

Supplementary Planning Guidance

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Affordable Housing



Carmarthenshire Local
Development Plan



Affordable Housing Supplementary Planning Guidance

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1. Introduction

- 1.1 Carmarthenshire County Council adopted its Local Development Plan (LDP) on the 10th December 2014, and its aim is to make the Development Plan system more relevant, inclusive and engaging to local communities.
- 1.2 The original Affordable Housing Supplementary Planning Guidance (SPG) was formally adopted in conjunction with the LDP, and provided greater guidance on how policies and proposals of the Plan would be implemented. The LDP and SPG are material considerations in the determination of planning applications and appeals.
- 1.3 Since the adoption of the LDP and the original Affordable Housing SPG, non-substantive amendments have been made to the SPG to clarify the interpretation and practical implementation of the affordable housing policies. This SPG reflects improved Development Management processes and procedures, and has been developed to ensure the effective implementation of the policies.
- 1.4 The Council aims to ensure that everyone in the county has access to a good quality home that meets their housing requirements. The Council therefore has an important strategic and enabling role in aiming to provide an increasing supply of affordable homes through different mechanisms.
- 1.5 It should be noted that planning only has a limited role in achieving affordable housing, however the evidence and policy approach used for the LDP tries to maximise the potential of Planning's role in increasing the supply and variety of affordable homes.

2. Policy Context

2.1 The policy framework for decision-making in Planning comprises policies, advice notes and guidance which are issued at a national level by the Welsh Government (WG).

2.2 Technical Advice Note (TAN) 2: Planning and Affordable Housing (2006), defines the term affordable housing as:

“...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 ...” (TAN 2, 2006)

There are two main types of affordable housing as defined by TAN 2:

- **Social Rented Housing** – provided by local authorities and Registered Social Landlords where rent levels have regard to the WG’s guideline rents and benchmark rents;

- **Intermediate Housing** – where prices or rents are above those of social rented housing but below market house prices and rents. This includes low cost home ownership models such as shared equity or assisted purchase schemes.

2.3 Annex B of the TAN also indicates that affordable housing should:

- meet the needs of eligible households, including availability at a low enough cost for them to afford, determined with regard to local incomes and local house prices; and
- include provision for the home to remain affordable for future eligible households, or if a home ceases to be affordable or staircasing to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing.

2.4 All other housing is classified as ‘market’ housing, which includes private rent or sale in the open market, where no occupancy restrictions are in place.

3. LDP Policy Framework

3.1 The delivery of affordable housing through the planning system will be through the implementation of Policy SP6, AH1, AH2 and AH3 of the LDP and are as follows:

3.2 Policy SP6 of the adopted LDP states:

‘Provision will be made for at least 2,121 affordable homes to be delivered through the LDP. The delivery of affordable homes will contribute to the creation of sustainable communities within the Plan area.’

3.3 Policy AH1 of the LDP states:

Policy AH1 Affordable Housing

A contribution to affordable housing will be required on all housing allocations and windfall sites. The Council will seek a level of affordable housing contribution of 30% in the higher viable areas, 20% in the middle viable areas, and 10% within the Ammanford / Cross Hands sub-market areas.

Where viability at the target levels cannot be achieved, variation may be agreed on a case-by-case basis.

On Site Contributions

The affordable housing will be required to be provided on proposals of 5 or more dwellings in all settlements. Where adjacent and related residential proposals result in combined numbers meeting or exceeding the above threshold, the Council will seek an element of affordable housing based on the affordable housing target percentages set out above.

Proposals will be required to ensure that the dwelling remains affordable for all subsequent occupants in perpetuity.

Commuted Sums

Where an open market residential site falls below the above thresholds, a contribution through a commuted sum towards the provision of affordable housing will be sought. The level of contribution sought through a commuted sum will vary based upon its location within the high, medium and low viability sub-market areas as set out above. Commuted sum charges will be based on floor space (cost per sq.m).

