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**REPORT OF THE HEAD OF PARK DIRECTION**

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**SUBJECT:**

**LOCAL DEVELOPMENT PLAN SUPPLEMENTARY PLANNING GUIDANCE  
REPLACEMENT DRAFT FOR CONSULTATION – AFFORDABLE HOUSING**

Purpose of Report

The purpose of this report is to seek Members approval to consult on a replacement supplementary planning guidance on affordable housing to support the policies of the Local Development Plan. This guidance will replace the existing guidance adopted on the 30<sup>th</sup> March 2011. It is intended that the replacement guidance will be effective from the 1<sup>st</sup> July 2014. This publication responds in part to the key recommendations of the Authority's Scrutiny Committee Review in September 2013 into affordable housing.

Background

The background to this revised supplementary planning guidance is an appreciation of the importance of, and need for, affordable housing in the National Park, together with a recognition that recent delivery rates have fallen substantially below what is required.

Work has been undertaken by consultants on behalf of the Authority, with the help of key stakeholders, to provide guidance on the way in which the local planning process might be enhanced so that an increased supply of affordable housing can be achieved.

The Authority's 2011 Supplementary Planning Guidance is being replaced with guidance that provides:

- for a greater return for the developer with the type of affordable housing that can be built on site.
- an up to date appraisal of how much affordable housing can be delivered on sites and through contributions in the current economic climate. Generally this points to less affordable housing being capable of being delivered.
- for more streamlined application process.

A workshop was held with key stakeholders in January 16<sup>th</sup> 2014 to discuss key factors in the delivery of affordable housing and opportunities to increase affordable housing supply. A workshop was also held with Members and the consultants engaged for the project on the 30<sup>th</sup> April and Members input is reflected in the guidance and supporting project report. Both documents have been circulated in advance of this meeting for Members.

Next steps

It is proposed that the guidance is effective from July 1<sup>st</sup> 2014 as an interim measure to assist in the delivery of affordable housing. It is anticipated that the consultation

will commence at the same time for a period of three months. Consultees will include landowners and agents etc. where known. The Authority's website is being revamped to be more user- friendly.

Comments made on the supplementary planning guidance will be considered by Officers and recommendations reported back to Members in due course. A statement of the consultation undertaken, the representations received and the Authority's response to those representations will also be made available. Commentators will be informed of the outcomes.

When the National Park Authority commences a review of the Local Development Plan next year this would create a situation where developers would have to wait until the Local Development Plan has fully progressed through the statutory process before any changes are put in place. A full review of the Local Development Plan cannot therefore be relied upon to address the National Park's affordable housing issues in a timely manner.

### **Recommendations**

- (i) That the replacement Supplementary Planning Guidance on Affordable Housing be approved for consultation.**
- (ii) That the guidance be effective for development management purposes from the 1<sup>st</sup> July 2014.**
- (iii) That Planning Officers report back to Members on the response to the consultation in due course.**

### **Background Documents**

[Local Development Plans Wales, Policy on Preparation of LDPs, December 2005.](#)  
[Pembrokeshire Coast National Park Local Development Plan, September 2010](#)  
[Draft Supplementary Planning Guidance on Affordable Housing April 2014](#)  
[Project Report Affordable Housing Delivery April 2014](#)

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# Introduction

## What is this Document?

- 1.1 This Supplementary Planning Guidance (SPG) is one of a series of SPG documents which provide detailed information on how policies contained in the Pembrokeshire Coast National Park Local Development Plan (LDP) will be applied in practice by the National Park Authority.
- 1.2 Throughout this document Pembrokeshire Coast National Park Authority will be referred to as the 'National Park Authority' and Pembrokeshire County Council will be referred to as the 'County Council'.
- 1.3 In accordance with TAN 2, this SPG provides detailed guidance on the issue of affordable housing. This is one of a range of community benefits that may be sought by the National Park Authority. Others might relate to open space, transport and education and are considered by a Planning Obligations SPG which was adopted in June 2011.
- 1.4 Technical Advice Note 2 (Planning and Affordable Housing) states that SPGs have an important role in providing policy guidance in conjunction with Planning Policy Wales (PPW) and the relevant LDP. Para 6.2 states:  
*"SPG can provide detailed information for developers, landowners, RSLs and the public on how the Local Authority's planning policy on affordable housing will be delivered in practice."*
- 1.5 With regard to securing affordable housing, Para 12.2 of TAN 2 states:  
*"Development plans and/or Supplementary Planning Guidance (SPG) should set out the circumstances where local planning authorities will use planning conditions or planning obligations to ensure that the affordable housing provided is occupied in perpetuity by people falling within particular categories of need"*

## What are its Objectives?

- 1.6 The objectives of this SPG are to:
- 1 Enable developers and landowners to understand the National Park Authority's requirements in relation to affordable housing;
  - 2 Provide clear guidance on how the policies contained within the Pembrokeshire Coast National Park Authority LDP will be implemented by the National Park Authority; and,
  - 3 Ensure a consistent approach to the interpretation of the LDP by the National Park Authority.

## **What is its Status?**

- 1.7 This SPG has been informed by consultation with a number of key stakeholders. It will be the subject of public consultation. In the interim, in the interests of improving delivery of affordable housing, the guidance will be effective for development management purposes from the 1<sup>st</sup> July 2014. All applications validated from Tuesday 1<sup>st</sup> July 2014 will be considered against the policies of the Local Development Plan in conjunction with this supplementary planning guidance.

## Context

### Housing Need

- 2.1 The National Park Authority is not a housing enabler in its own right. This role is fulfilled by Pembrokeshire County Council, which holds the statutory housing functions for the National Park Authority area. Whilst this SPG deals specifically with The National Park Authority, need is assessed by the County Council. It is understood that an updated Local Housing Market Assessment, which will enable a more robust identification of need by community council area, is currently being undertaken.
- 2.2 The Housing Register for Pembrokeshire states that there was a backlog of around 460 affordable houses in the National Park Authority in July 2008. In addition to this, the newly arising need for affordable housing equates to between around 60 and 100 households per year between 2006 and 2021.
- 2.3 Set against this level of current and emerging need for affordable housing, only 21 of the 289 dwellings to have been built in the National Park Authority area between 2007 and 2013 were affordable homes. This represents just 7% of the total housing supply and equates to 3 affordable dwellings per year being built in the National Park Authority area, compared to a target of delivering an average of 35 affordable dwellings per annum over the LDP period (2006-2021). Clearly affordable housing needs are not being met.
- 2.4 House prices within the National Park vary and are generally higher than other parts of Pembrokeshire due in most part to being located in an area of high landscape quality. For example, a 3-bed semi-detached house in Newport would cost £254,000. A similar property in Tenby would cost £245,000 and £120,000 in the North East of the National Park Authority area<sup>1</sup>.
- 2.5 According to the 2012 Annual Survey of Hours and Earnings, the mean average full time gross salary for those living within Pembrokeshire County was £19,646. This is lower than the full time gross annual salary for Wales (£22,472) and the British figure of £26,865.
- 2.6 The higher than average house prices in some areas of the National Park, coupled with the local earnings that are lower than UK average, creates a situation where the average affordability ratio is very high and a large proportion of local people living and working in the National Park cannot access the housing market due to affordability issues.

### Types of Affordable Housing

- 2.7 For the purposes of the land use planning system, affordable housing is defined as housing that is available exclusively to people in housing need that cannot afford to access the open market. Affordable housing is housing

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<sup>1</sup> Source Andrew Golland Associated

available for sale or rent at below market values and is required to remain as affordable for the initial and future occupiers. This is controlled by way of a Section 106 agreement between the developer and the National Park Authority.

- 2.8 A broad definition of housing need exists, including households on means tested benefits and very low incomes for whom rented accommodation might be most appropriate, and those that are unable to access open market housing because of the gap between their incomes and house prices in the local area.
- 2.9 According to TAN2 there are two different types of affordable housing that are available to meet the spectrum of needs that exist:

### **Social Rented Housing**

- 2.10 This comprises affordable homes that are available for rent at below the market price. The housing will normally be managed by a Registered Social Landlord or by private management companies or Community Land Trusts. Rental levels are set by Welsh Government (benchmark rents).
- 2.11 The price at which affordable houses for rent are sold to operators is based upon the Welsh Government's Acceptable Cost Guidelines, upon which a discount is applied. The developers will normally receive 55% of the ACG value for affordable housing for rent.

### **Intermediate Housing**

- 2.12 Intermediate Housing can perform an important function between social rented homes and those on the open market. A number of different types of intermediate housing are available and demand for them can fluctuate, depending upon market area and economic conditions.

#### **Intermediate Housing for Rent**

- 2.13 Intermediate rents are higher than benchmark rents but below the value of Local Housing Allowance.
- 2.14 Whilst actual figures vary, rent charged is often 20-30% lower than would be demanded for a home in a similar area if renting from a private landlord.

### **Low Cost Home Ownership**

- 2.15 This comprises affordable homes that are available for sale at below the market price. This represents an affordable option for households that would like to own their property but are unable to purchase on the open market.
- 2.16 The price of low cost home ownership properties will most commonly be set by way of a defined percentage discount from open market values. The cost will typically be capped at a maximum of 70% of their open market value, as determined by an independent General Practice Chartered Surveyor who is active and experienced in the local residential sales market. In the event of any

disagreement between the applicant and the National Park Authority arising from this valuation, either party may, at their own cost, seek an appointment by the President of the RICS of an Independent General Practice Surveyor active and experienced in the local residential sales market whose opinion of value will be final and binding.

### **Shared Ownership**

- 2.17 This enables the occupier to purchase an equity share in their home, usually through a mortgage with rent being charged on the remaining share that they do not own. Over time, occupiers may be able to acquire additional shares up to a maximum that would be defined in the Section 106 agreement.

### **Self-Build**

- 2.18 Self-build housing can make a positive contribution to meeting local housing need. Affordable self-build housing can contribute towards affordable housing requirements where the landowner/developer of a site provides a specified number of fully serviced plots. Delivery of this can be more difficult, particularly if plots are only made available to households on the affordable housing register, as some of these will have little appetite, and lack the skills or resources, to undertake self-build. Therefore, the County Council has also taken the position that provided that an interested party can demonstrate clearly that they are in housing need, they do not actually need to be on the Common Housing Register to acquire self build plots.

3.0

## Policy Background

3.1

Policies and Guidance issued by the Welsh Government and the National Park Authority form the policy context for the determination of planning applications and appeals.

### Planning Policy Wales (PPW)

3.2

Planning policy on affordable housing is contained in PPW, Edition 6 (February 2014), Technical Advice Note 2: Planning and Affordable Housing (2006) and Technical Advice Note 6: Planning for Sustainable Rural Communities.

3.3

PPW states that a community's need for affordable housing is a material planning consideration that must be taken into account in formulating development plan policies. Paragraph 9.2.14 of PPW states:

*"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."*

3.4

PPW clarifies that 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 rent. All other types of housing are referred to as 'market housing'.

### Technical Advice Note 2 (Planning and Affordable Housing)

3.5

TAN2 provides technical guidance on the role of the planning system in delivering affordable housing. As well as defining affordable housing and providing advice to local planning authorities on how to determine affordability (Para 3.1), TAN2 also requires local authorities to:

- 1 *Include an affordable housing target in the development plan which is based on the housing need identified in the local housing market assessment.*
- 2 *Indicate how the target will be achieved using identified policy approaches.*
- 3 *Monitor the provision of affordable housing against the target (via the Local Development Plan Annual Monitoring Report) and where necessary take action to ensure that the target is met (Para 3.2).*

3.6

In terms of affordable housing targets, TAN2 explains that the affordable housing target should take account of the anticipated levels of finance available for affordable housing, including public subsidy, and the level of developer contribution that can realistically be sought (Section 9.0).

## **Technical Advice Note 6 – Planning for Sustainable Rural Communities**

- 3.7 TAN6 emphasises the need for planning authorities to employ all available policy approaches, in an innovative way, to maximise the supply of affordable housing. Additionally, a proactive and flexible approach should be applied by Local Planning Authorities including efficient working with local delivery partners, particularly registered social landlords. Investigating a broader range of delivery options is also of key importance.
- 3.8 Such methods could include community land trusts, private landlords and unsubsidised affordable housing where the affordable housing is provided by a developer, or directly by the intended occupier. (Paragraphs 4.2.1 to 4.2.4).

### **Pembrokeshire Coast National Park Authority Local Development Plan**

- 3.9 The National Park Authority LDP contains policies to seek and facilitate the sustainable delivery of affordable housing to meet local needs.
- 3.10 Of key relevance is Policy 45, which sets out the affordable housing requirement of 530 affordable homes within the Plan period.
- 3.11 Policy 45 also sets out the National Park Authority's approach to the release of land in exceptional circumstances, as well as the policy approach to dealing with proposals for single residential units.
- 3.12 Policy 45 clarifies that where it can be proven that a proposal is unable to viably deliver the total amount of planning contributions, priority will be given to the delivery of affordable housing in any further negotiation provided that it can be demonstrated that the proposal would not unduly overburden existing community infrastructure provision.

## Affordable Housing Requirements

### Requirements for Affordable Housing in the National Park

This section sets out how the National Park Authority will approach the negotiation of affordable housing. Its starting point to negotiations is set out below:

- 1 The National Park Authority will seek to negotiate an affordable housing contribution on all residential development sites.
- 2 The affordable housing requirements on sites that are allocated for residential development ranges from 50% to 100%. Full details are provided on a site-by-site basis in the LDP and Appendix 1.
- 3 The National Park Authority, in determining planning applications will apply further flexibility in applying Policy 45 in line with the recommendations of the Pembrokeshire Coast Affordable Housing Delivery Project Report.
- 4 The National Park Authority will use the County Council's register of people that have expressed an interest in and are eligible for Low Cost Home Ownership, together with the ChoiceHomes@Pembrokeshire list, to seek an appropriate mix of affordable housing tenures on development sites. However, its starting point would be to seek a mix comprising of 80% Social Rented properties and 20% Low Cost Home Ownership.
- 5 In the case of proposals for two or more dwellings, the affordable housing contribution will normally be expected on site.
- 6 The National Park Authority will seek a financial contribution of £250 per square metre towards the provision of affordable housing as part of any proposal for a single dwelling. The calculation of the affordable housing contribution would take account of the internal area (all floors) of individual dwellings and garages. Areas used as balconies and car ports and other external spaces would not contribute towards the affordable housing contribution. There are certain developments that are exempt from this financial contribution. These comprise:
  - i Affordable housing for local people as defined in the SPG;
  - ii Replacement dwellings; and,
  - iii Accommodation limited in its occupation by condition or legal agreement, for example as an agricultural worker or managers dwellings or self-catering accommodation.

### Delivery of Affordable Housing

The amount of affordable housing required in the National Park is greater than can be provided by public subsidy through Social Housing Grant. As an increase in Social Housing Grant is unlikely at the current time, affordable



housing delivery will be largely reliant upon contributions made as part as open market residential development.

- 4.3 The National Park Authority is mindful of the economic climate and the impact of its affordable housing requirements upon the viability of development. It will therefore give careful consideration to economic viability and will adopt a positive approach to the negotiation of viability matters thorough the flexible implementation of its policies. This applies both to on-site provision of housing and affordable housing contributions on single dwellings. However, a viability assessment will be required to justify any deviation from the stated policy requirements.

### **Mechanisms to Increase the Delivery of Affordable Housing**

- 4.4 The National Park Authority is committed to ensuring the delivery of affordable housing to meet identified local needs and will give due consideration to the following mechanisms where the provision of the level of on-site affordable housing that is required by the LDP is not viable.

- 1 The National Park Authority will support the principle of affordable housing on exceptions sites. This constitutes development of small sites within or on the edge of existing Centres, which would not otherwise be allocated in the Development Plan, for 100% affordable housing. Open market housing would be resisted on such sites which would therefore not attract a residential land value. For this reason, the provision of 100% affordable housing schemes could be viable. Proposals for affordable housing schemes on exceptions sites would be subject to all other development management criteria to ensure that they do not have an unacceptable impact upon the surrounding area. Typically, Registered Social Landlords have been unable to consider developing exception sites where land costs are more than £5,000 a plot.
- 2 The National Park Authority recognises that the viability of affordable housing can depend upon the proposed tenure split. Whilst recognising the importance of seeking to meet the need for different types of affordable housing, the National Park Authority will seek to apply a flexible approach in respect of the split between different affordable housing sectors.
- 3 Technical Advice Note 2: Planning and Affordable Housing advises that affordable housing should normally be provided on site. However, it acknowledges that off-site provision may be acceptable in exceptional circumstances and where there is a clear advantage to the arrangement. The National Park Authority will require a developer to demonstrate why off-site provision would be more beneficial in terms of the viability and deliverability of development, the number of affordable houses that could be provided and the sustainability of development. In such cases, the National Park Authority will consider the appropriateness of seeking a financial contribution towards the provision of affordable housing in the local area. The National Park Authority will work with the County Council, which administers all affordable housing contributions, to ensure that

they can be spent, where possible in the area around the application site. The normal mechanism for dealing with affordable housing contributions will be via Section 106 Agreements, attached to planning permissions. Appendix 2 sets out the how contributions will be spent in the local area.

