

# Under One Roof

A study of local  
affordable housing  
policies in Wales

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**Welsh Liberal Democrats**  
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## Under One Roof: A study of local affordable housing policies in Wales.

Affordable housing is one of the most prominent issues of the moment, and, as the economy takes a down-turn, the situation will only become more urgent.

The One Wales Government has set itself the target of ensuring that **‘the supply of affordable housing increases by at least 6,500’** by the end of the third Assembly term. This paper will examine some of the key issues affecting the supply of affordable housing, and will show that **the government is set to fail in its ambition**. The paper also provides policy recommendations, which, if adopted, will help to ensure that we can improve the provision of affordable housing across Wales.

### Background

In 2000 the average price of a home in Wales was £57,239, with hotspots in Cardiff and Monmouthshire. By June 2008, this had risen to a massive £168,700.

The level of wages earned by people in Wales has not kept up with this. In 2000 the average weekly wage was £372.80. By 2008 this had increased to £472.10. This meant that while wages increased by 26%, house prices increased by 137%. As a result it has become incredibly difficult for first time buyers to get on the property ladder.

Although house prices have started to fall, the irony is that it is now harder for most first time buyers to break into the property market due to the difficulty many experience in finding somebody to offer them a mortgage.

These problems are not just impacting upon people trying to buy homes, but also those who wish to rent, especially those who want social housing. Local authorities have long since stopped any significant house building programmes. During the period 2006/07 not a single property was built by any local council in Wales. Demolitions and the Right to Buy scheme mean that thousands of properties are being removed from the social rented sector each year. Council stock in Wales has halved, from approximately 300,000 in the 1980s to about 150,000 now.

It is not clear whether housing associations are going to be able to plug such a large gap in the supply of social housing. This is especially so when one considers that even with the additional £30 million made available for the Social Housing Grant over the next three years, in real terms the money available to build new affordable homes to rent is half of what it would have been if it had kept track with inflation.

The analysis of affordable housing in Wales in this document largely concentrates on local authority level as they are the strategic housing body and the conduit

through which government policy is enacted. It is the good work by housing and planning departments that has meant that there are now Section 106 policies in place in every single local authority in Wales that will use private sector investment to provide affordable homes. Councils are being asked to introduce Affordable Housing Action Plans to better focus their minds on meeting the Government's target of 6,500 new affordable homes by 2011. What is not clear is whether this is enough to do the job.

## The current situation

The housing crisis has meant that waiting lists in some authorities are well in excess of the properties available. The most recent set of statistics stated that there were more than 87,000 households in Wales on waiting lists. The majority of these households are new applicants rather than those awaiting transfers. More recent, though incomplete, statistics suggest that this figure has not fallen since September 2006.

**Table 1: Housing waiting lists by local authority, 1 September 2006 (a)**

<i>Number of households</i>				
Local Authority	New applicants	Transfer applicants	Homeless applicants	Total housing waiting list
Isle of Anglesey	2,069	340	267	<b>2,676</b>
Gwynedd	2,398	574	254	<b>3,226</b>
Conwy	623	202	263	<b>1,088</b>
Denbighshire	2,316	254	50	<b>2,620</b>
Flintshire	..	..	..	<b>6,348</b>
Wrexham	2,051	792	239	<b>3,082</b>
Powys	1,943	301	193	<b>2,437</b>
Ceredigion	..	..	..	<b>1,103</b>
Pembrokeshire	3,818	1,939	561	<b>6,318</b>
Carmarthenshire	3,559	1,031	141	<b>4,731</b>
Swansea	..	..	..	<b>4,567</b>
Neath Port Talbot	..	..	..	<b>3,006</b>
Bridgend	..	..	..	<b>2,698</b>
The Vale of Glamorgan	..	..	122	<b>4,951</b>
Cardiff	4,302	1,995	805	<b>7,102</b>
Rhondda Cynon Taff	2,315	823	63	<b>3,201</b>
Merthyr Tydfil	..	369	..	<b>1,604</b>
Caerphilly	4,531	1,255	92	<b>5,878</b>
Blaenau Gwent	..	..	..	<b>2,100</b>
Torfaen	..	..	..	<b>7,350</b>
Monmouthshire	..	..	..	<b>2,049</b>
Newport	..	1,693	..	<b>9,279</b>
<b>Wales</b>	..	..	..	<b>87,414</b>

Source: Local Authorities

(a) Supporting notes from LAs and deviation from the reference date are shown in the annex, .. means the data item is not available.

Despite this huge demand, the number of social rented homes available is actually falling. Local authorities have ceased their house building programmes. During the period of 1999-2006 local authorities built only 195 properties. During the same period Registered Social Landlords built 4,478 new homes.

Because of the poor condition, location and/or suitability of older housing stock (mostly owned by local councils), demolition is often the only option. Between 1999 and 2006, 4,370 properties were closed or demolished. This means that in this seven year period the number of social houses available to rent increased by only 303 properties.

	<b>LA Built</b>	<b>RSL Built</b>	<b>Demolished/closed</b>
1999/00	0	846	659
2000/01	47	900	954
2001/02	68	711	1053
2002/03	6	782	786
2003/04	16	417	634
2004/05	31	475	95
2005/06	27	347	189
<b>Total</b>	<b>195</b>	<b>4,478</b>	<b>4,370</b>

## Right to Buy

Those figures do not take into account sales under the Right to Buy or Right to Acquire schemes. Since 1999 over 28,000 properties have been lost from the social rented sector under the Right to Buy. It is argued that these homes are not lost from the housing stock but it remains the case that once they are sold on they lose any element of affordability and become subject to normal market pressures.

Welsh Liberal Democrats are not opposed to the Right to Buy, but in areas where there is huge pressure on the available stock, we believe that there is a case to suspend sales for a limited period, so as to enable the strategic housing authority to replenish the supply of affordable properties to rent so as to better meet demand. Before this happens there should be a robust housing needs survey in place and a clear strategy with specific objectives which will correct an imbalance in housing supply over a short period of time. This is something that Wales will soon have the power to carry out under the Affordable Housing Legislative Competence Order.

One way that such a power could be used is to apply it to new build social housing units to rent so that they cannot be bought under the Right to Buy for a period of time. By putting a rule in place that states that no social rented property may be sold, for example, for the first twenty five or so years after its construction, local authorities would be able to invest in new stock without it being quickly sold on. Alternatively, social housing providers may be permitted to apply a right of pre-emption on the sale of such properties so that they have first refusal at an agreed

percentage of the market value if a tenant subsequently buys it and then seeks to sell it on.

<b>Year</b>	<b>Number of right to buy sales</b>
1999	3,466
2000	3,522
2001	3,446
2002	4,288
2003	6,925
2004	5,063
2005	2,010
<b>Total</b>	<b>28,720</b>

## **Homebuy**

The Homebuy scheme was adapted by the Welsh Government in the first Assembly term to help people in rural areas get on the housing market. Those considered to be in need of help were eligible to receive 50% of the cost of a property, up to a certain limit, from funds allocated to the Social Housing Grant to help them buy a home. A charge would then be registered against the property so that the money could be recovered on re-sale. This assistance was available in urban areas in some cases at the rate of 30%.