3.4 Policy AH2 of the LDP is identified as:

Proposals for 100% affordable housing development on sites immediately adjacent to the Development Limits of defined settlements (Policy SP3), will in exceptional circumstances be permitted where it is to meet a genuine identified local need (as defined within the Glossary of Terms) and where:

- a) The site represents a logical extension to the Development Limits and is of a scale appropriate and in keeping with the character of the settlement;*
- b) The benefits of the initial affordability will be retained for all subsequent occupants;*
- c) It is of a size, scale and design compatible with an affordable dwelling and available to low or moderate income groups;*
- d) There are no market housing schemes within the settlement being, or projected to be developed which include a requirement for affordable housing.*

3.5 Policy AH3 of the LDP states:

Proposals in the open countryside for affordable housing for a single dwelling will be permitted within settlements, hamlets and groups of dwellings without Development Limits where it is to meet a genuine identified local need (as defined within the Glossary of Terms) and provided that:

- a) It represents sensitive infill development of a small gap within an otherwise continuous built up frontage; or, a minor extension which does not result in ribbon development or perpetuate existing ribbon development;*
- b) It is of a scale and size appropriate to, and in keeping with (and not detrimental to) the character (including landscape and townscape) of the area;*
- c) The benefits of the initial affordability will be retained for all subsequent occupants;*
- d) It is of a size, scale and design compatible with an affordable dwelling and is available to those on low or moderate incomes.*

4. Process

- 4.1 The requirement to provide affordable housing is a material consideration in determining all planning applications for residential developments within Carmarthenshire.
- 4.2 The delivery of affordable housing through the planning system is to be through three policy mechanisms:
 - The provision of an appropriate proportion of affordable housing on-site and off-site;
 - Commuted Sums for on and off site provision;
 - The development of affordable dwellings through exception sites.
- 4.3 Affordable housing contributions (whether on site or off site) will be required on all outline, full, or change of use planning applications for housing. In situations where affordable housing has been secured at outline planning stage, any change in numbers as a consequence of a subsequent application may result in an increase or decrease in affordable housing provision.
- 4.4 Where the Council identifies that developers have sub-divided sites in order to avoid contributing towards affordable housing provision, the total residential unit provision of the scheme will be calculated and the affordable housing policy will be applied accordingly. This approach will also apply where planning applications are staggered over a period of time.
- 4.5 Policy AH1 makes reference to the need of ensuring that the benefits of the initial affordability will be retained for all subsequent occupants. The means of ensuring affordability in perpetuity will be through legal agreements (Section 106 agreements or Unilateral Undertakings). This is important to ensure that future generations have suitable housing choices available to them.
- 4.6 Where the delivery of affordable housing are to be provided on-site by a developer it is the Council's preference that the homes be transferred to an RSL approved by WG to operate in the Local Authority area. It is acknowledged however that developers may sell completed homes to private rental companies, or manage themselves, provided that the rent is affordable (benchmark or intermediate rents) and that the tenants or occupants are selected from the Common Housing Register, and assessed as being in need by the Local Housing Authority.
- 4.7 On most development sites, the affordable housing provided by a developer may be required to include both types of affordable housing: affordable housing for rent and Low Cost Homes Ownership. The type of house provided will need to be discussed and agreed on a case by case basis with the Local Housing Authority. Further information with regard to Low Cost Home Ownership and affordable housing for rent, and the application of design quality and space requirements, should be sought from the Council's Housing department. Furthermore, reference is drawn to Simple Lettings, a Social Letting Agency within the Authority which supports landlords and tenants with affordable housing services. Information on Simple Lettings should also be sought from the Council's Housing Department.
- 4.8 Developers should refer to national guidance on design including that set out in Technical Advice Note 12 'Design' and to other relevant policies in the LDP. Affordable housing should be fully integrated within a development in order to ensure that the units contribute towards the aim of achieving balanced and sustainable communities. Housing

layouts should therefore be mixed, and affordable dwellings should not be concentrated in one area of the development, but dispersed in smaller groupings.