- 4 In cases where it is proven that the development of affordable housing is not viable, the National Park Authority will discuss the potential opportunity for a developer to contribute fully serviced building plots which might subsequently be developed by Registered Social Landlords or by persons on the affordable housing waiting list as self-build projects. Depending upon the value of the plots and the scale of any identified viability challenge, an affordable housing contribution might be sought alongside any serviced plots.
- 5 Where Welsh Government funding is available in the form of Social Housing Grant, the money will be used to develop additional affordable housing units in the National Park Authority area, including on appropriate exception sites.

## **Economic Viability**

- 4.5 Economic viability is of utmost importance in the delivery of housing and affordable housing in the National Park. If a scheme is not financially viable, development will not be realised, and hence there is will no planning gain either in the form of Affordable Housing or other Section 106 contributions.
- 4.6 The National Park Authority recognises that in some areas the LDP targets in terms of affordable housing will be challenging to achieve. The National Park Authority is mindful that policy impacts may reduce residual scheme values although this should not necessarily make schemes less viable.

## **Positive approach to viability negotiation**

- 4.7 The National Park Authority recognises that economic viability is a key factor in delivering affordable housing. The National Park Authority will adopt a positive approach to negotiation to consider viability issues and will expect a robust and comprehensive viability submission to accompany all planning applications.
- 4.8 The National Park Authority will be flexible when considering viability as outlined in Policy 45 of the LDP.

## **Considering Alternatives**

- 4.9 The National Park Authority welcomes the opportunity for pre-application discussion to agree design principles for a site's development. Within this framework the National Park Authority will adopt a positive approach towards the consideration of alternative methods and will expect applicants to have demonstrated how they have improved the viability of schemes by considering alternative design. The applicant should consider the following factors when trying to improve a scheme's viability.

- 1 Amount (different densities and number of units);
- 2 Type (different type of dwellings);
- 3 Size (different dwelling sizes);
- 4 Tenure (type and tenure mix);
- 5 Layout (Careful consideration of layout can improve value);
- 6 Design and specification (challenge expensive aspects of the scheme's build costs and test costs associated with design aspects which are not essential); and,
- 7 Phasing (careful phasing can help improve cashflow).

### **Alternative options to deliver affordable housing**

4.10 Where a scheme is demonstrated to be unviable with the policy level of affordable housing, the National Park Authority will sequentially consider a range of alternative options to secure the maximum level of affordable housing. These will vary depending on site specific circumstances and constraints but will include:

- 1 Consideration of alternatives;
- 2 The use of public subsidy, if available;
- 3 Revised tenure mixes;
- 4 Consideration of alternative provision, for example off-site financial contributions or serviced plots;
- 5 Reduction of other planning obligation contributions (provided that it can be demonstrated that the proposal would not unduly overburden existing community infrastructure provision); and,
- 6 Mechanisms to reappraise schemes at commencement.

### **Economic Viability Assessment (EVA)**

4.11 Judgements about viability can only be made by the National Park Authority on the basis of full and robust development appraisals. Therefore it is important that these are provided up front and in all circumstances.

4.12 Assessments which provide robust and detailed information will be dealt with positively and efficiently by the National Park Authority. This process will include a thorough appraisal of the scheme economics and will require co-operation and an open book approach between the applicant, developer or landowner and the National Park Authority. The level of detail required in the EVA is provided in Appendix 4.

4.13 Failure to provide adequate detail can result in the National Park Authority asking for further information which can lead to delay, or ultimately, the refusal of planning permission.

- 4.14 The National Park Authority recognises that on occasions there will be disagreement between the National Park Authority and the applicant.
- 4.15 The National Park Authority will use the 'Wales Development Appraisal Toolkit' (formerly known as the Three Dragons Toolkit) (DAT) as a means of dispute resolution (see Appendix 3). Should both parties continue to be in disagreement, the viability assessment will be referred to an independent assessor familiar with the DAT and its principles.

## **Design**

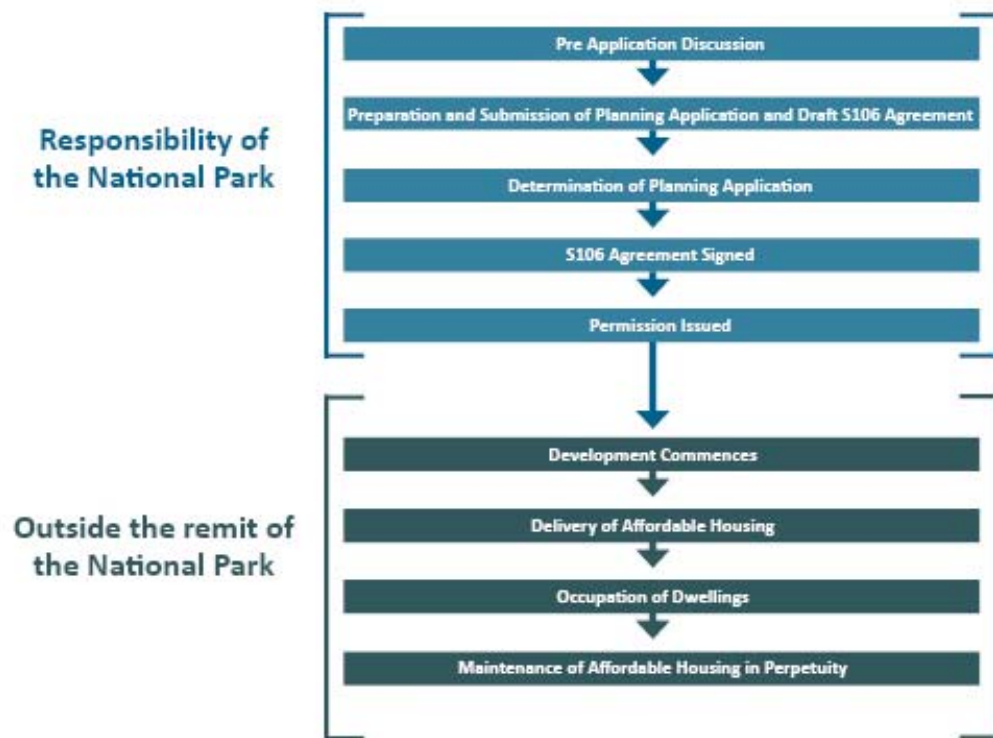
- 4.16 Design considerations must be taken into account and factored into viability considerations. The National Park Authority is the planning authority for the National Park and development will naturally require a high standard of design due to the high landscape quality of the area. However it is important to note that good design does not necessarily have to be expensive design.
- 4.17 Sustainable building standards must also be adhered to. In Wales, a minimum of Code for Sustainable Homes Level 3 must be achieved for all new housing. It is highly unlikely that Social Housing Grant will be available to support schemes. But if accommodation is built using Social Housing Grant it will be required to meet Welsh Government Development Quality Requirements. These set out minimum space standards and technical specifications and are available from Registered Social Landlords. The Welsh Government's Welsh Housing Quality Standard will be the standard required for any units transferred to a Registered Social Landlord in the absence of Social Housing Grant.

# Affordable Housing Planning Process

## Introduction

This section outlines the process of preparing and submitting a planning application for residential development that includes an element of affordable housing. It also explains the technical process in a simple manner and provides useful tips on how to negotiate the process smoothly without potential delay. The diagram below shows what stages of the planning process are the responsibility of the National Park Authority and what lies beyond the National Park Authority's remit.

## Process



## Pre-Application Discussion

This stage will provide useful information for the applicant regarding what is required in terms of affordable housing. The pre-application discussion will provide an opportunity for the amount and type of affordable housing to be explained and agreed from the outset. This is to help provide a better understanding of the housing requirements and the overall layout and viability of the proposal.

Engagement at this stage is encouraged as it can help to avoid delays in the formal determination process as issues relating to affordable housing and other

Section 106 requirements and development viability can be discussed prior to the development scheme being fixed. The National Park Authority can also explain to the applicant how to complete a draft Section 106 Agreement prior to submission of an application.

### **Preparation and Submission of Planning Application**

- 5.4 The preparation and submission of the planning application is an important stage as it includes determining the amount of affordable housing to be provided as well as testing the viability of the scheme.
- 5.5 Affordable housing details should be set out in an Affordable Housing Statement.
- 5.6 This stage also provides an opportunity for a draft Section 106 Agreement to be submitted alongside the planning application. The early submission of a draft Agreement will enable negotiations on its contents to take place during the determination stage and thereby ensure that planning permission can be granted more quickly.
- 5.7 To help ensure a smooth determination, the National Park Authority advises applicants to use the standard Section 106 template. The County Council will prepare legal agreements on behalf of applicants. The County Council's legal costs are a standard £500 charge. The County Council does, however, reserve the right to increase the costs in the event of complicated agreements or protracted correspondence.

### **Determination of Planning Application**

- 5.8 Planning permission will be granted when the s106 is signed.
- 5.9 If the Section 106 agreement is not signed within the 8 week determination period for the application (or in exceptional circumstances within a longer period where agreed in writing with the Authority) the National Park Authority will refuse the planning application.

### **Delivery of Affordable Housing**

- 5.10 The delivery of affordable housing should keep pace with that of market housing. On larger schemes, the National Park Authority may wish to ensure that affordable housing is delivered in phases in parallel with the development of market housing, and will look to see this reflected in Section 106 planning agreements. The standard approach is for Section 106 agreements to include a clause requiring a reasonable amount of affordable units to be occupied before market housing can be occupied.

### **Maintenance of Affordable Housing**

- 5.11 The future affordability, management and ownership of any affordable dwellings will be ensured in perpetuity through the imposition of planning agreements under Section 106 of the Town and Country Planning Act which

shall be applied to planning permissions. Section 106 agreements will apply to successive owners.

- 5.12 The National Park Authority has a standard Section 106 template in place and the content will be agreed by the landowner and/or prospective developer in advance of planning consent being granted. However the National Park Authority recognises that the Section 106 agreement needs to be flexible to respond to changing circumstances and will discuss proposals for amendments to the Section 106 agreement with applicants. Evidence to justify any revisions to a Section 106 agreement will be sought by the National Park Authority.

## **Who can occupy?**

- 5.13 Consultation undertaken as part of the preparation of this guidance identified some support for a more tightly structured approach to local need.

## **Social Housing**

- 5.14 The criteria for assessing housing needs are set out in the ChoiceHomes@Pembrokeshire Allocation Policy. The criteria is based on points such as:

- 1 Customers who are currently unintentionally homeless;
- 2 Customers sharing accommodation with family and/or friends and/or others who will not be rehoused with the customer; and,
- 3 Customer that need to move because they cannot afford to live at their current accommodation.

- 5.15 A full list of the criteria can be found at [www.choicehomespembrokeshire.org](http://www.choicehomespembrokeshire.org).

- 5.16 When a customer is accepted onto the Register they will be placed in one of three 'bands'. Which band will depend on the customer and their households housing need, based on the information provided on the application form. Customers in Gold and Silver bands are classed as being in housing need and those in Bronze as low priority need.

- 5.17 When a property is advertised, customers on the Register who would like to live there can apply for the property. The customer with the highest need and the earliest date of application will then be offered a tenancy.

- 5.18 The ChoiceHomes@Pembrokeshire has a Rural Communities Policy applicable to certain areas in the County which requires customers to demonstrate they meet certain criteria. Households who demonstrate these criteria are given additional preference in respect of properties advertised for letting with local connection in that area.

- 5.19 A customer will qualify for a local connection to the rural area (electoral ward) if he/she or a member of the household:

- 1 Has lived within the area as their only or principal home, continuously for the last 5 years, or
- 2 Can demonstrate that they have lived in the area for at least 10 years previously, before moving away, and that they have one of the following reasons to return:
- 3 A permanent job (at least 16 hours per week), or unpaid work for the emergency services or coast guard, is located within the area, and they have a need to live close to work. This can include volunteering for the emergency services and RNLI.
- 4 A child who is a member of the household attends a school that is located within the area, and they currently have to travel more than 10 miles each way to attend this school. The child must be expected to attend this school for at least the next 3 years.
- 5 A parent or close family member (grandparents, parents, siblings, child) who lives in the area as their only or principal home and who would provide support to or receive support from you. This support:
  - i must not be provided by others (including professional care), and
  - ii would dramatically improve the quality of life of the person receiving the support, and
  - iii must not currently be sustainable because you currently live too far away to reasonably provide or receive this support.

### **Affordable Rental and Low Cost Home Ownership**

5.20 Where a Trust or private management company manages affordable rented homes, or the properties are for sale, they will be made available to local people in housing need, using a time-restricted cascade approach which gives the first opportunity to acquire the property, to those most local. The National Park Authority's definition of local, for affordable housing purposes is as follows:

- 1 In the first instance, the applicant will have a connection (See 5.19) to the town or community council area<sup>2</sup> in which the property is located or any adjoining town or community council area to that in which the property is located, including those in neighbouring local planning authority areas;
- 2 After a defined period of time, the search for an occupant will be extended to the rest of Pembrokeshire.

5.21 The length of time that a property must be advertised and available for is set out below:

---

<sup>2</sup> Excluding the main towns of the County, Haverfordwest, Milford Haven, Pembroke/Pembroke Dock, Neyland, Fishguard and Goodwick.



Table 5.1 Affordable Rental and Low Cost Home Ownership Advertisement Requirements

Cascade Level	Affordable Rent	Low Cost Home Ownership
Local/neighbouring Town or Community Council area <sup>3</sup>	6 weeks	6 weeks
Remainder of Pembrokeshire and simultaneously offered to the Authority and RSL to purchase at 55% of ACG for rental properties and 70% of market value for LCHO	6 weeks	6 weeks
Total marketing time <sup>4</sup> before seller may offer the property on the open market	12 weeks	12 weeks

- 5.22 If a qualifying occupier for an affordable property has not been found within the first stage of the occupancy cascade, the Council and RSLs will be given an opportunity to purchase the property at the same time as the qualifying area is extended County wide, as a means of giving every opportunity to keeping the dwelling affordable. Should the second stage be unsuccessful the property may be offered for sale on the open market, on the basis that the definition of qualifying occupier shall be extended for the proposed sale to mean “any willing purchaser”. Any such sale shall be subject to provisions required by the National Park Authority to protect its future affordability (such as including limiting any resale price).
- 5.23 The National Park Authority will monitor and review the operation of the criteria used and the results of the cascade approach and may alter these to meet the general aim of ensuring that affordable housing is efficiently allocated and fully utilised.
- 5.24 A person in financial need is an applicant who after financial assessments cannot afford to resolve its situation without subsidy or assistance or that the applicant has sufficient money to pay for the option chosen.
- 5.25 The ability to resolve affordability issues on the open market will depend on the relationship between the amount that the household is able to afford and the cost of appropriate local housing.
- 5.26 For someone on a single income if the price of suitable housing is equal to or less than, three times their gross salary then it is affordable.
- 5.27 For someone looking for housing with a partner, relative or friend if the price of suitable housing is equal to or less than 2.5 times the joint gross salaries or 3 times the higher salary plus 1 times the lower salary, whichever is the higher, it is affordable.

<sup>3</sup> Excluding the main towns of the County, Haverfordwest, Milford Haven, Pembroke/Pembroke Dock, Neyland, Fishguard and Goodwick.

<sup>4</sup> Marketing time is the time during which the property is advertised prior to the receipt of an offer. If a sale or rental agreement collapses, the cascade approach and time available for marketing begins again.

## Monitoring and Review

6.0

6.1

It will be necessary for planning policies and supplementary planning guidance to be reviewed as necessary over time to reflect change in the economic climate. It is important to recognise that viability can improve as the economy improves and therefore, affordable housing targets can be increased as well as reduced.

6.2

The National Park Authority recognises that it will need to monitor changes in values and costs as they affect viability. The following key indicators will be regularly reviewed:

- 1 House prices – data which includes second hand as well as new properties and provides a robust indicator of price trends.
- 2 Build costs – Pembrokeshire benchmark build costs and relevant BCIS index; and,
- 3 Affordable rents – Local Housing Allowance data.

6.3

The National Park Authority will trigger a review of the SPG if there is a 10% change in any one indicator sustained over a 12 month period or will consider a review if:

- 1 There is a plus or minus change of between 5-9% in any two indicators sustained over a 12 month period; or,
- 2 There is less than 10% change in indicator(s) but change is being sustained or if evidence indicates that sustained change has occurred in other development costs e.g. finance costs, developer return required.

6.4

A full review of the above will not necessarily lead to update an updated SPG or policy.

### Re-running of the Development Appraisal Toolkit

6.5

Alongside the drafting of the SPG, Andrew Golland Associates (AGA) has rerun the development appraisal toolkit to provide a revised viability appraisal of allocated sites and provided a report on expected current residual values.

