



rhondda cynon taf  
local development plan  
*cynllun datblygu lleol*

Supplementary Planning Guidance:

# Affordable Housing

Adopted March 2011



STRONG HERITAGE | STRONG FUTURE  
**RHONDDA CYNON TAF**  
TREFTADAETH GADARN | DYFODOL SICR



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## 1. Introduction

- 1.1 The overall aim of the Local Development Plan (LDP) is to ensure that *‘Rhondda Cynon Taf will be a community where everyone who lives, works or visits the area will enjoy the benefits of a better quality of life, achieving their potential, whilst helping to develop and protect the area for future generations’*
- 1.2 Access to a good quality affordable home is a key determinant in meeting this aim. However, due to a combination of low local incomes, escalating property prices and an increasingly competitive housing market, many local people can no longer meet their housing needs through the private housing market. Whilst the planning system is not the only method of meeting this need, it plays an important role in increasing the supply of good quality affordable homes.

## 2. Policy Context

- 2.1 The purpose of this Supplementary Planning Guidance (SPG) is to provide detailed guidance on how the Council will implement the affordable housing policies contained within the LDP in order to meet housing need as identified in the Local Housing Market Assessment.
- 2.2 The delivery of affordable housing in Rhondda Cynon Taf will be through the implementation of policy CS 5 – Affordable Housing. This is a core policy and is designed to deliver Strategic Objective 1 of the LDP which is to ‘provide for the overall housing requirement through a mix of dwelling types catering for all needs to promote integrated and thriving communities.’ Policy CS 5 is as follows:

### Policy CS 5 – Affordable Housing

The housing requirements identified in Policy CS 4 will be expected to contribute to established community housing need by providing 1770 affordable units over the plan period.

- 2.3 One of the key mechanisms for delivering this policy is the area-wide affordable housing policies in the Local Development Plan, which are as follows:

### Policy NSA 11 – Affordable Housing

The provision of at least 10% affordable housing will be sought on sites of 10 units or more.

### Policy SSA 12 – Affordable Housing

The provision of 20% affordable housing will be sought on sites of 5 units or more.

## 3 Issues

### 3.1 Definition of Affordable Housing

3.1.1 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)*

3.1.2 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 Welsh Government’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.

### 3.2 Housing Needs

3.2.1 Rhondda Cynon Taf County Borough Council conducted a LHMA in 2010. This utilised the Welsh Assembly Government’s Quantitative Housing Assessment Model to determine need for affordable and market housing within Rhondda Cynon Taf from 2010-2015.

3.2.2 The LHMA assessed the backlog of housing need, current need and newly arising need in the context of affordable housing supply. The LHMA found that there is a current shortfall of up to 578 affordable houses per annum in Rhondda Cynon Taf.

3.2.3 The LHMA identified differences in average property prices and affordability in Rhondda Cynon Taf between the Northern and Southern parts of the County Borough. The breakdown of this shortfall in affordable housing units across the twelve grouped sub market areas in the County Borough is shown in Appendix 6.

3.2.4 7% of the housing need across the County Borough is for intermediate housing (low cost home ownership), with the remainder being for social rented housing.

3.2.5 Whilst securing affordable housing is a key aim of the local authority, it must be achieved in a manner that balances the social economic and environmental needs of the communities in Rhondda Cynon Taf. The delivery of 578 affordable housing units per annum through the planning system would mean that 60% of all new housing constructed in Rhondda Cynon Taf would be affordable. Such an approach would impact dramatically on the operation of the housing market. The planning system will therefore seek to deliver 1770 units of affordable housing over the plan period. The Council will aim to provide the remainder in partnership with Registered Social Landlords through the operation of Social Housing Grant, and by encouraging the re-use of existing empty properties.



## 4 Planning Considerations & Requirements

### 4.1 Process

- 4.1.1 The requirement to provide affordable housing is a material consideration in determining all planning applications for residential developments within Rhondda Cynon Taf.
- 4.1.2 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;
  - Contributions for off site provision (see paragraph 4.4.1);
  - The development of sites in rural areas.
- 4.1.3 In recognition of the different housing markets and housing need in the two strategy areas, the threshold for affordable housing provision will be different in the north and south of the County Borough (see paragraph 2.3). Further details of the thresholds and levels of provision are in the Planning Obligations SPG.
- 4.1.4 Where the Council identifies that developers have sub-divided sites in order to avoid affordable housing provision, the total residential unit provision 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.
- 4.1.5 Affordable housing will be required on all outline, full or change of use planning applications for housing which meet the thresholds. 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.

