

**AFFORDABLE HOUSING SUPPLEMENTARY
PLANNING GUIDANCE**

**CONSULTATION REPORT AND OFFICER'S
RECOMMENDATIONS**



APRIL 2019

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1.0 BACKGROUND

Purpose of Supplementary Planning Guidance (SPG)

- 1.1 The Purpose of SPGs are to:
- assist the applicants and their agents in preparing planning applications and in guiding them in discussions with officers about how to apply relevant policies in the Joint Local Development Plan before submitting planning applications,
 - assist officers to assess planning applications, and officers and councillors to make decisions about planning applications
 - help Planning Inspectors make decisions on appeals.
- 1.2 The general aim is to improve the quality of new developments and facilitate a consistent and transparent way of making decisions that align with relevant policies in the Joint Local Development Plan.

The Policy Context

Local Development Plan

- 1.3 Under planning legislation, the planning policies for every area are contained within the 'development plan'. The Gwynedd and Anglesey Joint Local Development Plan (JLDP) was adopted on 31 July 2017. It relates to the Gwynedd and Anglesey Planning Authority areas.
- 1.4 The Plan provides wide-ranging policies along with allocations for the main land uses, such as housing, employment and retail; it will help shape the future of the Plan area physically and environmentally, and will also influence it economically, socially and culturally. The Plan, therefore:
- enables 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
 - guides developments to suitable areas during the period up to 2026.

The need for Supplementary Planning Guidance

- 1.5 Although the Plan contains policies that enable the Local Planning Authority to make consistent and transparent decisions on development applications, it cannot provide all the detailed advice required by officers and prospective applicants to steer proposals locally. In order to provide this detailed advice, the Councils are preparing a range of SPGs to support the Plan that will provide more detailed guidance on a variety of topics and matters to help interpret and implement the Plan's policies and proposals.

The Status of Supplementary Planning Guidance

- 1.6 Supplementary Planning Guidance (SPG) will be material planning considerations during the process of assessing and determining planning applications. Welsh Government and the Planning Inspectorate will place considerable weight on supplementary planning guidance that stem from, and are consistent with, a development plan. The SPGs cannot introduce any new planning policies or amend existing policies.
- 1.7 Once they have been adopted SPGs should, therefore, be given substantial weight as a material planning consideration.

2.0 AFFORDABLE HOUSING SPG

2.1 This SPG aims to give more detail and additional information to assist both planning authorities to implement Policies PS 18 ('Affordable housing'), TAI 6 ('Housing in Clusters'), TAI 15 ('Affordable housing Threshold & Distribution') and TAI 16 ('Exception Sites') of the JLDP, in order to ensure a consistent method of implementation. This guidance facilitates the appropriate provision of affordable housing for applications that trigger its requirements noted within the policies by addressing specific considerations and identifying appropriate control mechanisms.

Public Consultation

2.2 A draft version of this SPG was approved for public consultation by the Joint Planning Policy Committee on the 16th November, 2018. This draft was prepared in consultation with relevant officers from both Authorities, such as the Development Management Section, Housing Service and the Legal Units of both Authorities. Prior to this the SPG was reviewed by the Joint Local Development Plan Panel on the 17th July, 2018.

2.3 The SPG was the subject of a public consultation exercise between the 13th December, 2018 and the 31st January, 2019.

2.4 Details of the public consultation were placed on both Council's websites and emails/ letters were sent to all Councillors, Community Councils, planning agents, statutory consultees, environmental bodies, neighbouring authorities and those who had declared an interest in the SPG. Details of the consultation were also sent to the specialists in the topic area (e.g. Registered Social Landlords, house builders, estate agents and mortgage lenders). Hard copies of the SPG were also available to inspect in all public libraries, Anglesey County Council's main office in Llangefni, and in Siop Gwynedd (Caernarfon, Dolgellau and Pwllheli).

2.5 A number of platforms were available for interested parties to respond to the consultation which were:

- Online word and pdf response form - available on both websites and paper copies were made available in all libraries and Siop Gwynedd. Paper copies of the response form were also available on request from the JPPU
- Email
- Letter

2.6 A total of 31 representations were received, which comprised of 29 objections and 2 comment of support. Due consideration was given to all of the representations received. Both Council's Housing and Property Services were consulted prior to making a recommendation regarding the response to the comments received.

2.7 The following section (Appendix A) summarises the representations received, the Councils' response to them and where appropriate, recommends any changes required to the SPG in lieu of the comment. Any proposed change to the wording of the SPG is noted in a **bold font that has been underlined**.

Further Matter

2.8 The Joint LDP requires affordable housing in Clusters and Local, Coastal or Rural Villages to satisfy a local connection, which is described as follows: "who have resided within the Cluster/

Village or in the surrounding rural area...” In dealing with current applications for affordable units in Clusters or Local, Coastal or Rural Villages, clarification has been sought from the Council’s Legal Service’s in relation to the extent of the ‘surrounding rural area’ relevant to such settlements. This information is required to ensure that the relevant wording in Section 106 Agreements are sufficiently clear. It is agreed that it would be beneficial for the SPG to provide the required advice. Having considered a number of options, a favoured option has been identified. Appendix B to this report outlines the recommended definition of ‘surrounding rural area’ in relation to Local, Coastal or Rural Villages and Clusters with proposed changes to the wording of the SPG noted in a **bold font that has been underlined**.