6.6

The work undertaken by AGA provides a robust baseline position for the revised SPG to work from. Appendix 5 to this updated SPG provides a summary sheet of the rerun of the viability assessment. More detail can be found in the Project Report which is published alongside this SPG.

## Appendix 1 Affordable Housing Requirements on Allocated Sites

	LDP Proposals Map ID		Residential Units	% Affordable Units	Affordable Housing Provision Expected
Broadhaven	HA734	Land south of Driftwood Close	8	50	4
Broadhaven	MA776	Land NE of Marine Road	35		
Lawrenny	HA821	Land adj Home Farm	30	50	15
Crymych	HA750	Depot Site	15		8
Dale	HA382	Castle Way	12	80	10
Dinas Cross	HA387	Land opposite Bay View Terrace	12	100	12
Herbranstion	HA732	East of Herbranstion Hall	12	50	6
Manorbier	HA821	Green Grove	5		3
Jameston	HA436	North of Landway Farm	7		1
Jameston	HA730	Land opposite Bush Terrace	35	50	18
Manorbier Station	HA848	Field opp Manorbier VC School	19		10
Lawrenny	HA559	Adjacent Home Farm	30		15
New Hedges	HA813	Rear of Cross Park	30	60	18
Newport	HA825	Land north of Feidr Eglwys	20	70	14
Solva	HA384	Land adj Bro Dawel	18	50	9
Solva	HA792	Bank House, Whitchurch Lane	15	50	8
St David's	HA737	West of Glasfryn Road	90		45
St David's	HA789	Land adj Ysgol Bro Dewi, Nun St	10		5
St Ishmaels	MA733	Land adjacent school	40		
Tenby	HA377	Brynhir	168	60	101
Tenby	HA723	Former Cottage Hospital Site	10		6
Tenby	HA724	Rectory Car Park	50		30
Tenby	HA727	Land west of Narberth Road	25		15
Tenby	HA752	Butts Field Car Park	80		48
Tenby	HA760	Reservoir Site	12		7
Trefin	HA738	Land north of Heol Crwys	15	50	8



## Appendix 2 Use of S106 Contributions in Local Area

The unilateral agreement will require that the development permitted shall not be occupied until the affordable housing contribution has been paid to Pembrokeshire County Council.

In the first instance spend will be restricted to the local Community Council area and land within adjacent Community Councils which lies within the National Park. Any land in these Community Councils which lies outside the National Park would be excluded.

If the money is not spent within 3 years in the local area (as defined in the previous paragraph) the money should be made available to spend on the delivery of affordable housing in the remainder of the Community Council and adjacent Community Council area if outside the National Park<sup>5</sup>. This would acknowledge the fact that there are some split settlements where it would be reasonable to allow spend in the same locality to meet the need. If not spent within 5 years then it should be returned to the applicant.

---

<sup>5</sup> Excluding the main towns of the County, Haverfordwest, Milford Haven, Pembroke/Pembroke Dock, Neyland, Fishguard & Goodwick.

## Appendix 3 Assessment of Viability

### Development Appraisal Toolkit (DAT) for Wales

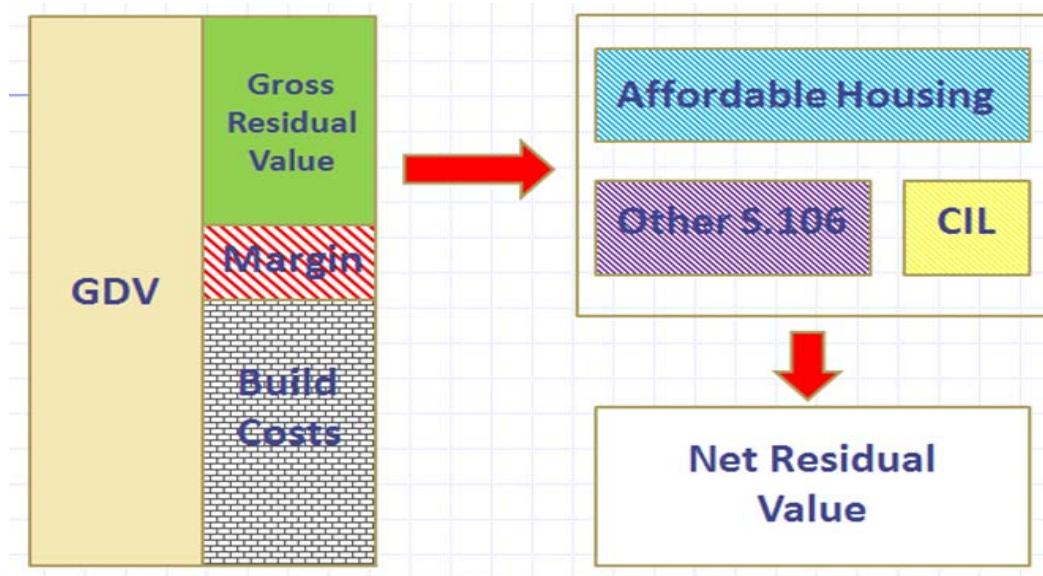
#### Background

The National Park Authority recognises that applicants will utilise different appraisal models when submitting viability related information.

The National Park Authority's preferred approach is however to use the Wales-wide Development Appraisal Toolkit (DAT). This is a bespoke version for Wales which is based on AGA:3D Toolkit and which is the industry standard model used in England.

#### Main principles of the DAT

The DAT compares the potential revenue from a site with the potential costs of development and then calculates a residual value for a scheme. In estimating the potential revenue, the income from selling dwellings in the market and the income from producing specific forms of affordable housing are considered. The estimates involve (1) assumptions about how the development process and the subsidy system operate and (2) assumptions about the values for specific inputs such as house prices and building costs.



The DAT takes into account policy impacts in terms of affordable housing, other Section 106 contributions and/or the Community Infrastructure Levy.

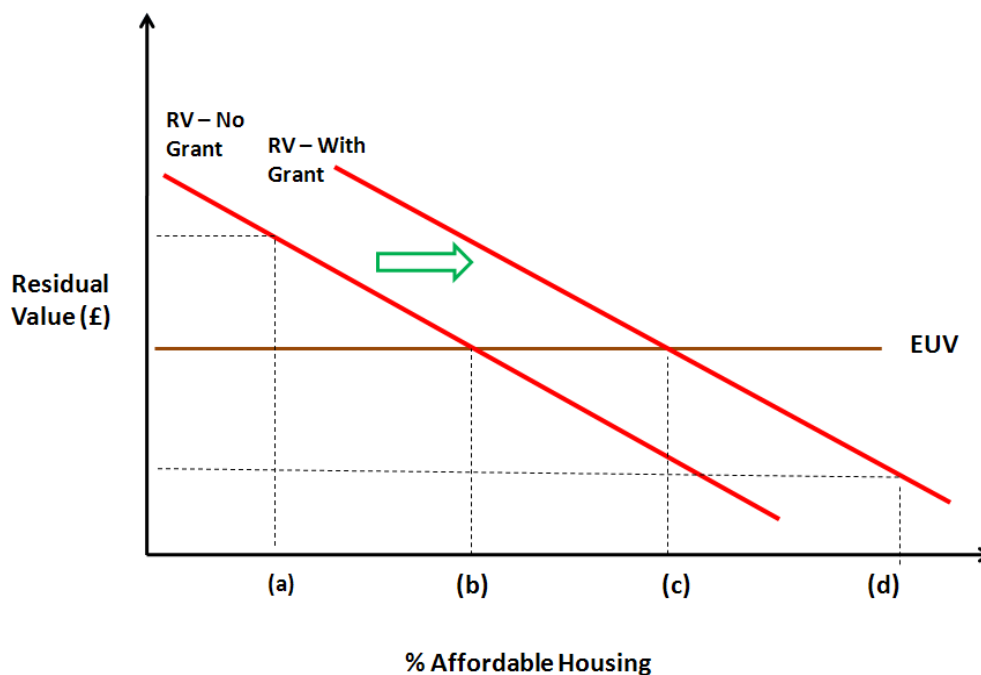
The DAT works on the basis that to make a scheme viable, three 'interests' must be satisfied:

- 1 The developer (a profit of around 20% on Gross Development Value);
- 2 The land owner (a competitive return versus land value benchmark);
- 3 The National Park Authority (where policy requirements have been met).

The National Park Authority accepts that all three parties will not in every case meet their requirement and expectations, but the DAT can be used to help negotiate a way through the competing demands.

### The position of the land owner

The National Park Authority fully recognises the importance of ensuring that land owners receive a competitive return. A scheme is unlikely to proceed where the costs exceed the revenue (i.e. a negative residual value). Simply having a positive residual value will not guarantee that development happens. The existing use value of the site will play a role in the mind of the land owner in bringing the site forward.



The diagram shows how this operates in theory. Residual value (RV) falls as the proportion of affordable housing increases. At point (a), RV is greater than Existing Use Value (EUV) and provided that this margin is sufficient for the land owner to bring the site forward, then it will be viable.

At point (b) the RV is equal to the EUV and there is relatively little incentive in theory to bring the site forward.

Beyond points (a) and (b), the scheme will not come forward as the developer will not be able to pay the land owner enough relative to the land owner's EUV.

Where grant is available (points (c) and (d)), viability for affordable housing is enhanced. Up to point (c) RV is greater than EUV and there is a land owner incentive. At point (c) RV is equal to EUV and so, whilst a higher affordable housing contribution is likely than say at point (b), in principle the land owner is in exactly the same position as at (b).

At point (d), the scheme will not be viable even with grant.

The DAT is set up in such a way that it is consistent with case law and precedent and reflects these considerations.

## **Scope of the DAT**

The DAT can, and has been used, in a number of different ways. These are set out below:

- 1 For policy development work; for example testing for viable affordable housing targets and thresholds; and for testing for CIL Charging. Indeed for 'whole Plan' testing where these impacts are considered together;
- 2 Site specific appraisals and negotiations. These can be at a variety of levels: urban extensions, masterplanning, regeneration schemes and small sites;
- 3 For calculating commuted sums. A range of approaches are used here, but the DAT can deal with all eventualities;
- 4 Modelling the impacts of subsidy. The DAT was developed in large measure to test the extent to which additional Section 106 contributions might be delivered if subsidy was available.



## Appendix 4 Economic Viability Assessment Checklist

### Development income information

- 1 Open Market Sales income
- 2 Social / Affordable rent income
- 3 Income from intermediate sales
- 4 Income from shared ownership units
- 5 Other potential revenue streams, including grant/subsidy

### Development costs

- 1 Build costs (£/sqm of gross internal area), provided for different types of dwelling
- 2 Costs of external works and infrastructure
- 3 Costs of abnormal works
- 4 Professional fees
- 5 Finance costs
- 6 Marketing costs
- 7 Contingency
- 8 Planning application costs

### Site values

- 1 Current (existing use) land valuation of development site

### Developer profit

- 1 % profit margin for open market and affordable units

### Phasing

- 1 Anticipated build period
- 2 Anticipated timings of sales and other incomes
- 3 Timings of s106 contributions



## Appendix 5    Assessment of Viability of Sites in PCNPA



Site No	Settlement	% AH	EU	10% AH		20% AH		30% AH		40% AH		50% AH	
				55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG
387	Dinas Cross	100%	G	£2,812,000	£2,736,000	£2,272,000	£2,120,000	£1,732,000	£1,504,000	£1,188,000	£884,000	£640,000	£264,000
825	Newport	70%	G	£913,415	£890,244	£739,024	£691,463	£564,634	£493,902	£389,024	£295,122	£215,854	£98,780
377	Tenby	60%	G	£1,825,179	£1,763,393	£1,449,107	£1,325,536	£1,073,036	£887,857	£696,964	£450,000	£320,893	£12,143
436	Jameston	50%	G	£1,271,875	£1,240,625	£1,003,125	£937,500	£728,125	£631,250	£459,375	£328,125	£187,500	£25,000
710	Tenby	60%	B	£1,755,556	£1,677,778	£1,322,222	£1,166,667	£866,667	£655,556	£433,333	£144,444	£0	£-366,667
723	Tenby	60%	B	£3,452,941	£3,370,588	£2,747,059	£2,588,235	£2,047,059	£1,805,882	£1,352,941	£1,029,412	£641,176	£241,176
724	Tenby	60%	B	£3,919,149	£3,829,787	£3,307,447	£3,129,787	£2,696,809	£2,429,787	£2,085,106	£1,729,787	£1,474,468	£1,029,787
727	Tenby	60%	G	£2,155,422	£2,093,976	£1,780,723	£1,657,831	£1,402,410	£1,218,072	£1,026,506	£779,518	£649,398	£340,964
730	Jameston	50%	G	£739,645	£712,426	£576,923	£522,485	£414,793	£332,544	£252,071	£142,604	£89,349	£-47,337
752	Tenby	60%	B	£3,223,256	£3,087,209	£2,480,233	£2,208,140	£1,738,372	£1,329,070	£996,512	£451,163	£254,651	£-426,744
760	Tenby	60%	G	£2,206,667	£2,150,000	£1,760,000	£1,646,667	£1,313,333	£1,140,000	£866,667	£636,667	£423,333	£136,667
821	Manorbier	50%	G	£1,100,000	£1,075,000	£886,111	£833,333	£666,667	£588,889	£450,000	£347,222	£233,333	£102,778
848	Manorbier Station	50%	G	£878,125	£826,563	£545,313	£440,625	£210,938	£54,688	£-121,875	£-331,250	£-457,813	£-718,750
895	Manorbier Station	50%	B	£2,906,897	£2,824,138	£2,196,552	£2,034,483	£1,486,207	£1,241,379	£775,862	£448,276	£65,517	£-341,379
792	Solva	50%	G	£460,656	£427,869	£295,082	£231,148	£131,148	£36,066	£-32,787	£-159,016	£-195,082	£-354,098
737	St David's	50%	G	£1,079,667	£1,027,667	£775,333	£671,333	£470,333	£314,333	£166,000	£-42,333	£-139,333	£-399,333
789	St David's	50%	G	£498,214	£473,214	£375,000	£325,000	£251,786	£176,786	£126,786	£26,786	£5,357	£-119,643
738	Trefin	50%	G	£758,333	£704,167	£506,250	£400,000	£258,333	£95,833	£8,333	£-206,250	£-243,750	£-512,500
384	Solva	50%	G	£856,923	£810,769	£616,923	£526,154	£378,462	£241,538	£136,923	£-43,077	£-100,000	£-326,154
385	St David's	50%	G	£1,250,000	£1,202,000	£946,000	£848,000	£644,000	£498,000	£338,000	£144,000	£38,000	£-208,000
813	New Hedges	60%	G	£630,282	£594,366	£427,465	£355,634	£224,648	£116,901	£20,423	£-123,239	£-182,394	£-361,972
382	Dale	80%	G	£943,636	£905,455	£718,182	£641,818	£492,727	£380,000	£267,273	£116,364	£41,818	£-147,273
732	Herbranston	50%	G	£196,667	£167,333	£-147,333	£23,333	£-32,667	£-120,667	£-147,333	£-265,333	£-262,000	£-409,333
733	St Ishmaels	50%	G	£782,008	£759,833	£612,971	£569,038	£444,351	£378,661	£274,895	£187,448	£106,276	£-3,347
734	Broadhaven	50%	G	£1,864,000	£1,812,000	£1,372,000	£1,260,000	£880,000	£716,000	£388,000	£168,000	£-108,000	£-384,000
776	Broadhaven	50%	G	£1,260,000	£1,196,000	£857,000	£736,000	£456,000	£275,000	£57,000	£-185,000	£-343,000	£-645,000

Site No	Settlement	% AH	EU	10% AH		20% AH		30% AH		40% AH		50% AH	
				55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG
559	Lawrenny	50%	G	£1,603,738	£1,555,140	£1,246,729	£1,148,598	£889,720	£742,991	£533,645	£338,318	£177,570	-£67,290
750	Crymych	50%	B	£94,595	£37,838	-£97,297	-£210,811	-£289,189	-£459,459	-£481,081	-£710,811	-£675,676	-£962,162





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**Pembrokeshire Coast National Park**

**Affordable Housing Delivery**

Project Report

Pembrokeshire Coast National Park  
Authority

April 2014

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## **Appendices**

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- Appendix 1 Consultation Responses
- Appendix 2 Sample of Planning Applications for affordable housing development in the National Park
- Appendix 3 Site Viability Results (See Separate Spreadsheet)





## 1.0 Introduction

- 1.1 Nathaniel Lichfield & Partners (NLP) and Andrew Golland Associates (AGA) have been commissioned by the Pembrokeshire Coast National Park Authority (the 'National Park Authority') to advise on the ways in which affordable housing delivery might be improved. The work was undertaken in collaboration with the National Park Affordable Housing Steering Group.
- 1.2 The background to this commission is an appreciation of the importance of, and need for, affordable housing in the National Park, together with a recognition that recent delivery rates have fallen substantially below what is required.
- 1.3 Policy 45 of the National Park Authority Local Development Plan (LDP) seeks to negotiate 50% affordable housing on developments for two or more units. This general target varies in some locations as follows:
- 1 Tenby/ Saundersfoot/ New Hedges (60%);
  - 2 Newport (70%), Dale (80%); and,
  - 3 Dinas Cross (100%).
- 1.4 The policy also requires an affordable housing contribution of £250/sq m from single dwelling developments and provides for the release of exceptional land released for affordable housing. However, the policy also provides the basis for the negotiation of affordable housing:
- “Where it can be proven that a proposal is unable to deliver (i.e. the proposal would not be financially viable) in terms of the policy requirements of the Plan (i.e. for affordable housing provision, sustainable design standards expected and community infrastructure provision) priority will be given to the delivery of affordable housing in any further negotiations, provided that it can be demonstrated that the proposal would not unduly overburden existing community infrastructure provision”.*
- 1.5 Where the proposed development is shown to be unviable, negotiation with the National Park Authority may result in a lower level of affordable housing being required. Policy 44 of the LDP states that land will be released for the provision of approximately 962 dwellings over the LDP period (2006 to 2021). Of this total, policy 45 states that the affordable housing target for the Plan period is 530 residential units (55%). This equates to an average affordable housing requirement of 35 units per annum. However, between 2007 and 2013, a total of 289 dwellings were completed (48 p.a.), of which 21 (3 p.a.) were affordable. This equates to 7% of the total amount of housing delivered, being affordable housing.
- 1.6 The National Park Authority's housing background paper quantified newly arising affordable housing need as between around 60 and 100 households per year between 2006 and 2021. This is in addition to the backlog of households on the affordable housing register, which stood at 460 in July

2008. This evidence demonstrates the extent to which the level of need is not currently being met.

1.7 Community consultation undertaken by the National Park Authority identified that access to good quality affordable housing represents the most significant issue to those living in the National Park. Dealing with this issue represents a matter of considerable urgency for the National Park Authority, particularly given that the amount of affordable housing required in the National Park is greater than can be provided by public subsidy through Social Housing Grant unless the money available for such subsidy is increased by an enormous degree. This is unlikely in the existing economic circumstances.

