

Agenda



Delegated Decisions - Joint Cabinet Member

Date: Monday, 11 January 2021

To: Councillors J Mudd and D Davies

Item	Wards Affected
1 <u>Proposed Consultation on Supplementary Planning Guidance</u> (Pages 3 - 74)	All Wards

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Date of Issue: 31 December 2020

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Report

The Leader and Cabinet Member for Sustainable Development

Part 1

Date: 11 January 2021

Subject **Proposed Consultation on Supplementary Planning Guidance**

Purpose To seek approval to consult on draft Supplementary Planning Guidance on the following topics:

- Shopfront Design SPG (New)
- Affordable Housing (update to existing SPG)
- Flat Conversions (update to existing SPG)

Authors Planning Policy Manager

Ward All wards

Summary **Shopfront Design SPG** The Local Development Plan (LDP) was adopted by Council in January 2015 and is the development plan for Newport. This draft Supplementary Planning Guidance (SPG) has been prepared to provide additional detail and guidance on policies in the LDP with regard to shopfront design and signage for both historic and contemporary shopfronts. It is now proposed to consult on the draft SPGs to seek the views of interested parties.

Affordable Housing (update to existing SPG) This draft SPG updates the current Affordable Housing SPG, providing greater clarity on procedure and process.

Flat Conversions (update to existing SPG) This draft SPG updates the current Flat Conversions SPG, providing greater clarity on the definition of flatted development.

Proposal **That Cabinet Members note the contents of the proposed Draft Shopfront Design SPG document, the updated Affordable Housing SPG and the updated Flat Conversions SPG and agree that the documents be released for public consultation.**

Action by Head of Regeneration, Investment and Housing

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer
- Head of People and Business Change
- Regeneration Manager

- Development Management
- Conservation Officer
- Housing Strategy Manager

Signed

Background

It is proposed to consult on three draft Supplementary Planning Guidance (SPG) documents:

Shopfront Design SPG (New)

The design and appearance of commercial facades has a major role to play in maintaining and enhancing a quality built environment. Over time building elevations can become degraded as a result of inappropriate additions, loss of original features and poor levels of maintenance, therefore it is important that changes to building facades complement the street scene and its character.

Planning Policy Wales notes that good design can protect and enhance environmental quality, which can raise public aspirations, reinforce civic pride and create a sense of place, helping to attract business, promote social inclusion and improve the quality of life.

This SPG has been produced to add further guidance on Policies GP2 (General Amenity), GP6 (Quality of Design), CE7 (Conservation Areas) and Policies R1 – R11 (Retail Policies) within the context of design and appearance of shop fronts and associated paraphernalia.

The draft Supplementary Planning Guidance (SPG) aims to ensure the creation and maintenance of high quality shopfronts and to retain and reinstate traditional or historic facades through a set of 34 design notes. The design notes are principles that aim to ensure new and altered shopfronts respond to the local context. The SPG addresses both Traditional and Contemporary Shop Front Design as well as considering individual design elements including Fascia Design and Lettering; Signage and Advertising; Pilasters and Vertical elements; Windows & Doors; Suspended Ceilings and Mezzanines; Stall risers; Lighting; Canopies and Blinds; Materials; Colours; and Rainwater Goods.

Affordable Housing (update to existing SPG)

This Supplementary Planning Guidance (SPG) sets out the Council's requirements for affordable housing, to ensure new developments help to meet the City's housing needs and create mixed, sustainable communities. This SPG expands upon the planning policies set out in the adopted Local Development Plan and outlines how the Council expects affordable housing to be delivered as part of new residential developments.

Some minor, but important changes have been made:

- Historically, the Council has used the Three Dragons Toolkit to undertake viability appraisals. However, in order to 'future proof' this SPG, paragraph 1.9 and 4.25 now allow for other industry standard viability appraisals to be utilised. This recognises the ever-changing nature of the industry and ensures the Council can access the most up-to-date appraisal toolkits when negotiating S106 planning obligations;
- Minor change to paragraph 4.1 provides greater clarity on the types of dwellings that are subject to affordable housing commuted sum payments;
- In order to expedite the signing of S106 legal agreements, a minor change to paragraph 5.10 provides greater clarity on the documentation required by the Council's legal team;
- Minor change to paragraph 5.11 allows Legal Fees to reflect officer time, as opposed to a set fee. In addition, reference to the S106 Administration Fee is made to mirror the principal advice in the Planning Obligations SPG.