Joint Local Development Plan Panel

- 2.9 On 22 March 2019, the Panel considered the proposed responses to the comments on the Affordable Housing Supplementary Planning Guidance in order to have the opportunity to present comments upon them. The following comments were made in this meeting of the Panel:
- It was noted that there was reference in comment 10 to the ‘Council’s Property Service’ rather than the ‘Councils’ Property Service’. The table should be corrected to ensure accuracy by referring to both Councils. It was agreed to make this change, and this has been incorporated within Appendix A of this report.
 - A discussion was held on the definition of surrounding rural areas with regards to Clusters and Local, Coastal or Rural Villages. The Panel’s consensus was that the recommendation for ‘**initial qualifying person**’ was acceptable but that the area for ‘**secondary qualified persons**’ should be expanded.
 - It was agreed that the Officer’s would consider the different options for ‘secondary qualifying person’ in light of the concerns of creating a second stage that was too restrictive, that could affect the ability of individuals to get a mortgage for this type of affordable units.
 - The recommendation we are suggesting as officers is that the ‘secondary qualifying person’ area extends to the Council area where the application is located i.e. either Anglesey or Gwynedd. This is on the basis of:
 - Ensuring consistency when dealing with applications in both Counties’;
 - Remove the need for a third stage if using other sub-areas e.g. Arfon, Dwyfor and Meirionnydd (note that the vast majority of Meirionnydd is within Snowdonia National Park planning authority);
 - A site’s location can be on the edge of any sub-area and therefore the inclusion of the relevant County in its entirety means that individuals in need of an affordable dwelling from a sufficiently extensive area are eligible.
 - On the basis of historical patterns of development it is anticipated that it will be only in exceptions that the secondary stage will be reached.

APPENDIX A – SUMMARY OF COMMENTS RECEIVED AND OFFICERS’ RECOMMENDATIONS

Rep Id	Person Id	Type of Comment	Organisation	Part	Summary of Representation	Officer Comments and Recommendation
1	01	Support	Ffestiniog Town Council	General	The Ffestiniog Town Council support this document.	Comment Noted
2	02	Objection	Cyngor Cymuned Llanystumdwy	General	A number of Acronyms are used throughout the document which makes it difficult to read. In addition these are a mix of Welsh and English Acronyms. There should only be only Welsh Acronyms used in the Welsh version. In addition listing the Acronyms in Appendix 9 Glossary of Terms would be a help.	Accepted Agree to amend the acronyms to Welsh in the Welsh version. In addition create a list of Acronyms and their meaning at the start of the SPG. Recommendation Amend the acronyms to Welsh in the Welsh version and create a list of Acronyms used in the SPG.
3	03	Objection	Cyngor Tref Porthmadog	General	The Town Council wish to express their disappointment over the insufficient supply of affordable housing in the Porthmadog area. Porthmadog is being disregarded at the expense of other local towns of Penrhyndeudraeth and Criccieth. Even though we have sent letters numerous times on this matter offering suitable locations outside the flood risk zone there hasn't been discussions or consideration been given to these. The Town Council are anxious about this lack of consideration.	Comment Noted Policy TAI 15 sets out indicative affordable housing targets for allocated and windfall sites within development boundaries. The indicative targets are based on a detailed assessment of viability issues in the Plan area. Porthmadog lies within a 'Larger Coastal Settlements' Price Area and therefore the Policy expectation is that 30% of housing units on sites should be affordable housing in Porthmadog, which is the highest % target. There are no housing allocations in Porthmadog (see below). However, the 30% affordable housing target would be applicable to windfall sites within the development boundary. In terms of land supply, the evidence base prepared in support of the Joint Local Development Plan highlights the potential availability of land/ buildings for development within the town's built form and the problems of identifying suitable land in Porthmadog due to significant flood risk issues. Parcels of land were offered both at the candidate site stage and as formal objections to the Deposit Plan. However these were deemed not suitable by the Council due to access and/or topographical issues and/ or lack of relationship with the town's built form. The Inspector agreed with the Council's position and did not recommend that any of these sites be included within the JLDP. Policy TAI 16 'Exception Sites' does allow for 100% affordable housing schemes on sites immediately adjacent to the development boundary that form a reasonable extension to the settlement. Therefore should there be suitable sites (including being free from the risk of flooding) immediately adjacent to the development boundary proposals for their development would be considered under Policy TAI 16. Recommendation No change to the SPG in light of this objection.
4	04	Objection	Cyngor Tref Penrhyndeudraeth	General	This is the only type of housing (affordable housing) that should be built, which is housing within the reach of people within their community in line with their	Comment Noted