For some time the Welsh Liberal Democrats have argued that this scheme should be separated from the Social Housing Grant and be allocated its own budget. We also asked that it be extended to apply to the whole of Wales and be used as a 'key workers' scheme targeted at those on low wages, particularly those in the public sector carrying out vital jobs.

Unfortunately, the Welsh Government has made changes to the HomeBuy scheme that effectively leaves it dead in the water. What became clear from the responses to the Welsh Liberal Democrats' survey of housing departments is that local authorities believed that HomeBuy had a place and most participated in the scheme. While information relating to the size of individual Homebuy schemes was not requested, many did provide that information. All that used it had only small schemes helping only a few applicants each year.

## **Section 106**

The Assembly Government is relying on Section 106 planning agreements to bridge the gap between the number of affordable housing units it aspires to build and the number it can afford to build directly through the Social Housing Grant. Section 106 arrangements are voluntary, but legally-binding, agreements negotiated as a condition of planning permission. These conditions may include sums of money

paid by the developer towards the cost of highway and education improvements needed as a result of their development, however they may also include sums paid towards providing new affordable housing, or direct provision of on-site affordable housing.

Section 106 agreements may also be added to individual properties, setting a maximum percentage of the market price at which a property may be sold. As these are legally binding it means that, in theory, the same will apply next time that a property is sold, ensuring affordability in perpetuity. However, the effectiveness of such provision relies on adequate enforcement, which is why some councils such as South Shropshire have resorted to using equity mortgages instead.

Every local authority in Wales makes use of Section 106 agreements and either has, or is in the process of setting, a percentage of affordable housing that is required on new developments. Each local authority also sets the quota at which the percentage of affordable housing required is triggered. The table below summarises what percentage of affordable housing is required in each local authority, as well as the number of housing units in a development that will trigger this requirement.

<b>Authority</b>	<b>Trigger</b>	<b>Percentage</b>
Anglesey (Towns)	10	'around 30%'
Anglesey (Villages)	5	'around 30%'
Blaenau Gwent	30	20% (out for consultation)
Brecon Beacons	3	20%
Bridgend (North)	15	'30% target'
Bridgend (South)	15	'15% target'
Caerphilly	35, but likely to be reduced to 15 in LDP	Between 8% and 25% dependant on factors
Cardiff	50	'30% target'
Council Owned Site	25	'30% target'
Carmarthenshire (Rural)	5	Minimum of 25% stated, but around 20% in reality
Carmarthenshire (Urban)	10	
Ceredigion (Towns)	10	30%
Ceredigion (Other)	5	
Conwy (Urban)	10	Area specific but 30% on average.
Conwy (Rural)	3	
Denbighshire	3	30%
Flintshire	25 (where there is a demonstrated local need)	30%
Gwynedd	To be clarified in UDP	Variable between 20% and 40%
Merthyr Tydfil	20	25%
Monmouthshire (Towns)	10	20%, but likely to rise to 37%
Monmouthshire (Other)	5	
Neath Port Talbot	20	20% in draft SPG
Newport (Urban)	25	Up to 30%, but 20% on average.
Newport (Rural)	10	
Pembrokeshire (Urban)	1.5 Hectares	30%

Pembrokeshire (Rural)	0.75 Hectares	
Pembrokeshire Coast	3	20%
Powys	5	35% without RSL 30% with RSL
RCT	TBC	TBC, but likely to be 20% in North and 30% in South
Swansea	40 but likely to be reduced to 25 in UDP	25-30%
Snowdonia	5	Approx 30%
Torfaen	10	23% but likely to increased in LDP
Vale of Glamorgan (current)	50	Up to 20%
Vale of Glamorgan (draft local housing market assessment)	10	Up to 40%
Wrexham	25	25

The percentage required varies considerably, as does the development size which will trigger this development. In the Brecon Beacons, rural parts of Conwy and the Pembrokeshire Coast National Park area, any development over three units requires a percentage of affordable housing. However in Cardiff a development must be 50 units or more to trigger an affordable housing requirement. The percentage of affordable housing that is required varies slightly less, normally between 20% and 30%.

What has become apparent through speaking to local authorities, and from comments in their replies to requests for information, is that in many cases this figure acts only as a target. In a conversation with a member of the housing department at Carmarthenshire County Council they mentioned that while 25% is their stated minimum, in reality on most sites the affordable percentage is around 20%. The table below shows the average affordable element of new developments gained by each local authority in Wales.

	<b>Affordable Units</b>	<b>Total Units</b>	<b>Percentage affordable</b>
<b>Wales</b>	<b>803</b>	<b>8597</b>	<b>9.34</b>
<b>Isle of Anglesey</b>	<b>7</b>	<b>279</b>	<b>3</b>
<b>Gwynedd</b>	<b>14</b>	<b>103</b>	<b>14</b>
<b>Conwy</b>	<b>0</b>	<b>384</b>	<b>0</b>
<b>Denbighshire</b>	<b>43</b>	<b>388</b>	<b>11</b>
<b>Flintshire</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Wrexham</b>	<b>24</b>	<b>700</b>	<b>3</b>
<b>Powys</b>	<b>42</b>	<b>334</b>	<b>13</b>
<b>Ceredigion</b>	<b>7</b>	<b>380</b>	<b>2</b>
<b>Pembrokeshire</b>	<b>57</b>	<b>763</b>	<b>7</b>
<b>Carmarthenshire</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Swansea</b>	<b>39</b>	<b>532</b>	<b>7</b>
<b>Neath Port Talbot</b>	<b>35</b>	<b>306</b>	<b>11</b>
<b>Bridgend</b>	<b>74</b>	<b>637</b>	<b>12</b>

<b>The Vale of Glamorgan</b>	<b>39</b>	<b>237</b>	<b>16</b>
<b>Cardiff</b>	<b>346</b>	<b>2368</b>	<b>15</b>
<b>Rhondda Cynon Taf</b>	<b>16</b>	<b>164</b>	<b>10</b>
<b>Merthyr Tydfil</b>	<b>0</b>	<b>135</b>	<b>0</b>
<b>Caerphilly</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Blaenau Gwent</b>	<b>0</b>	<b>87</b>	<b>0</b>
<b>Torfaen</b>	<b>15</b>	<b>74</b>	<b>20</b>
<b>Monmouthshire</b>	<b>42</b>	<b>278</b>	<b>15</b>
<b>Newport</b>	<b>3</b>	<b>448</b>	<b>1</b>

Source: Local Government Data Unit Wales

It is clear that local authorities are failing to meet the targets set out in their planning and housing strategies. South Shropshire has shown that this sort of shortfall can be tackled by putting in place clear policies at every level and enforcing them through proper controls and tough negotiation.

They insist on a 50% affordable element to all housing developments. This includes developments of even one property, where a financial contribution has to be made to a fund for affordable housing. They allow the open market to operate in only nine major development areas, with all other sites operating as rural exception sites – sites pledged as being only for the development of affordable housing.