- 4.1.6 As a result in changes in the policy context for affordable housing, affordable housing provision will be sought on planning applications for the renewal of planning consent for housing on sites which meet the thresholds, even if there was no previous affordable housing obligation.
- 4.1.7 The Council appreciates that in exceptional circumstances where there are significant abnormal costs associated with a development, the provision of affordable housing may make a site unviable for development. Where site viability is considered to be an issue, developers will be required to provide to the Council details of:
- The acquisition price of the site
  - Projected construction costs
  - Additional costs
  - Proposed final sales value per unit
  - The developers profit requirement.
- 4.1.8 The Council will then use a Development Appraisal Toolkit to examine the economics of the development and determine the viability of affordable housing provision. Where the developer can demonstrate that the provision of affordable housing required would not be viable, a lower percentage may be negotiated. In the event of a dispute over site viability, the local authority will commission an independent consultant for a third party appraisal. The cost of this independent appraisal will be met by the developer.

- 4.1.9 The LHMA highlighted that a proportion of people in Rhondda Cynon Taf require a specific type of housing due to a learning/ physical disability or due to a medical condition and are unable meet their housing needs in the private sector. Where there is evidence of a need, supported housing may form part of the affordable housing requirement. In addition, it may be appropriate to cater for the needs of certain elderly people, such as those who require a bungalow and/ or housing with warden assistance, as part of affordable housing provision.
- 4.1.10 It is recognised that the cost of providing supported housing may be higher in some cases than general needs housing and as such a lower proportion of affordable housing may be required subject to site viability.
- 4.1.11 **Pre-application discussions** are advised with planning and housing officers of the Council to determine the likely provision of affordable housing that will be expected for a proposal. The requirement to contribute towards other planning obligations such as schools or leisure does not negate the need to provide affordable housing. Developers should take into account the costs associated with the provision of affordable housing (and its affect on land values) before entering in to land negotiations.

## 4.2 On Site Provision

- 4.2.1 It is the Council's preference for a Registered Social Landlord (RSL) to be involved in the development and management of affordable housing to ensure that the units remain affordable in perpetuity. However, it is recognised that some schemes may provide staircasing to full ownership. Where this is the case, secure arrangements will be put in place to ensure capital receipts are recycled to provide replacement affordable housing elsewhere.
- 4.2.2 Affordable Housing units should be provided on-site by the developer and transferred to an RSL for management. Where a developer has not identified an RSL partner, the Council will ask all housing associations zoned for development in RCT to express an interest in the scheme. In the event that more than one partner expresses an interest, the Council will allocate the site to the most suitable partner utilising agreed criteria. It is however acknowledged that some developers have existing relationships with housing associations and may approach a housing association directly to be the preferred partner for a development. The Council will accept this arrangement providing the housing association is zoned for development in RCT.
- 4.2.3 Affordable housing units for social rent should comply with the Welsh Government's Development Quality Requirements and meet Level 3 of the Code for Sustainable Homes as a minimum. The developer's contribution should be equivalent to the Social Housing Grant required to deliver a new-build scheme on site (currently at a rate of 58% of Acceptable Cost Guidance (ACG)). In practice, the nominated RSL should pay the developer not more than 42% of the ACG per unit less the RSL's on-costs (the Council will specify the unit transfer price). The Council will also not normally seek to supplement developer contributions with Social Housing Grant.
- 4.2.4 No Social Housing Grant will be utilised for intermediate affordable housing (low cost home ownership). In these instances, the developer's contribution should be equivalent to the equity retained (normally 30%) for the scheme i.e. the nominated purchaser or nominated RSL should pay the developer 70% of the open market value (which will be determined by the Council).