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					income with the scale of development reflecting the need from the community.	<p>Paragraph 4.2.1 of Planning Policy Wales (Edition 10 Dec 18) states that Planning authorities must understand all aspects of the housing market in their areas. It further states that new housing development in both urban and rural areas should incorporate a mix of market and affordable housing needs and contribute to the development of sustainable and cohesive communities.</p> <p>Therefore the Plan has to provide for a mix of housing types, however, Policies within the Plan e.g. TAI 8 'Appropriate Housing Mix' seeks to ensure that any market housing development is of the right type (tenure, number of bedrooms, style) to meet the needs of the whole community, which includes households that are able to buy or rent housing on the open market, e.g. households who may need to move to a house with more bedrooms, households who may need to downsize, households who may want to move/ return to an area due to work commitments or need to be closer to other family members.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
5	04	Objection	Cyngor Tref Penrhyndeudraeth	General	Based on registered applications, one could determine with a degree of accuracy how many houses need to be built and which category - from the most affordable to the most expensive, even if that house were expensive enough to be for sale on the open market; the test would be that there is a demand for such a house from within the community	<p>Comment Noted</p> <p>The affordable housing SPG ensures that sufficient consideration is given towards the affordable housing policies that would be applicable with a proposal. Criterion 3i of Policy TAI 15 requires the affordable housing element of a proposed development to achieve an appropriate variety of housing units based on assessment of need. The comments refer to the Social Housing Register and the Tai Teg Register, which are recognised sources of information that provide a snapshot of need (number of units) and type of units.</p> <p>Other Policies within the Plan e.g. TAI 8 'Appropriate Housing Mix' seek to ensure that the type of dwellings proposed, be they market or affordable housing, contribute towards improving the balance of housing and meets the identified needs of the whole community.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
6	04	Objection	Cyngor Tref Penrhyndeudraeth	General	In its current state this SPG allows for buyers from outside to take advantage of it which could harm the Welsh language, which mean that those clauses are defective.	<p>Comment Noted</p> <p>Chapter 8 of the SPG does outline the Eligibility of Occupiers for different type of affordable provision in the different settlement hierarchy.</p> <p>In all cases at least one member of the household must have a minimum of a 5 year connection.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
7	05	Objection	Valley Community Council	3.3.7	Household Income – As mortgage offers are now based on the affordability assessment, it may be detrimental to use 3.5 x salary as the basis for an affordable housing need assessment.	<p>Comment Noted</p> <p>An affordability assessment evaluates a household's income against their expenses and then stress tests their finances. Since such an assessment will be unique, dependent upon each household's</p>

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						<p>personal circumstances, it is not possible to use this to create a methodology for anticipating the price of affordable units in different locations within the Plan area.</p> <p>Paragraph 3.3.12 of the SPG explains that the methodology for anticipating the price of affordable units i.e. median income times 3.5 plus 10% deposit is the starting point for the applicant and any discussions with the local planning authority.</p> <p>With specific schemes the local planning authority will liaise with the relevant Housing Service to ascertain what price specific type of affordable housing proposed should be in different locations within the plan area.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
8	06	Objection	Owen Devenport Ltd	3.3.11	<p>This paragraph sets out a scenario whereby the average household income will require a deposit (depending on property) of between £11k and £23k. There is no indication here of whether or not saving for or obtaining a sum of money up to £23k is a reasonable expectation for young couples.</p>	<p>Comment Noted</p> <p>The figures contained within Table 1 of the SPG over a 10% deposit level for different housing types in Bangor is given as an example within the SPG. Paragraph 3.3.12 of the SPG explains that the methodology for anticipating the price of affordable units i.e. median income times 3.5 plus 10% deposit is the starting point for the applicant and any discussions with the local planning authority.</p> <p>With specific schemes the local planning authority will liaise with the relevant Housing Service to ascertain what price specific type of affordable housing proposed should be in different locations within the plan area.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
9	06	Objection	Owen Devenport Ltd	3.5.3	<p>The need for 2 valuations. If a valuation is required and that needs to be a red book RICS Valuation then there is no need for two valuations. If two 'non-RICS' valuations were stipulated then this would be reasonable, but to insist on two RICS valuations is a waste of resources, finances and suggests that one of the Valuers might not be competent. Similarly if the District Valuer service is called in it is at the LPA's behest and not the applicant's. It is outrageous to ask the applicant to pay for a DV valuation simply because the LPA do not agree with the applicant's valuations. If the DV is necessary then the LPA must put a case forward as to why they think the applicant's valuations are incorrect – i.e. upon what basis do they place their concerns? And what evidence do they have for not trusting an RICS valuer?</p>	<p>Accepted in Part</p> <p>After discussing this matter with the Council's Property Service it was agreed that one valuation would be sufficient provided that it was prepared by a certified suitably qualified chartered surveyor who is impartial and has sufficient knowledge of the local market. In addition to the valuation a copy of the terms of engagement and the full valuation should be submitted to the local planning authority.</p> <p>Whilst it is not envisioned that there will be a need to use the District Valuer service having this wording within the SPG protects the Council's from costs in cases whereby it is not possible to agree a valuation with an applicant. This is also the approach undertaken by other Local Authorities in Wales.</p> <p>Recommendation Amend paragraph 3.5.3 as follows: 3.5.3 The applicant will be required to submit two 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</p>