Some local authorities, such as the Vale of Glamorgan Council, have appointed someone specifically to deal with the enforcement of Section 106 agreements and to improve the volume and deliverability of affordable housing. A number of authorities employ a dedicated Affordable Housing Officer.

Many local authorities have failed to grasp the possibilities offered by tools such as S106 agreements and equity mortgages to meet the demand for affordable housing. Their record to date indicates that even without the credit crunch, the Welsh Government cannot rely on these tools to meet their target of 6,500 new affordable homes by 2011. Below is the number of properties built using S106 agreements in the last five years by each local authority in Wales.

<b>Local Authority</b>	<b>Number of homes</b>
<b>Anglesey</b>	22
<b>Blaenau Gwent</b>	0
<b>Bridgend</b>	59
<b>Brecon Beacons</b>	66 planned, unknown how many completed
<b>Caerphilly</b>	36
<b>Cardiff</b>	663
<b>Carmarthenshire</b>	0 (Still in planning stages)
<b>Ceredigion</b>	24
<b>Conwy</b>	0
<b>Denbighshire</b>	40
<b>Flintshire</b>	Unknown
<b>Gwynedd</b>	18

<b>Merthyr Tydfill</b>	20
<b>Monmouthshire</b>	298 'affordable properties' (not necessarily s106)
<b>Neath Port Talbot</b>	8
<b>Newport</b>	60
<b>Pembrokeshire</b>	10
<b>Pembrokeshire Coast</b>	0
<b>Powys</b>	Between 150 and 200
<b>RCT</b>	25
<b>Swansea</b>	Not given
<b>Torfaen</b>	128 (Since Jan 05)
<b>Wrexham</b>	79
<b>Vale of Glamorgan</b>	60
<b>TOTAL</b>	1,816 in the last five years

Figures obtained directly from local authorities

Many councils are still in the process of developing their planning policies, whilst those who already have them in place are only now starting to see the results of their labour. Getting new affordable housing from Section 106 agreements is not a quick process. The combination of negotiation with developers, the granting of planning permission and the physical process of building means that the length of time between proposal and the first occupants moving in can be years.

### **Affordable Housing Delivery Plans**

The new requirement to put Affordable Housing Delivery Plans in place will help to focus minds and maybe even force council departments to work together and in a cross-cutting way, however they will not speed up the process nor will they fill significant gaps in policy and delivery that has caused some councils to fall short of their own targets.

Having set its own target the Welsh Government wants local councils to use the Affordable Housing Delivery Plans to say how many affordable homes they will be able to deliver. The difficulty is that in the current economic climate it is difficult for any authority to determine how many properties developers will be willing to build. Recently we have seen a slow down in the number of new build homes, with some developers even stopping midway through construction in order to wait for the housing market to pick up again. Any target that is set may end up being completely unreachable if there are no developers willing to make use of the available land in each local authority.

We have already seen a rapid drop in the number of new properties being built in Wales. This is shown in the table below.

**Table 1 New dwellings started and completed by tenure (a)**

	Number							
	Private sector		Registered social landlords (b)		Local authorities		All tenures	
	Starts	Completions	Starts	Completions	Starts	Completions	Starts	Completions
2006-07:								
Apr-Jun	2,529	2,089	87	71	0	0	2,616	2,160
Jul-Sept	2,316	2,172	74	88	12	0	2,402	2,260
Oct-Dec	1,937	2,154	91	91	0	0	2,028	2,245
Jan-Mar	1,950	2,573	139	96	0	0	2,089	2,669
2007-08:								
Apr-Jun	2,739	2,503	238	72	0	0	2,977	2,575
Jul-Sept (r)	2,398	1,820	117	160	0	0	2,515	1,980
Oct-Dec	2,750	2,212	77	77	0	0	2,827	2,289
Jan-Mar	1,781	1,781	35	34	0	5	1,816	1,820

As the table shows, the number of properties started and completed in the final quarter of 2007-08 was considerably lower than the same quarter in the previous year. What is also alarming is that the number of new properties built by RSLs was less than half that in any other quarter in the two year period shown.

It is likely that the credit crunch has also impacted upon housing associations' ability to borrow money in order to finance their own projects. Even when they have access to the Social Housing Grant each new development requires a significant injection of private finance and that may become more difficult to obtain.

The recently completed report of the task and finish group on Affordable Housing in Wales (the 'Essex Report') contained several recommendations that the Welsh Liberal Democrats have been calling for. Firstly, that councils must take a tougher stance during negotiations with developers on affordable housing provision, which, as has already been mentioned, is something that is needed to ensure that authorities are able to reach their individual set percentages of affordable housing.

There was also a recommendation that regulations affecting housing associations are relaxed so as to enable them to invest further in their own housing stock and help increase the falling number of properties they are currently building.

The joint funding of Rural Housing Enablers in Wales is welcome. Rural Housing Enablers work with all parties to identify sites for affordable housing and ensure that the development goes ahead. Their role in reducing the time frame for the completion of new developments is vital.

Another model that seems to be proving a worthwhile route for many rural communities is the Community Land Trust model. These trusts are able to remove land from the speculative market and use it specifically to help those who have the most difficulty in gaining access to high quality affordable housing. So far these schemes have just been piloted in Wales and there is a need to simplify the way in which they operate. There must also be an attempt at sustainability so that affordable properties built in this way are sold on as such.

Land For People is a not-for-profit company that has been set up with the aim of working with communities and helping to create affordable homes specifically for local people. Removing the element of profit from developments has the added advantage of reducing the cost of units. In the same way that Stock Transfer puts the management of affordable units into the hands of not-for-profit trusts, the government could explore options which allow us to do the same with the development of new properties. The added advantage of having a not for profit trust leading development is that they will be able to bring in expertise so as to help communities navigate the confusing maze of planning regulations.

## Conclusions

**There can be little doubt that the government is unlikely to reach its target of 6,500 affordable homes by 2011.** If present trends continue then 16,400 properties will be sold under the Right to Buy scheme between 2007 and 2011 and a further 2,500 will be demolished. This means that in reality to increase affordable home provision by 6,500 then 25,400 properties will have to be built, just over 1,000 per planning authority.

Realistically the problem of providing sufficient affordable housing units will not be solved overnight nor will it be settled by setting random targets without any idea of how they will be met. This situation has developed over a long period. Since the Right to Buy was made widely available in the 1980s it was only a matter of time before the housing situation became critical and unfortunately that point has now been reached.

Each local authority now has their plans in place and many are currently reviewing and developing their policies to get the most out of the planning process. However many homes are built over the next three years it will not be because of the Welsh Assembly Government's target but the hard work of planning and housing departments throughout Wales.

Local authorities need to work together so as to make the most of opportunities. They must also ensure that planning and housing departments are working together properly. It is no good building hundreds of 'affordable' one bedroom flats for example, if it is large family homes that are required.