1.8 Against this background where affordable housing delivery has not reflected identified needs, this project is designed to sit within the context of the existing LDP policies and to provide guidance on the way in which the local planning process might be enhanced so that an increased supply of affordable housing can be achieved. In achieving this aim, it includes a number of specific elements, as follows:

- 1 Draft revised Supplementary Planning Guidance on affordable housing;
- 2 Update of viability analysis to demonstrate the level of affordable housing that is viable in the National Park; and,
- 3 Guidance on potential improvements to the development management process that might contribute towards an improvement in affordable housing delivery.

1.9 This report should be read alongside the draft Supplementary Planning Guidance and the outputs of the viability analysis that has been undertaken by AGA, using the Wales Development Appraisal Toolkit (DAT). It is structured as follows:

- Section 2 provides a summary of the key points raised during the consultation exercises that were undertaken as part of this commission, as well as providing a response to the main issues raised;
- Section 3, which has been prepared by AGA, provides a detailed summary of the viability modelling that has been undertaken;
- Section 4 considers how the planning application process might be streamlined within the National Park;
- Section 5 sets out a number of considerations relating to the potential for partnership working between the National Park Authority and other organisations;
- Section 6 considers the implications of this report upon the LDP strategy;
- Section 7 contains a review of approaches to the delivery of affordable housing in other National Parks in Wales; and,
- Section 8 sets out our conclusions.

2.0

## Consultation

2.1

In undertaking this study, NLP has consulted with a range of public and private sector stakeholders that are involved in the planning and development sectors within the National Park. The consultation process comprised telephone discussions with the National Park Authority and Pembrokeshire County Council (PCC) Officers and a consultation event on 16<sup>th</sup> January 2014.

### Telephone Interviews

2.2

Six detailed telephone interviews were undertaken with PCC and National Park Officers. These provided an opportunity to discuss the challenges associated with the delivery of affordable housing within the National Park. A list of Officers with whom we spoke is set out in Appendix 1.

2.3

The key themes that were raised in the discussions are summarised below:

- 1 The National Park Authority's current affordable housing targets are perceived by some respondents to be too high and it was alleged by some that in some instances policy has held back the delivery of development. However it is generally accepted that a flexible approach is adopted to take account of viability and it is important that this should continue.
- 2 The viability of development has a significant impact upon deliverability. The fact that affordable housing targets for the National Park Authority were set at a time when the housing market was much more buoyant has created a significant viability challenge and impacted upon the delivery of affordable housing.
- 3 Some land owners will not bring sites forward for housing because they believe policy restrictions affect returns too much. It was suggested that a simpler solution might be to simply transfer parts of a particular site for affordable housing. Such plots would be expected to be fully serviced and capable of accommodating affordable houses which would then be constructed by a Registered Social Landlord.
- 4 There is a perception that developers do not like on-site affordable housing provision. The reasons for this include difficulties in quantifying the costs, negative impacts upon the value of open market housing and potential management challenges associated with the pepper potting of affordable houses. However, a mix of affordable and open market housing can be important in establishing mixed and sustainable communities.
- 5 Exception sites do not come forward very often within the National Park<sup>1</sup>. This may be to do with economics (sites not giving the same returns as

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<sup>1</sup> An exception site is one that would not usually secure planning permission for general market housing by virtue of its location beyond a settlement boundary, however may be allowed if it is developed solely for affordable housing.

Section 106 sites) but this is not entirely the full picture: some land owners simply do not want housing of any sort near them.

- 6 The use of Acceptable Cost Guidance (ACG) as a means for the assessment of the price of affordable housing is confusing and does not take adequate account of local characteristics and land values. It was suggested that banks tend not to like reference to ACG.
- 7 The granting of planning permission subject to the signing of a s106 agreement can result in unnecessary delays to the planning process. The adoption of standard agreements would help to make the process faster and simpler. The pre-application process is important in providing guidance on the preparation of draft s106 agreements.
- 8 The National Park Authority prioritises affordable housing delivery, at the expenses of other s106 contributions. However, there is a point at which a scheme would become unacceptable, for example in relation to transport impact and so it is important to ensure that the flexibility that is adopted does not undermine the quality of development and result in unacceptable impacts on the local area. However, few developments within the National Park have tended to be of sufficient size to necessitate education or open space contributions.
- 9 The National Park Authority should not be forced to compromise on good design. This does not have to add substantially to build costs and it is not true that this is stifling development.
- 10 Second home ownership has a significant impact upon house prices within the National Park Authority. Price increases are explained in some measure by households who move into the area from more prosperous parts of the country, for example, to retire.
- 11 Communication between all parties involved in the development process is very important and could be improved.

## Consultation Event

- 2.4 Over 50 people were invited to the consultation event, of which 20 attended. The event comprised an open discussion about the delivery of affordable housing within the National Park, followed by a detailed explanation and review of the key inputs and assumptions that have informed the updated viability assessment.
- 2.5 The event prompted some strong opinions and views about the performance of the National Park Authority and the barriers that exist to the delivery of open market and affordable housing. An overview of the key issues that were raised is summarised below:
  - 1 The issues are unique to the geography of the National Park. This is due to the geography of the Park boundary and the way it is enclosed by PCC's administrative area. This is inherently different to other National Parks as it is possible to walk into the National Park from many of the villages and settlements that are not within its boundary. This makes it more difficult to differentiate between those local to the National Park

and those that are not. Council houses that were built in St David's, and elsewhere, in the 1950's are no longer affordable. There is nowhere for local people to live.

- 2 Why should there be a disparity between PCC and the National Park Authority in terms of affordable housing requirement? PCC gathered viability evidence at a later date than the National Park, which looked at viability prior to the recession. House prices have since changed considerably. It was alleged that factor may explain the relatively lower requirement in the PCC area.
- 3 There is perceived to be an undercurrent of not wanting development in the National Park.
- 4 55% ACG will not cover costs and the developer will not make money, but units still have to be built. ACG does not allow for abnormal or exceptional costs.
- 5 When affordable housing becomes available, it is not allocated to truly local people in need. For example of the 19 social rented properties that have been built in the Dale Peninsula since 2010, only one has been let to a local person. The majority were let to people in Milford Haven. This is unsustainable as there are no facilities in St Ishmaels and these people have all their connections in Milford Haven. Housing that is available has been allocated to people from a wider area, including PCC and beyond. Proper identification of need is crucial. It was noted that the social housing allocation policy had been reviewed and changes were implemented in April 2013; this reduced the proportion of properties advertised requiring a 'local connection' from 1 in 10 to 1 in 3.
- 6 Another issue is that providing housing of a certain kind, e.g. for retired people, will free up larger homes that they no longer need.
- 7 The Scrutiny committee had said that if the policy is not working by 2014 then the affordable housing target will be reduced. It was suggested that the National Park Authority should get on with changes to the LDP now and not in 3-4 years' time which will be too late. A review of the Plan should have been submitted in 2013 and the National Park Authority appears to be going back to the situation of out of date plans or non-plans. However, a revised SPG might make situation more flexible.
- 8 Viability analysis should be a "living breathing" document, but it is not always treated like that. The National Park Authority wants it set in stone. It can be difficult to disprove 2007 figures. Going forward the aspirational value should not be set in stone, it should be fluid.
- 9 Viability is multifaceted; prices have fallen, salaries have stagnated and construction costs have increased. Landowners will keep land in agricultural use as there is no incentive to develop.
- 10 There is a third value which is the value that a landowner is willing to take from the land. Generally, delegates did not provide land value benchmarks although one view was that a landowner would not sell land for £150,000 (per hectare) but would prefer to retain the land and wait for market conditions to improve. The baseline figures that the National Park

applies in relation to land values were considered to be too low and it appears that the Authority is expecting landowners to bear the burden of viability difficulties rather than applying an adequate level of flexibility in relation to Section 106 requirements.

- 11 More use should be made of exception sites as they allow the landowner to make more money with affordable housing than the land is worth. However, it is unlikely that all of the affordable housing requirements for the National Park can be delivered through exceptions sites.
- 12 To achieve more affordable housing there must be more market housing.
- 13 Different benchmark values should be explored near employment sites. This would ensure that development coming forward would be sustainable and would create a flexible approach.

## **Response to Consultation**

- 2.6 This section provides a response to the key comments received during the consultation process and provides an opportunity to clarify points raised during the public consultation.

### **Availability of Exception Sites**

- 2.7 The National Park Authority agrees that exception sites do not come forward often but notes that this is not just because of the landscape character and quality of the land. The merits of each proposal will be considered on a site-by-site basis.

### **Opportunities from Downsizing**

- 2.8 The National Park Authority agrees that providing different property types like retirement properties can free up family housing, but it should be noted that much of this housing is not considered affordable. Further, it is apparent that many older people are choosing to not move from larger properties and so this source of provision cannot be relied upon as a means of increasing affordability.

### **Prioritisation of Affordable Housing**

- 2.9 The National Park Authority recognises that although affordable housing obligations are given priority over other contributions, there is a greater risk for a scheme to become unacceptable where it is unable to provide contributions that are necessary to address other issues such as open space provision and education contributions. Such development would therefore be refused, though it is important that each scheme is considered on its own merits.

### **Viability Considerations**

- 2.10 Whilst scheme viability was discussed during the consultation exercise, only very limited feedback was received from consultees. Comments, where received were very general with a plea for a greater focus on viability

assessment being a 'living' process and the suggestion that it is too onerous for developers to have to demonstrate viability in the first place. No comments were received in relation to the key assumptions that have informed the viability analysis in this study or the approach that has been taken to setting the affordable housing requirements.

### **Property Allocation**

- 2.11 The allocation of properties for residents is dealt with on an Authority-wide basis by choicehomes@pembrokeshire and the National Park Authority has limited power to change this. Whilst the National Park Authority is the Local Planning Authority for planning applications, it is not the Housing Authority, a role that is undertaken by Pembrokeshire County Council.

### **Changes through LDP Review**

- 2.12 Should the National Park Authority commence a review of its LDP next year this would create a situation where developers would have to wait until the LDP has fully progressed through the statutory process before any changes are put in place. A full review of the LDP cannot therefore be relied upon to address the National Park's affordable housing issues in a timely manner.

3.0

## The National Park Viability Assessment

### Introduction

- 3.1 A key factor in delivering affordable housing is viability. Without schemes being viable, policy cannot deliver. It is generally accepted that whilst affordable housing targets should be set as ambitiously and robustly as possible, individual schemes will always present a challenge in that they sometimes do not reflect the generality upon which policy was set.
- 3.2 This analysis reviews viability in a range of the most significant sites in the National Park area. These sites reflect potential housing delivery as set out in the Local Development Plan (LDP) and the Joint Housing Land Availability Study (JHLAS). The sites were selected by the National Park Authority and tested by AGA.
- 3.3 29 sites in total were assessed. These represent sites from all housing sub markets and hence present a full test of market conditions, from stronger to weaker.

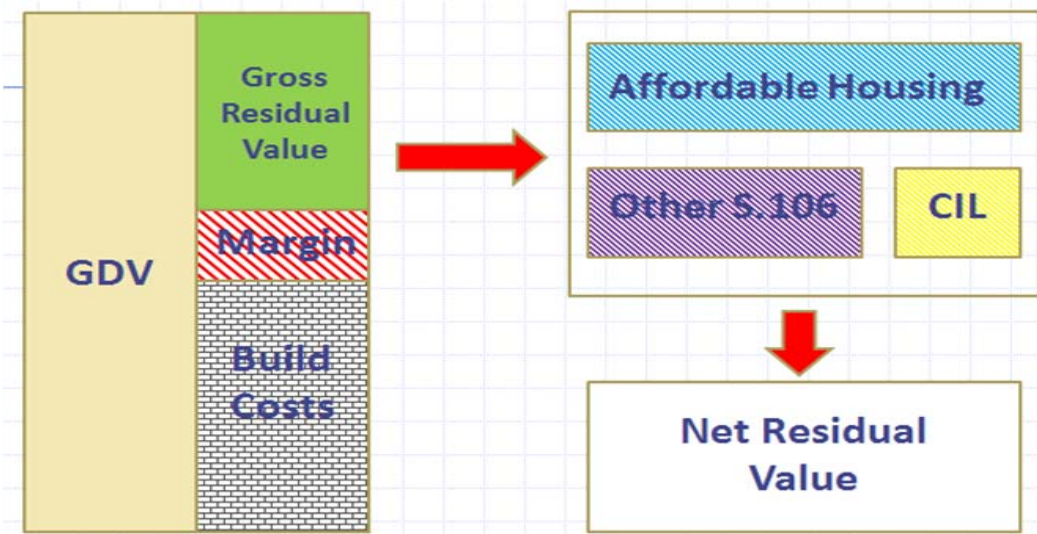
### Approach to assessment

- 3.4 The appraisal model used is the Development Appraisal Toolkit for Wales. This is regarded as the industry standard in Wales and England and is fully endorsed by the development industry and the Home Builders Federation in Wales in particular.
- 3.5 The Toolkit compares the potential revenue from a site with the potential costs of development before a payment for land is made. In estimating the potential revenue, the income from selling dwellings in the market and the income from producing specific forms of affordable housing are considered. The estimates involve:
- 1 Assumptions about how the development process and the subsidy system operate; and,
  - 2 Assumptions about the values for specific inputs such as house prices and building costs.
- 3.6 It is important to understand how viability is assessed in the planning and development process. The assessment of viability is usually referred to as a residual development appraisal approach and is illustrated in Figure 3.1. This shows that the starting point for negotiations is the gross residual site value which is the difference between the scheme revenue and scheme costs, including a reasonable allowance for developer return.
- 3.7 Once CIL or Section 106 contributions have been deducted from the gross residual value, a 'net' residual value results. The question is then whether this net residual value is sufficient in terms of development value relative to the site in its current use.



## Assessing residual value

Figure 3.1 Assessment of Viability



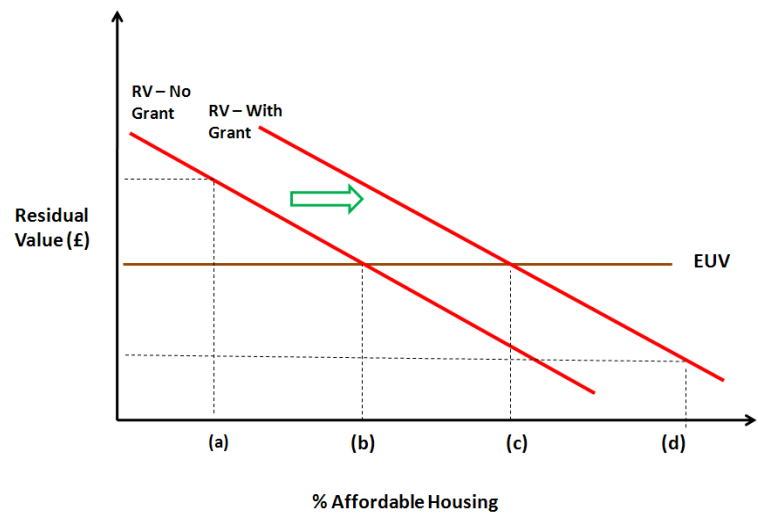
Source: AGA

- 3.8 Calculating what is likely to be the value of a site given a specific planning permission, is only one factor in deciding what is viable.