Flat Conversions (update to existing SPG)

This SPG aims to ensure that occupants of converted flats have reasonable living conditions, whilst also protecting the character and appearance of the built environment and the living conditions of existing dwellings.

The minor change at paragraph 2.1.1 states that bed-sits and studio flats are also classified as flats. This clarification ensures that the definition of a flat mirrors the classification outlined in the Planning Obligations SPG and, therefore, provides greater clarity when requesting affordable housing commuted sums.

Consultation Arrangements

The SPGs will be consulted on for a minimum period of 6 weeks. The consultation material will be placed on the Council's website and targeted consultation emails/letters will be sent. SPGs are a material consideration in the determination of planning applications, with the weight attached increasing if it has been subject to public consultation.

Financial Summary

The proposed consultation would have minimal financial costs as the document will be sent out electronically where possible. All relevant information will also be made available on the Council's website. Any minor costs will be met within the existing Local Development Plan budget.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Clarity on the LDP policies is not provided and the LDP could be left open to interpretation and planning decisions are open to challenge.	L	L	This SPGs have been prepared to add clarity and guidance on LDP policies to aid the planning application determination process.	Development Services Manager/Planning Policy Manager
Draft SPGs will carry less weight by Planning Inspectors in the determination of planning appeals.	M	L	Draft SPGs prepared awaiting public consultation to increase the weight of the SPG and to be followed up with adoption.	Development Services Manager/Planning Policy Manager

Links to Council Policies and Priorities

The Local Development Plan is one of the statutory plans the council has to prepare. It determines Newport's land use policies to 2026. Liaison has been maintained with officers from the relevant sections to ensure consistency and common purpose. The SPGs produced supplement and support the overarching principles set out in the LDP, adding more detail and clarification where required.

Newport City Council has a Corporate Plan that runs to 2022. Its primary objective is 'improving people's lives'. It has four commitments; Resilient Communities, Thriving Cities, Modernised Council; and Aspirational People. The SPGs will help deliver these commitments by ensuring the creation and maintenance of high quality shopfronts that respond to and enhance their local context

Options Available and considered

1. Approve the draft SPGs for public consultation.
2. Make amendments to the draft SPGs and then approve for consultation.
3. Do not approve the draft SPGs for consultation.

Preferred Option and Why

To approve the draft SPGs for consultation. This will allow interested parties to provide responses on the proposed policy detail before the Council seeks to adopt the document for development management purposes. The weight attached to Supplementary Planning Guidance increases if public consultation is undertaken prior to adoption.

Comments of Chief Financial Officer

There are minimal costs in terms of communication and advertising associated with this proposal which will be met from existing budgets. Any further unforeseen costs as a result of the adoption would be met from the Local Development Plan budget.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The proposed SPG's set out more detailed practical and technical guidance regarding the application of the strategic land use policies contained in the LDP and provide a consistent approach for the determination of planning applications. The proposed new shopfront SPG is intended to secure design quality in order to maintain the character and appearance of buildings, while the proposed revision to the Affordable housing SPG updates the existing guidance to amend the viability assessment process and the requirements for s106 agreements. The flat conversions SPG again updated the current guidance to provide greater clarity on the meaning of a "flat". The proposed SPG's will need to be subjected to public consultation for a period of 6 weeks and any comments will be reported back to the Cabinet Members in due course, prior to their adoption, with or without amendment. The final SPG's will be a material planning consideration in the determination of relevant applications and greater weight will be attached to them if they have been subject to public consultation, prior to their adoption.

Comments of Head of People and Business Change

From an HR perspective, there are no staffing implications.

These three SPGs will have a positive impact on economic, social and environmental well-being of our communities now and in the future. This has been detailed in full in the Well-being of Future Generations Act (Wales) 2015 section of the report.

Comments of Cabinet Member

Cabinet Member has been briefed and was in support of the consultation subject to a small addition to the draft Shopfronts SPG. The change has been made. The Leader of the Council has also been briefed on the changes proposed to the Draft Affordable Housing SPG.