Above all it must not be forgotten that at the heart of this issue is not money, but individuals and families who need homes. All too often politicians find it too easy to talk about figures, forgetting that behind each statistic is a person looking for a high quality, secure and comfortable home

## Policy recommendations

- HomeBuy should be reinstated with its own separate budget and guidance should be issued to local authorities to put in place more stringent criteria on eligibility.
- A key workers scheme using both HomeBuy and Low Cost Ownership schemes should be put in place to help those on low incomes in both urban and rural areas get onto the housing ladder.
- All local authorities should appoint an officer specifically responsible for the enforcement of S106 agreements. This may take the form of a dedicated Affordable Housing Officer. Local councils should consider wider use of equity mortgages to enforce affordability on resale.
- Local authorities should set a minimum percentage requirement of affordable housing that they will not negotiate on under any circumstances. This may be in addition to their current percentage, for example meaning that they may seek 20%, but will never go under 15%.
- Housing Enablers should be trialled in non-rural areas to see if similar results can be obtained elsewhere. If the trial is successful, the government should invest in a network of housing enablers across Wales, with the goal of transferring the responsibility to fund these to local authorities and housing associations within five years.
- Any new build social rented house should be protected from the Right to Buy for a minimum of twenty five years.
- Promote the development of Community Land Trusts in both rural and urban areas of Wales with the emphasis on sustaining the affordability of such developments.
- Proactively work to bring empty properties back into use with a fully funded Wales-wide empty homes strategy including assisting councils and housing associations to borrow money to buy up empty new homes for social housing

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**September 2008**

## ANNEX

### A Summary of the affordable housing policies of each Welsh local authority

#### Anglesey

The key means by which Anglesey County Council meets its housing needs is through the provision of social housing by the Council and its partner housing associations. This will be accompanied by the more emphatic use of planning powers, such as section 106 agreements and the designations of 'exception sites'. This is in order to promote the provision of housing in the social rented sector when private developments are undertaken. The affordable element of new developments is currently negotiated at around 30% on developments of ten units in towns and five units in villages. As of March 2007, 22 units had been completed with planning consent for a further 153 units.

Anglesey have operated the HomeBuy scheme since 1995/96. Since 2001/02 the scheme has been administered by the RSL Cymdeithas Tai Eryri on behalf of the Council. The association retains 30% of the equity of dwellings purchased by those who are unable to compete in the open market. In rural areas it can be up to 50%. A summary appraisal of the HomeBuy scheme on Anglesey found that most HomeBuy purchasers were less than 35 years of age and expressed a high level of satisfaction with the scheme.

Other steps being taken by Anglesey include a Regional Housing Market Assessment which is currently being undertaken and an Affordable Housing Panel, which consists of key officers and Local Members established to look at the provision of affordable housing. Shared ownership schemes and discounted home ownership schemes are also offered.

#### Blaenau Gwent

Blaenau Gwent County Borough Council believes the need for affordable housing solutions to be a relatively new concept in comparison with other local authorities. They have received the results of a Local Housing Market Assessment which identified the need for an additional 420 units over the next five years.

The Council currently negotiate a percentage of affordable housing on new developments on a site by site basis. However, the Supplementary Planning Guidance currently out for consultation proposes that this should be set at 20% on developments of 30 units or more. The authority has also purchased the 'Three Dragons Affordable Housing Toolkit'. This toolkit allows local authorities to test the viability of affordable housing provision using the residual land values from housing developments.

The Council works with registered social landlords in facilitating HomeBuy. It has secured DIY HomeBuy through Social Housing Grant funding. They will use s106 agreements to build new HomeBuy units with the price fixed relative to local levels. The authority is proposing to work with three RSLs on this, but to administer the scheme centrally for transparency and housing market monitoring purposes.

Blaenau Gwent Council also plays an active role in the South East Wales Regional Housing Forum which seeks solutions on a sub regional basis. The Regional Housing Market Model (which showed a need for 18,000 new affordable homes in the region), the Three Dragons Affordable Housing Toolkit and the two Regional Housing Enablers have been delivered through collaborative working with other authorities.

The Authority has been successful in its 2007/08 and 2008/09 SHG programmes securing over 140 new affordable homes for the area. They have also appointed an Affordable Housing Manager who will prepare the affordable housing action plan in collaboration with the Blaenau Gwent Strategic Housing Forum.

### **Brecon Beacons National Park Authority**

As the Brecon Beacons National Park Authority is only a planning authority, the responsibility of the provisions of affordable social housing, including those available for rent or shared ownership, is that of Powys County Council. The National Park Authority works in two ways to deliver affordable housing:

1. By seeking to negotiate with developers an element of affordable housing on housing sites.
2. By allowing residential developments outside the designated development boundaries of settlements.

The National Park Authority also use section 106 agreements to ensure that all initial and subsequent occupiers of affordable housing will be 'local people in housing need' who will benefit from the affordable status. To qualify as 'local' persons would have to:-

- be currently living in the community, or
- demonstrate a link with the community or
- be needed to fulfill a social service, or
- be employed in an important local service

The Authority negotiates a provision of affordable housing on sites of three or more dwellings and the percentage required as a minimum of 20%. Where there is a greater need, a greater percentage may be negotiated. The Authority may also agree to accept either a commuted sum of equivalent value, or to a 'land swap' which is an agreement with the Local Authority to provide a piece of land to develop the affordable housing. This happens on appropriate proposals of only three or four dwellings.

### **Bridgend**

Bridgend County Borough Council has an adopted Affordable Housing Policy within its Unitary Development Plan which requires the Council to expect an appropriate element of affordable housing on developments where there is a local need. This will be achieved using section 106 agreements. The trigger on this policy is set at 15 units or a site exceeding 0.5 hectares in size. The amount of affordable housing required has been set at 30% in the South of the Borough and 15% in the North.

59 units of affordable housing have already been provided as part of section 106 agreements and there are further agreements signed to yield a further 149 units in the next few years.

Social rented housing takes priority over intermediate housing and preference will be given for schemes that do not require funding through the Social Housing Grant. There is an increasing provision of Intermediate Housing that includes discounted home ownership schemes managed by RSLs. There is also a very small programme of five HomeBuy units within the 2007/08 Social Housing Grant Programme. Shared ownership and equity mortgages are not however offered.

The authority will be reconsidering its approach to affordable housing as it develops its Local Development Plan which will replace its Unitary Development Plan. The draft Local Housing

Strategy 2007-2012 will complement the UDP in the meantime with draft Affordable Housing Supplementary Planning Guidance being presented for approval in late 2007.

Bridgend is also a member of the South East Wales Regional Housing Forum.

## **Caerphilly**

Caerphilly County Borough Council are using planning conditions to require the transfer of land from private developers and Council owned land to RSLs for the provision of new housing to rent with Social Housing Grant. They are also developing proposals, under their planning regime, to require developers to construct and transfer housing to RSLs at prices discounted by amounts up to the equivalent Social Housing Grant contribution (58%).

Caerphilly Council apply planning policy to require a proportion of affordable housing on new development sites of more than 35 units, as well as using the planning regime to require payment from private developers as a contribution towards the provision of affordable housing on other sites. In 2006/07 £200,000 in contributions was secured through these payments. The percentage of affordable housing required has varied between 8% and 25% dependent on the development cost of the site and the other planning gain required by the authority in respect of e.g. education and highways. The Local Development Plan is likely to reduce the trigger threshold from 35 to 15 units.

