planning authorities should balance the need for affordable housing against site viability (para 10.4 TAN 2).
- It is important that authorities have an appreciation of the demand for different dwelling sizes and types of housing in relation to supply, so that they are well informed in negotiating the required appropriate mix of dwellings for new developments (para 9.2.15 PPW).
- The special provision of affordable housing exception sites must be considered to help ensure the viability of the local community. These must be for 100% affordable housing as rural exception sites on land within or adjoining existing rural settlements which would not otherwise be released for market housing. The affordable housing provided on such sites should meet the needs of local people in perpetuity and count towards the overall level of housing provision (para 9.2.23 PPW & para 10.13 TAN 2).
- Exception sites are not appropriate for market housing and should not include clauses in planning obligations that would enable lenders of private finance to dispose of property on the open market as a last resort if a borrower were to get

into financial difficulties (para 10.14 TAN 2). However TAN 6 does support disposal on the open market when mortgagee is in possession (para 4.2.4 TAN 6). This position is also supported within the document 'Securing Mortgage Access for Affordable Housing: A good practice note for planning and housing practitioners (2013)' subject to recycling of capital receipts to provide replacement affordable housing. To assist individuals to obtain a mortgage on exception sites this is the approach advocated within this SPG.

- There should be an occupancy cascade mechanism to ensure that occupants will always be found for affordable housing (para 12.7 TAN 2).
- Where an appropriate rural enterprise worker cannot be found to occupy a rural enterprise dwelling, eligibility should be extended to persons who would be eligible for consideration for affordable housing under the local authority's housing policies (para 4.13.4 TAN 6).

Copies of these documents can be viewed at:

Planning Policy Wales (Edition 9, November 2016) -

<https://gov.wales/docs/desh/publications/161117planning-policy-wales-edition-9-en.pdf>

Technical Advice Note 2 - <https://gov.wales/docs/desh/policy/160609technical-advice-note-2-en.pdf>

Technical Advice Note 6 - <https://gov.wales/docs/desh/policy/100722tan6en.pdf>

## **2.2 Local Policy Context**

### Draft Gwynedd Housing Strategy 2018-23

- 2.2.1 The Housing Partnership is in the process of preparing the Gwynedd Housing Strategy for the period 2018 to 2023. This will set out the direction for the coming years, and will include a range of interventions that will help people to have access to housing, improve the quality of existing housing and have the ability to respond to society's needs locally.
- 2.2.2 Having evaluated the information collated within the Local Housing Market Assessment, Gwynedd Councils outlines its vision for the housing sector and identifies its strategic priorities and outcomes as follows:
- Improve the affordability of housing across the social and private sectors within Gwynedd.
  - Focus on sustainable developments which are environmentally conscious and compatible with the needs of individual communities
  - Identify interventions which reduce homelessness within Gwynedd with a particular emphasis on those in greatest need and by addressing gaps in existing provision.
  - Work with local key partners to provide preventative support for vulnerable people with varied or complex needs ensuring they have access to the support they need.
  - Expand the range of suitable housing options, support and assistance for older people and those with care need who wish to remain at home and retain their independence.
  - Encourage a more varied supply of new housing.

### Anglesey Council Local Housing Strategy 2014-19

- 2.2.3 The purpose of the 5 year Housing Strategy is to present a vision of continuous improvement for housing and housing related services on the Island and describes what the Council want to achieve on Anglesey by 2019.
- 2.2.4 One Theme within the Strategy is the Development of the right homes for Anglesey's future. It identifies that an inadequate supply of suitable affordable housing contributes to young people leaving the area and can restrict economic growth.
- 2.2.5 There is a commitment to maintain up to date evidence over the level of affordable housing needed and that this need for both the short term and long term will be linked to developing major economic projects envisioned on the Island.

### Joint Local Development plan (JLDP) 2011-26 (Adopted July 2017)

- 2.2.6 Policy PS 18 'Affordable Housing' sets a minimum target of 1,572 new affordable homes with table 21 outlining the basis for this figure.
- 2.2.7 Policy TAI 15 'Affordable Housing Threshold & Distribution' outlines the relevant thresholds where development will be expected to make an affordable housing contribution as well as the percentage of affordable housing sought within the housing price areas identified within the Plan area. The Policy also addresses other matters to be taken into account, including appropriate tenure mix, integration of affordable element, viability assessment circumstances, mechanisms for occupation in perpetuity, size, scale and design of the affordable dwelling and local need in Local, Rural and Coastal Villages.
- 2.2.8 Where it is demonstrated that there is a proven local need for affordable housing that cannot be delivered within a reasonable timescale on a market site within a development boundary, proposals for 100% affordable housing schemes on suitable sites immediately adjacent to the development boundaries will be supported under Policy TAI 16.
- 2.2.9 Criterion (1) in Policy TAI 8 'Appropriate Housing Mix' states that proposals should contribute to creating sustainable mixed communities by maximising the delivery of affordable housing (including for affordable need) across the Plan area in accordance with Strategic Policy PS 18.
- 2.2.10 Policy TAI 6 'Housing in Clusters' only supports affordable housing for local need whereby that need has been proven.

[2.2.11 A copy of the aforementioned policies is contained within Appendix 2 of this SPG. They can also be viewed within Chapter 6.4 of the Written Statement at: https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Anglesey-and-Gwynedd-Joint-Local-Development-Plan-Written-Statement.pdf](https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Anglesey-and-Gwynedd-Joint-Local-Development-Plan-Written-Statement.pdf)



## CHAPTER 3 – WHAT IS AN AFFORDABLE DWELLING

### 3.1 Defining Affordable Housing

3.1.1 This Chapter focusses on three main areas being:

- Type of development considered as affordable housing;
- The price of affordable housing; and
- The size, scale and design of affordable housing.

### 3.2 Type of development considered as affordable housing

3.2.1 In line with PPW and TAN 2 (see Appendix 1) the Plan's policies cover two main types of affordable housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. These are:

Type of Affordable Housing	Description
Social Rented Housing	Provided by local authorities and Registered Social Landlords (RSLs), where rent levels have regard to the Welsh Government guideline rents and benchmark rents.
Intermediate Housing	Where prices or rents are above those of social rented housing but below market housing prices or rents. This can include equity sharing schemes (e.g. Homebuy and other emerging intermediate products) and self-build affordable housing.

3.2.2 Intermediate housing differs from low cost market housing, which are in essence affordable 'by design'. The Welsh Government does not consider low cost market to be affordable housing for the purpose of the land use planning system, i.e. TAN 2 requirements. It is acknowledged that low cost market housing is part of the overall housing provision within a housing market. It could provide open market housing which is within reach of more of the local population. However, the LPA will need to be satisfied that the size and type of any low cost market housing reflects the housing requirements in the area and thereby contribute towards creating a balanced and sustainable community.

3.2.3 Other types of housing are referred to as 'open market housing' which are private housing for sale or rent where the price is set on the open market and normally there is no mechanism to manage their occupancy. It should be noted that Policy TAI 5 in the JLDP introduces **Local Market Housing**, which is market housing but limited to those with a local connection to the specific settlements identified within the Policy. See Policy TAI 5 in the Plan and the separate SPG on Local Market Housing.

### 3.3 The price of affordable housing

3.3.1 This section outlines the expected price of social rented and intermediate affordable housing to ensure that any affordable housing provided remains affordable in perpetuity and provides for the long- term needs of the whole community. TAN 2 states that affordable housing should meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices.

3.3.2 Affordability in relation to rental levels

3.3.3 Affordable in relation to rented housing means that the householder (including spouse or partner) would be paying 25% or less of their gross income on the rent for a house of a size appropriate to their needs. Rent in excess of 25% of their gross income would be deemed not affordable. (This percentage level is supported by paragraph 6.16 of the Welsh Assembly Government’s ‘Local Housing Market Assessment Guide’ March 2006 see Appendix 3 for an overview of this document).

3.3.4 The following table outlines the approach in relation to different rented affordable accommodation:

<b>Category</b>	<b>Approach</b>
Social rented housing	The rent levels for the affordable housing provided by the Council or a Registered Social landlord (RSL) will be subject to Welsh Government controls.
Private Rented housing	<ul style="list-style-type: none"> <li>• This is where the developer proposes to build and manage affordable housing to rent without the involvement of the Council or an RSL.</li> <li>• The affordable rent levels will be determined in the context of private rental levels in an area.</li> </ul>

3.3.5 Affordability in relation to purchasing housing

3.3.6 Guidance within the Welsh Assembly Government’s ‘Local Housing Market Assessment Guide’ March 2006 states in paragraph 6.16:

“...A household is considered likely to be able to afford to buy a home that costs 3.5 times the gross household income for a single earner household, or 2.9 times the household income for dual income households...”.

It further states in paragraph 3.39 in relation to assessing whether households can afford shared ownership or shared equity properties:

“...given that shared ownership products will require both mortgage payments (on the part they own) and rental payments (on the landlord’s share). In these cases, rental and mortgage payments should together constitute no more than 30% of gross income...”

3.3.7 Affordable housing provided as intermediate housing must be at a price that is affordable for the area within which the proposal is located. The Councils will use median household income multiplied by 3.5 plus 5 or 10% deposit based upon the level required by mortgage providers.

3.3.8 Median household income on Ward level is only available for the new 11 Electoral Wards on Ynys Môn. Due to the scale of these Wards the Councils have used figures

based upon the Lower Super Output Areas (LSOA). See Appendix 4 for the table showing the latest median household income figures for the LSOA in the Plan area (At appropriate times this information will be updated and provided as a factual addendum to the SPG).

- 3.3.9 This figure is then multiplied by 3.5. We have used a 3.5 multiplier for both single earner household and dual income households due to the increase in house prices since 2006 when the Local Market Housing Assessment Guide was prepared.
- 3.3.10 Finally an allowance is made for a deposit level provided. The level of deposit is based upon 10% of the average price of similar types of dwellings i.e. detached, semi-detached, terrace or flats, sold within the locality over the preceding 5 years. Five years is used to ensure that there is a sufficient volume of house sales within individual settlements. This information can be obtained from estate agents online selling sites. A different deposit percentage and period of house sales will be considered if the applicant can satisfy the Local Authority that this would be more appropriate with a specific application.
- 3.3.11 The table below shows the calculation from Appendix 4 for the LSOA of Pentir 1 which forms part of the settlement of Bangor. The Deposit level is based upon average prices of dwellings sold over the past 5 years in Bangor from the Zoopla website:

Table 1 : Anticipated Price of Affordable Dwelling in Pentir 1 LSOA

LSOA / Settlement	Median Household Income	3.5 household income	10% Deposit Level for Different House Types (Oct 18)			
			Detached	Semi-Detached	Terraced	Flats
Pentir 1	£35,880	£125,580	£23,667	£15,960	£12,343	£11,139

- 3.3.12 The figures within this table indicate expected price of intermediate affordable units within the individual LSOA where the application is located, and will therefore form the starting point for the applicant and any discussions with the local planning authority.

### **3,4 The size, scale and design of affordable housing**

- 3.4.1 The size and scale of the affordable housing cannot exceed the type of property required to meet the target need. Too large a property may not be affordable for other future need in the area.

#### Size

#### 3.4.2 Specific need for the number of bedrooms

- 3.4.3 When the proposal is for a specific need, determination of the number of bedrooms required should consider the need to provide separate bedrooms for:

- Husband/wife or similar partnership;
- Each person aged 16 or over;
- Children aged 10 or over of different sex from children of any age;
- Children who can't share because of a disability or medical condition;

- A maximum of two persons per bedroom.

3.4.4 For intermediate housing, dwellings may have one extra bedroom, in addition to the existing need.

#### Scale

#### 3.4.5 Development Quality Requirement (DQR) Standards

3.4.6 All accommodation built using Social Housing Grant will be required to meet the Welsh Government's Development Quality Requirements (DQR) or the most recent Welsh Government standards.

3.4.7 The Council's preference is that private developers provide affordable units to DQR standards as set by Welsh Government, which can then be let to applicants on the Social Housing Register. Therefore providing affordable units that are in line with DQR standards could allow flexibility for RSLs to purchase those units should the developer fail to find suitably qualified individuals.

#### 3.4.8 Overall Floor Area of Dwelling

3.4.9 Annex D of the Acceptable Cost Guidance (2015) includes a Table that outlines the notional floor areas for different types of residential units. This table has been reproduced within Appendix 5 of this SPG.

3.4.10 The Notional Floor Areas are provided as guidance on the expected floor areas that would be achieved if Development Quality Requirements (DQR) were implemented in full for each house or flat type listed. They are not a minimum sizes as the main criterion should be that all designs comply with DQR rather than merely achieving a notional floor area. House or flat designs that are fully DQR compliant can be achieved with floor areas below the notional figures. For dwellings that are not DQR compliant we would expect their floor areas to be below the notional figures in Appendix 5.

3.4.11 The Acceptable Cost Guidance (2015) provides clarity on how the notional floor areas are calculated. It states:

#### CALCULATION OF NOTIONAL FLOOR AREA (NFA)

1. Notional (or Net) Floor Area is measured to the internal finished surfaces of main containing walls on each floor, including private staircases, internal partitions, flues and ducts; it excludes external dustbin enclosures or stores, any porch open to the air or enclosed.
2. The measurement of floor area of common access flats excludes the area of the communal stairs and circulation space.
3. The measurement of floor areas of individual ground floor external access flats includes the area occupied by the staircase and entrance hall necessary to gain access to the first floor flat. The areas of the ground floor and upper floor flats (walk-up) shall be averaged in order to make comparisons against the notional floor areas shown above.
4. The floor area in rooms where the ceiling height is less than 1.50m is excluded.

### **3.5 Self-Build Affordable Housing Properties**

- 3.5.1 The applicant will have to satisfy the Council of their eligibility for an affordable dwelling See Chapter 8 of the SPG for the steps required to demonstrate eligibility.
- 3.5.2 The number of bedrooms in the property should reflect the needs of the individual, see section 3.4.2 above in relation to the number of bedrooms etc. In addition the overall floor area should reflect the notional sizes referred to in Section 3.4.8 to ensure that the property remains affordable for future occupiers.
- 3.5.3 The applicant will be required to submit an independent valuations of the open market value of the proposed house. This will be based on the plans drawn up for the proposed house which should be in accordance with the overall floor area outlined in section 3.4.8 above. This valuation needs to be certified by a suitably qualified independent chartered surveyor i.e. impartial with no vested interest in the application, who has sufficient local knowledge of the dwelling type and its particular market to undertake the valuation competently and should be sent with the application. The valuation submitted should include a copy of the terms of engagement of the valuer and the full valuation i.e. not extracts. The financial cost in relation to obtaining the valuation will be borne by the applicant. In light of this sufficient detail needs to be provided with a proposal to allow for accurate valuations of the proposed property. In cases where dispute remain over the open market valuation, the services of the District Valuer Service will be sought to resolve such disputes with the costs to be borne by the applicant.

### **3.6 Serviced Affordable Plot**

- 3.6.1 Subject to satisfying the need for affordable housing in the locality see Chapter 8 the cost of a serviced affordable plot will be evaluated against the overall build cost of the dwelling. This is to ensure that the overall cost of the dwelling does not exceed the anticipated cost of an affordable dwelling in the location of the application.

### **3.7 Rural Enterprise Dwellings**

- 3.7.1 One of the few circumstances in which new isolated residential development in the open countryside may be justified is when accommodation is required to enable rural enterprise workers to live at, or close to, their place of work. TAN 6 'Planning for Sustainable Rural Communities' outlines the justification required to support applications for a Rural Enterprise Dwelling (RED).
- 3.7.2 After the initial occupier where an appropriate rural enterprise worker cannot be found to occupy the rural enterprise dwelling, eligibility should be extended to persons who would be eligible for consideration for affordable housing under the local authority's housing policies. This approach is outlined within paragraph 6.4.36 of the JLDP.
- 3.7.3 Where planning applications are received to lift existing agricultural occupancy conditions or where enforcement action is being taken for non-compliance with the condition, the planning authority should consider replacing the existing agricultural occupancy condition with the rural enterprise dwelling condition set out in paragraph 4.13.1 of TAN 6.