Local issues

The SPGs will affect all wards in Newport.

Scrutiny Committees

The SPGs have not been through a Scrutiny Committee.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Children and Families (Wales) Measure

Although no targeted consultation takes place specifically aimed at children and young people, consultations on such documentation is open to all of our citizens regardless of their age. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

Wellbeing of Future Generations (Wales) Act 2015

The Well-being and Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decisions take into account the impact they could have on people living in Wales, in the future. The 5 main considerations are:

- Long term: **Shopfront Design SPG (New).** Improving design and appearance of commercial facades will help with the longer term goals of protecting and enhancing environmental quality, which can raise public aspirations, reinforce civic pride and create a sense of place helping to attract business, promote social inclusion and improve the quality of life creating a sense of place helping to attract business.
Affordable Housing (update to existing SPG) Improving both process and management aids the ability to deliver sustainable mixed communities.
Flat Conversions (update to existing SPG) Greater clarity of definition aids the ability to deliver sustainable mixed communities for future generations.
- Prevention: **Shopfront Design SPG (New).** The consideration of good design and standards as a result of the SPG will prevent poor schemes from being implemented.
Affordable Housing (update to existing SPG) Providing sustainable mixed communities enables social cohesion, thereby helping to prevent social and economic discrimination.
Flat Conversions (update to existing SPG) Greater clarity of definition helps prevent the erosion of mixed communities.
- Integration: **Shopfront Design SPG (New).** The SPG aims to encourage better quality design in new developments. The SPG will encourage developers to consider how their development fits in with the existing context of individual buildings and to the wider street scene in general. It will also help to integrate good design and make the developments more attractive.
Affordable Housing (update to existing SPG) Enabling mixed communities integrates society at both a social and economic level.
Flat Conversions (update to existing SPG) Clarity of definition enables the proportionate integration of communities at a level that encourages social cohesion.
- Collaboration: This report seeks approval for consultation of the draft documents. The consultation will inform the final versions and allow collaboration between those interested stakeholders. The Council's Development Management and Housing Department have been central to the content of the documents.

Involvement: This report seeks approval for consultation of these documents. The consultation will inform the final version of the documents and seeks views from interested parties. Their involvement is key to producing useful documents that can be used to implement the Council's sustainable development objectives.

The proposal is in line with the Council's well-being objectives published in March 2017. Specifically, these proposals contribute to the well-being objectives to promote economic growth and regeneration whilst protecting the environment.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is considered that there would be no significant or unacceptable increase in crime and disorder as a result of the consultation of these guidance documents.

Consultation

The draft documents have not been made publically available. This report is seeking permission to consult the public and other interested parties.

Background Papers

Draft Shopfront Design Supplementary Planning Guidance.



Shopfront Design
SPG V04 08-10-20

Affordable Housing SPG (update to existing).



Affordable Housing
SPG (16-09-20).docx

Flat Conversions SPG (update to existing).



Flat Conversions
SPG (16-09-20).docx

Dated: 23 October 2020

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**AFFORDABLE HOUSING
SUPPLEMENTARY PLANNING
GUIDANCE**

2020

Regeneration, Investment & Housing

Newport City Council

Civic Centre

Newport

South Wales

NP20 4UR

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1 EXECUTIVE SUMMARY

- 1.1 This Supplementary Planning Guidance (SPG) sets out the Council's requirements for affordable housing, to ensure new developments help to meet the City's housing needs and create mixed, sustainable communities. This SPG expands upon the planning policies set out in the adopted Local Development Plan and outlines how the Council expects affordable housing to be delivered as part of new residential developments.
- 1.2 This SPG will be a material consideration in the determination of all planning applications for residential development including applications for the renewal of consents.
- 1.3 Developers are encouraged to discuss their proposals with the Planning and Strategic Housing sections of the City Council and with the Registered Social Landlords which cover the Newport area, as soon as they are looking to develop a site. Their contacts are set out in Appendix 1 and 2.
- 1.4 The costs, income, rent, Acceptable Cost Guidance (ACG) levels and housing need figures will change over the life of the SPG. Applicants should ensure that applications are prepared using the most up-to-date figures.