Since the Unitary Development Plan was approved by the Council in 2003, a total of 17 sites of more than 35 dwellings each have received planning permission and could have triggered the policy requiring a development of affordable housing. However, affordable housing provision was only sought in six of these applications, all of which were located in 'the Area of Consolidation'.

Caerphilly Council also disposes of Council owned land at less than market value to RSLs to assist in high cost social housing schemes. The Council will also identify some sites in its ownership as requiring 100% affordable housing in the Local Development Plan. RSLs administer an annual HomeBuy scheme operated by the Authority. In 2006.07 Social Housing Grant provided grants of more than £300,000 to first time buyers acquiring properties under this scheme. However no shared ownership schemes under the traditional part rent/part buy model or any equity mortgages are in operation.

Discounts of up to 60% of the market value have been achieved using section 106 agreements and more than £2million of private finance has been levered in. This is achieved by inserting a legal interest into the conveyance which requires the property to be sold on at an affordable value at the same percentage discount from the open market value as the original purchase price. Any future funds are recycled for future affordable housing provision.

Caerphilly Council also contributes towards the cost of two regional housing enablers, part funded by the Welsh Assembly Government, who will be appointed jointly by the ten constituent authorities of the South East Wales Regional Housing Forum. Their role will be to promote, develop and assist with the provision of affordable housing in South East Wales.

## **Cardiff**

Cardiff Council has attained Excellence Wales status in the Our Homes category for the city's approach to creating affordable, high quality, sustainable homes at the Welsh Local Government Awards. It is the Council that has so far provided the highest number of affordable homes using section 106 agreements.

However, the City of Cardiff Local Plan states that an element of affordable housing (or housing for special needs groups) is only sought on new housing sites of more than 50 dwellings, far higher than most other authorities. On Council owned sites disposed of for housing or mixed use this trigger is reduced to 25 dwellings (or 1 hectare). The target provision is 30% of the development. There will be an updated affordable housing policy informed by the Local Housing Market Assessment in the new Local Development Plan currently being prepared.

While Cardiff Council used to use HomeBuy, they have not bid for Social Housing Grant for 'several years' stating that low cost home ownership units have been secured through section 106 agreements in Cardiff without the need for grant funding.

Cardiff has operated a low cost home ownership scheme since 2003 which has provided a system for delivering the units secured through section 106 agreements. The scheme aims to assist first-time buyers who live or work in Cardiff. They are usually offered for sale on a shared equity basis with the Council retaining an equity share in the property, ensuring it remains affordable when sold on. The retained equity is transferred to the Council by the private developer at nil cost to the local authority. On some developments the Council works in partnership with RSLs to deliver the units. In this situation, both organisations work together to market the homes and nominate purchasers. There are approximately 1,500 applicants registered on the waiting list for the scheme.

The authority is also a member of the South East Wales Regional Housing Forum. They have worked together with the other ten authorities in the Forum to develop and introduce foundations that will assist them across the region, including:-

- Establishing links with Wales Spatial Plan process to ensure affordable housing is considered in all plans for the region.
- Completing a Regional Housing Market Study which led to joint working between Cardiff and the Vale of Glamorgan Councils in carrying out a cross-boundary Local Housing Market Assessment.
- Development of the Three Dragons Affordable Housing Toolkit to assist with assessing the viability of affordable housing proposals/
- Subscribing to Hometrack to enable access to data on housing market trends and performance to help inform the evidence base for affordable housing negotiations.
- Submitting a Social Housing Management Grant bid to provide a Regional Housing Enabler Officer to work across the Heads of the Valleys area.

## **Carmarthenshire**

Carmarthenshire County Council have an adopted Unitary Development Plan from 2006 as well as an affordable housing policy from 2005. This means that they operate a threshold of 10 units (or 0.33 hectares) in areas classed as urban and 5 units (or 0.16 hectares) in areas classed as rural. Their rural areas are the same as those used to restrict Right to Buy and Right to Acquire. However, they provided no detail on what percentage of affordable housing they aim for. An Officer at Carmarthen Council stated that their minimum was 25% but they may accept lower amounts on sites which may incur additional expense by the developer. When pressed on what percentage of affordable housing is actually achieved on new developments on average, he admitted that it was only 20% in reality.

Carmarthenshire also makes use of HomeBuy but they are concerned about the Welsh Assembly Governments funding for the scheme. To ensure that the scheme has been used

only by those who are unable to buy on the open market it has been targeted at existing Council and housing association tenants, as well as families with children who are registered on their 'Housing Choice Register'. They have been actively promoting HomeBuy as a means of providing affordable housing in the County and have funded additional HomeBuy purchases by setting aside a proportion of their own capital receipts.

The Council has also provided land at below market value for residential developments in order to increase housing provision, as well as permitting development in or immediately adjoining the limits of a settlement, providing it meets local eligibility criteria. They are also setting up an Authority-wide community land trust, which will 'act as a safe haven for land, equity in completed homes, and money which can only be used for the provision of affordable housing'. This trust will also then help foster the development of smaller, local community land trusts. So far this has allowed them to put in four sites at nil cost for the development of over 206 affordable homes at Llanelli, Ammanford and Drefach. The Ammanford scheme will include a pilot of 12 homes of community self-build. They are also looking at how to invest commuted sums (obtained through the section 106 system), including whether they can be used to bring empty homes back into use at affordable prices.

There is however no use of shared ownership or equity mortgages.

### **Ceredigion**

Ceredigion County Council states two different trigger values for affordable housing provision. In the towns of Aberystwyth, Lampeter, Cardigan, Llandysul, Aberaeron and Tregaron it is ten or more units, or an area of 0.3 hectares. For the other 140 or so defined settlements the trigger is halved, either five units or 0.15 hectares. The percentage which must be affordable is however the same for both, at a minimum of 30%. A lower percentage may be accepted, although there are other examples where a high percentage may be required.

While the authority does not deliver HomeBuy directly, Cymdeithas Tai Cantref housing association does make use of it through the Social Housing Grant programme. This has allowed 15-20 potential homeowners to be assisted into home ownership. While shared ownership schemes have operated in the past, they have not proved to be particularly popular. An equity mortgage scheme did operate in the 1990's, however this ceased when Welsh Office funding was discontinued.

Most of the affordable housing delivered through s106 agreements is discounted ownership properties. The local authority will agree with the developer a percentage below the open market value which the affordable dwelling can be sold on at.

Ceredigion is in discussion with neighbouring local authorities regarding a bid for a Rural Housing Enabler. The original bid was not successful.

The authority also has an Empty Homes Strategy and Action Plan with the objective of bringing properties that are not in use back into occupation. The council's Housing Renewal Policy includes grants to assist in this. The Unitary Development Plan also allows affordable housing on Rural Exceptions sites.

### **Conwy**

Conwy County Borough Council has specific affordable quotas on new developments in different parts of the Borough. On average this is 30% and is triggered by a threshold of ten

units in urban Conwy and only three units in more rural areas. The provision of affordable housing is likely to be a key consideration in the emerging Local Development Plan.