## Assessing viability

- 3.9 Whilst a site is extremely unlikely to proceed where the costs of a proposed scheme exceed the revenue, simply having a positive residual value will not guarantee that development happens. The existing use value of the site, or indeed a realistic alternative use value for a site (e.g. commercial) will also play a role the land owner's decision to bring the site forward and is therefore a factor in deciding whether a site is likely to be developed for housing.

Figure 3.2 The land owner's situation



Source: AGA

- 3.10 Figure 3.2 shows how this operates in theory:
- 1 Residual value (RV) falls as the proportion of affordable housing increases;
  - 2 At point (a), RV is greater than the Existing Use Value (EUV) and provided that this margin is sufficient for the land owner to bring the site forward, then it will be viable;
  - 3 At point (b) the RV is equal to the EUV and there is relatively little incentive in theory to bring the site forward;
  - 4 Beyond points (a) and (b), the scheme will not come forward as the developer will not be able to pay the land owner enough relative to the land owner's EUV;
  - 5 Where grant is available (points (c) and (d)), viability for affordable housing is enhanced;
  - 6 Up to point (c) RV is greater than EUV and there is a land owner incentive. At point (c) RV is equal to EUV and so, whilst a higher affordable housing contribution is more likely than say at point (b), in principle the land owner is in exactly the same position as at (b);
  - 7 At point (d), the scheme will not be viable even with grant.
- 3.11 Under all circumstances, the Authority will need to consider whether a realistic and justifiable AUV (Alternative Use Value) applies. Where the AUV is higher than the EUV, and can be justified, then the AUV becomes the appropriate threshold value against which RV is judged.

### **Cases and precedent supporting the approach outlined above**

- 3.12 There has been debate about appropriate approaches to viability assessment. The approach set out above is supported in several important cases including Barnet & Chase Farm: APP/Q5300/A/07/2043798/NWF; Bath Road, Bristol: APP/P0119/A/08/2069226; Beckenham: APP/G5180/A/08/2084559; and Oxford Street, Woodstock: APP/D3125/A/09/2104658;
- 3.13 To some extent these cases cut against the grain of later 'guidance'; for example that produced by the RICS ('Planning and Viability') which explicitly devalues the Existing Use Value approach and promotes the idea of 'market value' when assessing schemes.
- 3.14 The approach however has been very much bolstered in the report by Mr Keith Holland, the Examiner appointed by the Mayor of London to evaluate the London Community Infrastructure Levy. The Inspector stated in response to an alternative (and 'market value') approach being promoted by the Royal Institution of Chartered Surveyors

*“The market value approach is not formalised as RICS policy and I understand that there is considerable debate within the RICS about this matter. The EUV plus a margin approach was used not only by the GLA team but also by several chartered surveyors in viability evidence presented to the examination. Furthermore the SG at paragraph 22 refers to a number of valuation models and methodologies and states that there is no requirement for a charging authority to use one of these models. Accordingly I don’t believe that the EUV approach can be accurately described as fundamentally flawed or that this examination should be adjourned to allow work based on the market approach to be done”.*

## Key assumptions

- 3.15 This section sets out the key assumptions made in relation to the assessment process. The assumptions were tested at the consultation event.

## Market areas and selling prices

- 3.16 The selling prices were calculated from HM Land Registry data for 2011 to 2013. The prices were calculated at postcode sector level, calibrated, indexed forward to January 2014 and a new build premium added. For most sites, these prices have been taken ‘as read’ and as shown below. However, in some instances, the prices have been adjusted by reference to very local sales or Rightmove asking prices.
- 3.17 The sub market areas and prices are set out below:

Table 3.1 Sub Market Areas

Postcode	Sub Market	Local Centres	Rural Centres
SA42 0	Newport	Newport	Dinas Cross
SA70 7	Tenby	Tenby	Milton, Manorbier, Manorbier Station, Jameston
SA62 6	St David's and North Coast	St David's	Roch, Newgale, Solva
SA64 0			
SA62 5			Trefin; Square and Compass
SA69 9	South East Coast	Saundersfoot	
SA70 8			New Hedges
SA66 7			
SA67 8			Pleasant Valley; Amroth; Summerhill
SA62 3	St Bride's Bay		Little Haven; Broad Haven; Dale; Marloes; St Ishmaels
SA73 3			Herbranston
SA68 0	Estuary Hinterland		Lawrenny
SA62 4			Hook; Llangwm
SA73 1			Houghton
SA71 4	South West Coast		Bosherton
SA71 5			Angle
SA65 9	North East NP		Pontfaen
SA43 3			
SA41 3		Crymych	Felindre Farchog

Source: AGA

Table 3.2 Selling Prices

Postcode	Sub Market	Detached			Semi-Detached			Terraced			Flat				Bungalow
		5 bed	4 bed	3 bed	4 bed	3 bed	2 bed	4 bed	3 bed	2 bed	3 bed	2 bed	1 bed	Studio	3 bed
SA42 0	Newport	£428,000	£372,000	£298,000	£292,000	£254,000	£216,000	£282,000	£245,000	£214,000	£231,000	£201,000	£140,000	£98,000	£305,000
SA70 7	Tenby	£412,000	£358,000	£286,000	£281,000	£245,000	£208,000	£272,000	£236,000	£205,000	£222,000	£193,000	£135,000	£95,000	£293,000
SA62 6	St David's and North Coast	£334,000	£291,000	£233,000	£228,000	£198,000	£168,000	£221,000	£192,000	£167,000	£180,000	£157,000	£109,000	£77,000	£238,000
SA64 0		£260,000	£227,000	£181,000	£178,000	£154,000	£131,000	£172,000	£149,000	£130,000	£140,000	£122,000	£85,000	£60,000	£185,000
SA62 5		£252,000	£219,000	£175,000	£172,000	£150,000	£127,000	£166,000	£145,000	£126,000	£136,000	£118,000	£83,000	£58,000	£179,000
SA69 9	South East Coast	£305,000	£265,000	£212,000	£208,000	£180,000	£150,000	£201,000	£174,000	£152,000	£164,000	£143,000	£100,000	£70,000	£217,000
SA70 8		£299,000	£260,000	£208,000	£204,000	£177,000	£151,000	£197,000	£172,000	£149,000	£161,000	£140,000	£98,000	£69,000	£213,000
SA66 7		£237,000	£206,000	£165,000	£162,000	£141,000	£120,000	£156,000	£136,000	£118,000	£128,000	£111,000	£78,000	£55,000	£169,000
SA67 8		£276,000	£240,000	£192,000	£188,000	£164,000	£139,000	£82,000	£158,000	£138,000	£149,000	£129,000	£91,000	£63,000	£196,000
SA62 3	St Bride's Bay	£266,000	£232,000	£185,000	£182,000	£158,000	£134,000	£176,000	£153,000	£133,000	£144,000	£125,000	£88,000	£61,000	£189,000
SA73 3		£211,000	£184,000	£147,000	£144,000	£125,000	£106,000	£139,000	£121,000	£105,000	£114,000	£99,000	£69,000	£48,000	£150,000
SA68 0	Estuary Hinterland	£418,000	£380,000	£332,000	£258,750	£225,000	£202,500	£251,850	£219,000	£190,000	£204,700	£178,000	£124,600	£87,220	£270,000
SA62 4		£243,000	£212,000	£169,000	£166,000	£144,000	£123,000	£160,000	£140,000	£122,000	£131,000	£114,000	£80,000	£56,000	£173,000
SA73 1		£240,000	£209,000	£167,000	£164,000	£143,000	£121,000	£159,000	£138,000	£120,000	£130,000	£113,000	£79,000	£55,000	£171,000
SA71 4	South West Coast	£267,000	£232,000	£185,000	£182,000	£158,000	£134,000	£176,000	£153,000	£133,000	£143,000	£125,000	£87,000	£61,000	£189,000
SA71 5		£252,000	£219,000	£175,000	£172,000	£149,000	£127,000	£166,000	£145,000	£126,000	£136,000	£118,000	£83,000	£58,000	£179,000
SA65 9	North East NP	£251,000	£218,000	£174,000	£171,000	£148,000	£126,000	£165,000	£144,000	£125,000	£135,000	£117,000	£82,000	£57,000	£187,000
SA43 3		£250,000	£217,000	£173,000	£170,000	£147,000	£125,000	£164,000	£143,000	£124,000	£134,000	£116,000	£81,000	£56,000	£177,000
SA41 3		£201,000	£175,000	£140,000	£138,000	£120,000	£101,000	£133,000	£116,000	£101,000	£108,000	£95,000	£66,000	£46,000	£143,000

Source: AGA

## Development density and mix

- 3.18 This is a difficult variable to be very specific about, since developers each have their approach by which site value and return is maximised.
- 3.19 The approach adopted to development mix comes from three sources:
- 1 The mix set out at the Consultation Workshop is shown in Table 3.3. This approach was typically used for family type housing schemes at lower densities between 20 and 30 dwellings/ha.

Table 3.3 Density Assumptions

	Dwellings / ha				
	20	30	40	50	80
1 Bed Flats			5	5	20
2 Bed Flats		5	5	10	30
2 Bed Terraces	10	10	15	20	30
3 Bed Terraces	15	15	15	20	20
3 Bed Semis	20	20	20	20	
3 Bed Detached	20	20	20	15	
4 Bed Detached	20	15	10	10	
5 Bed Detached	5	5	5		
3 Bed Bungalow	10	10	5		

Source: AGA

- 2 This approach was also adopted by the National Park Authority itself when assessing a range of sites in 2012. The Authority's best estimate of mix was adopted 'as read' in the case of some sites. Typically these were the more urban schemes, where density is higher.
- 3 AGA has also looked at the sites themselves and the surrounding neighbourhood. This has influenced not only the development mix, but also the process and development costs to some extent.

## Affordable housing assumptions

- 3.20 It was agreed at the Workshop that a full range of affordable housing targets would be tested. In the case of most locations, this would be from 10% to 50%. However, in selected locations, viability needed to be tested to higher affordable housing percentages, most significantly, 60% in Tenby and 100% in Dinas Cross.
- 3.21 A range of sites were tested so there is a broad testing of site size thresholds within the analysis although more systematic and High Level Testing should be carried out to establish whether there are 'trigger points' in terms of affordable housing thresholds.

## **Affordable housing revenue**

- 3.22 This is a difficult assumption to nail down completely. Grant for affordable housing delivery has been falling away in Wales (and England) for some while now and hence, assumptions about what is available to developers as a payment to land owners is difficult to gauge.
- 3.23 Discussion at the Workshop (and indeed workshops generally across Wales) did not yield much consensus in this area.
- 3.24 Following discussions with a key housing association active in Pembrokeshire, two tests were decided upon:
- 1 42% of ACG (Acceptable Cost Guidance) – the general rate; and,
  - 2 55% of ACG – the rate understood to have been assumed by PCC when assessing sites. This higher figure assumes that within the affordable housing element there will be both Social Rented units as well as Intermediate units.
- 3.25 There are four ACG 'bands' operating across the County (1 to 4). Higher value areas, for example Tenby, have higher values and hence attract a higher implicit subsidy.

## **Section 106 contributions**

- 3.26 These relate to planning obligations that are over and above affordable housing contributions. Based on information provided by PCNPA, a figure of £7,000 per unit was assumed to take account of education, highways, open space and other, more minor, contributions.
- 3.27 This figure is probably going to be too high on some of the smaller sites, although it was felt safer to make a more generous allowance here for the purposes of viability testing.

## **Build and other development costs**

- 3.28 Build costs are difficult to pin down as they vary from scheme to scheme. As in other studies carried out in Wales, BCIS (Building Cost Information Service) data was used. This is the industry standard source of information and indicative figures.
- 3.29 These figures were tested:
- 1 At the Consultation Workshop; and,
  - 2 By reference to the National Park Authority's own records of scheme returns
- 3.30 Notes on build costs:
- 1 Build cost allows for 15% allowance for infrastructure and external works (such as drainage, gardens, drives and estate roads);

- 2 Allows for local adjustment factor; i.e. costs are related to Pembrokeshire.
- 3 Method agreed as in previous studies; and,
- 4 Part L of the Building Regs and Fire Sprinklers: no additional costs due to recent announcements by WAG that these are cost neutral or won't be brought in until 2016.

## Other development costs

- 3.31 Other development costs include items such as professional fees, overheads, finance and developer returns.
- 3.32 The allowances adopted are those previously agreed with the Home Builders Federation (HBF), as set out below:
- 1 Professional Fees – 12% of build costs;
  - 2 Internal Overheads – 5% of build costs;
  - 3 Finance – 6% of build costs;
  - 4 Marketing fees – 3% of market value;
  - 5 Developer return – 17% of market value;
  - 6 Contractors return – 5% of development costs (excl finance).

## Unit Sizes

- 3.33 The units sizes adopted are set out below:

Table 3.4 Assumed Dwelling Sizes (sqm)

	Affordable	Market
1 Bed Flats	48	45
2 Bed Flats	62	61
2 Bed Terraces	70	68
3 Bed Terraces	84	78
3 Bed Semis	88	82
3 Bed Detached	94	94
4 Bed Detached	112	120
5 Bed Detached	120	135

Source: AGA

- 3.34 These reflect going rate sizes for market units and the broad sweep of DQR sizes for the affordable sector.

## Results and explanation of Spreadsheet

- 3.35 The results of the testing process as shown in the extended spreadsheet table which is presented at Appendix 3. The spreadsheet draws on a range of information including:

- 1 Research by AGA and the testing framework;
- 2 The Hyder Report – the Land Implementation Study;
- 3 LDP site specific appraisal information;
- 4 Site and neighbourhood survey work; and,
- 5 The 2013 Land Availability Study (carried out by the Authority).

3.36 The spreadsheet details scheme residual values which are presented in two ways across a range of affordable housing targets:

- 1 Actual scheme value (figures in black); and,
- 2 Scheme values on a per hectare basis (figures in blue).

3.37 It will be noted that some figures are in red. This means a negative residual value, or one where the scheme revenue is lower than the scheme costs.

3.38 The cells in yellow denote the policy target for each of the sites according to the Local Development Plan policy.

## Conclusions

3.39 The following conclusions result from this analysis:

- 1 Viability is very sensitive to location and to a lesser extent, density and mix. Testing on a site by site basis can only tell us so much about viability. Arguably policy testing which is done in a much more ‘high level way’ (i.e. with notional sites on say a half hectare basis) is a more robust way of setting policy.
- 2 The Authority’s policy of varying targets is entirely proper. The policy generally reflects differences in market conditions at the time the policy was adopted.
- 3 Deciding what is, and what is not, viable is by no means straightforward. Making judgements about whether policy is likely to hold schemes back is difficult, not least because it is not easy to ‘untangle’ the policy effects from the wider market effects and in particular the recent (4-5 year) impacts of lack of funding for schemes. For this reason, it is important that the National Park Authority does not give a ‘knee jerk’ reaction to developer assertions that ‘it is all the fault of policy’. An econometric ‘unpacking’ of cause and effect would almost certainly show that there are several factors at work.
- 4 In making judgements about viability in the National Park area it is important to recognise that a development land market does not really exist and that deals are done in a rather sporadic way, meaning that rumour and expectation may play a strong role in decision making for land owners. In this context, it is again important that the Authority does not run scared of their policy position.



- 5 In terms of the findings of the analysis, the policy position (a split target approach) can be broadly supported in principle. Table 3.5 shows residual values on a per hectare basis for each of the sites assessed.
  - i The higher value sub markets such as Newport and Tenby are at the top of the table and the lower value sub market areas at the bottom;
  - ii A column is included to show the indicative affordable housing target;
  - iii Green cells indicate scenarios where residual value is in excess of £300,000 per hectare, a figure accepted as being a viable benchmark taking into account other studies and the Authority's JHLAS. Orange cells indicate situations where residual value is between £150,000 and £300,000 per hectare;
  - iv Red cells indicate residual values below £150,000 per hectare; and,
  - v Red and orange cells do not indicate non viability. A different mix or a hot spot within these locations may well deliver affordable housing to target.
- 6 It is however more likely that those 'red' and 'orange' scenarios' will indicate a significant challenge in achieving affordable housing targets and in this respect there are many sites in the lower value areas which look as though they may only achieve in reality between 20% and 30% affordable housing (and in some cases 10% or less). Therefore a more flexible approach will be needed to negotiation in the weaker sub-markets, most notably Estuary Hinterland, South West Coast and North East National Park.
- 7 The remit of this study was not to amend affordable housing targets, but in so far that realistic delivery is concerned, the following starting points should probably be adopted:
  - i Newport and Tenby – 50%;
  - ii St David's and North Coast, South East Coast & St Brides Bay – 30%; and,
  - iii Estuary Hinterland, South West Coast and North East NP – 20%.