Sites of 5 units or more

- 4.9 In line with Policy AH1 of the Plan, all housing development on sites of 5 units or more will be required to contribute towards affordable housing, and in the first instance, it is the Council's preference for on-site provision i.e. the delivery of affordable housing included on the development site to encourage mixed, balanced and inclusive communities.
- 4.10 Provision of affordable housing at alternative locations (off-site) will only be considered in lieu of on-site provision in exceptional circumstances, and to be considered on a site-by-site basis. In such instances, the affordable housing provided should be of the same quantity, type and quality as that which would have been provided on-site. The onus will be on the developer to set out the exceptional circumstances as to why the provision should not be on site and how their alternative proposal will address the identified affordable housing need.
- 4.11 A sequential approach to the location of off-site provision should be considered, with the preference being for the provision of affordable housing within the same settlement. If this is not achievable then provision should be made within the same sub-market area and then, only if no other options are available, provision may be acceptable elsewhere in the County where there is evidence of need. The Local Planning Authority, in discussion with the Local Housing Authority will make the final decision on whether the alternative provision is acceptable.
- 4.12 Should the provision of affordable homes not be achievable on the development site, or at an appropriate alternative location, then a developer may be able to provide a commuted sum contribution to the same value as if the affordable unit was being developed on-site. The spending of commuted sums follow a similar sequential approach as that discussed in paragraph 4.11.
- 4.13 Commuted sum contributions allows the Local Authority to support the following: It should be noted that this list is not exhaustive.
- The purchase and refurbishment of long-term empty properties by a RSL, which will be managed as affordable housing
 - Delivery of Mortgage Rescue;
 - To top up any existing Social Housing Grant Scheme or match fund any other scheme to maximise their delivery;
 - Development of Supported or Adapted Housing;
 - Purchase of land for affordable housing;
 - Any other method identified strategically that will increase the supply of affordable housing in the County.
- 4.14 Money will be pooled and spent in accordance with the provisions of this SPG. The Council will monitor the expenditure of received funds and make this information available should a request be submitted. The Council will continue to monitor the appropriateness and implementation of Commuted Sums, particularly in light of any market changes.
- 4.15 The affordable housing target is set by a settlement's location within a sub market area. The submarket areas are identified within Table 3.1 of the Carmarthenshire County Council Affordable Housing Viability Study Update Report - May 2013 and on the LDP

Proposals Map. In the higher viable areas, the maximum target is set at 30%; the middle viable areas are set at 20% and 10% within the Ammanford / Cross Hands sub-market area.

- 4.16 LDP Proposals Map (including Inset Maps) delineate these target areas on a County wide map. The red areas indicate the 30% target areas, the green areas indicate the 20% target areas, and the blue areas indicate the 10% target area.
- 4.17 For sites with a requirement for an on-site contribution, the method of capturing the affordable housing provision is flexible given that the policy does not specify that it should be the percentage of the number of units developed on the site. It is the Council's preference that the affordable housing provision is fulfilled through a calculation which looks at the percentage of the floor space of the whole development, which then translates back to the number of units on the site. This approach is considered appropriate to meet the actual housing need within the area, particularly when development sites have a number of different house types and sizes. An example of how the calculation is undertaken is available in Appendix 2. As part of completing this calculation, the Design Quality Requirement Standards should be requested from the Local Housing Authority.
- 4.18 In circumstances where the percentage of the number of affordable units on-site is considered, and it leads to a fraction of a unit, this fraction contribution will be via a commuted sum. For example, on a development of 25 new dwellings: 30% of 25 dwellings = 7.5 dwellings, therefore 7 dwellings would need to be on-site and a commuted sum worth 0.5 of an affordable home. Alternatively, an applicant may wish to provide an additional dwelling above the fraction of a unit which they are required to provide.