- 4.2.5 The type, size and mix of affordable housing on a particular site will be determined according to local needs, and as identified in the LHMA.
- 4.2.6 If, after using all reasonable endeavours, the owner has been unable to dispose of the affordable housing to a nominated RSL, an alternative method for securing on site affordable housing benefits (to a value not less than that which would have been achieved had the owner disposed of the affordable housing to the nominated RSL) will be delivered.
- 4.2.7 If the owner is unable to comply with the alternative scheme, the owner shall pay the Council a sum equal to the value which would have been achieved had the owner disposed of the units to a nominated RSL. This will be utilised by the Council to facilitate the provision of affordable housing as detailed in paragraph 4.4.1.

### **4.3 Off Site Provision**

- 4.3.1 It is the Council's preference for on-site provision of affordable housing to encourage mixed, balanced and inclusive communities. Off-site provision will only be considered in lieu of on-site provision in exceptional circumstances, 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.

### **4.4 Financial Contributions**

- 4.4.1 Financial contributions will be sought where the LHMA has identified a surplus of affordable housing in the locality. The contribution should be equivalent

to the Social Housing Grant that would be required for an RSL to develop an equivalent new-build scheme on site (see paragraph 4.2.7 of the Planning Obligations SPG). Such contributions will be used to support overall affordable housing provision within the County Borough to be delivered in partnership with RSLs. Contributions will be used to provide either part or full funding for schemes, projects and initiatives that support affordable housing within Rhondda Cynon Taf. This may include, but does not limit, the use of these financial contributions to provide:

- Delivery of "Homebuy" loans via the Council's low cost home ownership scheme, "Homestep" through a partner Housing Association;
- Delivery of Mortgage Rescue;
- To enable the purchase and refurbishment of long term empty properties by an RSL for affordable housing;
- 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 Borough.

4.4.2 Revenue raised from the interest accruing from the fund could be used to fund research in connection with provision of affordable housing. An element of each commuted sum may also be used to contribute towards the Council's revenue and associated administrative costs in facilitating the above and/ or developing a more strategic approach to affordable housing delivery.

4.4.3 Further information on calculating financial contributions is given in the Planning Obligations SPG.

## 5. Appendices

### Appendix 1: Glossary of terms

#### **ACG**

##### **Acceptable Cost Guidance:**

Welsh Government guideline construction costs for a range of dwelling types and locations.

#### **CS**

Core Strategy of the LDP.

#### **Development Appraisal Toolkit**

This toolkit has been developed in partnership with other Welsh local authorities, to set target figures for the provision of affordable homes.

#### **Intermediate Housing**

See paragraph 3.1.2 of the SPG.

#### **LDP**

##### **Local Development Plan:**

A statutory plan for future development in Rhondda Cynon Taf outside the National Park, adopted by the Council in 2011 after Independent Examination in 2010.

#### **NSA**

Northern Strategy Area of the LDP (Cynon and Rhondda valleys).

#### **\*P\*B**

Size of dwelling defined by Persons and Beds e.g. 7P4B = 7 person, 4 bed dwelling.

#### **RSL**

##### **Registered Social Landlord:**

Provider of social rented housing.

#### **SHG**

##### **Social Housing Grant:**

A grant given to Registered Social Landlords (housing associations) by the Welsh Government. The grants aim to provide new affordable housing for rent or low cost home ownership.

#### **SPG**

##### **Supplementary Planning Guidance:**

A suite of non-statutory statements of Council planning policy on discreet topics, which amplify policies in the LDP.

#### **SSA**

Southern Strategy Area of the LDP (Taff Ely area).