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						<p><u>vested interest in the application, who has sufficient local knowledge of the dwelling type and its particular market to undertake the valuation competently</u> and should be sent with the application. <u>The valuation submitted should include a copy of the terms of engagement of the valuer and the full valuation i.e. not extracts.</u> 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.</p>
10	06	Objection	Owen Devenport Ltd	3.7.4	Again we re-iterate that there is no need for 2 RICS qualified valuations. It is a disproportionate requirement and unnecessary cost.	<p>Accepted</p> <p>After discussing this matter with the Councils' Property Services it was agreed that one valuation would be sufficient provided that it was prepared by a certified suitably qualified chartered surveyor who is impartial and has sufficient knowledge of the local market. In addition to the valuation a copy of the terms of engagement and the full valuation should be submitted to the local planning authority.</p> <p>Recommendation Amend the last sentence of paragraph 3.7.4 to read:</p> <p><u>"The open market value of the property shall be provided by the applicant from two 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</u> and agreed with the Local Planning Authority. <u>The valuation submitted should include a copy of the terms of engagement of the valuer and the full valuation i.e. not extracts.</u></p>
11	06	Objection	Owen Devenport Ltd	3.7.5	12 months is too long a marketing period. 6 months is plenty of time to gauge the market and this has proved acceptable in numerous appeals. Any longer than 6 months and the market becomes suspicious that there is something wrong with the property.	<p>Comment Noted</p> <p>The Welsh Government prepared 'Rural Enterprise Dwelling Practice Guide (Dec 11)' to assist planning applicants and local planning officers understand the Rural Enterprise Dwelling requirements set out in Technical Advice Note 6 Planning for Sustainable Rural Communities.</p> <p>Paragraph 8.27 within the section on 'Demonstration of the absence of continuing need' states:</p> <p><i>"8.27 Evidence of effective market testing will be required over a reasonable period, usually at least 12 months."</i></p> <p>In light of the guidance from the Welsh Government over at least 12 months marketing period it is felt appropriate to retain this requirement within the SPG.</p> <p>Recommendation No change to the SPG in light of this objection.</p>

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12	06	Objection	Owen Devenport Ltd	3.7.6	<p>Commuted sum of 30% This figure should not be 'cast in stone', but a high end figure that is negotiable depending on circumstances. Differing values of properties could mean differing pressures on couples and reasons for selling are also different resulting in different pressures (e.g. Financial debt; divorce; bereavement).</p> <p>There should also be a caveat in this SPG placing onus on the Local Authority to spend the agreed commuted sum on affordable housing within a reasonable time frame (e.g. 2 years) (in accordance with national policy). There is no indication here either of when the commuted sum needs to be paid and over what period. But, in terms of the commitment by the Local Authority, then if the payment is not spent (not allocated or committed but actually spent) there should be a mechanism within, say a Section 106 Agreement, that the money is returned if it has not been spent on an affordable housing scheme. This SPG should not be seen as merely a 'bribe' to extract money from applicants who are in a distressed state having to sell their property, and then the monies are not used or indeed worst still used for a purpose other than affordable housing.</p>	<p>Comments Noted</p> <p>The Welsh Government prepared 'Rural Enterprise Dwelling Practice Guide (Dec 11)' to assist planning applicants and local planning officers understand the Rural Enterprise Dwelling requirements set out in Technical Advice Note 6 Planning for Sustainable Rural Communities.</p> <p>Paragraph 8.28 within the section on 'Demonstration of the absence of continuing need' states:</p> <p><i>"8.28 The value of any property subject to an occupancy restriction will be less than its value on the open market. Traditionally agricultural dwellings have been marketed at prices generally between 70 and 75% of their open market value. With the wider range of compliant rural enterprise workers and local affordability constraints, this will continue to be the case. The valuation of properties will require professional advice and, in the case of affordability criteria, assistance from the local authority."</i></p> <p>It must be considered that such properties are located in the open countryside and would therefore not have received planning permission other than with the requisite justification as a Rural Enterprise Dwelling.</p> <p>The value of such properties is below the open market values and therefore this section of the SPG provides a mechanism to release such properties onto the open market when there is no longer a requirement for a RED or an affordable dwelling in the locality.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
13	06	Objection	Owen Devenport Ltd	3.9	<p>This section refers to the removal of an occupancy condition which seems to repeat the issues in paragraph 3.7.5. This needs to be tidied up into one section as Rural Enterprise Dwelling (RED) and Affordable Housing Local Need (AHLN) are no different if it is about removing a previously imposed condition restricting occupancy.</p>	<p>Comments Noted</p> <p>The removal of a RED condition requires a specific marketing period. This specific section within the SPG acknowledges that there may be historical affordable housing within the Plan area that due to the scale of the dwelling would not be provide an affordable dwelling even at a significant discount level.</p> <p>Due to this distinction it is felt appropriate to keep these two matters separately within the SPG.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
14	06	Objection	Owen Devenport Ltd	3.9.2	<p>In the event of a dispute on value then as above this is at the behest of the LPA then they should bear the cost of a further valuation by the District Valuer (DV).</p>	<p>Accepted in part</p> <p>After discussing this matter with the Council's Property Service it was agreed that one valuation would be sufficient provided that it was prepared by a certified suitably qualified chartered surveyor who is impartial and has sufficient knowledge of the local market. In addition to the valuation a copy of the terms of engagement and the full valuation should be submitted to the local planning authority.</p>