Affordable Housing need and viability on sites of 5 units or more

- 4.19 To assist in the determination of which form the affordable housing contributions should be received, the Local Planning Authority will seek the advice of the Council's housing section in relation to the required level and type of housing need within the site's geographical area.
- 4.20 For proposals where the LPA concludes that a financial contribution is the most appropriate form of contribution, the calculation for affordable housing is considered as follows:

Residual Value (100%) – Residual Value (AH%) = financial contribution

Residual Value 100% - The residual value of a site with 100% market housing

Residual Value (AH%) – The residual value of a site after the area-specific target for affordable housing is applied .i.e. 10%, 20% or 30% affordable housing

- 4.21 The planning obligation contributions from a development will be determined by calculating the difference between the residual value of providing 100% market housing and the residual value of providing the required levels and mixes of housing at a given policy target. It should be noted that the residual value includes those other planning obligations considered necessary as part of a development. In this respect reference is made to the Planning Obligations and Leisure and Open Space - Requirements for New Developments SPG's.
- 4.22 For the ease of calculating the level of the affordable housing contribution, the Council makes the assumption that the cost of building an affordable house is comparable to the cost of developing the same type of dwelling on the open market. On sites which have closely related house types and house values, the assumption is made that the contribution is the difference between the market value and the affordable house price. For sites with a mixture of house types and house values, then a more detailed appraisal would need to be submitted to ascertain the level of contribution.

Information required for developer viability appraisals

- 4.23 Where a developer believes that delivering the level of affordable housing stipulated in the LDP policies are not viable, through any of the three forms of Affordable Housing contribution, they will be required to demonstrate to the Council's satisfaction why the policy requirements cannot be achieved, and indicate what level of affordability would make a scheme viable and deliverable. A full and detailed appraisal would need to show:
- The acquisition price of the site;
 - Projected construction costs – Build costs per square metre (with either reference to industry standard BCIS or comparable evidence based contract prices). The build cost should include an allowance for any requirements set through national policy and building regulations. (These should not be identified as exceptional costs);

- Exceptional Costs attached to the development – These costs are identified as unforeseen costs, which have come to light subsequent to the purchase and / or start of development, i.e. archaeological findings, unknown mine shafts, utilities provisions. This list is not exhaustive. The list of abnormal costs would need to be broken down and highlighted within any assessment.
 - Costs such as demolition of buildings on site, or works to the topography of the site are not unforeseen / abnormal, and should be factored into build costs / site purchase;
 - Other costs to be identified include:
 - Proposed final sales values per unit;
 - The applicant's profit requirement;
 - Unit types;
 - Finance costs;
 - Professional Fees;
 - Costs of other planning obligations; and,
 - Any other relevant information.
- 4.24 The Council will then examine the economics of the development and determine its viability. Where the LPA accepts that the developer has successfully demonstrated that the required provision of affordable housing makes the development unviable, a lower percentage may be negotiated. In the event of a dispute over site viability, the local authority will appoint an independent and appropriately qualified expert for a third party appraisal. The cost of this independent appraisal will be met by the developer. The conclusions of the appointed expert will be final and will be binding on the parties to the dispute. Alternatively, a developer may instruct the valuation office in the first instance to undertake a viability assessment, therefore saving time and resources.
- 4.25 Appendix 3 identifies the step by step process associated with viability and affordable housing.

Determining Viability at Outline Planning and Reserved Matters stages

- 4.26 When considering viability on outline applications, the details considered as part of this process can be often limited with some, or all matters generally reserved for future consideration. In this respect, when an outline application is submitted, there may be insufficient information available on aspects such as, the proposed number, mix and value of the residential units, construction costs etc. which would not enable the Council to fully appraise the viability of the scheme, and the level of affordable housing deliverable.
- 4.27 The Council will however consider matters of viability on outline applications where they are accompanied by sufficient information to assess to the Council's satisfaction of the scheme's viability. These will be considered on a case by case basis with applicants advised to discuss the matter with the relevant case officer.
- 4.28 To assist in a speedy and efficient determination the Council will, subject to the principles above, seek to establish the 'principle' of affordable housing provision within the outline planning permission, but with the details of the amount and type of affordable housing provision to be agreed at submission of a reserved matters

application, when full details of the scheme are available to better determine viability. This will assist in avoiding unnecessary delay in the planning application process. At this stage the legal agreement of an approved outline permission will acknowledge the planning contribution set out in the relevant policy (i.e. 30%, 20% or 10% affordable target). It would then be at the reserved matters stage when a developer may challenge the viability of the scheme, with the Local Planning Authority open to negotiate on a case by case basis if the viability assessment is evidenced correctly and to LPA's satisfaction.