#### **TAN**

##### **Technical Advice Notes:**

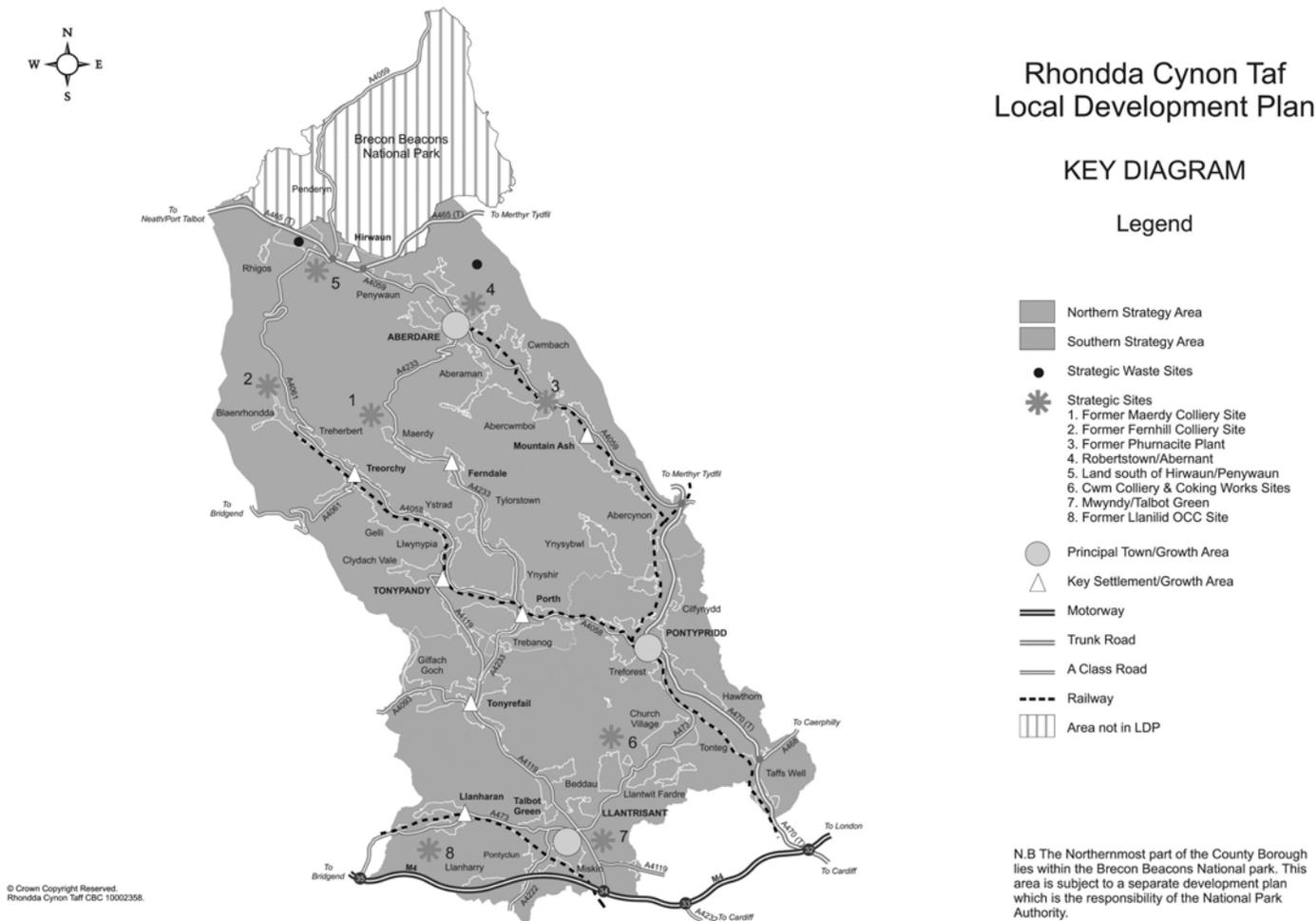
A suite of topic-specific statements of national planning policy, which amplify aspects of Planning Policy Wales.

#### **Welsh Government Development Quality Requirements**

These are the standards that Registered Social Landlords' housing must meet. The standards apply to new and refurbished housing and cover issues such as space standards, accessibility, energy efficiency and security.



## Appendix 2: Map of LDP Strategy Areas



## Appendix 3: List of Wards by Strategy Areas

Northern Strategy Area Wards	
Aberaman North	Aberaman South
Abercynon	Aberdare East
Aberdare West/Llwydcoed	Cwm Clydach
Cwmbach	Cymmer
Ferndale	Hirwaun
Llwynypia	Maerdy
Mountain Ash East	Mountain Ash West
Penrhiwceiber	Pentre
Penygraig	Penywaun
Porth	Rhigos
Tonypandy	Trealaw
Treherbert	Treorchy
Tylorstown	Ynyshir
Ynysybwl	Ystrad