Table 3.5 Assessment of Viability of Sites in PCNPA

Site No	Settlement	% AH	EU	10% AH		20% AH		30% AH		40% AH		50% AH	
				55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG
387	Dinas Cross	100%	G	£2,812,000	£2,736,000	£2,272,000	£2,120,000	£1,732,000	£1,504,000	£1,188,000	£884,000	£640,000	£264,000
825	Newport	70%	G	£913,415	£890,244	£739,024	£691,463	£564,634	£493,902	£389,024	£295,122	£215,854	£98,780
377	Tenby	60%	G	£1,825,179	£1,763,393	£1,449,107	£1,325,536	£1,073,036	£887,857	£696,964	£450,000	£320,893	£12,143
436	Jameston	50%	G	£1,271,875	£1,240,625	£1,003,125	£937,500	£728,125	£631,250	£459,375	£328,125	£187,500	£25,000
710	Tenby	60%	B	£1,755,556	£1,677,778	£1,322,222	£1,166,667	£866,667	£655,556	£433,333	£144,444	£0	£-366,667
723	Tenby	60%	B	£3,452,941	£3,370,588	£2,747,059	£2,588,235	£2,047,059	£1,805,882	£1,352,941	£1,029,412	£641,176	£241,176
724	Tenby	60%	B	£3,919,149	£3,829,787	£3,307,447	£3,129,787	£2,696,809	£2,429,787	£2,085,106	£1,729,787	£1,474,468	£1,029,787
727	Tenby	60%	G	£2,155,422	£2,093,976	£1,780,723	£1,657,831	£1,402,410	£1,218,072	£1,026,506	£779,518	£649,398	£340,964
730	Jameston	50%	G	£739,645	£712,426	£576,923	£522,485	£414,793	£332,544	£252,071	£142,604	£89,349	£-47,337
752	Tenby	60%	B	£3,223,256	£3,087,209	£2,480,233	£2,208,140	£1,738,372	£1,329,070	£996,512	£451,163	£254,651	£-426,744
760	Tenby	60%	G	£2,206,667	£2,150,000	£1,760,000	£1,646,667	£1,313,333	£1,140,000	£866,667	£636,667	£423,333	£136,667
821	Manorbier	50%	G	£1,100,000	£1,075,000	£886,111	£833,333	£666,667	£588,889	£450,000	£347,222	£233,333	£102,778
848	Manorbier Station	50%	G	£878,125	£826,563	£545,313	£440,625	£210,938	£54,688	£-121,875	£-331,250	£-457,813	£-718,750
895	Manorbier Station	50%	B	£2,906,897	£2,824,138	£2,196,552	£2,034,483	£1,486,207	£1,241,379	£775,862	£448,276	£65,517	£-341,379
792	Solva	50%	G	£460,656	£427,869	£295,082	£231,148	£131,148	£36,066	£-32,787	£-159,016	£-195,082	£-354,098
737	St David's	50%	G	£1,079,667	£1,027,667	£775,333	£671,333	£470,333	£314,333	£166,000	£-42,333	£-139,333	£-399,333
789	St David's	50%	G	£498,214	£473,214	£375,000	£325,000	£251,786	£176,786	£126,786	£26,786	£5,357	£-119,643
738	Trefin	50%	G	£758,333	£704,167	£506,250	£400,000	£258,333	£95,833	£8,333	£-206,250	£-243,750	£-512,500
384	Solva	50%	G	£856,923	£810,769	£616,923	£526,154	£378,462	£241,538	£136,923	£-43,077	£-100,000	£-326,154
385	St David's	50%	G	£1,250,000	£1,202,000	£946,000	£848,000	£644,000	£498,000	£338,000	£144,000	£38,000	£-208,000
813	New Hedges	60%	G	£630,282	£594,366	£427,465	£355,634	£224,648	£116,901	£20,423	£-123,239	£-182,394	£-361,972
382	Dale	80%	G	£943,636	£905,455	£718,182	£641,818	£492,727	£380,000	£267,273	£116,364	£41,818	£-147,273

Site No	Settlement	% AH	EU	10% AH		20% AH		30% AH		40% AH		50% AH	
				55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG	55% ACG	42% ACG
732	Herbranston	50%	G	£196,667	£167,333	-£147,333	£23,333	-£32,667	-£120,667	-£147,333	-£265,333	-£262,000	-£409,333
733	St Ishmaels	50%	G	£782,008	£759,833	£612,971	£569,038	£444,351	£378,661	£274,895	£187,448	£106,276	-£3,347
734	Broadhaven	50%	G	£1,864,000	£1,812,000	£1,372,000	£1,260,000	£880,000	£716,000	£388,000	£168,000	-£108,000	-£384,000
776	Broadhaven	50%	G	£1,260,000	£1,196,000	£857,000	£736,000	£456,000	£275,000	£57,000	-£185,000	-£343,000	-£645,000
559	Lawrenny	50%	G	£1,603,738	£1,555,140	£1,246,729	£1,148,598	£889,720	£742,991	£533,645	£338,318	£177,570	-£67,290
750	Crymych	50%	B	£94,595	£37,838	-£97,297	-£210,811	-£289,189	-£459,459	-£481,081	-£710,811	-£675,676	-£962,162

Source: AGA

## **Streamlining the Planning Application Process**

- 4.1 Combining the views of those central to the delivery of affordable housing and NLP's understanding and experience of the planning application process, this Chapter contains recommendations for streamlining the application process within the National Park.
- 4.2 In order to gather the views of those involved in the delivery of affordable housing NLP undertook a number of consultations, including a workshop, telephone interviews and further one-to-one liaison with those that wished to discuss the issues further. The findings of this consultation exercise are set out in Chapter 2.

### **Pre-Application Advice**

- 4.3 Pre-application advice is a crucial aspect of streamlining the planning application process and is made available by the National Park Authority for anyone requiring advice on applying for planning permission for new dwellings. Pre-application advice allows the planning authority to set out the issues relating to the proposal from the outset and enables applicants to understand what is required in terms of the level of detail that is needed. This can include setting out what reports are required (e.g. relating to trees and ecology etc) and to explain the affordable housing requirements.
- 4.4 This essentially allows a front-loading of information to ensure a smoother determination of the planning application. It also provides certainty to the applicant, which is important where the applicant is required to commit considerable resources to instruct any necessary supporting studies and documentation.
- 4.5 It is important that the National Park Authority continues its pre-application advice service and enhances this where possible.

### **Pre-Application Discussions and Affordable Housing**

- 4.6 Although full details of a proposed development scheme may not be known at pre-application stage, there is considerable merit in discussing affordable housing requirements and development viability issues at pre-application stage. This will enable applicants to understand the National Park Authority's position in relation to the requirement for affordable housing and to establish how this might affect the nature of their development, the associated costs and overall viability. It will also provide the opportunity for applicants to highlight any anticipated viability concerns that might exist. Engagement about viability matters at this early stage may result in an appropriate design or policy solution being identified without delay to the determination process.

- 4.7 Pre-application consultation is an important tool to clarify the type of affordable housing that will be considered most appropriate within a planning application for residential development. Agreeing on this before the planning application is submitted could considerably help to streamline the planning application process by reducing the level of ambiguity and allowing the s106 to be drafted, thus minimising the requirement for later amendment(s).
- 4.8 Pre-application discussions should also provide an opportunity to provide guidance about the preparation and agreement of the s106 agreement. In particular, it would be helpful for the National Park officers to inform applicants of the National Park's use of standardised s106 agreement templates and that draft planning obligations should be submitted as part of the planning application, where possible. This will help to avoid or reduce the delays that have been encountered by the National Park where a draft s106 agreement has not been submitted or agreed up front.

### **Fees for Pre-Application Advice**

- 4.9 Pre-application advice is currently free in the National Park. Providing advice for free is helpful in principle although it is unclear as to the level of resources that the National Park Authority can afford to dedicate to pre-application advice in order to provide meaningful feedback that would facilitate a streamlined planning application process. Whilst the fees generated are unlikely to be sufficient to pay for additional staff, it would be helpful to streamline the actual planning application, thereby saving staff resources at the post-submission stage.
- 4.10 For larger developments such as residential schemes it may be beneficial for the National Park to charge a fee for pre-application advice so that the level of detail and the certainty provided to the developer is meaningful for both the applicant and the National Park. Many local authorities across Wales and the UK have a sliding scale of pre-application fees depending upon the size and nature of the development. Free pre-application advice could be maintained for minor applications such as household extensions with a charge levied according to the size of the proposed development.
- 4.11 When applying a charge to pre-application consultation it will be necessary to set out the level of service that the prospective applicant can expect to receive. Again, this often depends upon the scale of development (and therefore the level of pre-application fee required). For larger developments the fee could include a face-to-face meeting with relevant Officers, whilst for smaller developments pre-application advice could be provided by written correspondence. It is also useful to give certainty over the timeframe within which the pre-application advice will be provided. This approach would help to ensure consistency in approach and in the quality of advice given by officers in relation to all planning applications.
- 4.12 Developers would consider more detailed pre-application advice worthwhile as it would ensure that the issues that are likely to arise during the determination of a planning application can be given consideration before a planning

application is submitted, thereby potentially reducing formal determination timescales.

- 4.13 A possible further option could be to charge the prospective applicant a fee for pre-application services, which would be part or fully refunded on submission of a planning application. This approach, however, is rarely used elsewhere.

## **Flexible Tenure and Accommodation Mix**

- 4.14 Allowing flexibility in the provision of affordable housing tenure and accommodation mix is an important element of securing the delivery of affordable housing.
- 4.15 Altering the tenure and accommodation mix even slightly can help to ensure that residential schemes become viable. For example the provision of increased low cost home ownership and less social rented may not be the National Park's preferred option for increasing delivery but the need for affordable housing is so great that delivering some affordable housing within a viable scheme is preferable to the delivery of no scheme (and therefore no affordable housing).
- 4.16 When negotiating the type and mix of affordable housing it is, however, essential that the National Park has a proper understanding of specific local needs in order to maximise the benefit of the proposed development. This will provide weight to negotiations as it is preferable to deliver affordable housing that is needed, rather than affordable housing that is in limited demand in a given location.
- 4.17 Further discussion is given to these issues within the Revised Affordable Housing SPG.
- 4.18 The need for flexibility in the affordable housing tenure and accommodation mix required in residential developments was discussed at length within the consultation workshop and was highlighted as an important issue. Attendees accepted the need to deliver affordable housing and highlighted a number of innovative approaches that the National Park could also consider, such as:
- 1 Gifting land;
  - 2 Community Land Trusts (shared ownership); and,
  - 3 Self-build housing.

## **Determination of Planning Applications**

- 4.19 In order to understand the National Park Authority's current performance in relation to the determination of planning applications for housing, NLP has undertaken a sample review of 8 recent planning applications which include an element of affordable housing. These date back to November 2011 and proposed between 1 and 28 dwellings:

Table 4.1 Planning Applications Reviewed by NLP

Application		No. Dwgs	No. Aff Dwgs	Mixed Use	Date of Submission	Date of Determination
1	Blockett Farm, Little Haven (NP10/511)	6	3	No	November 2010	November 2011
2	Jones & Teague Boatyard, Saundersfoot (NP11/502)	12	2	No	November 2011	March 2013
3	Delphi Apartments, Tenby (NP11/65)	14	12	Yes	February 2011	June 2011
4	Hilton Crest, Nolton Haven (NP11/73)	3	3	No	February 2011	April 2011
5	Bryn Road, St Davids (NP12/194)	1	0	No	April 2012	May 2012
6	Land west of Pantyrodyn, Moyelgrove (NP12/267)	2	1	No	May 2012	August 2013
7	Westhill Farm, Lamphey (NP12/407)	1	0	No	September 2012	November 2012
8	Cambrian Hotel, Saundersfoot (NP12/54)	28	6	Yes	March 2012	June 2012

Source: PCNPA / NLP Analysis

4.20 The determination period for the applications was between 6 weeks (5) and 16 months (2) and, although three of the applications were determined in two months or less, delays to the determination process appear to have been a common issue. Viability was a major consideration for most of the applications (1/2/3/6/7) and in several cases this resulted in prolonged s106 negotiations which were responsible for delays to the determination process. However, changes to the scheme by developers also had an impact upon the speed of determination (2), as did uncertainty regarding the type of affordable housing that was to be provided (6). Following the granting of planning permission, the imposition of large numbers of pre-commencement conditions also served to delay the delivery of housing (2/3).

4.21 In one case (4), pre-application consultation was identified as helping to ensure a faster determination process, whilst agreement in relation to affordable housing provision also helped to speed up the process (5).

4.22 Having reviewed a small sample of recent planning applications for residential development, NLP would draw the following lessons for the efficiency of the National Park Authority's development management service in the future:

- 1 The need for clarity is essential – in terms of an understanding of the National Park's expectations and the details of the proposed development;
- 2 Early engagement can help to identify and address issues so that the formal determination process can be undertaken efficiently;



- 3 Viability is crucial for deliverability and it is important to ensure that it is not undermined by unrealistic policy expectations; and,
- 4 Developers want certainty when entering into the planning process but also welcome flexibility to ensure that beneficial developments are not prevented from coming forward because of viability difficulties.

## **Planning Obligations Capable of Self Completion**

- 4.23 It is understood that the National Park Authority has prepared template s106 agreements with relevant gaps for completion by the applicant, as well as associated guidance notes. It is important that this is made more widely available by uploading them on the Authority's website.
- 4.24 The revised SPG will provide the basis for the affordable housing contribution that will be required by the National Park Authority, though this will not replace the need for a flexible approach and will therefore be supplemented by pre-application liaison where this has been sought by a prospective applicant. Where the level and type of affordable housing proposed is not in accordance with the SPG or the LDP, clear evidence must be provided to justify the deviation and the Authority will need to consider the acceptability of the proposal on its own merits.
- 4.25 Requiring the submission of a self-completed draft s106 agreement at the same time as the planning application is submitted (preferably), or at the very least before the application has been determined, will save time resources and help to streamline the application process. There will be some s106 details that cannot be provided at the outset (i.e. the planning application reference number, which is not generated until the application has been submitted), however this can easily be added as soon as it is known. Amendments to the s106 agreement might also be necessary as a result of discussions with the National Park Authority, for example in relation to the proposed level of affordable housing contribution.

## **Standard Covenants**

- 4.26 The use of standard covenants within s106 agreements is important to ensure that mortgagability is not compromised. It is understood that restrictions in s106 agreements can cause difficulty for mortgage lending, for example where future property sales are restricted to a multiple of local or regional incomes.
- 4.27 These issues can be avoided by the use of a standard s106 template agreement. Where variations to the standard template are required it is important that the National Park Authority discusses any proposed clauses with lenders to assess the impact(s) that this could have on the availability of lending for affordable housing.

## **Solicitors Fee**

- 4.28 The consultation responses noted that the £500 solicitors' fee paid to the National Park was considered to be acceptable in principle. Indeed, a review of experiences elsewhere has highlighted that this charge is one of the lowest rates in the UK.
- 4.29 Applicants for planning permission can vary from national house builders to local developers and individual land owners. For larger, more complex schemes, there may therefore be scope to increase the fee where an efficient service can be promised. As with charging for pre-application advice, it would be sensible to introduce a sliding scale of solicitors fees that would depend upon the range and type of development proposed. This would ensure that the National Park can ensure that its costs are covered in full and would ensure that a high quality of service can be provided and maintained.

## **Changes to Affordable Housing Provision**

- 4.30 Research undertaken by NLP has highlighted that there have been instances in the past where the applicant has changed the type of affordable housing provision after the planning application has been approved. This meant that the application had to go back to Committee, which has prolonged the planning application process and the time and cost resources incurred by the National Park. Whilst it would be difficult to prevent this from happening again, facilitating an open and transparent discussion on the type of affordable housing the National Park would accept within a development at the outset could minimise this risk. The National Park Authority should also consider charging for any post-submission amendments to s106 agreements.

## **Communication between the National Park Authority and the County Council**

- 4.31 Officers at the National Park Authority and the County Council have commented that the level of communication between them is generally good.
- 4.32 It is important that good communication channels are maintained between officers in the National Park Authority and officers at the County Council in the determination of planning applications. This is particularly important given the County Council remains an important part of the development management process in the National Park, even though the National Park Authority is the Local Planning Authority.
- 4.33 NLP understands that quarterly meetings are held between the National Park Authority and the County Council via the Planning and Housing Affordable Housing Working Group. It is important that these meetings continue as they provide a good opportunity to discuss relevant planning applications and to facilitate closer working arrangements between the authorities. This would of course be in addition to existing liaison by telephone and writing. NLP consider

that it might be useful to increase the frequency of these meetings from a quarterly schedule to a monthly or bi-monthly schedule.