- 3.7.4 Should the size of any existing dwelling with an agricultural occupancy condition mean that even at 30% below the open market value they are not considered to provide an affordable dwelling the condition can be removed subject to a Section 106 Agreement for payment of a commuted sum of 30% of the open market value towards Affordable Housing provision. The open market value of the property shall be provided by the applicant from an independent qualified chartered surveyors i.e. impartial with no vested interest in the application, who has sufficient local knowledge of the dwelling type and its particular market to undertake the valuation competently and agreed with the Local Planning Authority. The valuation submitted should include a copy of the terms of engagement of the valuer and the full valuation i.e. not extracts.
- 3.7.5 The removal of a Rural Enterprise Dwelling (RED) occupancy condition / legal agreement granted under TAN 6 must provide a detailed assessment which clearly shows that the condition has clearly outlived its usefulness and that no long term need exists for the accommodation. The submitted information must show that the property has been actively marketed for sale or rent at an appropriate discounted price (30% below open market value) for an eligible rural enterprise worker, or dependent, for a continuous period of 12 months. In the event of no eligible rural enterprise worker requiring the property for sale or rent it should then be marketed as an Affordable Housing for Local Need for a continuous period of 6 months. Marketing should include traditional methods via estate agents, websites and also via affordable housing facilitators. This Affordable Housing for Local Need (AHLN) marketing can run concurrently with the last 6 months of the RED marketing and should take place within the previous two years. This marketing should be carried out in conjunction with the Council's Housing Strategy Unit and the local Rural Housing Enabler.
- 3.7.6 If it can be demonstrated that following the above-mentioned marketing activity and assessment, that the property is not required as a RED or AHLN dwelling then the condition can be removed, subject to the payment of a commuted sum towards AHLN. This will be the difference in value of 30% from the open market value of the property. The open market value of the property shall be provided by the applicant from two qualified chartered surveyors and agreed with the Local Planning Authority.
- 3.7.7 In cases where dispute remain over the open market valuation, the services of the District Valuer Service will be sought to resolve such disputes with the costs to be borne by the applicant.

### **3.8 Extensions to Affordable Housing**

- 3.8.1 Householders are normally allowed to carry out various alterations and/or minor building works to their dwelling without needing to obtain planning permission this is called permitted development. The type of development permitted without the need for planning permission is outlined within the Town & Country Planning (General Permitted Development) Order 1995 (as amended by subsequent legislation).
- 3.8.2 To ensure that affordable dwellings are not extended without consideration being given to the impact of this on them remaining as affordable units the Council will normally place a condition removing Schedule 2 Part 1 Classes A to E of the Town & Country Planning (General Permitted Development) Order 1995 (as amended) from any affordable housing granted planning permission. This means that planning permission will be required to alter the dwellings. Note, there is no planning application fee for applications that only require permission due to the presence of a condition restricting permitted development.

### **3.9 Removal of Affordable Housing Condition / Agreement**

- 3.9.1 There are instances whereby current developed affordable dwellings, due to their size, are not considered as providing an affordable unit even at a discounted rate. In such circumstances the Council may consider the removal of the condition or a variation to the original Section 106 agreement subject to the payment of a commuted sum towards the future provision of affordable housing.
- 3.9.2 The open market value of the property shall be provided by the applicant from an independent qualified chartered surveyors i.e. impartial with no vested interest in the application, who has sufficient local knowledge of the dwelling type and its particular market to undertake the valuation competently and agreed with the Local Planning Authority. The valuation submitted should include a copy of the terms of engagement of the valuer and the full valuation i.e. not extracts. In cases where dispute remain over the open market valuation, the services of the District Valuer Service will be sought to resolve such disputes with the costs to be borne by the applicant.
- 3.9.3 Whereby the discount level is set out within a condition / planning obligation the Council will seek the difference in value from the open market value to the discount level as a commuted sum.
- 3.9.4 In instances whereby the discounted level is not specified the Council will evaluate the expected price of an affordable unit in the location of the existing dwelling, as per the methodology in Section 3.3 of this SPG, in order to calculate the difference between the open market value and the anticipated affordable value. This difference will be the commuted sum sought by the Council.

## CHAPTER 4 – THE NEED FOR AFFORDABLE HOUSING IN THE PLAN AREA

### 4.1 Evidence over the Need for Affordable Housing

- 4.1.1 As highlighted in paragraph 9.2.14 of Planning Policy Wales (2016) the Council's Local Housing Market Assessments (LHMA) should provide the evidence to support policies to deliver affordable housing through the land use planning system.
- 4.1.2 A comprehensive housing need assessment is not required more frequently than every five years, however, the flexibility of the housing market requires regular updates to ensure a robust and valid evidence base.
- 4.1.3 The evidence provided by the Councils at the examination stage of the JLDP satisfied the Inspector that due to the level of need within the Plan area the evidence clearly demonstrated that the Plan should seek to maximise the contribution towards affordable housing provision.
- 4.1.4 The Councils maintain a Common Register of those in need of Social Rented Accommodation. Additionally both Councils are involved with Tai Teg which is a partnership initiative between housing organisations and developers in North Wales. This is a register of people interested in homeownership / intermediate rental who cannot currently afford to buy on the open market. In addition the information on the register helps the partnership to identify housing need in specific areas, which then allows it to plan and develop housing stock in Anglesey and Gwynedd.
- 4.1.5 Appendix D of the Welsh Government's LHMA Guide states that village, community or neighbourhood surveys are optional additions to the main local housing survey. In the context of rural settlements, an additional survey of this type will be the only practical way to proceed in order to gauge the potential need for affordable housing. This is because in rural areas, affordable housing need can be highly localised and although a sample survey will be able to say how many households are in need across the whole local authority or within a sub-area of it, it will not be able to identify affordable housing needs in a particular village at a planning application stage.
- 4.1.6 The North West Wales Regional Rural Housing Enabler (RHE) Service operates in rural Anglesey and Gwynedd, the role of the Enabler is to:
- Raise awareness of the shortage of affordable housing for local people in rural areas.
  - Gather information regarding the needs for affordable housing within rural communities.
  - Empower communities so that they can explore innovative options.
  - Assist communities in forming appropriate partnerships.
  - Offer support to residents in relation to sustainable communities.
  - Work with communities so that they can register the needs of local people.
  - Improve the relationship between voluntary and statutory authorities and communities.
- 4.1.7 Where primary sources (LHMA, Common Housing and Tai Teg register) or evidence submitted by the applicant do not identify a need for Affordable housing for local need in a rural locality (e.g. because households in need have not chosen to register their need or preference for specific settlements) a local survey is the preferred option to demonstrate a need for affordable housing. The survey should be undertaken by a qualified individual / company / service such as the RHE, with



the methodology agreed with the Council. Applicants are encouraged to engage with the RHE at an early stage, however it should be noted there may be a charge for this service. When a Local Survey is required the applicant should agree with the Council the following matters:

- The extent of area that should be subject to the survey;
- The appropriate methodology for obtaining information e.g. questionnaires, public meeting, drop-in session;
- The content of any publicity materials / questionnaires to be used;
- An agreed list of local stakeholders to be consulted e.g. Community or Town Council, Local Members etc.;
- An agreed methodology for the analysis and interpretation of any information gathered.

4.1.8 In all cases the Local Planning Authority will require evidence that the proposed affordable provision with a development reflects an appropriate mix in terms of scale, tenure, types and sizes of affordable housing being provided meets an identified need. The Housing Mix SPG provides additional information, including a pro-forma that should be submitted with relevant planning application to record the evidence to support a proposal.

4.1.9 The type of affordable housing provision will also have to reflect the settlement's position within the different policies of the JLDP as outlined in the table below:

Table 2: Type of Affordable Housing Provision

<b>Category of Settlements (Policy Number)</b>	<b>Type of Affordable Provision</b>
Sub-Regional Centre (TAI 1)	General Affordable housing provision in accordance with the definition in TAN 2 from within the relevant County i.e. Anglesey or Gwynedd.
Urban Service Centres (TAI 1)	
Local Service Centres (TAI 2)	
Service Villages (TAI 3)	
Local, Rural & Coastal Villages (TAI 4)	Affordable housing for local need – people in need of an affordable house who have resided within the Village or in the surrounding rural area for a continuous period of 5 years or more, either immediately before submitting the application or in the past.
Housing in Clusters (TAI 6)	Affordable house for local need - people in need of an affordable house who have resided within the Cluster or in the surrounding rural area for a continuous period of 5 years or more, either immediately before submitting the application or in the past.
Conversion of Traditional Buildings (TAI 7)	Affordable house for local need - people in need of an affordable house who have resided within the surrounding rural area for a continuous period of 5 years or more, either immediately before submitting the application or in the past.

- 4.1.10 The affordable housing for local need in the smaller settlements is to ensure that growth in these settlements will not draw people with no connection to the settlement / area out of Service Centres or Service Villages. This is highlighted within the Glossary of Terms for Affordable Housing for Local Need in the JLDP.
- 4.1.11 Chapter 8 of the SPG outlines the evidence required to satisfy the Local Planning Authority (LPA) that an individual is eligible or that there is sufficient need in a locality to support the application.

## CHAPTER 5 – THE VIABILITY OF PROVIDING AFFORDABLE HOUSING

### 5.1 Why Assess Viability of a Scheme

5.1.1 The question of the viability of land for housing is central to planning policy. Paragraph 9.2.2 of Planning Policy Wales (2016) states "...The level of housing provision to be proposed over a plan period must be considered in the context of viability and deliverability...". TAN 2 further states that informed assumptions should be made about the levels of finance available for affordable housing and the type of affordable housing to be provided.

5.1.2 The courts have further emphasised the importance of robust viability evidence to underpin Affordable housing policies in development plans. The Court of Appeal in 2008 decided in a case brought against Blyth Valley council that:

*"... an informed assessment of the viability of any such percentage figure is a central feature of the Planning Policy Statement (PPS3) on affordable housing. It is not peripheral, optional or cosmetic. It is patently a crucial requirement of the policy"*.

5.1.3 To justify the Threshold and Percentage of Affordable housing sought within the Plan area the Councils commissioned an Affordable Housing Viability Study (AHVS). This provided the justification over the figures contained within Policy TAI 15, which are explained in greater detail within Chapter 6 of this guidance.

### 5.2 House Price Sub-Areas

5.2.1 The AHVS identified sub-areas based on house prices within the Plan area. This was based upon the three years worth of HM Land Registry data for different house types (the study was undertaken in 2012 and therefore used data for the period 2009 to 2011). The sub-areas were based upon post code sectors and were informed by discussions in a workshop conducted with the housing industry and other stakeholders.

5.2.2 Separate Housing Price Areas with similar selling prices were then grouped together and a number of development mix scenarios, based upon typical development mixes on a notional one hectare site discussed at the stakeholder workshop, were tested for their viability.

5.2.3 The AHVS was updated during the Plan's Examination to consider changes in the market from the original work in 2012 and specifically the impact of costs of providing sprinklers (see: <https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Examination-Documents/Operating-Points/Session-4-Action-Points-4,-5,-6,-7-and-9.pdf>).

5.2.4 The following table outlines which settlements fall into different house price areas and the indicative % affordable housing target that should form the basis for proposals:

Table 3: Settlements in the Different House Price Area (which is a copy of Table 22 included in the Plan)

House Price Area	Sub-Regional Centre, Urban & Local Service Centres & Service Villages	Local, Rural, Coastal Villages
Percentage of Affordable Housing Sought: 30%		
Gwynedd High Value Coastal	Abersoch	Llanbedrog, Llangian, Mynytho, Sarn Bach
Rhosneigr	Rhosneigr	
Beaumaris	Beaumaris	Llanddona, Llangoed
Rural North West	Cemaes	Carreg-lefn, Llanfechell, Tregele
Bridgehead	Llanfair Pwllgwyngyll, Menai Bridge	Llandegfan
Trearddur & Rhoscolyn	No service centre in this area.	Four Mile Bridge (part), Trearddur Bay
South West	Newborough	Brynsiencyn, Dwyran
North East Rural	Benllech, Pentraeth	Llanbedr-goch, Moelfre
Larger Coastal Settlements	Bethel (Gwynedd), Bontnewydd, Caernarfon, Criccieth, Pwllheli, Porthmadog, Tremadog	Borth-y-Gest, Caethro, Efailnewydd, Llanystumdwy, Morfa Bychan
Percentage of Affordable Housing Sought: 20%		
Rural Centres	Area within the Park	Corris
Mid Rural	Gaerwen, Llannerch-y-medd	Llanddaniel-fab, Llangaffo
Northern Coast & South Arfon	Bangor, Penygroes	Llandygai, Llanllyfni, Nantlle, Rhiwlas, Talysarn, Tregarth, Y Felinheli
Rural West	Bodedern, Gwalchmai, Valley	Aberffraw, Bethel (Anglesey), Bryngwran, Caergeiliog, Four Mile Bridge (part), Llanfachraeth, Llanfaelog, Llanfaethlu, Llanfihangel-yn-Nhywyn, Llangristiolus, Llanrhuddlad, Malltraeth, Pencaernisiog,
Percentage of Affordable Housing Sought: 10%		
Llangefni	Llangefni	Bodffordd, Talwrn

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

### 5.3 Determining the Affordable Housing Units provided outright / Contribution

5.3.1 Criterion 3 (iii) of TAI 15 outlines the approach that will be applied when the applicant considers that the proposed provision of affordable housing units within a scheme falls below the policy requirements. This could be due to the provision of the expected level of affordable units on their own or in combination with other planning obligation costs e.g. Educational Contribution, Open Space provision/ contribution. See the SPG on 'Planning Obligations, incorporating developer contributions for a range of infrastructure' for further details on possible planning obligations that could be applicable with a proposal. The onus will be on the applicant / developer / landowner to show on a viability pro-forma the circumstances justifying a lower affordable housing contribution and therefore a lower than expected on site tenure mix.

5.3.2 A copy of the viability pro-forma to be used is contained within Appendix 6 of this SPG. This needs to be completed and sent to the Local Planning Authority so that the Local Planning Authority in consultation with the Council's Housing Services can assess the information provided and determine whether this justifies a lower affordable housing contribution. The pro-forma requires information about:

Table 4 – Information Required with Viability Pro-Forma

<b>Category</b>	<b>Information Required</b>
1. Nature of Developments	<ul style="list-style-type: none"> <li>• Type of units</li> <li>• Number of bedrooms</li> <li>• Internal floor area m2</li> <li>• Number of parking spaces</li> <li>• Nature of tenure</li> <li>• Projected Open Market &amp; Affordable Values</li> </ul>
2. Build Costs	<ul style="list-style-type: none"> <li>• Cost of development per m2 (If figure is significantly different from similar type of development the local planning authority may seek a breakdown to:               <ul style="list-style-type: none"> <li>○ Plot costs (base construction)</li> <li>○ External works costs</li> <li>○ Infrastructure)</li> </ul> </li> </ul>
3. Other Development Costs	
3.1 Professional Fees	<ul style="list-style-type: none"> <li>• List the anticipated cost for architect, planning consultant, quantity surveyor etc. supported with copies of the latest estimated cost from the relevant companies.</li> </ul>
3.2 Internal Overheads	<ul style="list-style-type: none"> <li>• Costs such as administrative within the development company, land buyers and planning all non-direct site associated costs.</li> </ul>
3.3 Market Finance	<ul style="list-style-type: none"> <li>• The cost of any loans associated with the development split between:               <ul style="list-style-type: none"> <li>○ Finance for the land.</li> <li>○ Finance of construction.</li> </ul> </li> </ul>
3.4 Marketing Fees	<ul style="list-style-type: none"> <li>• The Estate Agents costs of selling the completed housing units. Supported with copies of quotes from Estate Agents for the work.</li> </ul>
3.5 Developer Profit	<ul style="list-style-type: none"> <li>• The profit margin that the developer will seek from the proposal.</li> </ul>
3.6 Contractors Profit	<ul style="list-style-type: none"> <li>• Only applies to the affordable housing element of a proposal.</li> </ul>
4. Abnormal Costs	<ul style="list-style-type: none"> <li>• A list and justification for any abnormal costs associated with the development. Supported by relevant quotes for any abnormal costs.</li> </ul>
5. Planning Obligation Costs	<ul style="list-style-type: none"> <li>• Any known planning obligation costs associated with the developments e.g. Education Contribution, Open</li> </ul>

Category	Information Required
	Space Contribution etc. (These matters should be identified from pre-application discussions).
6. Site Purchase Costs	<ul style="list-style-type: none"> <li>• Actual price paid for a site with purchase date or an estimated cost of the site.</li> </ul>

- 5.3.3 To allow the Local Planning Authority to respond in a timely manner it is important the information is provided in the manner stipulated within the Viability Pro-forma. Providing information in a different format could have an impact upon the time taken to assess the Viability obligations of a scheme. Commercially sensitive information will be dealt with confidentially by the Local Planning Authority. Any commercially sensitive information should clearly be labelled as such when submitted. For commercially sensitive information and any other personal information provided the applicant should also provide a redacted version of this information that can be placed on the Public Register.
- 5.3.4 Criterion 3 (iv) of TAI 15 states that following the submission of the Viability Pro-forma if disagreement still exists between the applicant / developer / landowner and the Local Planning Authority then an independent external assessment of the scheme will be undertaken at the applicant's expense.
- 5.3.5 The number of affordable units provided will reflect the conclusions of this assessment. Payment for undertaking an independent assessment should be paid by the applicant / developer / landowner prior to commissioning the independent external assessment.
- 5.3.6 In cases of dispute the Local Planning Authority will accept the findings of an independent external assessment.
- 5.3.7 In instances where the applicant / developer / landowner refuses to undertake an independent external assessment the Local Planning Authority will refuse the application on the grounds that the Viability issue with the application has not been proven to the satisfaction of the LPA.