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						<p>Whilst it is not envisioned that there will be a need to use the District Valuer service having this wording within the SPG protects the Council's from costs in cases whereby it is not possible to agree a valuation with an applicant. This is also the approach undertaken by other Local Authorities in Wales.</p> <p>Recommendation Amend the first sentence of paragraph 3.9.2 to read:</p> <p><u>"The open market value of the property shall be provided by the applicant from two 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.</u></p>
15	04	Objection	Cyngor Tref Penrhyndeudraeth	4.1.2	Support note 4.1.2 however, would be more appropriate if the following was added after regular updates '(at least) every six months'.	<p>Comments Noted</p> <p>The current wording allows for flexibility to allow the Housing Service to determine when an update is required for housing need assessments rather than including prescriptive timescales within the SPG.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
16	07	Objection	Housing Strategy Unit, Cyngor Sir Ynys Môn	4.1.4	Tai Teg is a North Wales initiative.	<p>Accepted</p> <p>The Tai Teg register gathers information about the need for affordable properties in Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham and Powys.</p> <p>In light of this, agree to amend paragraph 4.1.4 to state that Tai Teg is a North Wales initiative rather than simply mention Anglesey and Gwynedd.</p> <p>Recommendation Amend the second sentence in paragraph 4.1.4 to ensure that there is clarity in the SPG in relation to the role of Tai Teg.</p> <p><u>"...Additionally both councils are involved with Tai Teg, which is a partnership initiative between housing organisations and developers in Anglesey and Gwynedd North Wales.</u></p> <p>[See response to Rep Id 31 for additional recommended change to paragraph 4.1.4]</p>
17	05	Objection	Valley Community Council	5.3.1	The Affordable Housing Viability Assessment tool appears skewed in favour of the developer, who often manage to convince the LPA that to build affordable dwellings is not viable. They then offer a very minimal commuted sum, as happened recently in Valley. The commuted sum is insufficient to support any type of affordable housing scheme e.g. shared equity. Commuted sums should	<p>Comments Noted</p> <p>The viability pro-forma methodology is based upon the Welsh Development Appraisal Toolkit appraisal model. This generic model operates in the majority of local authorities in Wales. It is regarded as the industry standard in Wales.</p>

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					be sufficient to offer 30% shared equity schemes to persons qualifying for affordable housing in the Community Council area.	<p>The Viability Pro-forma within the SPG ensures that developers provide the Local Planning Authority with sufficient information to evaluate a justification for a lower affordable housing provision within a scheme or whether the requirements of the Policy should be met.</p> <p>The specific example of a site in Valley is based upon a historic scheme with a dated Section 106 agreement. The contribution from current applications would be higher.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
18	04	Objection	Cyngor Tref Penrhyndeudraeth	6.2	The percentage of affordable provision provided within developments is totally unacceptable. In populated places it is only 10% of the overall total, which means out of a 100 houses only 10 of them will be within the reach of some people.	<p>Comments Noted</p> <p>Paragraph 4.2.19 of Planning Policy Wales (PPW) states that at the 'Deposit' stage, there must be a high level plan-wide viability appraisal undertaken to give certainty that the development plan and its policies can be delivered in principle, taking into account affordable housing targets, infrastructure and other policy requirements.</p> <p>Furthermore paragraph 4.2.31 of PPW states: <i>"When setting the affordable housing thresholds and / or site-specific targets planning authorities must consider their impact on site viability to ensure residential sites remain deliverable."</i></p> <p>In light of this the Council commissioned an Affordable Housing Viability Study to ascertain the percentage of affordable housing that it is viable to seek within the different Housing Price Areas. The different % sought is based upon the viability assessment and not the size of different settlements within these Housing price Area.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
19	07	Objection	Housing Strategy Unit, Cyngor Sir Ynys Môn	7.1.5	Why should self-build applicants be on the Council's Social Rented list?	<p>Comments Noted</p> <p>This paragraph seeks to ensure that any individual identified for either a self-build plot or a specific proposal have satisfied the Eligibility requirements within the Policy and explained further within Chapter 8 of the SPG.</p> <p>It is stated that such individuals should be on the Council's waiting list for social rented accommodation or be confirmed as satisfying the eligibility requirements noted within the Policy and the SPG.</p> <p>Therefore it is not necessary for self-build applicants to be on the council's social rented list.</p> <p>Recommendation No change to the SPG in light of this objection.</p>

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20	08	Objection	Cadnant Planning	7.2.1	Paragraph 7.2.1 states that “A contribution to affordable housing must be provided, on all housing development that triggers the relevant threshold requirement in Policy TAI 15.” Needs to be amended to state, except where viability assessment considers this not to be feasible.	<p>Accepted</p> <p>Criterion 3(i) within Policy TAI 15 does allow subject to a viability assessment a lower affordable housing contribution or where justified no affordable housing. In light of this the addition of the wording suggested by the Objector would add clarity to the SPG.</p> <p>Recommendation Amend the first sentence in paragraph 7.2.1 through the inclusion of text stating “except where viability assessment considers this not to be feasible”.</p> <p>“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.”</p>
21	07	Support	Housing Strategy Unit, Cyngor Sir Ynys Môn	7.6	Spending Commuted Sum / Pro rata Payments – this guidance is welcomed.	Comments Noted
22	05	Objection	Valley Community Council	7.6.5	Commuted Sums – these should be ring fenced for the provision of affordable housing within the Community Council area in which the development occurred.	<p>Comments Noted</p> <p>The SPG states that the preference is for such contributions to be spent within the same settlement. However, since there will be a time constraint on the spending of such contributions the SPG provides for a cascade approach to ensure that such monies are utilised by the Council.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
23	05	Objection	Valley Community Council	7.7.2	Community Councils support planning applications because they promise a percentage of affordable dwellings. Developers should not then at a later stage, be able to submit an application to the LPA requesting the removal of the affordable housing element of the developments.	<p>Comments Noted</p> <p>Criterion 3(i) within Policy TAI 15 allow for a lower contribution from schemes subject to justification from a viability assessment. This was supported by the Planning Inspector at the examination of the Plan.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
24	09	Objection	Beaumaris Town Council	8.1.1	The Town Council is concerned that the proposed definition of ‘local connection’ may limit the benefit that the Local Market Housing Policy will bring to the Town. In neighbouring settlements local connection is defined as living in the ward or adjacent ward. In Beaumaris the definition is living on Anglesey. This difference has been justified on the basis that Beaumaris is a Local Service Centre. The Town Council feel that this is an inappropriate distinction. The priority for affordable housing is to ensure that local people have an opportunity to stay within their communities regardless of whether a settlement is a local service centre, or village. The aim of retaining local young families will not be achieved if people from Beaumaris, Llandegfan etc. have to compete for this scarce resource with people from Amlwch,	<p>Comments Noted</p> <p>Chapter 8 of the SPG regarding the Eligibility of Occupiers does differentiate between an affordable units on a site within the development boundary and those on an exception site.</p> <p>The local connection on an exception site is limited to a person with a 5 year connection to the settlement or it’s Rural Hinterland. Therefore this type of affordable unit is similar to those within Local, Coastal or Rural Village.</p> <p>For an affordable unit on a site within the boundary then the occupier should have a 5 year connection with Ynys Môn in the case of Beaumaris. This would mean that those employed incomers</p>