## Information Dissemination

- 4.34 Regardless of the options chosen by the National Park Authority to streamline the planning application process, it is important that these measures are clearly presented to prospective applicants. In general, all documents should be clearly presented and information should be written in a style that is understandable to all.
- 4.35 Where additional fees are to be introduced, applicants should be notified in good time in order to minimise confusion. It is also important that all staff at the National Park Authority understand the application process to ensure that they can provide meaningful and clear advice to the public.
- 4.36 For many users, the National Park Authority's website ([www.pembrokeshirecoast.org.uk](http://www.pembrokeshirecoast.org.uk)) will be the primary source of information. As such, it is important that it is informative, easily accessible and easy to digest.
- 4.37 A useful and informative website might possibly result in faster and better decision making as applicants will know what is required of them in respect of affordable housing and can address some of the key issues before they submit an application.
- 4.38 On entering the planning section of the website there appears to be no mention of affordable housing. Instead, it is necessary to select "Supplementary Planning Guidance" and then navigate the list of SPG's to find the relevant SPG on Affordable Housing in the National Park. This layout makes it difficult to identify important information, particularly for someone with no knowledge of planning and planning policy. As a result, the National Park Authority officers might be required to respond to queries that might otherwise have been answered through easily available information on the website.
- 4.39 By contrast, Snowdonia National Park Authority's website has a tab on the front page titled "Affordable Housing" which directs the reader to a dedicated section which includes the following:
- 1 So why don't we build more houses?
  - 2 What does affordable housing to meet local need mean?
  - 3 I want to build a new house or development. What do I need to know?
  - 4 Hyperlinks to important documents such as TAN2, the affordable housing SPG and a planning application checklist.
- 4.40 NLP would suggest that the following actions could be undertaken to improve the effectiveness of the National Park's website in relation to affordable housing issues:
- 1 Clearer references to affordable housing, including on the front page.

- 2 Provide a broader range of basic information (i.e. taking material out from the SPG but displaying it so that people can understand some of the key issues without needing to read the SPG in full). This could particularly refer to:
  - i the affordable housing requirement level and types of affordable housing provision;
  - ii highlight the potential role of the pre-application process;
  - iii include a sample set of s106 Heads of Terms; and,
  - iv provide links to other relevant info about affordable housing.
- 3 Easier links to the SPG.
- 4 Better use of the myths and facts section (to address issues such as affordable housing viability, affordable housing percentage and tenure split).
- 5 Provision of contact details for officers that would be able to address queries specifically relating to affordable housing requirements and viability matters.
- 6 Regular updating of information to ensure that it is accurate and reflects and changes in circumstances.

4.41 Recognising the importance of ensuring that information is readily available to all potential users, consideration should also be given to the preparation of a leaflet for those that do not have ready access to the internet.

## **Independent Viability Analysis**

4.42 Allowing affordable housing viability analysis to be undertaken by an independent third party can make a significant contribution to streamlining the planning application process as it provides a verified basis on which affordable housing negotiations can take place between the applicant and the National Park.

4.43 Experience elsewhere has highlighted the importance that the National Park Authority does not specify who should undertake the analysis as costs can vary considerably between consultants. However, the National Park Authority could request that they are informed of the credentials of the viability consultant prior to the commissioning of analysis by the applicant to allow the National Park Authority to comment on their suitability.

4.44 It is also important that the applicant is provided the opportunity to discuss inputs and findings with the reviewer – and that proper feedback is provided – to ensure transparency in the process and to facilitate trust between all parties.

## Partnership Arrangement Opportunities

- 5.1 Partnership working should be encouraged as an important mechanism through which affordable housing can be delivered. Successful partnership will ensure that all parties are able to understand the objectives of others and that any concerns and issues might be discussed and addressed. This approach would also be important in helping to improve the consistency of approach and certainty for developers.
- 5.2 Consideration might be given to the establishment of partnerships between the National Park and any of the following:
- 1 Pembrokeshire County Council;
  - 2 Registered Social Landlords;
  - 3 Town and Community Councils;
  - 4 Self-Build Groups; and,
  - 5 Community Land Trusts.
- 5.3 It is important that collaborative working relationships and partnerships are established with all of the above bodies. The relationship with Pembrokeshire County Council is of particular importance, given its role as the Housing Authority.
- 5.4 The role of the National Park Authority would be to act as a facilitator to provide support and certainty for developers to commit resources to delivering housing (and affordable housing) developments.
- 5.5 In addition, and given the important role of the private sector in delivering affordable housing, partnership working with developers will be important in increasing the deliverability. The new affordable housing SPG, improved information dissemination (including enhancements to the National Park Authority's website) and a clearer approach to pre-application discussions will help to achieve this form of partnership working.

## Local Development Plan Implications

### Implications for other policies of the Plan and the Plan's strategy

- 6.1 Local Development Plan Policy 45 provides the policy basis for the provision of affordable housing in the National Park. This requires a financial contribution on single home proposals and the provision of affordable homes on sites of two or more homes. It also allows for flexibility where a proposal is not financially viable in terms of the policy requirements of the plan, thus allowing alternative affordable housing options to be considered.
- 6.2 The recommendations and proposals that have been compiled by NLP have no implications for Policy 45 or indeed any other policies of the LDP or the LDP strategy. All recommendations are aligned to facilitate the delivery of affordable housing policy objectives in accordance with the current Plan. It is important that the LDP is not undermined as it sets out the land use planning process for the National Park.
- 6.3 Indeed, by delivering increased affordable housing to meet the considerable backlog, this will help the National Park to meet its wider plan policies and strategy objectives. The recommendations by NLP thereby provide a platform to enable the LDP policies to be realised and for affordable housing to be delivered.

### Changing Market Conditions

- 6.4 In September 2009 the Welsh Government issued updated guidance on the delivery of affordable housing using Section 106 agreements. This acknowledges the need for Local Authorities to have the right procedures in place to deal with changing market conditions and the consequential impacts on scheme economics.
- 6.5 Where the market experiences an economic downturn it may be necessary to re-negotiate s106 agreements with developers to ensure that the delivery of affordable housing is not compromised. The Welsh Government suggests that Local Authorities establish a protocol or action plan to guide and manage any necessary (re)negotiations with developers. This should:
- *“re-emphasise the policy requirements and the importance of the scheme viability in setting policy and subsequent scheme negotiations;*
  - *State the circumstances where the authority is prepared to be flexible;*
  - *List the information required from developers to demonstrate viability concerns;*
  - *Involve the development industry (including housing associations) in establishing the process for scheme (re)negotiations;*

- *Describe the approach to viability that will be taken (e.g. 'open book', use outside experts); and,*
- *Set out the kind of options the authority will consider in a (re)negotiated agreement."*

6.6 Although there is clear evidence that the economy is returning to a period of growth, it would be appropriate to establish mechanisms for the renegotiation of s106 agreements which are no longer viable and where deliverability might otherwise be undermined.

## **Impacts on Neighbouring Authorities**

6.7 As above, no consequential impacts are anticipated on neighbouring authorities as the recommendations align with the current National Park LDP. The effect on surrounding areas will therefore be as existing.

7.0

## Approaches Elsewhere

7.1

In order to ascertain approaches taken to the delivery of affordable housing in comparable authorities, NLP reviewed policy and guidance provided by Snowdonia National Park Authority, Brecon Beacons National Park Authority and Pembrokeshire County Council.

7.2

This review informed the preparation of the Revised Affordable Housing Supplementary Planning Guidance, which has been provided by separate cover.

7.3

A summary of the approaches taken by each Authority is provided below for information.

## Snowdonia National Park SPG

Table 7.1 Summary of Snowdonia National Park Affordable Housing SPG

Length of Document	50 pages
Types of Affordable Housing	<ul style="list-style-type: none"> <li>• Social rented housing;</li> <li>• Private Sector Rented Housing;</li> <li>• Housing for part ownership;</li> <li>• Housing available for purchase at an affordable price; and,</li> <li>• Self-build affordable housing.</li> </ul>
Defining Affordability	<i>“Local affordability levels for owner occupation will be broadly based on up to 3.5 – 4 times household income multiple together with a typical First Time Buyer deposit of 20%.”</i>
Affordability Values	<i>“The amount of percentage reduction will depend on the location, type and size of dwelling....However, in appropriate cases a degree of flexibility will be exercised to help reduce development costs and assist viability.”</i>
Affordability Housing Thresholds	<p><b>Local service centres:</b></p> <ul style="list-style-type: none"> <li>• 50% AH on allocated land sites which are privately owned and on all windfall sites.</li> <li>• 100% on publicly owned allocated sites.</li> </ul> <p><b>Service Settlements and Secondary Settlements</b></p> <ul style="list-style-type: none"> <li>• 50% AH on privately owned allocated sites.</li> <li>• 100% AH on publicly owned allocated sites.</li> <li>• 100% AH on unallocated sites up to 3 dwellings.</li> <li>• 50% AH on unallocated sites of 4 or more dwellings.</li> </ul> <p><b>Smaller settlements</b></p>



	<ul style="list-style-type: none"> <li>Development of up to 2 single units of 100% affordable housing permitted if adjacent to a property highlighted on map.</li> </ul> <p><b>Rural Exception Sites</b></p> <ul style="list-style-type: none"> <li>Proposals will be assessed on the basis of proven need, the suitability of the site. The density, setting, design, materials, landscaping etc must protect and maintain the existing character of the settlement.</li> </ul> <p><b>Conversion of buildings</b></p> <ul style="list-style-type: none"> <li>50% AH in conversion schemes.</li> </ul>
Key Worker Policy	Snowdonia NP has a 'key worker' policy that includes professions such as teachers, nurses and police officers.
Affordable Housing Commuted Sums	<p><i>"Affordable housing should normally be provided through planning agreements on site. A commuted sum towards affordable housing will be acceptable as an exception if the target level of affordable housing on a particular site has found to be unviable and a commuted payment could assist the provision of affordable housing elsewhere. However, the Authority will place greater emphasis on providing affordable housing on site and will only receive a commuted sum as a last resort."</i></p> <p>Payment is based on a formula calculated as follows:</p> $A \times (B \times C) = \text{Sum payable}$ <p>A= Number of affordable units</p> <p>B=Relevant Accepted Cost Guidance level for the type of unit in question</p> <p>C= Social Housing Grant Rate (58% of the Accepted Cost Guidance for the type of unit in question).</p>
Issues of Scheme Viability	<p><i>"Where genuine difficulties with site viability can be proven without doubt, the Authority will consider, through negotiation, reducing the percentage contribution of affordable housing or negotiate an appropriate commuted sum. No commuted payments will be accepted on exception sites or on sites within the smaller rural settlements which must in all cases be affordable housing."</i></p>

- 7.4 SNP has much more scope in the type of affordable housing that can be built with the authority: five types compared to two in PCNPA, although delivering smaller sites may be more constrained where there are 100% thresholds.
- 7.5 It appears that SNP has more flexible affordable housing thresholds taking into account the ownership of the sites, size of the site and type of settlement. It also appears that SNP is more flexible on viability issues, and where schemes

are proven as unviable, negotiation and reduction in the amount of affordable housing can take place.

- 7.6 The document, at 50 pages long, might make it inaccessible - it is also quite technical.

## Brecon Beacons National Park Authority Planning Guidance Note 2008

Table 7.2 Summary of Brecon Beacons National Park Affordable Housing SPG

Length of Document	15 pages
Types of Affordable Housing	<ul style="list-style-type: none"> <li>• Social rented accommodation</li> <li>• Low cost home ownership</li> </ul>
Affordability Housing Thresholds	<i>"On sites where 3 or more dwellings are proposed, a minimum of 20% of those dwellings will be required to be affordable housing."</i>
Enabling Affordable Housing	<i>"Where a proposal is for 3 or 4 dwellings the NPA may agree to a land swap for an equivalent piece of land on which to provide the affordable housing, or exceptionally to accept a commuted sum payable to the relevant Unitary Housing Authority to enable the provision of affordable housing in the local area."</i>

- 7.7 This guidance document is dated 2008 and is therefore very old.
- 7.8 It states that only two types of AH is to be built in BBNPA.
- 7.9 The guidance states that a minimum of 20% AH will be sought on developments of three or more dwellings.
- 7.10 Applications will not be validated unless the Affordable Housing Pre-Application Process has been followed and each stage documented to show that the relevant Affordable Housing Officer has been involved and has agreed the affordable housing element required for the proposal.

## Brecon Beacons National Park Authority Draft Affordable Housing SPG

Table 7.3 Summary of draft Brecon Beacons National Park Affordable Housing SPG

Length of Document	14 pages
Types of Affordable Housing	<ul style="list-style-type: none"> <li>• Social rented accommodation</li> <li>• Low cost home ownership</li> </ul>
Affordability Housing Targets	<ul style="list-style-type: none"> <li>• Abergavenny, Hay-on-Wye and Crickhowell: 30% AH</li> <li>• Brecon, Carmarthenshire and Rural Hinterland: 20% AH</li> <li>• Heads of the Valleys (HoV) and Rural South: 10% AH</li> </ul>

Affordable Housing Commuted Sums	$A \times B \times C$  where  A = number of units.  B = 58% of ACG (for relevant property type and band area)  C = % for relevant submarket area
Scheme Viability Dispute Process	<p><i>“If it can be reasonably demonstrated in writing by the applicant to the satisfaction of the NPA that there are significant factors which mean that the scheme is unviable at the target affordable housing contribution as set out in Policy 13, the NPA will seek to verify this using the 3 Dragons Development Appraisal Toolkit (DAT) (or equivalent process in operation with the NPA at the time) with a final recourse to the District Valuer. Disputes of viability referred to the District Valuer will be charged at cost to the Developer.</i></p> <p><i>“Affordable housing will still be required at a level proven to be viable through the above verification process”.</i></p>

- 7.11 The new draft SPG is very short and concise. This makes it easy for a developer to follow and understand. This clarity is enhanced by an easy to follow process flow chart which is useful in setting out the steps for developers wishing to develop in the area.
- 7.12 BBNPA seeks a much lower amount of affordable housing compared to Snowdonia and Pembrokeshire, ranging from 10% to 30%.

## Pembrokeshire County Council Affordable Housing SPG

Table 7.4 Summary of Pembrokeshire County Council Affordable Housing SPG

Length of Document	41 pages
Types of Affordable Housing	<ul style="list-style-type: none"> <li>• Affordable housing for rent</li> <li>• Low cost home ownership</li> </ul> <p>Alternative types of affordable housing can be considered but should be fully explored in the pre application discussions.</p> <p>May be circumstances where a RSL would prefer undeveloped land instead of completed affordable homes, or where affordable housing can be better provided off site.</p>
Exception Sites	All dwellings on exception sites must be affordable using the mechanisms used for other development sites. The tenure mix of

	dwelling on exception sites must be agreed between the developer and the HA reflecting evidence of local need before a planning application is submitted.
	The percentages expressed in the policies are indicative targets and the Council is therefore prepared to negotiate with developers, if sites have constraints or extraordinary costs that affect viability. The intention of negotiations will be to reach agreement on a level of provision of affordable housing that meets the Council's objective of increasing the supply of affordable homes, whilst ensuring the development remains viable.
Administration Charge	£100-£500 for overseeing the legal agreement process.

- 7.13 The SPG is very similar to that of Pembrokeshire Coast National Park Authority.
- 7.14 Developers are expected to submit draft legal agreements with their planning applications.
- 7.15 Affordable housing for rent and LCHO are the two main options, similar to PCNP.
- 7.16 The document is quite long and technical.

## Key Themes

- 7.17 This review of planning guidance that has been issued by other Welsh National Park Authorities and PCC highlights a number of important themes that should be considered by the National Park as it seeks to improve its performance in relation to the delivery of affordable housing. These are summarised below:
- 1 Clarity is essential. Supplementary planning guidance should be clear and concise. It cannot be expected to address every situation that might arise in the future but should provide a logical overview of the Authority's policy and approach in relation to the delivery of affordable housing.
  - 2 Whilst most developers are likely to welcome the certainty that comes with a clear understanding and explanation of the Authority's affordable housing policies, flexibility creates a greater opportunity for delivery. Situations will inevitably arise in which an otherwise acceptable development cannot support the level of affordable housing that is sought by adopted planning policy. This is particularly the case when the strength of the market has declined following the adoption of policy, such that the balance of development costs and development values can undermine development viability.
- All of the SPGs that have been reviewed adopt a flexible approach, for example in relation to:

- i the definition of affordable housing (i.e. the mix of tenures that are likely to be acceptable to the Authority);
- ii the preferred split of units between different tenures; and,
- iii the proposed affordable housing contribution, recognising that some provision is better than none.

Whilst flexibility should be encouraged, it is recognised that there will be times when agreement between the different parties cannot be reached. In anticipation of such circumstances, the draft Brecon Beacons SPG helpfully identifies the proposed mechanism for dealing with disputes.