## CHAPTER 6 – THRESHOLDS, DISTRIBUTION & REQUIREMENTS

### 6.1 Thresholds

6.1.1 The following table highlights the threshold figures within Policy TAI 15 when the Council will seek an affordable housing provision / contribution for both new build or conversion for settlements / areas identified in the settlement hierarchy:

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

6.1.2 When the threshold is triggered the Local Planning Authority will require the percentage of provision sought against all of the units that are part of the proposal other than for the sub-division of rural dwellings where the contribution will be sought on two or more of the additional units provided.

6.1.3 Criterion (3) of Policy PCYFF 2 seeks to ensure that proposals should demonstrate that it makes the most efficient use of land, including achieving densities of a minimum of 30 housing units per hectare for residential development (unless there are local circumstances or site constraints that dictate a lower density).



- 6.1.4 In light of this, the Local Planning Authority will scrutinise proposals that seek to provide a lower than average density, in order to determine whether the sites are capable of delivering more housing than proposed, and therefore would be:
- i. above the site capacity threshold set in Policy TAI 15, and
  - ii. capable of delivering a higher level of affordable housing

The applicant will need to demonstrate in a Design and Access Statement, Planning Statement, or a similar document at the planning application stage why a lower than average density is proposed.

## 6.2 Percentage of Affordable Housing

- 6.2.1 The Affordable Housing Viability Study identified different percentage levels that are viable for the provision of affordable housing within the different House price Areas. As highlighted within Policy TAI 15 these indicative targets are based on the provision of social rent tenure, and are as follows:

Percentage of Affordable Housing	Housing Price Areas
30%	<b>Gwynedd High Value Coastal, Rhosneigr, Beaumaris, Rural North West, Bridgehead, Trearddur &amp; Rhoscolyn, South West, North East Rural, Larger Coastal Settlements</b>
20%	<b>Rural Centres, Mid Rural, Northern Coast and South Arfon, Rural West</b>
10%	<b>Llangefni, Llŷn, Western Coastal &amp; Rural Arfon, Holyhead, Amlwch &amp; Hinterland, The Mountains, Eastern Gwynedd &amp; National Park, Blaenau Ffestiniog.</b>

- 6.2.2 This indicative level of provision should be sought on all proposals that trigger the Threshold requirements as highlighted in section 6.1 above. A higher level of provision could be provided within proposals that include an alternative tenure mix (see criterion 2 of Policy TAI 15).
- 6.2.3 Where the affordable requirement of a particular scheme falls below a single dwelling the Local Planning Authority Area will still initially seek to ensure an affordable unit within that development. If the Local Planning Authority Area can be satisfied that it is not viable to provide a unit as part of the development then a pro-rata payment will be expected rather than no affordable provision on the site. The pro-rata payment for the affordable requirement which is below a single affordable unit will use the same formula as that set out in section 7.5 of the SPG in relation to Commuted sum payments.

## **CHAPTER 7 – DELIVERING AFFORDABLE HOMES**

### **7.1 Pre-Application Discussion & Process**

- 7.1.1 In considering a site, the applicant should determine which is the relevant sub market area, and thereby the affordable target that the Local Authority will look to achieve. The number and type of market and affordable units to be provided on the site should be indicated (see Housing Mix SPG for a copy of the relevant pro-forma to record the information). Applicants are advised to read the Housing Mix SPG and contact the Local Housing Authority and/ or Rural Housing Enablers to obtain advice about recognised sources of information regarding local need for affordable homes and advice over the tenure split between rented and intermediate affordable housing. The Local Housing Authority and the Rural Housing Enabler will advise the applicant regarding any charges to obtain detailed information.
- 7.1.2 Both Authorities provide a planning pre-application advice service although there is a standard fee for this (See links to the relevant pages available on-line in Appendix 7). This will help with outlining any matters that would need to be considered and addressed before a planning application is submitted. This advice will include reference to other planning obligation requirements that may be required with the proposal.
- 7.1.3 If the intention is to sell the affordable element to a Registered Social Landlord or a private management service, you should contact them for an indication of their willingness to purchase and the price they will pay.
- 7.1.4 This should enable you to calculate the viability of the scheme, taking into account costs, including required provision of affordable housing units and other planning obligations, versus income.
- 7.1.5 If the development is for a self-build plot or has identified specific individuals for the proposal, the eligibility of these individuals should be confirmed in discussions with the Local Housing Authority. They should be on the Council's waiting list for a social rented accommodation or be confirmed as satisfying the eligibility requirements noted within the Policy and the SPG (see further detail in Chapter 8 of this SPG).

### **7.2 On-Site Provision**

- 7.2.1 A contribution to affordable housing must be provided, on all housing development that triggers the relevant threshold requirement in Policy TAI 15 except where viability assessment considers this not to be feasible. When a development triggers the relevant threshold the affordable housing requirement is calculated against all of the units on the site other than for the sub-division of rural buildings where the contribution will be on all the additional units provided on the site. The affordable housing requirement should be provided on the development site except in exceptional circumstances where a financial contribution is more appropriate.
- 7.2.2 Where the calculation for affordable housing is applied the proportion of the total number of dwellings required to be affordable housing will be rounded to the nearest whole number (where half rounds up). If the fraction of an affordable dwelling is below 0.5 then a contribution via a commuted sum based on that fraction will be required. For example, on a development of 14 new dwellings in a 10% House Price Area, the affordable housing provision will equate to 1.4 dwellings.

Therefore 1 dwelling would need to be on site and a commuted sum worth 0.4 of an affordable home would be required. Alternatively, an applicant may wish to provide an additional dwelling above the fraction of a unit, which they are required to provide. The type of any additional affordable dwelling provided should reflect the identified need for affordable provision in the area. The calculation for a Commuted Sum is shown in Section 7.5 below.

- 7.2.3 Where delivery of affordable housing are to be provided on-site by a developer it is the preference of the LPA that the homes be transferred to a RSL. In such cases, it is essential that the affordable units are up to DQR standards to enable RSLs to purchase them. The LPA does acknowledge however that developers may sell completed homes to private rental companies, or manage the units themselves, provided that the rent is affordable (benchmark or intermediate rents) and that the tenants or occupants are selected from the Common Housing Register or Tai Teg Register, and assessed as being in need by the Housing Association.

### **7.3 Integrated**

- 7.3.1 Affordable housing ought to be, as far as possible, indistinguishable from the general mix of other houses on a site in terms of style and layout, use of materials, architectural quality and detail. The ability to “pepper pot” affordable housing units throughout the development site will depend on the scale of the proposal. On compact sites, widespread pepper potting may not be feasible. The applicant will need to explain what material circumstances prevail to justify why ‘pepper potting’ cannot be achieved. This will assist the Local Planning Authority to determine whether Criteria 3(ii) of Policy TAI 15 has been achieved, i.e. that the affordable units are fully integrated within a development and indistinguishable from non-affordable housing.

### **7.4 Off-Site Provision**

- 7.4.1 Off-site provision will only be considered in lieu of on-site provision in exceptional circumstances, which will be determined on a site-by-site basis. The alternative site should be within the same settlement and the justification could be that the alternative site is located closer to the services and facilities within the settlement and / or the alternative site would provide a higher level of affordable provision in the locality.
- 7.4.2 In such instances the affordable housing provided should reflect the same quantity (unless the justification is for a higher proportion) type and quality as that which would have been provided on-site. The onus will be on the developer to set out the exceptional circumstances as to why the provision should not be on site and how their alternative proposal will address the affordable housing need identified by the LPA.
- 7.4.3 With any off-site provision the LPA will need to be satisfied that the alternative site being offered can be developed in a timely manner and any permission will seek to ensure that the affordable housing element is developed in line with the open market element on the alternative site. Normally a legal agreement will be used to ensure this matter is addressed.

### **7.5 Pro-Rata Payment / Commuted Sums**

- 7.5.1 Where the Council is satisfied that it is not viable to provide an affordable unit in instances where the requirement is for below a single unit then a pro-rata payment will be expected. Also in exceptional circumstances where on-site provision is not considered appropriate and off-site units cannot be delivered on an alternative site, the Local Planning Authority will require a commuted payment in lieu of on-site affordable housing provision.
- 7.5.2 The pro-rata payment / commuted sum should be of equivalent value to the developer contribution if the affordable housing was provided on site.
- 7.5.3 The high level testing undertaken within the AHVS is based upon a notional one hectare site for a series of house price sub markets that have been identified in the Plan. This is used as a comparable and practice measure for benchmarking results.
- 7.5.4 This AHVS identified at 30 dwellings per hectare (Dph) whether 30%, 20% or 10% affordable housing provision was viable for the different housing price areas.
- 7.5.5 The AHVS calculates the Residual Value of a site based on different levels of affordable housing provision. The Residual Value is the difference between Gross Development Value and total scheme costs. It provides an indication to the developer and / or land owner of what should be paid for a site.
- 7.5.6 The methodology below outlines the commuted sum payment for pro-rata where the scheme falls below a single dwelling on the site or in lieu of providing an affordable unit(s) on the site:

Step 1: Identify the Relevant percentage of affordable housing sought in the specific housing price area (shown in grey in Table 5 in this SPG).

Step 2: Calculate the difference between the Residual Value at the affordable housing provision applicable to a housing price area and the Residual Value with no affordable housing provision on the site (see Table 5 below).

Step 3: Divide the figure from Step 2 by the number of affordable units delivered on a notional 1 ha site (i.e. 3 affordable units in a 10% House Price Area, 6 in a 20% area and 9 in a 30% area). This gives the commuted sum for the provision of a single affordable dwelling

Step 4: Multiply the Relevant % of expected affordable housing provision (this is figure from Step 1) by the number of residential units in the proposed scheme.

Step 5: Multiple the commuted sum required for a single dwelling at this location (figure from Step 3) by the proportion or number of units required (figure from Step 4)

Table 5: Copy of Residual Value Figures from Table 2.2 within the Updated Affordable Housing Viability Study (Prices in £ millions)

<b>House Price Area</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>
Gwynedd High Value Coastal, Rhosneigr, Beaumaris.	£3.55	£3.04	£2.53	£2.01
Rural North West, Bridgehead, Trearddur & Rhoscolyn.	£1.99	£1.61	£1.19	£0.86
South West, North East Rural, Larger Coastal Settlements.	£1.49	£1.16	£0.84	£0.51

House Price Area	0%	10%	20%	30%
Rural Centres, Mid Rural, North Coast & South Arfon, Rural West.	£1.05	£0.81	£0.52	£0.23
Llangefni, Llŷn	£0.75	£0.50	£0.24	-£0.01
Western Coast & Rural Arfon, Holyhead, Amlwch & Hinterland.	£0.56	£0.26	£0.02	-£0.22
The Mountains, Eastern Gwynedd & National Park, Blaenau Ffestiniog	£0.20	-£0.01	-£0.08	-£0.43

7.5.7 Below are examples of the calculation for different proposed schemes:

Example 1: Development of 3 housing units in Gwalchmai

Step 1: Gwalchmai is in the Rural West Housing Price Area, which is expected to deliver **20%** affordable housing.

Step 2: Residual Value with 20% affordable housing provision for 30 dwellings = £0.52m

Residual Value with 0% affordable housing provision for 30 dwellings = £1.05m

Difference = **£0.53m**

Step 3: This £530,000 represents the requirement to deliver 6 affordable homes (20% of 30 units), which is **£88,333 per unit** (in other words £88,333 is what is required in this sub-market to deliver one affordable unit).

Step 4: For a scheme of 3 units 20% of 3 units = **0.6** of an affordable housing unit.

Step 5: Therefore the commuted sum that should be sought for this proposals is  $£88,333 \times 0.6 = \underline{\underline{£52,999.}}$

Example 2: Development of 2 housing units in Bethel (Gwynedd)

Step 1: Bethel (Gwynedd) is in the Larger Coastal Settlements Housing Price Area which is expected to deliver **30%** affordable housing.

Step 2: Residual Value with 30% affordable housing provision for 30 dwellings = £0.51m

Residual Value with 0% affordable housing provision for 30 dwellings = £1.49m

Difference = **£0.98m**

Step 3: This £980,000 represents the requirement to deliver 9 affordable homes (30% of 30 units), which is **£108,333 per unit** (in other words £108,333 is what is required in this sub-market to deliver one affordable unit).

Step 4: For a scheme of 2 units 30% of 2 units = **0.6** of an affordable housing unit.

Step 5: Therefore the commuted sum that should be sought for this proposals is  $£108,333 \times 0.6 = \underline{\underline{£65,333.}}$

7.5.8 Should the applicant / developer / landowner question the viability of providing this commuted sum then, in line with Policy TAI 15, the onus will be on them to clearly demonstrate on a viability assessment pro-forma the circumstances justifying a lower affordable housing contribution.

7.5.9 Following the submission of such evidence if there is still disagreement between the applicant / developer/ landowner and the Local Planning Authority as to the

affordable housing provision within a scheme, an independent external examination of the scheme will be undertaken at the applicant's expense. The commuted sum will reflect the conclusions of this assessment.

## **7.6 Spending Commuted Sum / Pro-Rata Payments**

7.6.1 All monies raised through commuted sums and pro-rata payment will be retained for affordable housing provision and be managed by each Strategic Housing Authority (SHA).

7.6.2 Financial contributions secured will be used for the agreed purposes and may be required to be spent within an agreed time period. The Council will be responsible for recording how, when and where financial contributions are collected and spent.

7.6.3 With the exception of Unilateral Undertakings, contributions remaining unspent at the end of the agreed time period (if specified) will be returned unless alternative provision is agreed between the payee (or successor) and the Council. If specifying a time period, the Council will generally propose the time period as 5 years, although this will be a matter for negotiation.

7.6.4 Examples of how financial contributions may be used by the Council include:

- To support on-site provision of affordable housing on other developments;
- To support affordable housing developments developed by an RSL, SHA or equivalent on land owned by them, or to support the purchase of land for this purpose;
- To support affordable specialist housing provided by an RSL, SHA or equivalent;
- To support the renewal of existing Council housing stock or to bring back empty properties into use as affordable housing;
- Other measures identified by the SHA aimed at increasing the supply of affordable housing in both Isle of Anglesey or Gwynedd.

7.6.5 The Council will look to use financial contributions to meet the affordable housing needs within the locality where the development that has made the contribution is located. Where it is not possible to use the money within the same settlement, usually where there are no suitable schemes available, the following cascade will be applied to the use of contributions:

### Within - Gwynedd Planning Area

- a) Settlement, if no suitable schemes available then;
- b) Town/Community Council area, if no suitable schemes available then;
- c) Adjoining Town and Community Council areas within Gwynedd, if no suitable schemes available then;
- ch) Local Housing Market Area within the Gwynedd, if no suitable schemes available then;
- d) Remainder of Gwynedd Council.

### Within - Isle of Anglesey

- a) Settlement, if no suitable schemes available then;
- b) Town/Community Council area, if no suitable schemes available then;
- c) Adjoining Town and Community Council areas within Anglesey, if no suitable schemes available then;

- ch) Local Housing Market Area within Anglesey, if no suitable schemes available then;
- d) Remainder of Anglesey.