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					<p>Llangefni or Holyhead. This imbalance is exacerbated by the fact that this part of Anglesey (the coastal strip from Llanfairpwll to Beaumaris) functions as a commuter belt for employment in Bangor and beyond which means that there are likely to be high demand from employed incomers (e.g. people working at the hospital).</p> <p>The Town Council request that Beaumaris be treated on a par with the neighbouring communities and that the definition of local connection for the purposes of entitlement to affordable housing should remain 'resident in the ward or neighbouring wards'.</p>	<p>e.g. people working at the hospital would not be eligible since the criteria is having lived on the Island for 5 or more years.</p> <p>Due to the range and scale of facilities in Beaumaris it was identified as a Local Service Centre in the JLDP. This category is the second highest tier of settlements identified on Ynys Môn and reflects the sustainable nature of the settlement.</p> <p>To reflect the role of such sustainable settlements the Plan allows for opportunities for people with an Island wide 5 year or more residency local connection to be eligible for such affordable housing.</p> <p>This will assist with ensuring that there is a sufficient supply of eligible occupiers for such accommodation if it becomes available after the initial occupiers.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
25	08	Objection	Cadnant Planning	Appendix 6	<p>Appendix 6 Viability Pro-Forma should not be adopted in its current form and should be amended to use the benchmark, nationally accepted figures set out within the Three Dragons Toolkit appraisal. If thereafter, additional information is required, that is accepted, however, the benchmark figures should be the starting point; not the draft version.</p> <p>The proforma does not include anywhere to present results to show whether there is a surplus or deficit.</p> <p>Comments on each section set out below: Build Costs – there is no need for the breakdown to be into Plot Costs (base construction); External works costs; and, infrastructure. The Three Dragon’s Toolkit Build costs standards should be used – which are sourced from Build cost data is sourced from the Royal Institute of Chartered Surveyors Building Cost Information Service (BCIS). For example £1150 for a house. Where these vary in circumstances such as conversion of listed buildings, these can easily be adjusted. However, splitting them as suggested in the draft proforma is too indepth, particularly where an application is in outline. The BICS figures cover all.</p> <p>The following figures are the accepted figures set out within the Three Dragons Toolkit and used across the sector: - Professional Fee’s 12% of build costs - Overheads 5% of build costs - Finance 6% of build costs - Marketing fees 3% of Gross Development Value - Developers Margin (Market housing only) 17% of Gross Development Value - Contractors Return (Affordable Housing only) 5% of build cost</p>	<p>Accepted in Part</p> <p>The Development Appraisal Toolkit (DAT) defaults are ‘textbook’ and were always meant to be improved in conjunction with feedback from the local authorities.</p> <p>During training on the Development Appraisal Toolkit our Affordable Housing Viability expert has always encouraged the JPPU (and indeed other local authorities) to collate our own data for all the default inputs with a view to updating the Gwynedd and Anglesey Toolkit – or indeed making it more bespoke.</p> <p>Ideally this would be based upon half a dozen schemes showing a consistent (e.g.) level of professional fees or profit margins.</p> <p>In light of this the viability assessment pro-forma used within the Affordable Housing SPG seeks specific information on a scheme by scheme basis rather than the benchmark figures within the DAT.</p> <p>On an application in Trearddur Cadnant Planning did stated that on smaller schemes the costs involved could be higher than the benchmark figures in the DAT. Therefore allowing applicants to submit individual figures on a scheme by scheme basis ensures that consideration is given to the specific details applicable with that scheme.</p> <p>It is accepted that the current pro-forma does not include a section to outline the results of the assessment and whether there is a surplus or deficit. Therefore agree to add this to the viability assessment pro-forma.</p> <p>In relation to build cost accept that there is no need to breakdown to plot cost, external works costs and infrastructure and therefore amend the pro-forma to seek the cost per square metre for a specific scheme. However should this figure be significantly higher than that identified in similar schemes then the local planning authority may seek this breakdown to get a greater understanding of this variation in build cost.</p>