- 4.29 The affordable housing provision agreed at reserved matters will be on the basis of the policy requirement at the date the outline permission was granted.

Sites below the threshold of 5no. units

- 4.30 For sites below the threshold (1no. to 4 no. units) there is a requirement to provide a commuted sum contribution in line with Policy AH1. The contribution is required where there is a net increase of one to four dwellings.
- 4.31 The authority considers that the calculation for off-site contribution on sites of less than 5no. units are not considered in the same way as commuted sums contributions on sites of 5 or more units. This is reflective of the relative potential costs in relation to volume builders and sites compared to small scale developments. Using the same approach could impact on an individual's aspiration to build their own home. Given the above it is considered reasonable that a 10% affordable housing contribution should be made from all housing developments (1- 4no. units).

The formula is as follows

1. The difference between the cost of a 3-bed House in its Sub-market area and a 3-bed affordable price within its Community Network Area.
 2. Calculating the 10% value of the difference between the cost of a 3-bed House within its Sub-market area and a 3-bed affordable price within its Community Network Area.
 3. Dividing the answer in point 2 by the floor space of a Design Quality Requirement 3-bed affordable dwelling. This equates to 92sq.m.
 4. Results in a £ per square metre contribution*
 5. Multiply the £ per square metre by the internal floor space of the proposed dwelling.
- 4.32 An Affordable Housing Sum Calculator for sites below the threshold is available on the Affordable Housing (SPG) webpage of the Council website. It allows users to calculate the total contribution by inputting the location of the site, and the total floor space of the proposed development. The Market Values and Affordable Values will be updated as and when new information is published. The maps are available on the Affordable Housing webpages within the LDP section of the Council website to assist with identifying the location of the site within the Submarket Area and the Community Network Area.
- 4.33 The commuted sum contribution is calculated on the internal floor space of a dwelling. It should be noted that integral garages as part of any scheme would be counted within this internal space.
- 4.34 For developments on sites of less than 5 units, the Council will accept a discretionary approach to the phasing of the commuted sum payments. This will be on a case by case basis. The developer will need to set out the reasons for using certain triggers for payment and these must be agreed to by the Council. The phasing of payments will be considered at times of the development which can be easily monitored, e.g. commencement of development or occupation of dwelling.
- 4.35 Where a proposal is for a self-build or conversion opportunity for one dwelling only, the Council will consider the point of first sale or first transfer as one of the phasing payment stages. This payment stage can be used to pay up to 50% of the total required

contribution. The remaining 50% of the total contribution must be paid prior to the occupation of the dwelling, and in line with paragraph 4.34. The schedule for the phasing of the payment will need to be drafted and set out within an appropriate legal agreement.

- 4.36 The Affordable Housing (SPG) webpage sets out a series of frequently asked questions to assist users in understanding the requirements of Policy AH1 with regards to sites below the 5+ unit thresholds.

5. Legal Agreements for on-site provision, off-site provision and commuted sums

- 5.1 Developers will be required to enter into a legal agreement with the Authority to allow a contribution to be made towards affordable housing, whether through on-site affordable housing development, or through other mechanisms such as off-site contributions or commuted sums. The Council welcomes pre-application discussions to ascertain the level and type of contributions, and it is advisable to submit the following information in order to avoid unnecessary delays with the processing and determination of a planning application.

- Certificate of Title – proof of ownership of all the property and/or land affected by the application site edged red, because planning obligations run with the land, all owners, lessees and mortgagees must be signatories;
- Details of the solicitor that will be handling the case;
- Any valuation to prove eligibility for reduced contributions, accompanied by information detailing how costs were derived; (see paragraph 4.23)
- All other requirements outlined by the application form checklist.

- 5.2 In order to avoid delay in determining an application, the information highlighted in paragraph 5.1 will need to be received within 5 weeks of a valid application being registered. Otherwise the Local Planning Authority reserves the right to refuse the application based on the non-completion of the S106 agreement, and in conjunction with affordable housing policies set out in the LDP.