## **7.7 Negotiating a Lower Contribution**

- 7.7.1 Whilst the Councils considers that the affordable housing targets and thresholds are both realistic and achievable, the council acknowledges that there may be exceptional circumstances where a developer considers that the level of affordable housing required is not viable. In such instances, the Council will consider, subject to a detailed financial appraisal, reduced contributions or the removal of the requirement to contribute affordable housing. As set out in Section 5.3 of this SPG the applicant will have to provide the Council with evidence in the form of a viability pro-forma to justify a lower level of affordable provision than that expected within Policy TAI 15.
- 7.7.2 Where a developer seeks to re-negotiate the level or type of affordable housing previously agreed at the time of the original planning application, the developer will be required to demonstrate how the circumstances relating to economic viability have changed through the submission of an updated financial viability appraisal. Updated evidence will also be required in situations where the removal or reduction of the required contribution was agreed at the time of the original application, and an application is made for renewal of planning permission or to vary planning conditions to extend time limits for commencement of the development.

## **7.8 Exception Sites**

- 7.8.1 In line with PPW, TAN 2 and TAN 6, Policy TAI 16 supports the provision of affordable housing on exception sites where there is a proven need that cannot reasonably be delivered within a reasonable timescale on a market site inside the development boundary.
- 7.8.2 Chapter 4 outlines the sources of housing need that should be considered to prove that there is a proven need for the affordable dwellings. For considering the reasonable timescale for their delivery, regard should be given to the categorisation of large sites, 5 or more units, in the Joint Housing Land Availability Study (JHLAS). For small sites in the land bank regard should be given towards the date such sites were granted planning permission. In addition, regard should be given to the level of identified need within an area and the level of opportunities from allocations, windfall sites or the existing land bank within the development boundary. The applicant will also need to demonstrate that opportunities available in the existing housing stock have been fully considered and discounted.
- 7.8.3 The exception site needs to be immediately adjacent to the development boundary and form a reasonable extension to the settlement. "Immediately adjacent" means that the proposed exception site should be in contact with the development boundary in the vicinity of the site. In relation to whether or not the proposal would be considered as a reasonable extension to the settlement regard will be given towards whether the proposal is a rounding off of the built form or whether it would form an unacceptable intrusion into the open countryside. The impact of the proposed site on the landscape will be an important consideration in judging its suitability. Assessment of matters included in Policy PCYFF 2, Policy PCYFF 3 and Policy PCYFF 4 will help

to determine the site's suitability for development, and, depending on the site's location, Policies in Section 6.5 of the Plan.

- 7.8.4 The scale of an exception site should reflect the role of the settlement within the settlement hierarchy of the JLDP. In exceptional circumstances where the developer can prove to the Local Planning Authority that it is not possible to deliver exceptions sites in other settlements within the catchment/vicinity of a settlement then a larger scale of development could be supported subject to their being an identified need in the other settlements to be served by the proposal. The scale of such a proposal should be justified by the level of need identified in all the settlements being served by the proposal.
- 7.8.5 The affordable housing local need to justify an exception site must be based upon an identified need from within each settlement the site is located. This is the case for all of the settlement hierarchy from the Sub-Regional Centre down to a Village. For the exceptional circumstances when the site serves more than one settlement then the need will be based upon that identified in each settlement served by the proposal.
- 7.8.6 The requirement to show that meeting the identified need on market sites within the development boundary, within a reasonable timescale, should show why this need cannot be delivered on any allocated housing site in the settlement, undeveloped parcels of land within the boundary, through the existing land bank or through the existing housing stock on sale at the time of the application. The Planning Service can provide information in relation to the existing land bank. Regard should also be given to a sites position within the latest published Joint Housing Land Availability Study (JHLAS). For exception sites that serve a number of settlements then this evaluation should be undertaken for all the settlements served by the proposal.

## 7.9 Controlling Occupancy / Mechanism for Perpetuity

- 7.9.1 Criterion 3(v.) of Policy TAI 15 seeks to ensure that there are suitable mechanisms in place to manage the occupation of affordable housing unit(s) upon initial occupation, and in perpetuity, to those who can prove a need for an affordable dwelling. This approach is in line with National Planning Policy.
- 7.9.2 Paragraph 5.41 of Welsh Government Circular 016/2014 'The Use of planning Conditions for Development Management' states that planning conditions should not be used to control matters such as tenure, price or ownership and therefore planning obligations are the normal means of achieving affordable housing. However the same Circular does contain a standard condition for affordable housing provision through an 'affordable housing scheme'.
- 7.9.3 In order to comply with the above mentioned Circular, to ensure that affordable housing is retained in perpetuity, the Local Planning Authority will apply the following approach:

Scenario	Planning mechanism to control occupancy
Detailed planning consent that requires an on-site affordable housing provision	Section 106 Planning Obligation



Scenario	Planning mechanism to control occupancy
Planning consent that requires a commuted sum in lieu of any on-site provision	Section 106 Planning Obligation
Outline planning consent that requires an on-site affordable housing provision	Planning condition similar to the model condition set out in WG Circular 016/2014 to require an 'Affordable Housing Scheme'. The details of the Scheme will in turn be subject to a Section 106 Agreement.

7.9.4 Whilst the Section 106 Planning Obligation will be tailored to each individual application it will include the following elements:

- A description of the affordable units;
- A description of who will be eligible to occupy the units;
- The location and distribution of affordable housing within the site;
- The timing of the construction and occupation of the land or affordable housing element in relation to the development of the whole site;
- A price fixing mechanism;
- Protection mechanism for future re-sales (such as pre-emption rights);
- A description of the future re-sales cascade procedure.

7.9.5 The future re-sales cascade procedure will vary in accordance with the type of settlement / proposal in question, i.e. whether a development is located:

- On a site within the development boundary of the Sub-Regional Centre, any Service Centre or Service Village;
- On a site within the development boundary of a Village;
- On a site in a Cluster or for the conversion of Traditional Buildings in the Open Countryside;
- On an Exception site.

7.9.6 A fee will be charged to applicants to meet the legal costs of preparing the Section 106 Planning Obligation legal documentation.

7.9.7 Should an application be approved subject to the signing of a Section 106 agreement, the Local Planning Authority expects to be able to issue a decision notice relating to that application within 12 months from the date of the resolution to approve. The ability to achieve this target will depend on the availability of required information from the applicant. Where evidence is provided by the applicant to the Council's satisfaction that the agreement cannot be signed within the prescribed period, then a variation on the time limit will be considered on a case by case basis. Should this information not be forthcoming, the Local Planning Authority reserves the right to refuse the application based on the non-completion of the S106 agreement.

## CHAPTER 8 – ELIGIBILITY

### 8.1 Affordable Housing – Eligibility of Occupiers

8.1.1 The location and type of development can mean different Local Connection requirements within different settlement types, the table below explains this:

*Table 6: Local connection Evidence based on Location of Development*

<b>Location of the proposed Development</b>	<b>Local Connection Evidence Required for:</b>	
	<b>A site <u>within</u> the Development Boundary</b>	<b>An Exception site (i.e. a site <u>outside but immediately adjacent to the development boundary</u>)</b>
<i>Sub-Regional Centre (Policy TAI 1)</i>	<i>5 year connection with the Authority of Gwynedd.</i>	<i>5 year connection with the settlement of Bangor (or it's Rural Hinterland).</i>
<i>Urban Service Centre (TAI 1)</i>	<i>5 year connection with the relevant Authority where the application is located i.e. Gwynedd or Anglesey.</i>	<i>5 year connection with the relevant Urban Service Centre (or it's Rural Hinterland) where the application is located.</i>
<i>Local Service Centre (TAI 2) (Including the 3 Centres identified within Policy TAI 5)</i>	<i>5 year connection with the relevant Authority where the application is located i.e. Gwynedd or Anglesey.</i>	<i>5 year connection with the relevant Local Service Centre (or it's Rural Hinterland) where the application is located.</i>
<i>Service Village (TAI 3)</i>	<i>5 year connection with the relevant Authority where the application is located i.e. Gwynedd or Anglesey.</i>	<i>5 year connection with the relevant Service Village (or it's Rural Hinterland) where the application is located.</i>
<i>Local, Coastal or Rural Village (TAI 4) (Including the 12 Villages identified in TAI 5)</i>	<i>5 year connection with the relevant Settlement (or it's Rural Hinterland) where the application is located.</i>	<i>5 year connection with the relevant Local, Coastal or Rural Village (or it's Rural Hinterland) where the application is located.</i>
<i>Clusters (TAI 6)</i>	<i>Since they do not have a development boundary all applicants will have to show a 5 year connection with the relevant Cluster (or it's Rural Hinterland) where the application is located.</i>	
<i>Conversion of Traditional Buildings in the open Countryside</i>	<i>Since they are not located within a development boundary all applicants will have to show a 5 year connection with the Rural Hinterland around where the traditional building is located.</i>	

*(see the JLDP Written Statement to identify which settlements fall within which the above mentioned Policies)*

8.1.2 For the avoidance of doubt the Rural Hinterland surrounding a settlement does not include any other settlement identified within Policies TAI 1 to TAI 6 in the JLDP.

8.1.3 The following provides a definition of 'surrounding rural area' for applications within Local, Coastal or Rural Villages or Clusters:

'surrounding rural area', which is a distance of 6km from the site of the application and the extent of any Community Council area bisected by the 6km distance, but excluding properties within the development boundary of any settlement other than the settlement within which the application is located.

In the case of a future sale of an affordable dwelling granted under Policies TAI 4 or TAI 6, should the need to search for a 'secondary qualifying person' be triggered, the search area will provide opportunities for households where at least one of its members has a local connection with the County where the application is located (i.e. Anglesey or Gwynedd).

## 8.2 **Demonstrating need – when (a) the applicant is the proposed occupier and/ or (b) the initial occupiers are known**

### 8.2.1 Proving the **Need** for an Affordable Dwelling:

- For Social Rented Accommodation
  - A Registered Social Landlord will use the Social Housing Register to determine the eligibility of the properties' occupiers
- For Intermediate Accommodation
  - Need to be registered with Tai Teg.
  - Need to of have been subject to an Assessment by Tai Teg that you are eligible for an affordable dwelling (there is a cost for this assessment – currently £75 which will be borne by the applicant - the following is a link to the Tai Teg website where further information is available - <https://taiteg.org.uk/en/am-i-eligible-to-apply> ).

8.2.2 The Council will expect a supporting statement for such applications stating how the individual(s) satisfy the relevant local connection requirements. The information demonstrating eligibility must be provided using the pro-forma as shown in Appendix 8.

## 8.3 **Demonstrating need where Specific Occupiers have not been Identified at the planning application stage**

### 8.3.1 Proving the **Need** for an Affordable Dwelling:

- For Social Rented Accommodation
  - Information from the latest Local Housing Market Assessment over the level and type of need identified within the relevant sub-area.
  - Should obtain information from the Council's Housing Register over the level and type of need identified in the area.
  - Information from any Local Survey undertaken within the area, (provided the Survey was undertaken within 5 years to the date of the application) over the level and type of need identified in the area.
- For Intermediate Accommodation
  - Information from the latest Local Housing Market Assessment over the level and type of need identified within the relevant sub-area.

- Information from the Tai Teg Register over the level and type of need identified within the relevant settlement / area (see Local Connection section below for the eligibility of these applications).
  - Information from any Local Survey undertaken within the area, (provided the Survey was undertaken within 5 years to the date of the application) over the level and type of need identified in the area.
- 8.3.2 The Section 106 Agreement / condition will control the occupancy of the intermediate affordable housing units. The Councils will require supporting evidence similar to the evidence required via the pro-forma included in Appendix 8 by prospective occupants (in the first instance and in the future) before they occupy the properties, in order to demonstrate compliance with Section 106 Agreement.
- 8.3.3 For Exception Site applications which have been justified as serving a wider area, subject to satisfying the requirements of paragraph 7.8.4 above, then the Local Connection requirements can be for all the settlements which the Exception site is catering for.
- 8.3.4 When a specific household is identified to occupy an affordable unit provided within this category the Council will expect a supporting statement in the form of the pro-forma as shown in Appendix 8 to be completed. This will enable the Housing Service to determine whether the intended occupier satisfies the local connection requirement within any Section 106 agreement on the site.

## **CHAPTER 9 - MONITORING AND REVIEW**

- 9.1 The implementation of the LDP's affordable housing policies through developments permitted and delivered under the LDP will be monitored annually and reported in the LDP's Annual Monitoring Report (submitted to the Welsh Government by 31st of October each year following adoption of the LDP). This process will monitor the number of affordable homes built per annum (in accordance with the LDP regulations) along with local indicators relating to the percentage, scale, type, and tenure of affordable housing permitted. Changes in residual values taking into account changes in any inputs, that may affect the viability of housing developments will also be monitored (e.g. residential values, build costs, etc).
- 9.2 Matters affecting affordability and affordable housing need within the LDP area will be monitored in conjunction with the monitoring undertaken of the LHMA. The results of this monitoring will inform future review of the LDP's policy requirements relating to affordable housing. This SPG will be kept under review and, where necessary, updated to take into account changes in any relevant policy, guidance, evidence or circumstances, and in response to relevant issues raised with the SPG in practice.

## APPENDIX 1 –National Policy Context

### A.1 National Policy Guidance

#### Planning Policy Wales (PPW) (Edition 9, November 2016)

- A.1.1 Paragraph 9.2.14 of Planning Policy Wales (PPW) (Edition 9, November 2016) states that Affordable Housing is a material planning consideration in preparing a development plan and outlines what constitutes an affordable dwelling:

“9.2.14 A community’s need for **affordable housing** is a material planning consideration which must be taken into account in formulating development plan policies. Affordable housing for the purposes of the land use planning system is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. However, it is recognised that some schemes may provide for staircasing to full ownership. Where this is the case there must be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing. Affordable housing includes 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. Local Housing Market Assessments provide the evidence base supporting policies to deliver affordable housing through the land use planning system.”

- A.1.2 Paragraph 9.2.15 states that affordable housing makes an essential contribution to community regeneration and social inclusion. For affordable housing it is important that authorities have an appreciation of the demand for different dwelling sizes and types of housing (i.e. intermediate and social rented) in relation to supply, so that they are well informed in negotiating the required appropriate mix of dwellings for new developments.
- A.1.3 In line with PPW the Joint Local Development Plan (JLDP) includes an Plan-wide target for affordable housing, incorporates site thresholds, a policy for exception sites and states that rural enterprise dwellings can be considered as an affordable dwelling.
- A.1.4 Paragraph 9.3.5 states that where a development plan policy makes clear an element of affordable housing, or other developer contributions, is required then this will be a material consideration in determining relevant applications.

#### Technical Advice Note (TAN) 2 ‘Planning and Affordable Housing’ (June 2006)

- A.1.5 The TAN provides a practical guidance on the role of the planning system in delivering affordable housing.
- A.1.6 It confirms, in line with paragraph 9.2.14 of PPW that affordable housing is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. It includes:
- Social rented housing;
  - Intermediate housing.

Social rented housing is that provided by local authorities and registered social landlords. Intermediate housing is that where prices or rents are above those of social rent but below market housing prices or rents.

- A.1.7 All other type of housing is referred to as 'market housing' – that is private housing for sale or rent where the price is set in the open market and their occupation is not normally subject to control by the local planning authority.
- A.1.8 Paragraph 10.4 states that when setting site-capacity thresholds and site specific targets local planning authorities should balance the need for affordable housing against site viability. Paragraph 10.6 states this will be a critical factor in determining thresholds, particularly on small sites.
- A.1.9 The TAN advocates an occupancy cascade mechanism to ensure that occupants will always be found for affordable housing when such housing is vacated. This mechanism might set out the geographical areas and / or types of households that would be eligible for such housing. The eligibility criteria could initially be restricted to local residents, people employed locally or people with local connections who are in need of affordable housing. If the housing remained unoccupied after a certain time the criteria would gradually widen to ensure that a suitable occupant was found. The Glossary of Terms in Annex B in reference to Affordable Housing the first bullet point states that affordable housing should "... meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices..."
- A.1.10 Paragraph 10.13 states that Rural Exception sites should be small solely for affordable housing. Paragraph 10.14 state that such sites are not appropriate for market housing and that it is not appropriate to included clauses in planning obligations that would enable lenders of private finance to dispose of property on the open market as a last resort if a borrower were to get into financial difficulties. (***This should be read in conjunction with updated guidance in Securing Mortgage Access for Affordable Housing: A good practice note for planning and housing practitioners (2013) below.***)

Technical Advice Note (TAN) 6 'Planning for Sustainable Rural Communities' (2010)

- A.1.11 Paragraph 4.2.4 in relation to affordable housing states:

"... In the case of unsubsidised affordable housing the initial and resale value of the affordable home is capped at an affordable level linked either to a fixed multiple of local incomes, or discount from market value. Whilst the price of the affordable home covers development costs, prices are well below market values. For this model to work planning authorities must ensure that properties constructed are affordable to the local community as a whole, not only the initial occupier, and requests to allow disposal on the open market (except where the mortgagee is in possession) resisted."