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					<p>Overall this proforma adds further constraints, time and money to the delivery of housing, which are not required as there are benchmarks in place which should not be ignored. By the time all of the required evidence has been compiled, you could be looking at £1,000, which would need to be accounted in Professional Fees, which would further reduce the viability of a development which on small scale developments can be marginal anyway.</p> <p>Although it is accepted that build costs change over time, the proforma could be updated in due course should there be revised building regulations or alike.</p> <p>For example in line with sprinklers requirement the figures rose.</p> <p>Using the standard set benchmark figures will provide more consistency and transparency between the consideration of applications with less need to refer applications to the independent external assessor (e.g. by the District Valuers Service); which again will be undertaken at the applicant's expense; and be again an additional professional fee further reducing the viability.</p>	<p>Recommendation Amend the viability pro-forma in Appendix 6 through amending the following sections:</p> <p>2. Development Costs</p> <p>Build Costs</p> <p>Cost of development per m2 split down to:</p> <ul style="list-style-type: none"> • Plot costs (base construction); • External works costs; • <u>Infrastructure.</u> <p>[Add in a new Section]</p> <p>5. Totals</p> <p>5.1 Residual Value (Gross Development Value – (Minus) Total Development Costs (Excluding Site Purchase Costs))</p> <p>5.2 Residual Value – (Minus) Site Purchase Costs</p> <p>5.3 Overall Surplus / Deficit</p> <p>[In addition the additional consequential change is recommended to the Build costs row in Table 4 'Information Required with Viability Pro-form' under paragraph 5.3.2 of the SPG]</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Information Required</th> </tr> </thead> <tbody> <tr> <td>2. Build Costs</td> <td> Cost of development per m2 split down to: <u>(If figure is significantly different from similar type of development the local planning authority may seek a breakdown to:</u> <ul style="list-style-type: none"> ○ Plot costs (base Construction) ○ External Works costs ○ Infrastructure. </td> </tr> </tbody> </table>	Category	Information Required	2. Build Costs	Cost of development per m2 split down to: <u>(If figure is significantly different from similar type of development the local planning authority may seek a breakdown to:</u> <ul style="list-style-type: none"> ○ Plot costs (base Construction) ○ External Works costs ○ Infrastructure.
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Late Submission

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26	10	Objection	Grŵp Cynefin	3.3.10	We usually ask for 5% of the Open Market Value (omv) and not 10% (on schemes part equity).	<p>Comment Noted</p> <p>The minimum deposit that lenders will generally accept is 5% for a 95% mortgage. However, the options for such a mortgage may be limited since most lenders ask for at least 10% of the property value as a deposit.</p> <p>Paragraph 3.3.12 of the SPG explains that the methodology for anticipating the price of affordable units i.e. median income times 3.5 plus 10% deposit is the starting point for the applicant and any discussions with the local planning authority.</p> <p>The last sentence in paragraph 3.3.10 does state that a different deposit percentage will be considered if the applicant can satisfy the Local Authority that this would be more appropriate with a specific application.</p> <p>With specific schemes the local planning authority will liaise with the relevant Housing Service to ascertain what price specific type of affordable housing proposed should be in different locations within the plan area.</p> <p>Recommendation No change to the SPG in light of this objection.</p>
27	10	Objection	Grŵp Cynefin	3.4.3	We use the age of 10 years and over for children of different sex requiring a separate bedroom – due to the bedroom tax rules. If 8 years and over is used this would have an effect on the tenant.	<p>Accepted</p> <p>Having reviewed the guidance with bedroom tax it is noted that their rules allow one bedroom for any two children aged under 10. In light of this it is agreed to amend the third bullet from aged 8 to aged 10.</p> <p>A review of the bedroom tax rules revealed that one bedroom should be provided for any adult aged 16 or over rather than the second bullet point in the SPG which currently states ‘Each person aged 18 or over’. In addition the rules allow for one bedroom for children who can’t share because of a disability or medical condition.</p> <p>Recommendation Amend paragraph 3.4.3 to reflect the bedroom tax rules as follows:</p> <p>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:</p> <ul style="list-style-type: none"> • Husband/wife or similar partnership; • Each person 18 16 or over; • Children aged 8-10 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.

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28	10	Objection	Grŵp Cynefin	3.4.4	Note that for intermediate housing consideration is given to allow for one extra bedroom in addition to the existing need – this would have an effect on the tenant regarding the bedroom tax. We usually in relation to intermediate rent consider the size of the household against the size of the dwelling.	<p>Comment Noted</p> <p>This paragraph allows for flexibility to allow for an additional bedroom with an intermediate dwelling. It does not state that all intermediate housing should have a spare bedroom.</p> <p>Recommendation</p> <p>No change to the SPG in light of this objection.</p>
29	10	Objection	Grŵp Cynefin	3.4.7	Welsh Government specify that SHG cannot be used to buy ‘off the shelf’ units – this needs to be clarified.	<p>Accepted</p> <p>Providing affordable units to DQR standards will allow greater flexibility for RSLs to purchase such properties. However RSLs normally cannot use the Social Housing Grant (SHG) to purchase discounted affordable units.</p> <p>To ensure clarity within the SPG recommend that the second sentence which refers to the fact that RSLs can only purchase properties with a grant that are in line with DQR standards be deleted. In addition to provide further clarity an amendment was offered by the Housing Service to the first sentence of this paragraph.</p> <p>Recommendation</p> <p>Amend the first sentence and delete the second sentence within paragraph 3.4.7:</p> <p>“3.4.7 The Council’s preference is that private developers provide affordable units to DQR standards since people on the Councils’ Housing Register will only qualify for affordable housing that meets DQR as set by Welsh Government, which can then be let to applicants on the Social Housing Register. Additionally, RSLs can only purchase properties with a grant that are in line with DQR standards. 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.”</p>
30	10	Objection	Grŵp Cynefin	3.5.3	Agree that there is a need for two open market valuations (omv) – take it that this should be part of the planning application or it will have to be part of the Tai Teg assessment.	<p>Comment Noted</p> <p>After discussing this matter with the Council’s Property Service it was agreed that one valuation would be sufficient provided that it was prepared by a certified suitably qualified chartered surveyor who is impartial and has sufficient knowledge of the local market. In addition to the valuation a copy of the terms of engagement and the full valuation should be submitted to the local planning authority.</p> <p>This will be part of the planning application process.</p> <p>Recommendation</p> <p>No change to the SPG in light of this objection.</p> <p><u>[See response to Rep Id 9 for additional recommended change to paragraph 3.5.3]</u></p>