- 5.3 In circumstances where a legal agreement will be required, then the Council will require the applicant to pay the legal costs incurred by the Council in drafting and completing the agreements. In circumstances where the obligation consists of a financial contribution only then it may be possible for the applicant to complete a unilateral undertaking. However, this is dependent upon the total amount of the contribution sought and applicants should discuss the possibility of submitting a unilateral undertaking with the Development Management Officers. The Council have prepared unilateral undertaking templates for this purpose which the applicant may utilise. The template agreements, along with guidance notes to assist with their completion, are available on the Council's Affordable Housing (SPG) webpage. In the majority of cases, this process will not require a contribution towards the Council's legal costs.

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

6. Exception Policies

- 6.1 Where an individual wishes to build an affordable unit for themselves or members of their family as an exceptions site, the applicant must provide sufficient evidence to indicate the need to build an affordable dwelling, as identified in the criteria of LDP Policy AH2. The individual must sign a legal agreement which would restrict, in perpetuity, all future sale prices to an affordable level and occupancy to local people in housing need.
- 6.2 Should an application be submitted to remove the affordable housing tie from the dwelling, and if such an application is considered acceptable to the LPA, then the applicant will be required to pay the commuted sum payment towards affordable housing. The contribution will be based on the policy requirement at that time.

Appendix 1 Glossary

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| Affordable Housing | The definition of 'Affordable Housing' for the purposes of the land use planning system is housing where there are mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. |
| Affordable Rent | <p>This is usually called intermediate renting which aims to provide a housing solution to people who are in regular work but are unable to buy a house due to financial circumstances such as no deposit being available to them, their income is not high enough or there may be problems with their credit score and mortgage companies will not accept them for a mortgage.</p> <p>The intermediate rent is normally above the social rents usually charged by the Council or housing associations, but below open market rents. This is at 80% of the market rent, and normally within Local Housing Allowance for the type of property.</p> <p>This scheme could lead to low cost home ownership as the housing association will sell for below open market value in the future as long as the value has increased above the cost of the development.</p> |
| Benchmark Rents | Rent levels set by the Welsh Government which are affordable. |
| Common Housing Register | The register for people who wish to be considered for affordable rented accommodation in Carmarthenshire owned by Carmarthenshire County Council or RSLs. Applicants are assessed and placed in bands on the register. |
| Design Quality Requirement (DQR) | Minimum space and technical standards required of all affordable homes. These standards are set by the Welsh Government. |
| Exception sites | These are sites for 100% affordable housing to meet local needs, within or adjoining settlements, on sites where housing would not normally be permitted. Allowing housing on land with little or no development value can enable housing to be built at a low cost and sold or rented at affordable levels. |
| Low Cost Home Ownership (LCHO) | <p>Affordable Housing that is available to purchase at a price below what is provided on the open market. Low Cost Home Ownership homes in Carmarthenshire are available to purchase by eligible households. Prices vary according to the size of the property.</p> <p>Affordable homes for sale are aimed at people who can get a mortgage, but cannot afford a suitable home at open market prices.</p> <p>These homes are usually delivered through the planning system on new private housing developments; on council owned land; or by Housing Associations. These are usually sold on a shared equity basis, with applicants purchasing a % share and the Council or housing association taking the remaining share up to the market value of the home as a second charge.</p> |