Securing Mortgage Access for Affordable Housing: A good practice note for planning and housing practitioners (2013)

- A.1.12 This guidance note has been prepared by the Welsh Local Government Association (WLGA), Welsh Government, the Council of Mortgage Lenders (CML) and the

Chartered Institute of Housing (CIH) and Community Housing Cymru (CHC) as a response to the difficulties being encountered by all parties in providing affordable housing in perpetuity.

- A.1.13 It is aimed at planning and housing practitioners to assist in the delivery of affordable housing. The purpose of the document is to offer examples of good practice for planning and housing professionals which can be referred to when considering drafting Section 106 agreements for affordable housing.
- A.1.14 In the current economic climate lenders are now taking a more cautious view towards properties that are subject to certain conditions or restrictions. It would be imprudent to believe these views are temporary given the emergent legislation within the banking sector which is driving the sector to hold higher levels of capital for certain types of lending – this could challenge the economics of providing certain specialist mortgage products. Consideration of current market lending practices needs to therefore form an integral part of the whole planning process in order to maximise mortgage availability for prospective customers.
- A.1.15 Suggested template clauses are included in Appendix 2. One example included in Appendix 2 refers to Mortgagee in possession procedures. If no exchange of contracts has taken place at the affordable price, within a period of 12 weeks (from the date that the Mortgagee notifies the Council in accordance with 3.2 above), between the Council (or its Nominee) and the Mortgagee, the Mortgagee (or its agent) can dispose of the Affordable Dwelling for sale at Open Market Value and to any purchaser free from qualifying restrictions but subject to payment (after recouping first the mortgage debt and costs) by the Mortgagee in Possession to the Council of all the difference between the sale price and the Affordable Price (subject to the sale price exceeding the Affordable Price) which sum the Council will use towards the provision of affordable dwelling(s) elsewhere in the relevant Gwynedd Unitary Development Plan catchment area.



## APPENDIX 2 Joint Local Development Plan – Affordable Housing Policies

### AFFORDABLE HOUSING

#### 6.4.96 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

- 6.4.97 The provision of affordable homes is an objective of the Plan. Providing affordable homes is also a priority of the Single Integrated Plan 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 policies set out the circumstances for securing affordable housing, which is supported by the 'Affordable Housing' Supplementary Planning Guidance.
- 6.4.98 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.
- 6.4.99 In 2015 median house price in Anglesey and Gwynedd stood at approximately £156,000 and £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.

6.4.100 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 of 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.

6.4.101 The Anglesey LHMA 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 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). 'Tai Teg', an affordable housing register, is the main information source for intermediate/ shared equity schemes in the Plan area.

6.4.102 It is not expected that the planning system alone will, or should, provide for this shortfall. The Plan is just one tool to ensure that the demand for affordable housing is met. The importance of the Plan's role in contributing to meeting affordable housing need is therefore recognised.

6.4.103 The affordable housing target figure identified in the Plan is based on the following information:

Table 21: Affordable Housing Provision Target

	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 - 31/3/15	172	60	68	4	2	306
B	Units with planning permission 01-04-15	327	62	106	29	2	526
C	New Housing Allocations	216	85	35	-	-	336

	Component of Affordable Housing Supply	Sub Regional Centre / Urban Service Centres	Local Service Centres	Villages	Clusters	Open Countryside	Total
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

6.4.105 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.

6.4.106 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 PS 18: AFFORDABLE HOUSING

**Development opportunities have been identified to provide a minimum target of 1,572 new affordable homes.**

#### POLICY TAI 15: 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 PS 18.**

##### **1. Threshold**

Housing development, both new build and conversions, in settlements identified within the settlement hierarchy as shown in Strategic Policy PS 17 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 Centre	2 or more housing units
Urban Service Centres	
Local Service Centres	
Service Villages	
Rural / Coastal Villages	
Local Villages	
Clusters	Only sites of 100% affordable housing will be supported within clusters.
Subdivision of Rural Dwellings	2 or more additional units
Conversion of Traditional Buildings in Open Countryside	100% affordable housing (unless the residential use is a subordinate element associated with a wider scheme for business re-use)

## 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	Housing Price Areas
30%	Gwynedd High Value Coastal, Rhosneigr, Beaumaris, Rural North West, Bridgehead, Trearddur & Rhoscolyn, South West, North East Rural, Larger Coastal Settlements

<b>20%</b>	<b>Rural Centres, Mid Rural, Northern Coast and South Arfon, Rural West</b>
<b>10%</b>	<b>Llangefni, Llŷn, Western Coastal &amp; Rural Arfon, Holyhead, Amlwch &amp; Hinterland, The Mountains, Eastern Gwynedd &amp; National Park, Blaenau Ffestiniog.</b>

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 – 3ix 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 will remain the priority. However if it is deemed that this is not possible, a pro-rata payment 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 tenure, types and sizes of local need affordable housing, 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 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.
- viii. Dwellings are of a size, scale and design compatible with an affordable dwelling.
- ix. Within Local, Rural and Coastal Villages the affordable housing provision should only be for affordable housing for local need (as defined in the Glossary of Terms).

**Explanation:**

6.4.106 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 by the Councils from a proposal. Whilst on-site provision is the preference when a site triggers the threshold requirement, if the scale of the scheme is below the level of a single affordable unit e.g. 6 units in a house price area of 10% would equate to 0.6 of a dwelling, then a pro-rata contribution for the percentage of a new house will be required i.e. 60% in this example.

6.4.107 Different house price areas have been identified in the viability study. The Table below identifies 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 22: House price areas

House Price Area	Sub-Regional Centre, Urban & Local Service Centres & Service Villages	Local, Rural, Coastal Villages
Percentage of Affordable Housing Sought: 30%		
Gwynedd High Value Coastal	Abersoch	Llanbedrog, Llangian, Mynytho, Sarn Bach
Rhosneigr	Rhosneigr	
Beaumaris	Beaumaris	Llanddona, Llangoed
Rural North West	Cemaes	Carreg-lefn, Llanfechell, Tregele
Bridgehead	Llanfair Pwllgwyngyll, Menai Bridge	Llandegfan
Trearddur & Rhoscolyn	No service centre in this area.	Four Mile Bridge (part), Trearddur Bay
South West	Newborough	Brynsiencyn, Dwyran
North East Rural	Benllech, Pentraeth	Llanbedr-goch, Moelfre
Larger Coastal Settlements	Bethel (Gwynedd), Bontnewydd, Caernarfon, Criccieth, Pwllheli, Porthmadog, Tremadog	Borth-y-Gest, Caethro, Efailnewydd, Llanystumdwy, Morfa Bychan

House Price Area	Sub-Regional Centre, Urban & Local Service Centres & Service Villages	Local, Rural, Coastal Villages
Percentage of Affordable Housing Sought: 20%		
Rural Centres	Area within the Park	Corris
Mid Rural	Gaerwen, Llannerch-y-medd	Llanddaniel-fab, Llangaffo
Northern Coast & South Arfon	Bangor, Penygroes	Llandygai, Llanllyfni, Nantlle, Rhiwlas, Talysarn, Tregarth, Y Felinheli
Rural West	Bodedern, Gwalchmai, Valley	Aberffraw, Bethel (Anglesey), Bryngwran, Caergeiliog, Four Mile Bridge (part), Llanfachraeth, Llanfaelog, Llanfaethlu, Llanfihangel-yn-Nhywyn, Llangristiolus, Llanrhuddlad, Malltraeth, Pencaernisiog,
Percentage of Affordable Housing Sought: 10%		
Llangefni	Llangefni	Bodffordd, Talwrn
Llŷn	Botwnnog, Chwilog, Nefyn, Y Ffôr	Aberdaron, Abererch, Clynnog Fawr, Dinas (Llanwnda) (part), Dinas Dinlle, Edern, Garndolbenmaen, Llanaelhaearn, Llandwrog, Llanybi, Lithfaen, Morfa Nefyn, Pentref Uchaf, Rhoshirwaun, Sarn Mellteyrn, Trefor, Tudweiliog,
Western Coastal & Rural Arfon	Abermaw, Deiniolen, Penrhyndeudraeth, Tywyn	Brynrefail, Carmel, Dinas (Llanwnda) (part), Dolydd & Maen Coch, Fairbourne, Groeslon, Garreg-Llanfrothen, Penisarwaun, Rhosgadfan, Rhostryfan, Y Fron
Holyhead	Holyhead	
Amlwch & Hinterland	Amlwch	Pen-y-Sarn, Rhos-y-bol
The Mountains	Bethesda, Llanberis, Llanrug, Rachub	Cwm y Glo, Waunfawr

House Price Area	Sub-Regional Centre, Urban & Local Service Centres & Service Villages	Local, Rural, Coastal Villages
Eastern Gwynedd & National Park	Area within the Park	
Blaenau Ffestiniog	Blaenau Ffestiniog	

6.4.108 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.

6.4.109 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 use as affordable housing when it can be demonstrated that there are no eligible occupiers for a rural enterprise dwelling.

#### POLICY TAI 16: EXCEPTION SITES

**Where it is demonstrated that there is a proven local need for affordable housing (as defined in the Glossary of Terms) that cannot reasonably be delivered within a reasonable timescale on a market site inside the development boundary that includes a requirement for affordable housing, as an exception, proposals for 100% affordable housing schemes on sites immediately adjacent to development boundaries that form a reasonable extension to the settlement will be granted. Proposals must be for a small scale development, which are proportionate to the size of the settlement, unless it can be clearly demonstrated that there is a demonstrable requirement for a larger site, with priority, where it is appropriate, given to suitable previously developed land.**

#### Explanation:

6.4.110 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 a plan), solely for affordable housing and on land within or adjoining existing rural settlements which would not otherwise be released for market housing.



6.4.111 Due to the rural nature of the area, exception sites will be considered for all the settlements identified in the Plan. They should however be of a scale compatible to the role of the settlement. The only exception to this is 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.

## **TAI 6 'HOUSING IN CLUSTERS'**

### **POLICY TAI 6: HOUSING IN CLUSTERS**

In Clusters named in table 19, proposals for new housing units must conform to all the following criteria:

1. The need for an affordable house for local need (in accordance with the Glossary of Terms) has been proven;
2. The site is an infill site between buildings coloured on the relevant Inset Map, or is a site directly adjacent to the curtilage of a coloured building;
3. The development is of a scale that is consistent with the character of the settlement;
4. The proposal will not create an intrusive feature in the countryside, and will not introduce a fragmented development pattern, nor create a ribbon development contrary to the general development pattern of the settlement;
5. The size of the property reflects the specific need for an affordable dwelling in terms of the size of the house in general and the number of bedrooms;
6. Because of the more sensitive rural location, the development must utilize the natural features of the site in the best way and retain any natural features present at the peripheries of the site or on its boundary that are worth retaining;
7. That mechanisms restrict the occupancy of the dwelling both on first occupation and in perpetuity to those who have a need for an affordable dwelling.

Development will be limited to the growth level noted in the table below for sub-areas within the Plan area (see table 19 in the Explanation to identify which Clusters are located within these sub-areas):

<b>Sub-area</b>	<b>Indicative Provision<sup>1</sup></b>
<b>Anglesey</b>	<b>105</b>
<b>Gwynedd – Arfon</b>	<b>60</b>
<b>Gwynedd – Dwyfor</b>	<b>40</b>

1 This figure includes commitments (land bank) (housing) and completed housing units – see Appendix 5 and Glossary of Terms

**Explanation:**

- 6.4.31 Clusters are characterised by an extremely sensitive social character and environment as well as a limited level of services and facilities. In accordance with the intention of the Plan to maintain and strengthen local indigenous communities, this policy only permits affordable houses for local need (as defined in the Glossary of Terms) and only on suitable sites. By restricting the number of sites where planning permission could be granted the number of houses to be built is limited to ensure that the rate of construction will not detrimentally affect the sensitive character (environmental and social) of the Cluster.
- 6.4.32 Over the Plan period there will be no allocation for development within the named Clusters. Local need affordable housing units will be permitted on infill or extension plots in acceptable and sustainable locations.
- 6.4.33 In some circumstances, where terraced housing or semi-detached dwellings are common, two applicants could develop semi-detached houses jointly in order to save construction and services costs.
- 6.4.34 The following table names the Clusters identified under this policy:

Table 19 – List of Clusters

Anglesey

Bodorgan, Bro Iarddur (Trearddur Bay), Bryn Du, Brynminceg (Old Llandegfan), Brynrefail, Brynteg, Bryn y Mor (Valley), Bwlch Gwyn, Capel Coch, Capel Mawr, Carmel, Cerrig-mân, Cichle, Glan-yr-afon (Llangoed), Glyn Garth, Gaerwen Station, Haulfre (Llangoed), Hebron, Hendre Hywel (Pentraeth), Hermon, Llan-faes, Llangadwaladr, Llansadwrn, Llanynghenedl, Llynfaes, Marian-glas, Nebo, Pen y Marian, Penlon, Penmon, Pentre Berw, Pentre Canol (Holyhead), Bull Bay, Rhoscefnhir, Rhos-meirch, Rhostrehwfa, Rhyd-wyn, Star, Red Wharf Bay, Trefor, Tyn Lôn (Glan yr Afon), Tyn-y-gongl

Gwynedd - Arfon

Aberpwll, Bethesda Bach, Penrhos (Caeathro), Caerhun/Waen Wen, Capel y Graig, Crawia, Dinorwig, Gallt y Foel, Glasinfryn, Groeslon Waunfawr, Llanllechid, Llanwnda,

Minffordd (Bangor), Mynydd Llandygai, Nebo, Pentir, Saron (Llanwnda), Talybont, Tan y Coed, Treborth, Ty'n-lôn, Ty'n y Lôn, Waun (Penisarwaun).

Gwynedd – Dwyfor

Aberdesach, Bryncir, Bryncroes, Llanengan, Llannor, Llwyn Hudol, Pantglas, Penmorfa, Penrhos, Pentrefelin, Pistyll, Pontllyfni, Rhoslan, Swan, Tai'n Lôn.

Gwynedd – Meirionnydd

Aberllefenni, Corris Uchaf, Llanaber, Llandderfel, Llanfor, Minffordd, Talwaenydd.

- 6.4.35 Inset plans are provided to identify the cohesive nature of each cluster with relevant buildings coloured to allow the assessment against the second criteria within the policy.

## **TAI 8 'APPROPRIATE HOUSING MIX'**

### TYPE OF HOUSING

#### **Introduction**

- 6.4.42 A range of sizes and types of new housing is as important as the overall amount. A variety of housing types and tenures within individual Housing Market Areas, and on each housing site where that is possible, creates sustainable mixed communities and helps avoid concentrations of types of housing. High quality design and construction is vital to create visually attractive and sustainable new housing which will remain a desirable place to live well into the future.
- 6.4.43 Given current and future circumstances, (e.g. possible effects of the so called bedroom tax, larger than expected household size, high affordability ratio) more concealed households are anticipated and for the foreseeable future at least, home ownership is only likely to be an option for those with high incomes and those with equity from other sources such as other family members or inheritance. So it is vital to maximise the supply of new affordable housing and Strategic Policy PS18 sets out the Councils' approach.
- 6.4.44 A high proportion of the forecasted increase in households in the Plan area will be people aged over 65. Many of these will want to remain in their existing homes, but some are likely to want to move to a property designed especially for older people. Enabling older households to 'down-size' can release larger properties for occupation by families. This

points to a growing requirement for older peoples' housing, delivered by a diverse range of providers in a variety of formats, recognising that the housing needs and desires of older people are as varied as those of the working population. Some of that housing may encompass varying levels of care provision including extra care.