Southern Strategy Area Wards	
Beddau	Brynna
Church Village	Cilfynydd
Gilfach Goch	Glyncoch
Graig	Hawthorn
Llanharan	Llanharry
Llantrisant Town	Llantwit Fadre
Pontyclun	Pontypridd Town
Rhondda	Rhydfelin Central
Taffs Well	Talbot Green
Tonteg	Tonyrefail East
Tonyrefail West	Trallwng
Treforest	Tyn-y-Nant

## Appendix 4: List of Registered Social Landlords (RSLs)

The Council's key RSL partners are:

### **Cynon Taf Community Housing Group**

Unit 4, Navigation Park, Abercynon, Mountain Ash. CF45 4SN

Tel: 03452 602633

### **Hafod Housing Association Ltd**

93, Cardiff Road, Taffs Well, Cardiff. CF15 7PL

Tel: 029 2067 5800

### **Newydd Housing Association Ltd**

Trem-y-Cwm, Masefield Way, Rhydyfelin, Pontypridd. CF37 5HQ

Tel: 01443 408080

### **RCT Homes**

Ty-Pennant, Mill Street, Pontypridd, CF37 2SW

Tel: 08453 014141

### **Rhondda Housing Association**

97, Dunraven Street, Tonypany. CF40 1AR

Tel: 01443 424200

### **United Welsh Housing Association (supported housing only)**

Y Borth, 13 Beddau Way, Caerphilly. CF83 2AX

Tel: 0800 294 0195

### **Wales and West Housing Association (not zoned for development in RCT)**

Head Office, 3 Alexandra Gate, Ffordd Pengam, Tremorfa, Cardiff. CF24 2UD

Tel: 0800 052 2526

## Appendix 5: Current Welsh Government Acceptable Cost Guidance

Acceptable Cost Guidance figures (ACGs) are provided as guidance on the likely acceptability of social rented schemes for grant purposes, but will be used as a basis for determining the price an RSL pays for an affordable housing unit both in grant and non grant situations. Cost Guidance figures reflect current standards set out in Development Quality Requirements 2005 (DQR). To take account of variations in costs within Wales, six cost groups have been determined. The specific localities falling within each group are shown in the Table 1 below, which is based on wards within RCT.

The cost per dwelling related to occupancy, type of unit and property band are detailed within Tables 2 - 4

**Table 1: Acceptable Cost Guidance Cost Groups**

Property Band	Local Area		
1	Clydach Vale	Ferndale	Maerdy
	Pen-y-waun	Rhigos	
2	Aberaman	Cymmer	Penrhiwceiber
	Treherbert	Tylorstown	Ynyshir
	Ynysybwl & Coed-y-Cwm		
3	Cwmbach	Gilfach Goch	Hirwaun
	Lwyn-y-pia	Trealaw	Trehafod
	Treorchy	Ystrad	
4	All except listed as 1,2,3,5 & 6		
5	Llanharan	Llanharry	Llantrisant
	Llantwit Fardre	Pontyclun	Pontypridd
6	Taffs Well		

**Table 2: Self Contained Units; General Needs and Elderly**

Occupation	Unit Type	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
7P4B	House	154,200	6,800	179,300	204,500	224,600	244,600
6P4B	House	136,600	147,200	157,900	179,100	196,100	213,100
5P3B	House	117,700	126,900	136,100	154,500	169,300	184,000
4P3B	House	111,500	120,100	128,700	146,000	159,800	173,600
4P2B	House	105,200	113,800	122,400	139,700	153,500	167,300
3P2B	House	66,500	93,800	101,000	115,600	127,200	138,800
3P2B	Bungalow	94,800	105,400	116,000	137,300	154,300	171,300
3P2B	Flat	85,200	89,500	93,800	102,400	109,300	116,200
2P1B	Flat	73,100	77,000	80,900	88,700	97,900	101,200
1P1B	Bedsit	55,400	58,500	61,600	67,800	72,700	77,700
SHARED	Abbeyfield	3,300	75,900	78,500	83,700	87,900	92,000



**Table 3 – Self Contained/Shared Housing: Supported Housing**

Residents	Staff	General Needs Equivalent*	General Supplement**	Fire Supplement**
1	1	2P1B FLAT	5,100	2,100
1		3P2B FLAT	5,100	2,100
2	1	4P2B HOUSE	10,100	3,400
2		5P3B HOUSE	10,100	3,400
3	1	6P4B HOUSE	13,900	4,600
3		7P4B HOUSE	13,900	4,600

\* For schemes with no General Needs Equivalent, Housing Directorate will provide specific guidance.