The Council uses HomeBuy and has assisted 67 applicants to purchase a property over the past four years. After conducting a housing needs assessment concerning affordability the Council are looking into the possibility of developing purpose built properties for sale through HomeBuy within specific rural. While the authority does not provide shared ownership schemes, two RSLs do. The authority is currently evaluating equity mortgages. The Council also prepares land for development by providing services such as sewage, electricity and gas at sites and then sells the land to individuals to build their own houses. It also provides homes on a discounted ownership basis.

Conwy Council attempt to ensure rent levels in Social Housing are kept low through the provision of land at a discounted value through the planning process and by the disposal of Council owned sites. Some major landowners are attempting to dedicate areas of land for the development of low cost housing in the form of Community Land Trusts. The Council is also working with Denbighshire, Gwynedd and Anglesey local authorities and the Snowdonia National Park Authority on a regional housing market assessment.

## **Denbighshire**

Denbighshire Council have a policy to deliver 30% affordable housing on any new developments of three units or more (or 0.1 hectares). They are currently revising their affordable housing supplementary planning guidance to align targets with their emerging Local Development Plan.

Denbighshire has been successful in securing HomeBuy from the Welsh Assembly Government to help approximately eleven applicants per year. For the last two years half this funding has been ringfenced for the launch of a mortgage rescue scheme. Two RSLs, Cymdeithas Tai Clwyd and Pennaf operate share ownership schemes within the County.

Discounts of up to 58% have been negotiated with developers on discounted home ownership units. Twenty nine units have been completed with a further thirty two due for competition within the next twelve months.

A Local Housing Market Assessment has been developed with other local authorities in the area to support and justify their housing strategies. A joint rural housing enabler has also been launched with Conwy and Snowdonia, as well as Cymdeithas Housing Association and the Welsh Assembly Government. Denbighshire is also developing a 'one stop shop' website for affordable housing which will include all local RSLs. An Affordable Housing Officer is being recruited.

The stricter guidelines relating to Right to Buy in Denbighshire have seen a reduction in the numbers sold during recent years from 125 in 2004/5, 45 in 2005/6, down to 18 sales in 2006/7.

## **Flintshire**

Flintshire County Council negotiates with developers to provide 30% affordable housing on new developments of 25 or more units or above 1 hectare where there is a demonstrable need for affordable housing to meet local needs. This policy is set out in the draft Unitary Development Plan. The Council also stresses the need for affordable homes to meet local

community needs and applicants which provide a form of affordable housing which is not considered to meet the best needs of the local community will be regarded less favourably.

The Council also makes use of HomeBuy with their RSL partners. While its scope is limited they state that as all forms of affordable housing are in demand it still helps. The authority also has a number of homes in shared ownership but it has not provided this type of tenure for a considerable time. RSLs however provide privately financed (grant free) shared ownership in the County.

The Council does not offer discounted home ownership schemes but the private developer Lixwm is providing properties at 85% market rate with the remaining 15% being held as an equity stake in the development. Instead of paying ground rent, the purchaser pays an annual fee. However the developer is having difficulties with selling the units and with prospective purchasers acquiring mortgages.

There has also been a joint study of the housing market in North East Wales undertaken in conjunction with Wrexham and Denbighshire Councils. The study was part funded by the Welsh Assembly Government.

## **Gwynedd**

The Gwynedd Affordable Housing Project is one of Gwynedd Council's 'priority corporate projects' and has also become a strategic priority for many partnerships in Gwynedd, including the Gwynedd Community Strategy Partnership. The main objectives of the project are:

- Increase the provision of affordable housing that meets the needs of local people.
- Focus more specifically on those in genuine need of affordable housing.
- Ensure an appropriate mix of affordable housing in terms of price, tenure, type and size.
- Establish an arrangement that ensures any housing provided remains affordable forever.
- Ensure that the affordable housing provided is of a high quality and sustainable both in the initial design and in long term maintenance.
- Be more proactive as a Local Planning and Housing Authority and therefore provide clearer and more consistent guidance to key players in the housing sector.
- Develop a comprehensive range of planning policies to facilitate and secure the provision of affordable housing.
- Raise the awareness of key partners, both internally and externally to Gwynedd Council, of the housing issues faced within rural areas such as Gwynedd.
- Promote and ensure more collaboration between key players.

The Council makes use of section 106 agreements and have secured 124 units through their use. However, so far only 18 units have been completed. Another 90 units will be secured subject to applicants signing up to the s106 agreement. Over 250 applicants have been able to purchase a home under the HomeBuy scheme (administered by Cymdeithas Tai Eryri) since 1995. The scheme has been funded by the Social Housing Grant. They are also looking into shared ownership and equity mortgage schemes.

Discounted home ownership schemes are also being developed and the price has varied between a 50% and 25% discount from the market value so far.

Gwynedd have not yet set a trigger number for the provision of affordable housing on new developments, however this will be clarified as a result of the UDP which is due to be adopted this year. The UDP will also release sites for the open market but must contain an element of affordable housing, which will vary between 20% and 40%.

The local authority is also working closely with Ynys Mon, Denbighshire, Conwy and the Snowdonia National Park Authority as a part of the North West Wales Spatial Plan Area Housing Sub Group. The group has so far been devoted to developing a Local Housing Market Assessment. Officers from Gwynedd Council also attend meetings of the Rural Housing Authority Network.

The Council has also invested £390,000 into the Affordable Housing Project through disposing of land for less than open market value. The land will provide 45 affordable units within the County.

The Council is a partner in the Gwynedd Rural Housing Enabler Project which is working within the County to assist with identifying affordable housing needs and responding to them. The Housing Enabler works closely with rural communities, developers and housing associations to develop affordable housing projects.

### **Merthyr Tydfil**

Merthyr does not just use s106 for affordable housing but also for commutable sums, including a recent six figure sum from the NHS to be used to subsidise an offer site affordable housing scheme. The Council has also agreed that 25% affordable provision would be required on all developments over 20 units in size. The 2007 'Interim Planning Guidance Note – Affordable Housing' states that their Local Housing Market Assessment has found that if growth is to take place at the level set out in the Local Development Plan that is currently being created then 24% of the total housing allocation will need to be affordable.

The Housing Market Assessment has also indicated a need for 50% of affordable housing to take the form of housing products such as HomeBuy or shared equity. 17 people have purchased units through HomeBuy since 2005. However, neither shared ownership schemes, discounted ownership schemes or equity mortgage schemes are used in the authority.

Merthyr are working with the other South East Authorities to create Regional Housing Enablers, however these discussions are at an early stage.

Merthyr Tydfil does appear to have relatively weak processes in place at present, however it is showing some progress in catching up to other authorities.

### **Monmouthshire**

Monmouthshire County Council have stated that at least 20% of new dwellings on a site above the threshold of 10 units in the towns of Abergavenny, Caldicot, Chepstow, Monmouth and Usk and a threshold of five units in all other settlements must be affordable. This is firmer than most other authorities which 'aim' for a percentage. The Council claim that they always negotiate at least 20% of affordable housing and this is mostly 'on site' (as a part of the development), although there have been occasions when they have accepted off site provision, where the developer is allowed to build the affordable element elsewhere. They are currently also drafting a Local Development Plan which will address the need to increase the affordable percentage from 20% to 37%.