- 6.4.45 The provision of new student accommodation, if required, in appropriate locations in Bangor will release private housing which will thus become available to meet general housing needs.
- 6.4.46 At this stage it is recognised that some of the new housing will only be possible if new/upgraded infrastructure is provided. The Councils will work with infrastructure providers to remedy any shortfall in a timely manner.

### **POLICY TAI 8: APPROPRIATE HOUSING MIX**

**The Councils will work with partners to promote sustainable mixed communities by ensuring that all new residential development contributes to improving the balance of housing and meets the identified needs of the whole community. Proposals should contribute to creating sustainable mixed communities by:**

- 1. Maximising the delivery of affordable housing (including for local need) across the Plan area in accordance with Strategic Policy PS 18;**
- 2. Contributing to redress an identified imbalance in a local housing market;**
- 3. Ensuring the sustainable use of housing land, ensuring an efficient density of development compatible with local amenity in line with Policy PCYFF 3;**
- 4. Ensuring the correct mix of housing unit types and tenures to meet the needs of the Plan area's current and future communities;**
- 5. Making provision, as appropriate, for specific housing needs such as student accommodation, homes for the elderly, Gypsy & Travellers, supported accommodation, nursing, residential and extra care homes, needs of people with disabilities;**
- 6. Improving the quality and suitability of the existing housing stock;**
- 7. Ensuring high standards of design that create sustainable and inclusive communities in line with Policy PCYFF 3.**

#### **Explanation:**

- 6.4.47 New housing development should include an appropriate balance and mix of house types and sizes, including where applicable affordable houses and for those who wish to self-build, to reflect identified demographic needs of the settlement or, in the case of Service Centres, the area they serve as well. It is also important to address any under provision which exists in the current range of housing stock in the settlement or area. Facilitating more balanced communities, comprising of a range of ages, household types and incomes may also help achieve wider social policy goals, such as maintaining and strengthening Welsh speaking

communities. A Supplementary Planning Guidance will be published to provide further advice on the matter.

- 6.4.48 The Councils will consider information from a variety of sources, which include Local Housing Market Assessment, Housing Needs Studies, Common Housing Register, Tai Teg Register, Elderly Persons' Accommodation Strategy, 2011 Census and the 2011 Household Projections (this list isn't exhaustive) to assess the suitability of the mix of housing in terms of both type and tenure proposed on development sites.

## **APPENDIX 3 – Local Housing Market Assessment (LMHA) - Overview**

Below is a summary of the main findings for both the Isle of Anglesey LHMA (2016) and the Draft Gwynedd LHMA (2018):

### **Isle of Anglesey LHMA Update (May 2016)**

The following provides a summary of key findings of the five themes of the LHMA:

#### **1) Socio-economic findings**

- i) The Census indicates that in 2011 the population of the County was 69,751 and that since 2001 the population has increased by 4.4%. The size of the household population has increased at a faster rate between 2001 and 2011 by 7.7%.
- ii) The Isle of Anglesey contains a lower proportion of the population that are of working age than is found regionally and nationally. The Black, Asian and Minority Ethnic population of the Isle of Anglesey is just 1.8% of the total population.
- iii) There has been a notable growth in part-time employment in the Isle of Anglesey over the last ten years, whilst the number of people in full-time employment has risen more modestly.
- iv) In the Isle of Anglesey the proportion of economically active residents who are unemployed is currently 2.8% and this figure has fallen over the last 12 months.
- v) The Isle of Anglesey has a similar proportion of residents working in professional or technical jobs as is found nationally. The County also contains a lower than average level of working-age residents without any qualifications.
- vi) The median earned income for employees in the Isle of Anglesey in 2015 is £25,022, slightly lower than the national average (£25,189).
- vii) The recent Census indicates that in 2011 there were 34,183 dwellings in the Isle of Anglesey and that since 2001, the dwelling stock had increased by 10.1%. The most common property type in the County is detached houses, followed by terraced dwellings.
- viii) The 2011 Census indicates that 68.8% of households in the Isle of Anglesey are owner-occupiers, 14.6% reside in social rented accommodation and 14.1% rent privately. The private rented sector has grown by over 60% in the County between 2001 and 2011. This substantial growth is similar to national trends.

#### **2) The cost and affordability of housing**

- i) According to data from the Land Registry, the mean house price in the Isle of Anglesey in the first quarter of 2015 was £186,229, higher than the average for Wales as a whole. Data shows that whilst prices have remained largely static since the economic downturn, the number of property sales has fallen notably.
- ii) The cost of housing by size was assessed for all tenures across the County. Entry-level prices in the Isle of Anglesey range from £80,000 for a two bedroom home in the Holyhead price market, up to £312,500 for a four bedroom property in the Menai Straits price market. Entry-level rents in the Isle of Anglesey range from £350 per month for a one bedroom home in Holyhead price market up to £675 per month for a four bedroom property in the Menai Straits price market.
- iii) Housing market gaps analysis shows the nature of the housing ladder in a particular locality. An analysis of the gaps between each tenure shows that there is a large income gap between the social rent and market entry.

#### **3) Improving market balance over the long-term**

- i) The demographic projections for the Isle of Anglesey indicate significant increases in particular age cohorts of the population, including those aged 90 and over. Overall this scenario suggests that the household population will rise by 2,420 by 2026 and by 3,960 by 2033, which equates to 220 households per year.
- ii) In terms of the accommodation required to provide housing market balance over the plan-period, the model, which is based on primary and secondary data, suggests that of the new housing required up to 2026, 70% should be market, 3% shared ownership/help-to-buy, 17% intermediate rent and 10% social rented. The new housing required by 2033 should be 73% market, 3% shared ownership/help-to-buy, 17% intermediate rent and 7% social rented.
- iii) The model also indicates that new market accommodation should principally be two, three and four bedroom homes with a range of dwelling sizes required in the affordable sector.

#### **4) Affordable housing need**

- i) Following the stages of the housing needs assessment model specified by the LHMA Guide results in a net need estimate of 398 affordable dwellings per year in the Isle of Anglesey. Refining the model to reflect the local housing market, the net need figure becomes 182 affordable dwellings per year.
- ii) Help-to-buy, shared ownership and Intermediate Rent set at 80% and 70% of median market rates could all contribute towards meeting housing need.
- iii) A range of affordable accommodation sizes are required, but the need for four bedroom homes is particularly acute because of scarcity of supply.

#### **5) Requirements of specific groups**

##### Older Person Households

- i. Population projections indicate that the population aged 65 or over in the Isle of Anglesey is going to increase notably from 17,512 in 2015 to 20,947 in 2026, a rise of 19.6%.
- ii. Using modelling techniques the following tenure split in types of general needs accommodation for pensioner households is indicated:
 

86% should be market housing, 3% should be shared ownership / intermediate rental and 10% social rented. In terms of size 59% should be one or two bedrooms and 41% three or more bedrooms.
- iii. The stock of specialist accommodation (eg Extra Care) is insufficient to meet future need. Council are undertaking further work to establish the level of additional provision required.

##### Households with specific needs

- i. 23.1 % of the resident population in Isle of Anglesey have a long-term health problem or a disability.
- ii. Using modelling techniques the following tenure and size split is indicated to provide suitable accommodation for those with support needs households in 2026:
 

70% would require market housing, 5% would require intermediate housing, 25% would require social rented housing. In terms of size, 56 % should be one and two bedrooms and 44% three bedrooms or more.

##### Families with children

- i. 33% of the household population on Anglesey are families with children which is lower than the national average of 36.6%.
- ii. Lone parents are notably more likely than non-family with children households to be in both private rented and social rented accommodation.
- iii. Families with children are more likely to be over-crowded and less likely to be underoccupying than other types of households.
- iv. Using modelling techniques the following tenure and size split is indicated to provide suitable accommodation for households with children in 2026

74% would require market housing, 11% would require intermediate housing, 15% would require social rented housing. In terms of size 13 % should be two bedrooms, 50% should be three bedrooms and 36% four or more bedrooms.

#### The private rented sector

- i. There was a 60% increase in the private rented section in Anglesey between 2001 and 2011. 16.8% of the population are currently estimated to live in the private rented sector.
- ii. The number of households in this sector supported by housing benefit on Anglesey is 35%. This figure has remained consistent over the last four years.
- iii. Benefit supported households in the private rented sector are much more likely to contain pensioner households and lone parent households than the non-benefit-supported sector.

#### **Draft Gwynedd LHMA (October 2018)**

The following provides a summary of key findings of the Draft Gwynedd LHMA:

##### **1) Socio-economic findings**

- i) Gwynedd has a population of 121,900 in 52,450 households according to the 2011 Census. It is the third least densely populated authority in Wales with 0.5 persons per hectare. Gwynedd's population increased by 4.3% between 2001 and 2011. Welsh Government estimates this number will continue increasing.
- ii) Gwynedd's working age population has increased since 2015, during the year to March 2018, proportion of those economically active in Gwynedd was less than the regional percentage but greater than the national figures.
- iii) Economic activity of people aged between 16–64 is generally in an upward trend in Gwynedd with 76.7% active in March 2018. This figure does however fall below the North Wales (78.3%) average and only just exceeds the overall Welsh figure for economically active (76.5%)
- iv) The number of people in the workforce who are self-employed is estimated at about 12,000 persons – around 21.8% of the workforce which is higher than the Welsh average at 13.3%.
- v) The proportion of all recipients who live in the social rented sector is much higher than for Wales, and the proportion of recipients in the private sector is lower than in Wales.
- vi) The median household income for Gwynedd is slightly below the median income for Wales according to CACi paycheck figures for 2017.
- vii) The housing stock in Gwynedd is characterised mainly by detached properties (34.9%) or terraced housing (31.0%), with the proportions of these types of housing being higher in Gwynedd compared to national figures.
- viii) The majority of properties are owner occupied, with a significant proportion of these owned outright without a mortgage. The percentage of owner occupied housing in Gwynedd is 2% lower compared with the rest of Wales.



## **2) The cost and affordability of housing**

- i) 1,781 properties were sold in Gwynedd in 2017. The median house price in Gwynedd in 2017 was £150,000. The detached properties have the highest median price of £230,000, whilst flats/maisonettes are the cheapest type with a median price of £107,000.
- ii) There is a shortfall of £4,781 between median incomes and the income needed to purchase lower quartile homes in Gwynedd.
- iii) There is a shortfall of £17,067 between median income and the income needed to purchase median homes in Gwynedd.
- iv) Affordability is a challenge for many households, with 59% priced out of the market in Gwynedd compared to 56% across Wales.

## **3. Improving market balance over the long-term**

- i) Population projections for Gwynedd indicate that the total population will grow marginally over the next five years with an overall growth in the longer term to 2035. Projections also show that the number of children living in Gwynedd will steadily increase in the longer term. The working age population will decline over the next ten years, whereas the older population will grow significantly. These changes in the population will create new housing need, mainly from the formation of new households within the existing population. This new housing need adds to the existing pressure on the housing market.
- ii) Drawing from the data available in the common housing register, it is also possible to identify the type of properties needed. This is 27% one bed units (shortfall 13%), 44% two bed units (shortfall 11%), 22% three bed units (overprovision 27%) and 6% four bed units (shortfall 2%). Note that there can be duplication as applicants can choose one or more bedroom sizes.

## **4) Affordable housing need**

- i) The final affordable housing need figure in the Draft Gwynedd LHMA are still to be confirmed at October 2018. However, the draft figures indicated an estimated need of approximately 500 affordable units per year.
- ii) Increase in housing need for smaller dwellings with one or two bedrooms, due to ageing population and smaller households.

## **5) Requirements of specific groups**

### Older Person Households

- i) The increase in the older age group is expected to continue with people living longer and moving into the area. In 20 years it is expected that there will be an additional 60% of over 80s living in Gwynedd, but the increase in the populations aged between 16 and 64 will only be 2%.
- ii) This data indicates that the greatest current need for housing is for smaller dwellings with one or two bedrooms. We can also see from the data that the need for smaller (1&2 person) and larger (5+ person) dwellings will increase. Meeting the need of both small and large households strengthens the case for developers to provide a greater mix of dwellings within their proposed developments.
- iii) It is important to plan for a mix of housing types across non specialist residential developments. This will ensure a range of housing options for older people and the

general population who may not require specialist housing, but may need adaptations in the future.

#### Households with specific needs

- i) Over 80s population is expected to grow and increase the need for suitable and accessible housing options.
- ii) Less than 10% of social housing stock has some form of adaptation.

#### Families with children

- i) Impact of welfare reform, will see increases in families turning to the social housing sector as private rents become unsustainable and increase need for larger properties.
- ii) 71% of all applicants to the social housing register requested 1 or 2 bedroom accommodation. However 1 and 2 bedroomed accommodation accounts for 47% of the stock.
- iii) With welfare reform measures being introduced, families with 3 or more children, especially where there is a lone parent will feel the impact relatively acutely. Consequently families are and will be turning to the social housing sector as private rents become unsustainable.

#### The private rented sector

- i) The 2011 Census confirms that there are 8,060 (15.4%) households living in private rented sector in Gwynedd; this is lower than the national figure for England and Wales of 16.7% but larger than the 14% of households that are living in the private rented sector in Wales.
- ii) Private sector rental is less affordable for households in 2017 as housing allowances across Gwynedd are on average £121 below private sector rents.
- iii) Over the past 3 years or so, rents have risen steadily driven by the increased demand for rented accommodation and the impact of the rent smart scheme (landlord registration) which has increased the quality of properties coming onto the market.

## APPENDIX 4 - Anticipated Price of Intermediate House for Sale (2018)

### Gwynedd

LSOA 2011 Code	Lower Super Output Area (LSOA)	Settlement in LSOA	Median Household Income	3.5 x Household Income
W01000047 Gwynedd 011A	Abererch	Y Ffor, Abererch, Llwyn Hudol	£26,177	£91,621
W01000048 Gwynedd 016A	Abermaw 1	Part of Abermaw, Llanaber	£22,842	£79,946
W01000049 Gwynedd 016B	Abermaw 2	Part of Abermaw	£22,086	£77,299
W01000050 Gwynedd 003A	Arllechwedd	Part of Bangor, Llandygai, Llanllechid, Talybont	£33,331	£116,659
W01000051 Gwynedd 015A	Bala	No Settlement in the JLDP	£21,867	£76,535
W01000052 Gwynedd 004A	Bethel & Cwm-y-Glo 1	Bethel	£33,162	£116,068
W01000053 Gwynedd 004B	Bethel & Cwm-y-Glo 2	Cwm y Glo, Tan y Coed	£32,440	£113,540
W01000054 Gwynedd 007A	Bontnewydd	Bontnewydd, Penrhos (Caeathro)	£29,597	£103,589
W01000056 Gwynedd 009A	Bowydd a Rhiw	Part of Blaenau Ffestiniog, Talwaenydd	£19,316	£67,606
W01000057 Gwynedd 016C	Brithdir a Llanfachreth/Ganllwyd/Llanelltyd	No Settlement in the JLDP	£29,109	£101,880
W0100005 Gwynedd 006A	Cadnant (Gwynedd)	Part of Caernarfon	£19,617	£68,661
W01000060 Gwynedd 015B	Corris/Mawddwy	Corris, Aberllefenni, Corris Uchaf	£26,652	£93,282
W01000061 Gwynedd 011B	Criccieth	Criccieth	£28,039	£98,138
W01000062 Gwynedd 001A	Deiniol	Part of Bangor	£19,393	£67,876