| | |
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| | In agreeing the requirements in relation to Low Cost Home Ownership / Affordable Homes, applicants should seek to contact the Housing Department of the Authority. |
| Nominations | Nomination agreements are used to ensure that the affordable housing units of the development are held for local people in affordable housing need. Those nominated for affordable housing should be listed on Common Housing Register which is operated by all social housing providers across the County. |
| Perpetuity | Affordable homes should remain affordable for the lifetime of the property. This has been described as “in perpetuity” for the purposes of this SPG. |
| Registered Social Landlord (RSL) | Registered Social Landlord (RSL) is the term for a landlord registered with the Welsh Government. Most are Housing Associations but they may also be trusts or co-operatives. They are run as not-for-profit businesses. Any surpluses are ploughed back into the organisation. They are run by committees or boards of management made up of volunteers. A typical board might include tenants, local authority members, business / professional people and representatives from voluntary organisations. |
| Section 106 Agreements | A legal agreement made under section 106 of the Town and Country Planning Act 1990, between a Local Planning Authority and the person, organisation or business that owns the land subject of a planning application, specifying, how various planning obligations are to be achieved. Section 106 agreements run with the land and apply to successive owners. The delivery of affordable housing will normally be through a section 106 agreement as its future retention is often too complex to be suitable for inclusion within a planning condition. |
| Social Housing Grant | The grant paid by the Welsh Government to Local Housing Authorities to aid the building of social housing programmes. |
| Unilateral Undertaking | Under section 106 of the Town and Country Planning Act 1990 (TCPA 1990), a person with an interest in land can enter into a planning obligation either with the agreement of the Council or through a unilateral undertaking. This standard document is a unilateral undertaking to pay the Council a financial contribution. The Council is not a party to the document |
| Viability | A development scheme is considered viable if overall revenue is greater than costs, by sufficient margin for the developer to make a reasonable profit and the landowner to be paid an acceptable residual value. |
| Welsh Housing Quality Standard (WHQS) | A standard set by the Welsh Government to ensure that dwellings are of good quality and suitable for the needs of existing and future residents. It relates to both existing and new dwellings. |

Appendix 2

Formula for calculating the Affordable Housing contribution using a percentage of the cumulative floor space

In conjunction with paragraph 4.17 of the SPG, the following example indicates how the calculation for affordable housing can be achieved.

Example

The proposed development is a scheme within Ammanford which is within a 10% affordable area. The development is for 9 dwellings.

1. Total cumulative floor space of all the units on the development site x Affordable Housing target for the area in which the site is located.
2. Identify the type of affordable unit requested by the Housing Section of the Local Authority.
3. Calculate the DQR of the type of affordable housing required from the development to work out the contribution due.

| | |
|---|-------------------------------------|
| (a) Total Cumulative Floor Area | 1250m ² |
| (b) @ 10% AH target | 125 m ² |
| (c) Requested property from housing - Type 1 property @ | 92m ² |
| (d) Contribution due | 1.36 of type 1 property ((b) ÷ (c)) |

Financial Contribution

| | |
|--|-------------------------------|
| (e) Open market value of Type 1 property (Example) | £130 000 |
| (f) Less affordable price 3 bed property Aman CNA (2018) | £79 822 |
| | £50 178 |
| | x 1.36 (the contribution due) |
| (g) Affordable housing contribution | £68,242 |

If the unit should be provided on site the contribution would be:-

- 1x Type 1 property and
- Financial contribution of 0.36 of a dwelling which equates to £18,064

On larger scale development sites, the type of units requested as affordable units on-site should be considered on a case by case basis with the Development Management Officer.

Appendix 3

Step by step process associated with viability and affordable housing

Planning application submitted or pre-application requested.
Starting point for negotiations set at the target levels within the LDP i.e. 10%, 20%, 30% affordable target.

The Development Management Officer (DMO) requests evidence of affordable housing need within proximity of the development site. This evidence is provided by the Housing Investment and Support Team.

Developer believes that delivering the level of affordable housing (on site / off site) at the stated target levels makes the scheme unviable.

The developer accepts the affordable housing contribution as outlined in the LDP.

Developer to submit a detailed economic appraisal of the site to the DMO, which is then sent to the Council Valuers to examine its detail.

Application accords with Policy AH1 of the LDP.

Valuers agree that the figures used by the developers are acceptable and a lower target is accepted. DMO Officer relays this information to the developer.

The Council Valuers disagree with the appraisal submitted by the developers. DMO Officer relays this information to the developer.

Application accords with Policy AH1 of the LDP.

Amendments and further negotiations between the DMO and the developer are forthcoming.

If there is agreement, the application accords with Policy AH1 of the LDP.

If unresolved, the developer may wish to request a third party appraisal and the costs are met by the developer.

The third party agrees with the Local Planning Authority and unless amended, the application can be refused as being contrary to the requirements of Policy AH1.

The third party agrees with the figures submitted by the developer and the Local Planning Authority accepts a lower target.

Application accords with Policy AH1 of the LDP.