Monmouthshire have also used the Social Housing Grant to provide eight units of Rural HomeBuy per year, on a 50/50 basis. The authority also runs a Homefinder scheme which was previously a 70/30 shared ownership scheme but has now been changed to 50/50. The scheme was originally set up in 1994 through a grant from the Welsh Office. The grant was stopped in 1998/99 but the scheme continued with capital made available from the Council. There is also a discounted ownership scheme from 1990 which still has eleven properties in circulation. No further funding is available though other than through a recycled grant and only one or two households a year are able to apply. Monmouthshire does not make use of equity mortgages.

A local Housing Market Assessment has been completed in with close working with Newport and Torfaen Councils. This assessment discovered the need for 37% affordable housing on new developments which will be included in the Local Development Plan.

### **Neath Port Talbot**

Neath Port Talbot County Borough Council has a policy of negotiating a proportion of affordable housing on developments of 20 units or above. There is no current formal minimum percentage, however the draft Supplementary Planning Guidance sets the level at 20%. While only eight units have been delivered so far, further negotiations are in progress for other developments.

While the authority does not use HomeBuy it does support the use of Social Housing Grant and Revenue Support Grant by registered social landlords. RSLs also have developed shared ownership units for first time buyers and older people. The units were sold at cost not market value and no Social Housing Grant was required to support the scheme. There is no use of equity mortgages.

Neath Port Talbot is a member of the 'All Wales Housing Strategy Officers Network' and the relevant officers attend regional groups such as the South West Wales Regional Planning Group.

While the policies of Neath Port Talbot seems timid, they claim they are in a difficult situation. There is an awareness that if they achieve too little then it could stifle growth and sustainability from an economic and social perspective, however there is also a worry that asking too much from developers could push them away to neighbouring areas. This concern may be put down to the close proximity of Swansea, which may seem like a more attractive investment for many developers.

### **Newport**

Newport City Council has two different triggers for affordable percentages on new developments. In urban areas it is twenty five units, however in rural areas it is only ten units. Both categories are subject to the same maximum percentage of affordable units, which is 30%, however, in reality they only achieve 20%. Over 60% of developments in Newport take place on Brownfield sites and the cost of land remediation has an effect on the planning obligations which are negotiable. The authority has only built 60 homes with the use of s106 agreements so far, however a further 180 are under construction, 1004 negotiated and 598 awaiting the signing of an agreement.

Local registered social landlords also receive grants and recycled capital grant for HomeBuy. The number of units available through HomeBuy is limited to only twenty units per year which is to ensure there is no 'detrimental impact on the housing market', such as fuelling house

price inflation, which the authority claims has been seen in other parts of Wales. There is, however, no evidence to back this claim up as HomeBuy is not used extensively enough to have any impact on other parts of the housing market.

While both RSLs and the Council retain a small stock of shared ownership properties, Newport considers them to be no longer financially viable as the cost for the occupant is prohibitive and it becomes difficult for them to move within the market. Instead now the authority is focusing on low cost ownership schemes. Applicants are able to purchase either 50% or 70% of the property with an RSL retaining the other share. With the use of neutral tenure this percentage becomes more flexible. The Newport City Living scheme is operated through RSL partners as well as Redrow Homes.

Newport is also a member of the South East Wales Regional Housing Forum, along with nine other authorities. It has also commissioned a Housing Market Assessment with Torfaen, Monmouthshire and Blaenau Gwent.

## **Pembrokeshire**

Pembrokeshire County Council has made use of section 106 agreements for some time, however only ten units of affordable housing have been provided through this route with a further thirty secured. Prior to 2006 only limited affordable housing on market sites was secured by planning condition. The Council does not determine a threshold through the number of units being built but instead the geographical size of the development.

HomeBuy has replaced the shared ownership model in Pembrokeshire (with housing associations retaining a limited stock) and has been used to help between 25 and 20 households per year. The resale of the purchase receipts is recycled to help other first time buyers. There is no use of equity mortgages.

There are low cost ownership schemes in Pembrokeshire where properties are sold at 70% of the acceptable cost guideline to local people in need. The leasehold is not retained by an RSL.

Pembrokeshire Council is not undertaking any formal work with any other local authorities. Informal discussions are taking place through the West Wales Strategy Network.

A Rural Housing Enabler has been appointed for three years and there is consideration as to extending the post for a further three years.

## **Pembrokeshire Coast National Park Authority**

The Pembrokeshire Coast National Park Authority uses two planning policies to deliver affordable housing: the negotiation of affordable housing with developers on developments of three units or more, as well as exceptional land releases for affordable housing. The authority uses a guide of 20% affordable housing on developments of three or more units. As the Authority is only a planning authority, it does not provide schemes such as HomeBuy that are instead provided by Pembrokeshire County Council.

The Pembrokeshire Local Housing Market Assessment has shown a more aggressive approach is needed to address the backlog of need for affordable housing. Initial proposals for the Local Development Plan include:

- Negotiating 50% affordable housing on developments of two or more units

- Allocating land for 100% affordable housing
- Exceptional land releases
- Targeting infill opportunities in small settlements
- Prioritising the reuse of community facilities and employment sites for affordable housing where appropriate
- An initial appraisal of land supply shows a potential for circa 600 units to be targeted for 50% affordable housing provision and 100% allocations for affordable housing

Initial proposals for the Management Plan include:

- Considering the use of CPO powers where land is scarce and there is no alternative route to delivery
- Seek to pool council tax receipts from seasonal homes to target affordable housing delivery
- Seek an increase in money allocated to the HomeBuy scheme in the National Park in areas where new build is not an option and ensure affordability is secured in the long term

## **Powys**

Powys County Council uses s106 agreements to deliver planning gain as well as affordable housing. They are currently seeking to develop a standard s106 agreement template, in conjunction with Brecon Beacons National Park Authority, to speed up the process. The threshold for an affordable housing element on new developments is 5 properties. There is a higher threshold of 35% if the developer does not wish to involve an RSL in the process, however 30% if they are willing to. Where need is higher, proportions of affordable housing will also be higher. They also add conveyance to s106 agreements to try and ensure that properties are only sold to eligible persons, however, they have no way of enforcing this.

Powys has previously operated their own version of the Rural HomeBuy scheme and they are currently looking at how it is managed in order to reinvigorate the scheme. All RSLs in Powys offer shared equity schemes. Discounted Ownership schemes exist but these are remnants of earlier policies and instead the Council is looking at other forms of provision.

The Council co-sponsors a Rural Housing Enabler for South Powys and North Monmouthshire as well as working closely with the Brecon Beacons NPA, including a jointly funded Affordable Housing Officer.