<b>LSOA 2011 Code</b>	<b>Lower Super Output Area (LSOA)</b>	<b>Settlement in LSOA</b>	<b>Median Household Income</b>	<b>3.5 x Household Income</b>
W01000063 Gwynedd 005A	Deiniolen	Deiniolen, Dinorwig, Gallt Y Foel	£26,354	£92,238
W01000064 Gwynedd 002A	Dewi	Part of Bangor	£28,147	£98,513
W01000065 Gwynedd 009B	Diffwys a Maenofferen	Part of Blaenau Ffestiniog	£18,520	£64,820
W01000066 Gwynedd 010A	Dolbenmaen	Garndolbenmaen, Pentrefelin, Bryncir, Penmorfa	£26,925	£94,237
W01000067 Gwynedd 016D	Gogledd Dolgellau North	No Settlement in the JLDP	£27,077	£94,769
W01000068 Gwynedd 016E	De Dolgellau South	No Settlement in the JLDP	£23,985	£83,948
W01000069 Gwynedd 013A	Dyffryn Ardudwy	No Settlement in the JLDP	£24,921	£87,225
W01000070 Gwynedd 012A	Efail-newydd/Buan	Pentreuchaf, Efailnewydd, Llannor	£28,844	£100,956
W01000071 Gwynedd 003B	Gerlan	Part of Bethesda, Rachub	£26,682	£93,387
W01000072 Gwynedd 002B	Glyder	Part of Bangor, Treborth	£28,782	£100,738
W01000073 Gwynedd 008A	Groeslon	Dinas Dinlle, Llandwrog, Groeslon, Bethesda Bach, Ty'n-Lon, Part of Dolydd a Maen Coch	£30,464	£106,623
W01000074 Gwynedd 013B	Harlech	No Settlement in the JLDP	£27,228	£95,299
W01000075 Gwynedd 002C	Hendre (Gwynedd)	Part of Bangor	£20,707	£72,476
W01000076 Gwynedd 001B	Hirael & Garth 1	Part of Bangor	£22,999	£80,497
W01000077 Gwynedd 001C	Hirael & Garth 2	Part of Bangor	£18,580	£65,030
W01000078 Gwynedd 011C	Llanaelhaearn	Llanaelhaearn, Llithfaen, Trefor, Pistyll	£24,025	£84,088
W01000079	Llanbedr	No Settlement in the JLDP	£27,696	£96,936

LSOA 2011 Code	Lower Super Output Area (LSOA)	Settlement in LSOA	Median Household Income	3.5 x Household Income
Gwynedd 013C				
W0100080 Gwynedd 014C	Llanbedrog & Abersoch	Llanbedrog, Abersoch	£30,266	£105,931
W0100081 Gwynedd 005B	Llanberis	Llanberis	£26,233	£91,814
W0100082 Gwynedd 015C	Llandderfel & Llanuwchllyn 1	Llandderfel Llanfor	£27,515	£96,302
W0100083 Gwynedd 015D	Llandderfel & Llanuwchllyn 2	No Settlement in the JLDP	£26,812	£93,841
W0100084 Gwynedd 014D	Llanengan	Sarn Bach, Llangian, Mynytho, Llanengan	£29,127	£101,944
W0100085 Gwynedd 017C	Llangelynin	Fairbourne	£25,544	£89,405
W0100086 Gwynedd 008B	Llanllyfni & Clynnog	Nantlle, Llanllyfni, Clynnog Fawr, Aberdesach, Pontllyfni, Nebo, Pantglas, Swan, Tai'n Lôn	£25,938	£90,784
W0100087 Gwynedd 004C	Llanrug	Llanrug	£30,393	£106,376
W0100088 Gwynedd 007B	Llanwnda	Llanwnda, Dinas (Llanwnda), Rhostryfan, Rhosgadfan, Saron (Llanwnda) Part of Dolydd a Maen Coch	£31,144	£109,005
W0100089 Gwynedd 011D	Llanystumdwy	Chwilog, Llanystumdwy, Rhoslan, Llanygybi	£29,739	£104,088
W0100090 Gwynedd 002D	Marchog 1	Part of Bangor	£17,981	£62,933
W0100091 Gwynedd 001D	Marchog 2	Part of Bangor	£17,469	£61,140
W0100092 Gwynedd 001E	Menai (Bangor)	Part of Bangor	£24,802	£86,806
W0100093 Gwynedd 006B	Menai (Caernarfon)	Part of Caernarfon	£31,560	£110,461
W0100094 Gwynedd 012B	Morfa Nefyn	Edern, Morfa Nefyn	£28,380	£99,329
W0100095	Nefyn	Nefyn	£25,760	£90,159

LSOA 2011 Code	Lower Super Output Area (LSOA)	Settlement in LSOA	Median Household Income	3.5 x Household Income
Gwynedd 012C				
W01000096 Gwynedd 003C	Ogwen 1	Part of Bethesda	£23,464	£82,123
W01000097 Gwynedd 003D	Ogwen 2	Part of Bethesda	£24,582	£86,035
W01000098 Gwynedd 006C	Peblig (Caernarfon)	Part of Caernarfon	£18,352	£64,231
W01000099 Gwynedd 005C	Penisarwaun	Penisarwaun, Brynrefail, Rhiwlas, Waun (Penisarwaun)	£32,124	£112,435
W01000100 Gwynedd 010B	Penrhyndeudraeth 1	Part of Penrhyndeudraeth Garreg-Llanfrothen	£28,373	£99,307
W01000101 Gwynedd 013D	Penrhyndeudraeth 2	Part of Penrhyndeudraeth, Minffordd	£25,313	£88,597
W01000102 Gwynedd 002E	Pentir 1	Part of Bangor	£35,880	£125,580
W01000103 Gwynedd 005D	Pentir 2	Part of Bangor, Caerhun/Waun Wen, Glasinfryn, Minffordd (Bangor), Pentir, Capel y Graig, Tŷn y Lon	£33,028	£115,599
W01000104 Gwynedd 008C	Penygroes (Gwynedd)	Penygroes	£23,067	£80,735
W01000105 Gwynedd 010C	Dwyrain Porthmadog East	Part of Porthmadog	£23,443	£82,051
W01000106 Gwynedd 010D	Gorllewin Porthmadog West	Morfa Bychan, Borth y Gest, Part of Porthmadog, Part of Penrhyndeudraeth	£28,622	£100,175
W01000107 Gwynedd 010E	Porthmadog - Tremadog	Tremadog	£26,800	£93,801
W01000108 Gwynedd 012D	Gogledd Pwllheli North	Part of Pwllheli	£23,674	£82,857
W01000109 Gwynedd 012E	De Pwllheli South	Part of Pwllheli	£22,220	£77,770
W01000110 Gwynedd 006D	Seiont 1	Part of Caernarfon	£30,086	£105,300
W01000111 Gwynedd 007C	Seiont 2	Part of Caernarfon	£21,453	£75,087

LSOA 2011 Code	Lower Super Output Area (LSOA)	Settlement in LSOA	Median Household Income	3.5 x Household Income
W01000112 Gwynedd 008D	Talysarn	Talysarn, Carmel, Y Fron	£22,213	£77,744
W01000113 Gwynedd 009C	Teigl	Part of Blaenau Ffestiniog	£22,757	£79,650
W01000114 Gwynedd 009D	Trawsfynydd	No Settlement in the JLDP	£22,507	£78,776
W01000115 Gwynedd 003E	Tregarth & Mynydd Llandygai	Tregarth, Mynydd Llandygai	£33,747	£118,114
W01000116 Gwynedd 017D	Tywyn 1	Part of Tywyn	£23,210	£81,234
W01000117 Gwynedd 017E	Tywyn 2	Part of Tywyn	£19,775	£69,213
W01000118 Gwynedd 007D	Waunfawr	Waunfawr, Caeathro, Groeslon Waunfawr	£31,591	£110,567
W01000119 Gwynedd 004D	Y Felinheli	Y Felinheli, Aberpwl	£34,056	£119,197
W01001932 Gwynedd 014E	Aberdaron / Botwnnog & Tudweiliog	Tudweiliog, Sarn Mellteyrn, Botwnnog, Rhoshirwaun, Aberdaron, Bryncroes	£26,423	£92,482
W01001933 Gwynedd 017F	Aberdyfi / Bryn-crug/Llanfihangel	No Settlement in the JLDP	£29,689	£103,911
	<b>Gwynedd</b>		<b>£25,790</b>	<b>£90,264</b>

## Anglesey

LSOA 2011 Code	Lower Super Output Area (LSOA)	Settlement in LSOA	Median Income	3.5 x Household Income
W01000001 Isle of Anglesey 007A	Aberffraw & Rhosneigr 1	Part of Rhosneigr	£28,458	£99,603

LSOA 2011 Code	Lower Super Putput Area (LSOA)	Settlement in LSOA	Median Income	3.5 x Household Income
W01000002 Isle of Anglesey 007B	Aberffraw a Rhosneigr 2	Part of Rhosneigr, Llanfaelog, Bryn Du, Pencarnisiog	£30,113	£105,395
W01000003 Isle of Anglesey 001A	Porth Amlwch	Part of Amlwch	£22,154	£77,540
W01000004 Isle of Anglesey 001B	Amlwch Wledig	Part of Amlwch, Bull Bay	£28,136	£98,475
W01000005 Isle of Anglesey 005A	Beaumaris	Beaumaris, Llanfaes	£28,012	£98,041
W01000006 Isle of Anglesey 006A	Bodffordd	Bodffordd, Llynfaes, Trefor, Ty'n Lôn (Glan yr Afon)	£30,430	£106,505
W01000007 Isle of Anglesey 009A	Bodorgan	Malltraeth, Bethel, Llangristiolus Part of Llangefni, Bodorgan, Hermon, Llangadwaladr, Capel Mawr	£31,755	£111,142
W01000008 Isle of Anglesey 008A	Braint	Part of Llanfair PG	£34,274	£119,959
W01000009 Isle of Anglesey 007C	Bryngwran	Gwalchmai, Bryngwran	£27,452	£96,081
W01000010 Isle of Anglesey 002A	Brynteg	Part of Benllech, Tyn y gongl, Brynteg	£29,097	£101,839
W01000011 Isle of Anglesey 008B	Cadnant (Ynys Môn)	Part of Menai Bridge	£30,172	£105,602
W01000012 Isle of Anglesey 006B	Cefni	Part of Llangefni	£29,946	£104,812
W01000013 Isle of Anglesey 005B	Cwm Cadnant	Llandegfan, Llansadwrn, Cichle, Glyn Garth, Brynminceg (Old Llandegfan)	£39,917	£139,708
W01000014 Isle of Anglesey 006C	Cyngar	Part of Llangefni, Rhosmeirch	£25,694	£89,928
W01000015 Isle of Anglesey 008C	Gwyngyll	Part of Llanfair PG	£33,388	£116,856
W01000016 Isle of Anglesey 003A	Tref Caergybi	Part of Holyhead	£19,983	£69,941
W01000017 Isle of Anglesey 003B	Kingsland	Part of Holyhead	£23,776	£83,216
W01000018	Llanbadrig	Cemaes, Tregele	£27,665	£96,829



LSOA 2011 Code	Lower Super Putput Area (LSOA)	Settlement in LSOA	Median Income	3.5 x Household Income
Isle of Anglesey 001C				
W01000019 Isle of Anglesey 005C	Llanbedr-goch	Llanbedrgoch, Part of Benllech, Bwlch Gwyn, Red Wharf Bay	£31,539	£110,385
W01000020 Isle of Anglesey 002B	Llanddyfnan	Talwrn, Capel Coch, Hebron, Marian Glas	£33,440	£117,041
W01000021 Isle of Anglesey 002C	Llaneilian	Penysarn, Rhosybol, Cerrigman, Nebo	£28,724	£100,535
W01000022 Isle of Anglesey 004A	Llanfaethlu	Llanfachraeth, Llanfaethlu, Llanrhuddlad, Rhydwyn	£30,629	£107,202
W01000023 Isle of Anglesey 007D	Llanfair-yn-Neubwll 1	Bodedern, Part of Caergeiliog	£25,291	£88,517
W01000024 Isle of Anglesey 007E	Llanfair-yn-Neubwll 2	Llanfihangel yn Nhowyn, Part of Caergeiliog	£31,613	£110,646
W01000025 Isle of Anglesey 009B	Llanfihangel Ysgeifiog	Gaerwen, Pentre Berw, Star	£28,923	£101,230
W01000026 Isle of Anglesey 005D	Llangoed	Llangoed, Glan-yr-Afon (Llangoed), Pen y Marian, Haulfre, Penmon	£28,566	£99,980
W01000027 Isle of Anglesey 009C	Llanidan	Llanddaniel Fab, Brynsiencyn, Gorsaf Gaerwen	£29,632	£103,711
W01000028 Isle of Anglesey 001D	Llannerch-y-medd	Llanerchymedd, Carmel	£25,305	£88,568
W01000029 Isle of Anglesey 003C	London Road	Part of Holyhead	£19,405	£67,918
W01000030 Isle of Anglesey 003D	Maeshyfryd	Part of Holyhead	£19,981	£69,934
W01000031 Isle of Anglesey 001E	Mechell	Llanfechell, Carreglefn	£28,005	£98,018
W01000032 Isle of Anglesey 002D	Moelfre	Moelfre, Brynrefail	£30,007	£105,024
W01000033 Isle of Anglesey 003E	Morawelon	Part of Holyhead	£17,844	£62,453
W01000034 Isle of Anglesey 004B	Parc a'r Mynydd	Part of Holyhead , Pentre Canol	£24,998	£87,492

LSOA 2011 Code	Lower Super Putput Area (LSOA)	Settlement in LSOA	Median Income	3.5 x Household Income
W01000035 Isle of Anglesey 005E	Pentraeth	Pentraeth , Llanddona, Hendre Hywel, Rhoscefnhir	£31,870	£111,545
W01000036 Isle of Anglesey 003F	Porthyfelin 1	Part of Holyhead	£18,054	£63,190
W01000037 Isle of Anglesey 003G	Porthyfelin 2	Part of Holyhead	£24,082	£84,289
W01000038 Isle of Anglesey 009D	Rhosyr	Dwyran, Newborough, Llangaffo, Penlon	£27,408	£95,927
W01000039 Isle of Anglesey 004C	Trearddur 1	Part of Trearddur, Part of Four Mile Bridge	£35,211	£123,238
W01000040 Isle of Anglesey 004D	Trearddur 2	Part of Trearddur, Part of Holyhead, Bro Iarddur	£36,517	£127,810
W01000041 Isle of Anglesey 006D	Tudur	Part of Llangefni, Rhostrehwfa	£16,002	£56,008
W01000042 Isle of Anglesey 008D	Tysilio	Part of Menai Bridge	£30,153	£105,535
W01000043 Isle of Anglesey 004E	Fali 1	Part of Valley, Part of Four Mile Bridge, Bryn y Mor	£26,443	£92,550
W01000044 Isle of Anglesey 004F	Fali 2	Part of Valley, Llanyngonedl	£33,386	£116,851
	<b>Ynys Môn</b>		<b>£27,491</b>	<b>£96,217</b>

## APPENDIX 5 - Notional Floor Areas

<b>Unit Type</b>	<b>Floor Area m2</b>
7 Person 4 Bed House	114
6 Person 4 Bed House	110
5 Person 3 Bed House	94
4 Person 3 Bed House	88
4 Person 2 Bed House	83
3 Person 2 Bed Bungalow	58
3 Person 2 Bed Flat – Walk Up	65
3 Person 2 Bed Flat – Common Access	59
2 Person 1 Bed Flat – Walk Up	51
2 Person 1 Bed Flat – Common Access	46
1 Person 1 Bed Bedsit	32
5 Person 3 Bed Bungalow – Wheelchair	115
4 Person 2 Bed Bungalow – Wheelchair	98
3 Person 2 Bed Bungalow – Wheelchair	80
2 Person 1 Bed Bungalow - Wheelchair	60

## APPENDIX 6 – Viability Pro-Forma

Site name \ Application number: .....

### 1. Nature of Development (please provide information regarding each new residential unit separately)

#### 1.1 Open Market Units

<u>Type of unit</u>	<u>Number of bedrooms</u>	<u>Internal floor area (m2)</u>	<u>Number of parking spaces</u>	<u>Nature of tenure (sale / rent etc.)</u>	<u>Projected Open Market Value</u>
					£

#### 1.2 Affordable Units

<u>Type of unit</u>	<u>Number of bedrooms</u>	<u>Internal floor area (m2)</u>	<u>Number of parking spaces</u>	<u>Nature of tenure (sale / rent etc.)</u>	<u>Projected Affordable Value</u>
					£

### 2. Development Costs

<u>Category</u>	<u>Values Used in Calculation1</u>	<u>Overall Cost</u>
<b>Build Costs</b>		
Cost of development per m2		£
<b>Other development costs %</b>		
Professional fees (usually a % of the build cost). Supported with copies of the latest estimated costs on headed paper / official e-mails by the relevant companies.		£
Internal overheads (usually a % of the build cost). Costs such as administrative within the		£

<u>Category</u>	<u>Values Used in Calculation<sup>1</sup></u>	<u>Overall Cost</u>
development company, land buyers and planning all non-direct site associated costs. Split of these should be shown.		
Market Finance (usually a % of the build cost). The costs of any loans associated with the development split between: <ul style="list-style-type: none"> <li>• Finance for the land;</li> <li>• Finance of construction.</li> </ul>		£
Marketing Fees (usually a % of the market value). Supported by quotes from Estate Agents.		£
Developer profit (only for the open market element of the proposal) (usually a % of the market value).		£
Contractor's profit (only applies to the affordable housing element of a proposal) (usually a % of the market value)		£
<b>Any Abnormal costs (please list these and provide justification and quotes for any abnormal costs identified)</b>		
		£

<sup>1</sup> This would show the price per m2 for development cost and the % figure for professional fees, marketing fees etc. in other development costs category.