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31	10	Objection	Grŵp Cynefin	4.1.4	Tai Teg is more than home ownership it also offers intermediate rental units as well.	<p>Accepted</p> <p>To ensure clarity within the SPG amend reference to 'homeownership' to read 'homeownership/intermediate rental'.</p> <p>Recommendation Amend the third sentence in paragraph 4.1.4 to read:</p> <p>"This is a register of people interested in homeownership/intermediate rental who cannot currently afford to buy on the open market."</p> <p>[See response to Rep Id 16 for additional recommended change to paragraph 4.1.4]</p>

APPENDIX B – DEFINITION OF SURROUNDING RURAL AREA FOR CLUSTERS & LOCAL, COASTAL OR RURAL VILLAGES

Housing Policies TAI 4 ‘Housing in Local, Rural and Coastal Villages’ and TAI 6 ‘Housing in Clusters’ support affordable housing for local need.

The definition of ‘local connection’ is as follows:

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.

Clusters – 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.

In order to ascertain whether a household is eligible in order to complete a Section 106 Agreement in granting a planning application, there is a need to provide guidance regarding the “surrounding rural area”.

In order to inform consideration of the matter a number of potential options were identified. Officers from the Joint Planning Policy Unit and Planning Services also sought the informal views of both Council’s Planning Committee Chairperson and Planning Portfolio Lead Member about the options. The options considered included limiting the search area for the initial qualifying person to: the community council where the application site is located; 5km search area; 5km search area + community council where the application site is located.

A Section 106 Agreements also needs to define the search area for a ‘secondary qualifying person’, i.e. the second stage in the cascade process should a ‘primary qualifying person’ not be found at a future re-sale stage.

In considering the options for defining the specific surrounding rural area (rural hinterland) the following matters were highlighted:

- The need for the area to be of a sufficient size to provide opportunities for local families with the local connection to live in the cluster or Village, but without undermining the Policy;
- Limiting the area to a specific Community Council is unlikely to be a true reflection of the rural area around a Cluster / Village especially if the application site is near the edge of the Community Council area;
- Using an area based upon a specific distance ensures that:
 - The site is the starting point from which the area is identified;
 - More likely to identify the surrounding rural area which has a connection with the settlement rather than only using either Community Council or Ward boundaries.
- A distance of 6km is similar to that used previously within the Gwynedd UDP for Rural Villages and therefore there is precedent for using this distance.

Conclusion

- To use a **distance of 6km** from the site of an application as the basis of defining the surrounding rural area for an application in a Local, Coastal or Rural Village or a Cluster to define an initial qualifying person.
- For this distance of 6km, households living in properties on land within development boundaries are **excluded** from being eligible (other than the settlement subject to the location of a specific application), to ensure that growth in these settlements will not draw people with no connection to the rural area around the Cluster to the settlement out of Local Service Centres / Villages.
- Application of a 6km search area alone would provide a notional boundary for the search area, therefore it was considered reasonable and fair to include **extent of any Community Council that is bisected** by the 6km distance within the search area.
- To ensure consistency a search area of **12km** should be used for the second stage of the **cascade process** (secondary qualifying person). This area would include land within development boundaries and also the extent of any Community Council bisected by the 12km distance. However, following discussions in the Joint Local Development Plan Panel on the 22 March 2019, the consensus was that an area for the second stage of the cascading process should be more extensive than the suggested 12km. When considering the effect of an area that is too restrictive for people to get mortgages, and in order to have consistency between both Authorities, it is suggested that the 'secondary qualifying person' is based on the **entire area of the Council where the application is located** i.e. either Gwynedd or Anglesey.
- In some cases the search areas referred to above will include land within nearby Councils. In order not to undermine the principle of having a 'connection/ relationship' with a settlement, it is considered reasonable not to exclude households (where relevant):
 - living in the Snowdonia National Park, Conwy County Borough Council, Denbighshire County Council, from the search area around a relevant Cluster or Village on or near the border with the Gwynedd Local Planning Authority area;
 - Living in Anglesey/ Gwynedd from a search area around a relevant Cluster/ Village located near the Menai Suspension Bridge or Britannia Bridge.

Recommendation

To provide clarity within the SPG add an additional paragraph after paragraph 8.1.2 as follows:

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 County where the application is located (i.e. Anglesey or Gwynedd).