Powys have also developed an Affordable Housing Task Group Action Plan to address the requirements of the s106 policies and to look at what other policies may be required. A Rural Exceptions Policy is also in operation to allow small housing sites outside and adjacent to existing villages which can be released for the provision of affordable housing as an exception to normal policies of restraint

## **Rhondda Cynon Taf**

Rhondda Cynon Taf County Borough Council is still in the process of finalising what their affordable housing policies should contain. Their Housing Strategy for 2004-2009 predicted that they would actually have a surplus of affordable housing, which may explain why they seem to be slightly behind most other local authorities with the development of their policies. Their new Local Housing Strategy recognises that this is not the case.

While they do make use of s106 agreements, negotiations are currently suspended as they await the publication of the Local Development Plan and Supplementary Planning Guidance on Affordable Housing. It is expected that the quota will be set at for 20% of housing developments to be affordable in the North of the borough and 30% in the South.

The authority has previously made use of HomeBuy, however, as this has now been cut by the Welsh Assembly Government they are looking into alternative funding opportunities. Shared ownership schemes and discounted home ownership schemes are also offered, however equity mortgages are not.

RCT Council is also a member of the South East Wales Regional Housing Forum and are currently working with Cardiff Council's Assisted Home Ownership Scheme to nominate affordable housing qualified persons for a retained equity scheme.

### **Snowdonia National Park Authority**

As Snowdonia National Park Authority is only a planning authority and not a housing authority, most forms of affordable housing in the area are delivered by the relevant local authorities. The National Park Authority does use s106 agreements to deliver affordable housing but does not use them to gain commuted sums or off site provision. Any rural exception site must contain affordable housing and in a settlement a development of more than five units must have a proportion of affordable housing.

The NPA is part funding Rural Housing Enabler projects in Gwynedd and Conwy. This has allowed Snowdonia to influence bids for future Social Housing Grant resources. Eighteen community level housing needs assessments have been carried out so far, with further ones scheduled. Snowdonia has also been involved in the North West Wales Local Housing Market Assessment which is expected to provide evidence to support affordable housing policies. They are also looking at using Government owned land. A Local Development plan is being drafted.

### **Swansea**

The City and County of Swansea negotiates with all developers for affordable housing where there is 'a demonstrable lack of affordable housing to meet local needs' and the development is over the quota of forty dwellings of 1.5 hectares. This does not apply in the areas of the former Lliw Valley Borough Council to the north of Swansea. The Unitary Development Plan, which is currently undergoing consultation, reduces this threshold to sites of 25 properties. In Swansea West and Rural Villages negotiations for affordable housing will take place on sites below the threshold. The Local Housing Strategy has set a target of 25-30% affordable housing. The Council anticipates that this will provide 221 affordable units per annum.

Swansea does not operate shared ownership, discounted home ownership or equity mortgage schemes. HomeBuy has been used and is 'a strategic objective' delivered through the use of the Social Housing Grant.

Officers from Swansea Council co-ordinate a South West Wales Strategy Officer network to discuss best practice for delivering affordable housing, as well as providing evidence of housing need to officers of other authorities to support their negotiation with developers. They are also looking at ways to assist first time buyers, such as the use of commuted sums (where a financial contribution is made instead of on site affordable housing provision) towards providing affordable housing.

## **Torfaen**

While Torfaen County Borough Council does use s106 agreements to provide affordable housing units, they are also used to offset various costs for other departments, such as Highways and Education. This is marginalising the affordable housing provision on sites, especially where land values are low. The figure for the affordable housing requirement was 23%, however this is likely to increase in the Local Development Plan. The trigger on this is sites of ten or more units, although the size and density of the site is taken into account.

HomeBuy is used and the scheme, known as Help2Own locally has over 450 applicants at present. Equity mortgages and shared ownership schemes, as well as other discounted homeownership schemes are not used.

Torfaen has helped develop the South East Strategic Housing Forum, and has carried out a Housing Market Assessment with Newport and Monmouthshire. There is also a South East Wales Housing Market Analysis underway and they have been trying to devise a data programme that works in real time to give a better picture of housing market dynamics in Wales.

The Local Housing strategy suggests exploring 'innovative forms of funding' such as the re-use of RSL Recycled Capital Grant, PFI and re-sale covenant schemes achieved through negotiation with private developers

## **Vale of Glamorgan**

The Vale of Glamorgan Council appointed an Officer in February 2007 to deal specifically with s106 agreements and to improve the volume and deliverability of affordable housing. They are reviewing their affordable housing policies as part of the process of developing a Local Development Plan. At present their supplementary planning guidance only relates to larger developments of 50 units and up to 20% of this must be affordable housing. Because there have been very few sites of this size opportunities have been limited. The draft Housing Market Assessment has suggested that the minimum figure should be set at sites over ten units and up to a maximum of 40% affordable housing, however this has yet to be adopted by the local development plan. The Vale of Glamorgan does not specify a minimum level of affordable housing but instead a maximum percentage.

The Council does not currently have any HomeBuy units as their experience has been that the property prices in the area are so high that even with a discount many local residents are still unable to afford the properties. Instead they have prioritised affordable renting schemes over ownership. Hafod Housing Association has recently had a scheme approved by the Council for ten units in line with HomeBuy principles. Three of the four housing associations active in the Vale of Glamorgan also operate small shared ownership schemes, however the local authority does not. No equity mortgages are used, however the local authority does have two sites where restrictive covenants have been applied through s106 agreements to retain a 30% equity share to provide discounted home ownership.

A joint Housing Market Assessment has been commissioned with Cardiff County Council which led to joint working between Cardiff and the Vale of Glamorgan Councils in carrying out a cross-boundary Local Housing Market Assessment. The Vale of Glamorgan is also a founding member of the South East Wales Regional Housing Forum which has identified opportunities for collaborative working and disseminating good practise between its members.

The Authority is also currently reviewing its non-operation housing land holding with the intention to increase land supply and development opportunities. The Council is also investigating financial viability of a number of its domestic garage sites with the intention that unviable sites are declared surplus and marketed.

## **Wrexham**

Wrexham County Borough Council uses s106 agreements on eligible housing developments to deliver a number of requirements as well as affordable housing. Financial contributions are also sought for education, highways and the provision of open space. The Unitary Development Plan requires a proportion of affordable housing on all new developments larger than 25 units (or 1 hectare). The Local Planning Guidance sets this proportion at 25%. As part of the emerging Local Development Plan, the possibility of reducing the quota and threshold is being looked into.

While Wrexham does apply for the Social Housing Grant the amount of funding they have received has been historically comparatively low. The focus has been to enable the development of new build schemes as opposed to seeking funding for the HomeBuy programme. In 2006/07 the Council and partner RSLs did apply for HomeBuy funding and has been successful in working with local RSL in utilising their Recycled Capital funds to deliver HomeBuy. Shared ownership schemes and discounted ownership schemes have also been used.

A North East Wales Housing Market Assessment is in development in conjunction with Denbighshire and Flintshire Councils in order to help justify and implement future affordable housing policies. Wrexham is also working with neighbouring English Local Authorities through the Wrexham Housing Alliance and Mersey Dee Alliance. The Council is also considering amending the adopted exceptions site policy as well as looking at other possible initiatives including empty homes policies and land/asset disposal priorities.