Dependent upon any abnormal costs claimed it may not be necessary to complete this column for this section.

### **3. Other Planning Obligation Costs**

Description	Overall Cost
	£

#### 4. Site Purchase Costs

4.1 Cost of Site				£
4.2 Actual Price Paid	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
4.3 If Yes to 4.2 Date site was purchased				
4.4 If No to 4.2 is the Cost an Estimate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

#### 5. Totals

5.1 Residual Value (Gross Development Value – (Minus) Total Development Costs (Excluding Site Purchase Costs))	
5.2 Residual Value – (Minus) Site Purchase Costs	
5.3 Overall Surplus / Deficit	

## APPENDIX 7 – Useful Contact Details

Organisation	Web-site	E-mail Contact
<b>1] Local Authorities</b>		
Anglesey & Gwynedd Joint Planning Policy Unit	<a href="https://www.gwynedd.llyw.cymru/en/Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Planning-Policy.aspx">https://www.gwynedd.llyw.cymru/en/Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Planning-Policy.aspx</a>	<a href="mailto:planningpolicy@gwynedd.llyw.cymru">planningpolicy@gwynedd.llyw.cymru</a>
Gwynedd Development Management	<a href="https://www.gwynedd.llyw.cymru/en/Residents/Planning-and-building-control/Planning/Planning.aspx">https://www.gwynedd.llyw.cymru/en/Residents/Planning-and-building-control/Planning/Planning.aspx</a>	<a href="mailto:cynllunio@gwynedd.llyw.cymru">cynllunio@gwynedd.llyw.cymru</a>
Anglesey Development Management	<a href="http://www.anglesey.gov.uk/planning-and-waste/planning-control?redirect=false">http://www.anglesey.gov.uk/planning-and-waste/planning-control?redirect=false</a>	<a href="mailto:planning@ynysmon.gov.uk">planning@ynysmon.gov.uk</a>
Anglesey Housing Service Strategy, Commissioning and Policy	<a href="http://www.anglesey.gov.uk/housing/">http://www.anglesey.gov.uk/housing/</a>	<a href="mailto:housingstrategy@ynysmon.gov.uk">housingstrategy@ynysmon.gov.uk</a>
Gwynedd Housing Strategy Unit	<a href="https://www.gwynedd.llyw.cymru/en/Residents/Housing/Affordable-housing.aspx">https://www.gwynedd.llyw.cymru/en/Residents/Housing/Affordable-housing.aspx</a>	<a href="mailto:unedstrategoltai@gwynedd.llyw.cymru">unedstrategoltai@gwynedd.llyw.cymru</a>
<b>2] Registered Social Landlords operating in the plan area:</b>		
Cartrefi Cymunedol Gwynedd	<a href="http://www.ccgwynedd.org/Home">http://www.ccgwynedd.org/Home</a>	<a href="mailto:enquiries@ccgwynedd.org.uk">enquiries@ccgwynedd.org.uk</a>
Grŵp Cynefin	<a href="http://www.grwpcynefin.org/en/home">http://www.grwpcynefin.org/en/home</a>	<a href="mailto:post@grwpcynefin.org">post@grwpcynefin.org</a>
North Wales Housing	<a href="https://www.nwha.org.uk/">https://www.nwha.org.uk/</a>	<a href="mailto:customerservices@nwha.org.uk">customerservices@nwha.org.uk</a>

<b>Organis ation</b>	<b>Web-site</b>	<b>E-mail Contact</b>
Pennaf	<a href="http://www.pennaf.co.uk/">http://www.pennaf.co.uk/</a>	<a href="mailto:enquiries@pencartref.co.uk">enquiries@pencartref.co.uk</a>
<b>3] Rural Housing Enabler</b>		
North West Wales Rural Housing Enablers	<a href="http://www.grwpcynefin.org/en/eich-cymuned/rural-housing-enablers/">http://www.grwpcynefin.org/en/eich-cymuned/rural-housing-enablers/</a>	<a href="mailto:Arfon.hughes@grwpcynefin.org">Arfon.hughes@grwpcynefin.org</a>  <a href="mailto:Victoria.kelly@grwpcynefin.org">Victoria.kelly@grwpcynefin.org</a>  <a href="mailto:Dylan.owen@grwpcynefin.org">Dylan.owen@grwpcynefin.org</a>
<b>4] Tai Teg</b>		
Tai Teg	<a href="https://taiteg.org.uk/en/">https://taiteg.org.uk/en/</a>	<a href="mailto:info@taiteg.org.uk">info@taiteg.org.uk</a>



## APPENDIX 8 –Supporting Statement Pro-forma to demonstrate local connection occupancy eligibility

This information is collected in order to assess the eligibility of either:

- an individual / individuals when the individual/ individuals that submit an application for an affordable dwelling in accordance with the requirements within Policies TAI 1 to TAI 6 inclusive, TAI 15 and TAI 16 propose to occupy the intermediate affordable housing in the first instance; or
- an individual / individuals that propose to buy intermediate affordable housing post consent, i.e. to support the requirement of satisfying a covenant within a Section 106 agreement over their eligibility to occupy an affordable dwelling on a site (as the first occupiers or occupiers in the future).

All the information that meets the definition of personal data in accordance with the Data Protection Act will be used in a strictly confidential manner and will not be shared outside the Council. The information will be kept on file for a period that conforms to the data protection policies of Gwynedd Council and the Isle of Anglesey County Council. For further information please refer to the Gwynedd Council and the Isle of Anglesey County Council websites.

### Step 1 – Location and Type of Development

The location and type of the proposed development can mean different Local Connection requirements within different settlement types the tables below explains this:

Table 1: Local connection Evidence based on Location of Development

<b>Location of the proposed Development</b>	<b>Local Connection Evidence Required for:</b>	
	<b>A site <u>within</u> the Development Boundary</b>	<b>An Exception site (i.e. a site <u>outside but immediately adjacent to the development boundary</u>)</b>
Sub-Regional Centre (Policy TAI 1)	5 year connection with the Authority of Gwynedd.	5 year connection with the settlement of Bangor (or it's Rural Hinterland).
Urban Service Centre (TAI 1)	5 year connection with the relevant Authority where the application is located i.e. Gwynedd or Anglesey.	5 year connection with the relevant Urban Service Centre (or it's Rural Hinterland) where the application is located.
Local Service Centre (TAI 2) (Including the 3 Centres identified within Policy TAI 5)	5 year connection with the relevant Authority where the application is located i.e. Gwynedd or Anglesey.	5 year connection with the relevant Local Service Centre (or it's Rural Hinterland) where the application is located.
Service Village (TAI 3)	5 year connection with the relevant Authority where the application is located i.e. Gwynedd or Anglesey.	5 year connection with the relevant Service Village (or it's Rural Hinterland) where the application is located.
Local, Coastal or Rural Village (TAI 4) (Including	5 year connection with the relevant Settlement (or it's	5 year connection with the relevant Local, Coastal or Rural Village (or it's Rural

<b>Location of the proposed Development</b>	<b>Local Connection Evidence Required for:</b>	
	<b>A site <u>within</u> the Development Boundary</b>	<b>An Exception site (i.e. a site <u>outside but immediately adjacent</u> to the development boundary)</b>
<i>the 12 Villages identified in TAI 5)</i>	<i>Rural Hinterland) where the application is located.</i>	<i>Hinterland) where the application is located.</i>
<i>Clusters (TAI 6)</i>	<i>Since they do not have a development boundary all applicants will have to show a 5 year connection with the relevant Cluster (or it's Rural Hinterland) where the application is located.</i>	
<i>Conversion of Traditional Buildings in the open Countryside</i>	<i>Since they are not located within a development boundary all applicants will have to show a 5 year connection with the Rural Hinterland around where the traditional building is located.</i>	

*(see the JLDP Written Statement to identify which settlements fall within which the above mentioned Policies)*

*For the avoidance of doubt the Rural Hinterland surrounding a settlement does not include any other settlement identified within Policies TAI 1 to TAI 6 in the JLDP.*

**1] Address of the planning application site?**

.....  
.....  
.....  
.....  
.....

**2] Location of Development, please tick the relevant box:**

*Within a development boundary:*

*On a site immediately adjacent to a development boundary (i.e. an Exception Site):*

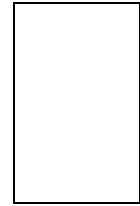
*In a Cluster:*

*Involves the conversion of a Traditional Building in the Open Countryside:*

Other (Please specify): .....

.....

.....



**Step 2 – What is your Local Connection**

**3] Please briefly explain in line with the location of the proposed development how do you satisfy the relevant 5 year local connection requirement, as outlined in Table 1 above? (Please include all previous addresses for the 5 year connection period)**

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.....  
.....  
.....

**4] Do you have any evidence to support your local connection claims, e.g. bills at your current or previous address in the locality, details on the electoral register? Please outline what information you have available to support your claim and attach any relevant documents:**

.....  
.....  
.....

.....  
.....  
.....  
.....  
.....  
.....

Step 3 – Declaration

*I declare that the information provided above is a true reflection of at least one member of my household's local connection to the settlement / area subject to the application site outlined in question 1 above. I am aware that the provision of false information by me and which wrongly leads to the grant of a planning permission based on local connection could result in enforcement or Court action by the Council against my or others' occupation of a dwelling built under that planning permission.*

Signed: .....

Name in Print: .....

Dated: .....

## APPENDIX 9 – Glossary of Terms

Term	Description
<p>Affordable housing (In accordance with the definition of TAN 2)</p>	<p>Housing provided to those whose needs are not met by the open market.</p> <p>Affordable housing should:</p> <ul style="list-style-type: none"> <li>• meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices; and</li> <li>• include provision for the home to remain affordable for future eligible households.</li> </ul> <p>This term breaks down into two sub-categories:</p> <ul style="list-style-type: none"> <li>• social rented housing - provided by local authorities and registered social landlords where rent levels have regard to the Welsh Government’s guideline rents and benchmark rents; and</li> <li>• intermediate housing - where prices or rents are above those of social rented housing but below market housing prices or rents.</li> </ul> <p>A planning mechanism e.g. a Section 106 agreement, is used to control the price and occupancy of the houses.</p>
<p>Affordable Housing for Local Need (In Local, Coastal or Rural Villages, Clusters or in relation to the conversion of traditional buildings in the open countryside to residential use)</p>	<p>The Affordable Housing element will be consistent with the definition of 'Affordable Housing (in accordance with the definition in TAN 2)' which is in this glossary of terms.</p> <p>Local Need in a Local, Coastal or Rural Village - people in need of an affordable house who have resided within the Village or in the surrounding rural area for a continuous period of 5 years or more, either immediately before submitting the application or in the past.</p> <p>Local Need in Clusters and the conversion of traditional buildings in the open countryside - people in need of an affordable house who have resided within the Cluster or in the surrounding rural area for a continuous period of 5 years or more, either immediately before submitting the application or in the past.</p> <p>This is to ensure that growth in these settlements will not draw people with no connection to the settlement out of Service Centres / Villages.</p>
<p>Affordable Housing Viability Study (AHVS)</p>	<p>A study that identifies the level of affordable housing that is viable to be provided on open market housing sites within different Housing Price Areas in the plan Area.</p>
<p>Common Housing Register</p>	<p>Provides a single point of access for all people interested in social housing in an area, including accessible housing for disabled people or older persons accommodation.</p>

<b>Term</b>	<b>Description</b>
Commuted Sum	A sum of money paid by the applicant in lieu of providing affordable housing on site.
Development Quality Requirements (DQR)	Sets out the minimum quality requirements for new and rehabilitated housing developments funded from the Welsh Government's Social Housing Grant.
District Valuer Services	Is the specialist property arm of the Valuation Office Agency (VOA). It provides independent, impartial, valuation and professional property advice across the entire public sector, and where public money or public functions are involved.
Exception Site	Small scale sites either within or immediately adjacent to the development boundary which provides 100% affordable housing.
Housing Price Sub-Areas	Different house price areas within the plan area identified in the Affordable Housing Viability Study.
Housing Market Areas	The North West Wales Local Housing Market Assessment identified housing market areas within the sub-region based upon travel to work areas and local knowledge to be able to understand the levels of demand and need within these areas.
Housing Need	Refers to households lacking their own housing or living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some financial assistance.
Housing Needs Study	A survey of a particular area or settlement to support a reasonable mix and balance of house types and sizes so as to cater for a range of housing needs within the locality.
Joint Housing Land Availability Study (JHLAS)	Local planning authorities must ensure that sufficient land is genuinely available or will become available to provide a 5 year supply of land for housing, judged against the strategy contained in the development plan. The purpose of these studies is to: <ul style="list-style-type: none"> <li>• monitor the provision of <i>market housing</i> and <i>affordable housing</i>;</li> <li>• provide an agreed statement of residential land availability for development planning and control purposes; and</li> <li>• identify the need for action in situations where an insufficient supply is identified.</li> </ul>
Local Housing Market Assessment	A study that identifies evidence about housing need and demand in the area.
Local Market Housing (in accordance with paragraph 9.2.4)	Housing units either to rent or that are for sale within the defined settlements listed in Policy TAI 5. A planning mechanism, e.g. a planning condition, is used to control the occupancy of a house to

<b>Term</b>	<b>Description</b>
Planning Policy (Wales)	households that have a specific local connection but a mechanism is not used to control the price of the house.
Low Cost Market Housing	Historically considered as being housing that was affordable by design. However since they did not have any mechanisms to control their price TAN 2 states that Low Cost Market Housing is not considered to be 'affordable housing' for the purpose of the land use planning system.
Lower Super Output Area	Output areas are a set of areas of consistent size, whose boundaries would not change. Lower Layer Super Output Areas (LSOAs) are an aggregation of adjacent Output Areas with similar social characteristics, they typically contain 4 to 6 Output Areas with a population of around 1500.
Median Household Income	Is the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.
Occupancy cascade	A mechanism to ensure that occupants who fulfil the occupancy criteria will always be found for <i>affordable housing</i> when such housing is vacated. This mechanism sets out the geographical areas and/or types of households that would be eligible for such housing.
Open Market Housing (in accordance with the definition of TAN2)	Housing for rent or sale where the price is set by the open market. Such units will meet the housing needs of those within the Plan area who are not eligible to live in affordable housing. A planning mechanism is not used to control the occupancy of the houses.
Permitted Development Rights	Certain types of minor changes can be made to your house or business without needing to apply for planning permission.
Pro-rata payment	Where the scale of a scheme mean the affordable requirement is below a single unit then a contribution based upon the percentage of a new house will be required.
Redacted Copies	A spare set of documents provided to/ by the Council where any personal or sensitive data is blocked out to allow the document to be placed upon the public register.
Registered Social Landlord	Independent societies, bodies of trustees or companies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Any trading surplus is used to maintain existing homes and to help finance new ones.
Rural Enterprise Dwelling	Qualifying rural enterprises comprise land related businesses including agriculture, forestry and other activities that obtain their primary inputs from the site.

<b>Term</b>	<b>Description</b>
Rural Hinterland	The area in the immediate vicinity of a settlement and excludes any other settlement identified within the JLDPs settlement hierarchy.
Rural Housing Enabler	A person independent of the Council and Housing Associations who works with local communities to identify housing need and provide guidance to communities on the development process.
Section 106 Agreement	A legal agreement under section 106 of the 1990 Town & Country Planning Act. Section 106 agreements are legal agreements between a planning authority and a developer, or undertakings offered unilaterally by a developer, that ensure that certain extra works related to a development are undertaken.
Tai Teg	Tai Teg is a register of people in Gwynedd and Ynys Môn interested in homeownership who cannot currently afford to buy outright on the open market.