\*\* Per dwelling

Where applicable use appropriate General Needs Wheelchair Supplements.

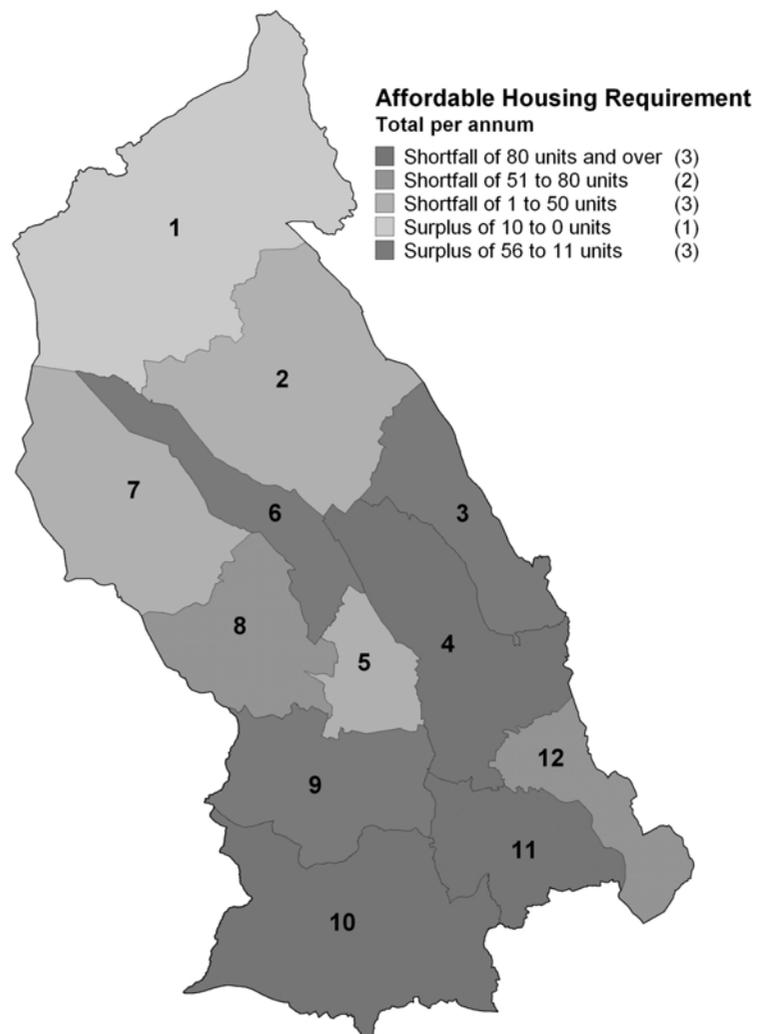
**Table 4 – Wheelchair Supplements\***

General Needs Occupancy	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
<= 3P	35,600	40,900	46,200	56,800	65,200	73,700
4P	40,500	45,700	50,900	61,200	69,500	77,800
>= 5P	52,100	58,200	64,300	76,600	86,400	96,300

\* Per dwelling.

## Appendix 6: Annual Affordable Housing Need Map (LHMA 2010)

	Grouped Sub Market Areas
1	Hirwaun, Penywaun & Rhigos
2	Aberaman, Aberdare & Cwmbach
3	Abercynon, Mountain Ash & Penrhiwceiber
4	Cilfynydd, Glyncoch, Graig, Pontypridd, Rhondda, Trallwng & Ynysybwll
5	Cymmer, Porth & Ynyshir
6	Ferndale, Maerdy & Tylorstown
7	Pentre, Treherbert & Treorchy
8	Clydach Vale, Llwynypia, Penygraig, Tonypany, Trealaw & Ystrad
9	Gilfach Goch & Tonyrefail
10	Brynna, Llanharan, Llanharry, Llantrisant, Pontyclun & Talbot Green
11	Beddau, Church Village, Llantwit Fardre, Tonteg & Tynant
12	Hawthorn, Rhydyfelin, Taffs Well & Treforest



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