- 3 Differentiated targets provide a basis by which affordable housing delivery might be improved throughout an authority area which is characterised by substantial internal differences in the housing market. It means that a higher target can be sought in those areas that are better able to sustain a higher level of affordable housing. This will avoid any risk of undermining the viability and deliverability of development in lower value areas. In seeking to establish differentiated affordable housing targets, it will be essential to ensure that they have been adequately tested and that they can withstand an appropriate level of scrutiny. As with areas with a single affordable housing target, flexibility will be essential to ensuring that viability can be appropriately considered on a site-by-site basis and that key LDP objectives relating to affordable housing delivery are not undermined.

## Conclusion

8.0

8.1

Affordable housing performs an important social and economic function in society and it is important that, so far as possible, the identified need for affordable housing can be satisfied. The relationship between average earnings and average house prices within the Pembrokeshire Coast National Park have resulted in a significant backlog of households on the affordable housing register (460 in July 2008), in addition to an emerging need of between 60 and 100 households each year between 2006 and 2021.

8.2

Policy 44 of the Pembrokeshire Coast National Park Local Development Plan (LDP) states that land will be released for 962 dwellings over the Plan period. Of this total, policy 45 states that 530 units (55%) will be affordable. Policy 45 also seeks to negotiate 50% affordable housing on developments of two or more units, with a higher requirement of 60% in Tenby, Saundersfoot and New Hedges; 70% in Newport; 80% in Dale; and 100% in Dinas Cross. It also requires a financial contribution to be made in respect of developments for single houses.

8.3

In spite of this policy context, only 289 dwellings were completed between 2007 and 2013, of which 21 were affordable. This equates to 7% of the total amount of housing delivered being affordable and the total level of delivery of affordable housing over this period being just 20% of the number of units that were required by the policy.

8.4

This substantial shortfall in delivery provides the context to this study which is intended to provide guidance on the way in which the local planning process might be enhanced so that an increased supply of affordable housing can be achieved. The study outputs include:

- 1 Draft revised Supplementary Planning Guidance on affordable housing;
- 2 Update of viability analysis to demonstrate the level of affordable housing that is viable in the National Park; and,
- 3 Guidance on potential improvements to the development management process that might contribute towards an improvement in affordable housing delivery.

8.5

Detailed telephone discussions with key stakeholders and a consultation event has provided the opportunity to gauge the views of those involved in the delivery of affordable housing within the National Park. This has been supplemented by an assessment of a selection of planning applications for residential development that were determined by the National Park Authority between November 2011 and August 2013 and a review of the approach that has been taken by other Welsh National Park Authorities in relation to the delivery of affordable housing.

8.6

The viability analysis that has informed this study has revealed that whilst a high and robust Affordable Housing target is appropriate in the higher value

areas such as Tenby and Newport, a 50% target is likely to be too high in lower value areas and that going forwards a more flexible approach will be needed in those locations.

- 8.7 In addition to being sensitive to location, viability also depends upon density, development mix and tenure. Each of these factors can make a significant contribution to developer margin, land owner return and the ability of a particular development to sustain the required level of s106 contributions. In these respects, it is noted that:
- 1 The National Park Authority gives priority to affordable housing above other s106 requirements, although it is important that all relevant development management considerations are adequately addressed and this might require s106 contributions to be made in relation to other matters;
  - 2 The National Park Authority does demonstrate flexibility in relation to the tenure mix of affordable housing contributions, and should continue to do so in the future, but it is important to ensure that such provision reflects the identified need within the local area as well as seeking to enhance the viability of development; and,
  - 3 The density of any proposed development would be required to reflect the character of the area and relevant development management policies. Seeking to maximise the density of development in order to improve the viability of a scheme may therefore not be acceptable.
- 8.8 This assessment has highlighted the importance of flexibility on the part of the National Park Authority and developers. Whilst it is not possible to carry out a rapid review of Policy 45 under current regulations, the Policy already provides the basis for a flexible approach which should now be maintained and enhanced in the light of the detailed analysis on a range of sample sites in different parts of the National Park.
- 8.9 The National Park Authority has been found to adopt a positive approach to partnership and this should continue, as should its commitment to pre-application consultation. This is an important process which can help to streamline the planning application process and ensure that an appropriate level of affordable housing requirements can be incorporated into a development proposal from an early stage.
- 8.10 The pre-application process can also be important in ensuring that potential applicants that are not familiar with the planning system can be made aware of the requirements that they will be expected to meet. The Authority's website can be an important source of information and a number of recommendations have been made in respect of the improvement of the range, quality and clarity of information that is provided on the website.
- 8.11 It is not expected that the issue of development viability will be resolved overnight, and neither will the need for affordable housing. Both issues are inextricably linked and will need careful and continued consideration. This study has sought to highlight some of the most urgent issues that presently

exist and to provide a basis by which they might be resolved prior to the LDP review. NLP consider that the recommendations that we have provided, together with the revised SPG, which provides a delivery mechanism, will help to increase the supply of affordable housing in line with local requirements.



# Appendix 1 Consultation Responses

## Telephone Discussion's

- 1 Nick Haggard (Legal Executive involved in drafting S106 agreements)
- 2 Cath Ranson – Development Plans (Pembrokeshire County Council)
- 3 Vicki Hirst - Head of Development Management (Pembrokeshire Coast National Park Authority)
- 4 Stephen Benger – Transport (Pembrokeshire County Council)
- 5 Sinead Henehan – Community Regeneration Manager (Pembrokeshire County Council)
- 6 Huw Jones – Education (Pembrokeshire County Council)

## Workshop Attendees

- 1 A representative of Roger Anderson Associates
- 2 Michael Argent – Argent Architects
- 3 Gerald Blain – Curtis Blain Ltd
- 4 Wes Cole – Pembrokeshire Housing Association
- 5 Anna Corden – Vivard Ltd
- 6 Andrew Davies-Wrigley – PCC
- 7 Jamie Edwards
- 8 Helen Leighfield – PCC
- 9 Adrian Lort-Phillips
- 10 David Lort-Philips
- 11 David Lloyd
- 12 Wyn Harries - Wyn Harries Design and Management
- 13 Miss Holmes
- 14 Mr J Hughes
- 15 Chris Hunter – R K Lucas
- 16 Sara Morris – PCC
- 17 Len Richards – Vivard Ltd
- 18 A representative for Guy Thomas – South Meadow Homes Ltd
- 19 Roger Thompson
- 20 Mr T Marmara

## Appendix 2 Sample of Planning Applications for affordable housing development in the National Park

10/511 (Blockett Farm, Little Haven)	
Number of dwellings	6
Number of affordable dwellings	3 (In line with policy requirement of 50%)
Size of affordable dwellings	2 bedroom
Date of application	24/11/2010
Date of permission	28/11/2011
Time taken to determine	1 year.
Policy status	Outside defined settlement area within open countryside. Advertised as a departure.
Other planning obligations (trigger is occupation of 4 <sup>th</sup> dwelling)	Libraries/Community (£1,122), Recycling and waste (£540), Sustainable Transportation (£10,000), Recreation and open space (£5,691.36) Total = <b>£17,353.36</b>
Type of affordable housing	Low cost home ownership or social rented, may be either handed over to the PHA or managed by the applicant. S106 is flexible.
Trigger for completion of affordable housing	Occupation of the second open market house
Comments	<p>Approval was originally granted on the basis that the affordable housing being provided on either a rented or LCHO basis. However, the applicant later wanted to sell the land to the HA which the Council argued would require the application to go back to committee for a decision.</p> <p>There seemed to be confusion as to what type of affordable housing was agreed. The agent for the applicant does not know what was approved at committee. The S106 discussion did not seem to be very coherent, with ongoing ambiguity.</p> <p>The permission was for LCHO and HA to rent.</p> <p>The committee report was written 26/1/2011. The major hold up surrounded the S106 negotiation.</p> <p>It appears that the S106 discussions regarding the type of AH lasted from 3<sup>rd</sup> Feb 2011 to when the document was signed on 21<sup>st</sup> Nov 2011.</p>

**NP11/502, Jones & Teague Boatyard, The Harbour, Saundersfoot, Pembrokeshire, SA69 9HE (Outline application)**

Number of dwellings	12 flats
Number of affordable dwellings	2
Size of affordable dwellings	2 bedroom flats
Date of application	18-11-2011
Date of permission	1-3-2013
Time for determination	1 year, 4 months.
Policy status	Principle of mixed use development accepted. Policy 45 of the LDP requires 60% affordable housing, which would equate to 7 units. The applicant considered anything over 2 to be unviable and the Council after testing the viability, agreed with the applicant.
Other planning obligations	
Type of affordable housing	Social Rented accommodation controlled by the private landlord.
Trigger for completion of affordable housing	Occupation of 7 <sup>th</sup> market dwelling.
Comments	<p>Development Plans Section has concluded that providing more than 2 affordable housing units would not be viable.</p> <p>A draft S106 agreement was drafted on the basis that the affordable housing units would be transferred to the RSL for renting. However, it became apparent that the applicant wanted to retain ownership of the units to rent directly. The S106 had to be redrafted and therefore caused a delay. It would possibly save time if the form of affordable housing was ascertained before S106 discussions start in order to avoid delay, although it is accepted that this wouldn't accommodate applicants who change their minds mid-way through the process.</p> <p>The applicant's agent was very angry that the decision notice wasn't issued earlier than it was. However the PCNP and PCC stated that the delay had occurred due to the developer wanting to keep ownership of the AH units.</p> <p>As a particular point, there are 26 conditions attached to the permission, some are quite onerous and whilst these may be essential, it is the imposition of pre-commencement conditions that often causes undue delays.</p>

**NP11/65 (Delphi Apartments, South Parade, Tenby, Pembrokeshire, SA70 7DG) Full application.**

Number of dwellings	14 residential units, 5 commercial units.
Number of affordable dwellings	12
Size of affordable dwellings	
Date of application	14/2/2011
Date of permission	29/06/2011
Time for determination	4 months.
Policy status	Within settlement limits of Tenby. Not in a conservation zone.
Other planning obligations	Education £15,320, Open Space: £29,400
Type of affordable housing	Affordable homes for rent through a RSL.
Trigger for completion of affordable housing	May construct and dispose of for the purposes of occupation 34 open market housing units on the development prior to the construction of any AH. No more market housing can be sold unless 12 AH units have been constructed.
Comments	<p>28 conditions.</p> <p>Previous application refused on design grounds and as the proposal did not provide affordable housing in line with the adopted policies in relation to the mix and tenure of the housing.</p> <p>Principle of development is welcomed as the existing buildings on site are in a poor state of repair.</p> <p>AH provision is acceptable both in terms of the numbers involved, the mix of unit sizes and in terms of tenure.</p> <p>The site is being developed in association with Pembrokeshire Housing Association. The application is part of a wider redevelopment which includes the former Royal Gatehouse Hotel Site (39 units) and the Clifton rock garage site (9 units). The 12 units at the Delphi are the only affordable housing units in the whole scheme. This is because of the abnormal development costs of the site particularly the architectural detailing to facilitate the recreation of the</p>

	seaward elevations to the promenade.
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**NP11/73 (Hilton Crest, Nolton Haven, Haverfordwest, Pembrokeshire, SA62 3NW)  
Pembrokeshire Housing Association is the developer.**

Number of dwellings	3
Number of affordable dwellings	3
Size of affordable dwellings	2 semi-detached houses and a detached house. All are three bedroomed family houses.
Date of application	23/2/2011
Date of permission	26/4/2011 (Delegated)
Time for determination	2 months.
Policy status	Brownfield site. Can be regarded as a rounding off opportunity.
Other planning obligations	n/a
Type of affordable housing	delivered by RSL
Trigger for completion of affordable housing	n/a
Comments	<p>Development would be carried out and managed by a RSL. The National Assembly's regulatory control would provide safeguards in relation to occupancy and ownership. A S106 agreement is not required.</p> <p>Pre application discussions helped ensure that the application was able to be determined quickly under delegated powers.</p>

**NP12/194 (44 Bryn Road, St Davids, Haverfordwest, Pembrokeshire, SA62 6QU)**

Number of dwellings	Subdivision to create one additional dwelling.
Number of affordable dwellings	0 (£14,056 of affordable housing contribution) (£100 per square meter)
Size of affordable dwellings	n/a
Date of application	12-4-2012
Date of permission	29/5/2012
Time for determination	1 ½ months
Policy status	Within defined settlement boundary.

Other planning obligations	
Type of affordable housing	n/a
Trigger for completion of affordable housing	Dwelling shall not be occupied until affordable housing contribution of £14,056 is paid.
Comments	Applicant has agreed to pay the contribution and has not contested the figure.

NP12/267 – Land west of Pantyrodyn, Moyelgrove, Cardigan, Pembs, SA43 3BOP	
Number of dwellings	2 dwellings with provision of one fully serviced plot for an affordable dwelling.
Number of affordable dwellings	1
Size of affordable dwellings	2 bedroom.
Date of application	31/5/2012
Date of permission	28/08/2013
Time taken to determine	1 year, 3 months.
Policy status	Open countryside. Contrary to LDP.
Other planning obligations	No data.
Type of affordable housing	1 Plot of land.
Trigger for completion of affordable housing	
Comments	<p>Application was considered by committee September 2013 and was given a resolution to grant subject to S106 for the provision of 1 affordable dwelling.</p> <p>The six month limit for completing the S106 is coming to an end. It has not been finalised as the applicant considers that it would render the scheme unviable.</p> <p>Originally recommended for refusal but taken to committee as there was support from the Community Council.</p> <p>The original agreement was for one affordable dwelling to be built and transferred to a RSL however the applicant stated that this would make the scheme unviable.</p> <p>The revised S106 agreement was for one fully serviced plot for an affordable dwelling. The plot was to be transferred to Cantref Housing Association.</p>

**NP12/407 – Conversion of redundant barns to dwelling – Westhill Farm, Freshwater East Road, Lamphey, Pembrokeshire, SA71 5JY**

Number of dwellings	1
Number of affordable dwellings	0 (£6,000 Contribution to be secured)
Size of affordable dwellings	
Date of application	18/9/2012
Date of permission	12/11/2012
Time taken to determine	Less than 2 months.
Policy status	Within open countryside however PPW supports the conversion of redundant farm buildings into a dwelling.
Other planning obligations	Access off B4584 to be widened. Parking spaces to be constructed.
Type of affordable housing	
Trigger for completion of affordable housing	
Comments	<p>As the proposal is for the conversion of a building, a valuation by a RICS accredited surveyor has been provided that states that the property is estimated to be worth £250,000.</p> <p>The Council have carefully considered the affordable housing statement and accept that in this instance that the applicant will not be liable for the full commuted sum payment in respect of any affordable housing contribution.</p>

**NP12/54 – Change of Use, extension and partial demolition of former Cambrian Hotel to 4x2 bed flats and 2 retail/restaurant units (A1/A3), erection of 4 retail units (A1) and 9x2 bed, a 4 x 1 bed flats, 8 new dwellings and flats above garages (1x2 bed and 2x1 bed), plus associated car parking, landscaping and engineering works – Cambrian Hotel, Cambrian Terrace, Saundersfoot, Pembrokeshire, SA69 9ER**

Number of dwellings	<b>28 (4 x 2 bed flats) 8x new dwellings, 3 flats above garage block. 13 flats above new retail block.</b>
Number of affordable dwellings	6 (21%) (60% required in Saundersfoot)
Size of affordable dwellings	4x one bedroom apartments and 2x 2 bedroom apartments
Date of application	1/3/2012
Date of permission	14/6/2013

Time taken to determine	15 months.
Policy status	Principle of mixed use development is considered acceptable in view of the planning history and previous permissions for development of the site as well as its inclusion with the LDP as a site allocated for a mixed residential, retail and A3 uses.
Other planning obligations	None as the previously unimplemented, but still live planning application did not require any community infrastructure contributions.
Type of affordable housing	<p>4 Affordable Housing Units to be sold to a RSL with an obligation to sell the balance of the AH units on the open market subject to the provisions of the third schedule herein (intermediate housing)</p> <p>Intermediate units cannot be sold for a price exceeding 70% of the ACGV.</p>
Trigger for completion of affordable housing	13 open market housing can be constructed and occupied prior to the construction of any affordable housing units. No further open market housing to be sold or occupied until 3 affordable housing units to be provided in accordance with terms and conditions contained herein have been constructed on the Property and 2 of those Affordable Housing Units have either been transferred or leased to the RSL as Social Rented Housing Units at a consideration not exceeding 42% of the ACGV or in the event that such AH units are not required by the RSL placed on the open market as an intermediate housing unit and the remaining AH unit has been placed on the open market as an intermediate housing unit.
Comments	Amount of affordable housing is considered acceptable as it provides a higher percentage of AH units compared to the extant permission (21% to 18.9%).







## Appendix 3 Site Viability Results (See Separate Spreadsheet)



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