

Welsh Government Comments: Matters Arising Session 4 – Affordable Housing

Session 4: Affordable Housing

Review and propose differentiated affordable housing contribution target thresholds for different areas, consistent with the available viability evidence. Introduce monitoring mechanism to enable threshold uplift where future sales price evidence indicates increased viability.

The Welsh Government supports a split target approach in the various submarket areas. Viability in Malpas and Bettws will be challenging when the cost of sprinklers is introduced in 2016, but the Welsh Government notes that the Council's evidence indicates that an improving economic climate, coupled with marginal increases in house prices, could offset this cost. To monitor this issue, we support the inclusion of an indicator on residual land values. To aid clarity, the Authority may wish to consider amending the indicator to include the affordable housing target in each submarket area to align with Policy H4, and be more explicit on whether the trigger and residual land value relate to hectares, as opposed to acres.

Remove site size limits, below which affordable housing contributions are not sought, and introduce commuted sum provisions as appropriate.

The Welsh Government supports the use of commuted sums in Policy H4. However, the 10 unit threshold remains too high. The Local Authority should clarify the misalignment between LDP policy and the evidence base, especially as paragraph 6.3 of the Council's response to Matters Arising states "if affordable housing contributions are to be maximised, then a threshold of one dwelling is desirable as a starting point for negotiation". With the Council's own evidence also affirming that areas of high residual value have a greater reliance on small sites, the Welsh Government considers that the threshold should be reduced to 1 unit, as per the Council's own evidence, in order to maximise delivery to meet key LDP objectives.

Provide further viability evidence, demonstrating that the costs factored in to the notional site approach are representative of the development costs of the sites expected to come forward, given the heavy reliance of the strategy on brownfield sites which will have remediation requirements.

No comment.

Test the impact on affordable housing viability of estimated costs of the announced changes to building regulations part L and fire sprinkler requirements.

The Welsh Government supports the costing of fire sprinklers in the Council's viability assessment. Please see our response to Question 1 above for delivery in Malpas and Bettws.

Provide further evidence to justify the assumed £5,000 s.106 cost per unit.

No comment.

Amend policy H4 and supporting text in the light of the above. Also express thresholds sought more clearly as requirements except where site viability evidence demonstrates otherwise.

The Welsh Government supports the split target approach in revised Policy H4. Please see our response to Question 2 for concerns on the appropriateness of the 10 unit threshold.

Provide greater clarity and consistency in Policy H4 and elsewhere in the Plan (including the Proposals Map) in relation to references to city, urban, settlement, village and inset boundaries, to avoid uncertainty and confusion of terms.

No comment.