Housing Need

- 1.5 Newport City Council has produced a Local Housing Market Assessment (LHMA) to identify housing need within its area. The LHMA covers the period from 2013-2018 (and, therefore, is subject to review). However, currently Newport requires 690 dwellings per year (based on an average of the 15 year requirement of the LDP) of which 593 dwellings need to be affordable. This would require 86% of all housing constructed to be affordable. Newport City Council has worked with the development industry to look at viability of new-build housing sites and it would not be possible to facilitate this level of affordable housing delivery; as such the Council has set an affordable housing requirement ranging from 10% to 40%, depending on the location of the development. A plan illustrating the sub-markets in Newport is set out in Appendix 4.

Tenure

- 1.6 Affordable Housing should be delivered through the Neutral Tenure method. Neutral Tenure means that the tenure of the units will depend on the occupants' financial circumstances and can, therefore, vary between rented accommodation and intermediate housing over time. In order to provide certainty for the development industry, the value paid for the units will be determined using the Welsh Government's Acceptable Cost Guidance (ACG) or successor scheme.

Standards

- 1.7 The developer will be required to build the housing units to meet the current design quality standards of the Welsh Government at the date the agreement is signed.

Costs & Viability

- 1.8 The Local Planning Authority accepts that the expected provision of affordable housing can affect the land values for residential development at a given location. However, developers are expected to have taken account of planning policies and this guidance (and its effects on land values) before entering into land and property negotiations. Pre-application discussions are advised with planning and housing officers. Contact details are set out in Appendices 1 and 2.
- 1.9 The Council will use an industry recognised Appraisal Toolkit to assist in the calculation of appropriate levels of affordable housing. Where a scheme is claimed to be unviable, developers will be required to provide a financial viability assessment on an 'open book' basis. If this is not possible the default values will be used. These values have been agreed with the Home Builders Federation (HBF). The financial viability assessment provided will be treated as commercially sensitive and, as such, will not be released under the Freedom of Information Act.
- 1.10 If agreement cannot be reached regarding development viability, a District Valuer may be appointed at the developer's expense. Please refer to the Planning Obligations Supplementary Planning Guidance for further details.

Delivery Mechanisms

- 1.11 The delivery of affordable housing on new private housing developments will be secured through agreements made under Section 106 of the Town and Country Planning Act 1990 (as amended). The future introduction of the Community Infrastructure Levy will not change this procedure.
- 1.12 All financial contributions made 'in-lieu' of affordable housing provision, will be spent, in line with the Local Housing Strategy, on one or more of the following which are all compliant with TAN2 definition of affordable housing:-
 - The provision of affordable housing, on an alternative site, by a RSL;
 - The purchase and refurbishment of problematic empty properties by a RSL, which will be managed as affordable housing;
 - Mortgage rescue, to ensure the occupant does not have to move out of an adapted home, if repossession is threatened;
 - The development of supported or specialist housing;
 - The conversion of larger properties or commercial properties to provide additional affordable housing;
 - Any other measures that increase the provision of affordable housing.

2 POLICY CONTEXT

National Policy Framework

Planning Policy Wales

- 2.1 Planning Policy Wales (PPW) provides the overarching national strategic guidance with regards to land use planning matters in Wales. It states that “New housing development in both urban and rural areas should incorporate a mix of market and affordable house types, tenures and sizes to cater for the range of identified housing needs and contribute to the development of sustainable and cohesive communities”
- 2.2 Affordable housing is defined in PPW for the purposes of the land use planning system. It is “housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. However, it is recognised that some schemes may provide for staircasing to full ownership. Where this is the case there must be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing. Affordable housing includes social rented housing owned by Local Authorities and Registered Social Landlords and intermediate housing where prices or rents are above those of social rent but below market housing prices or rents. All other types of housing are referred to as ‘market housing’, that is private housing for sale or rent where the price is set in the open market and occupation is not subject to control by the Local Planning Authority.”
- 2.3 PPW goes on to note that “if, having had regard to all material considerations, the Local Planning Authority considers that the proposal for a site does not contribute sufficiently to the objective of creating mixed communities, then the Authority will need to negotiate a revision of the mix of housing or may refuse the application”.

Technical Advice Note 2: Planning and Affordable Housing

- 2.4 The purpose of Technical Advice Note (TAN) 2: Planning and Affordable Housing (June 2006), is to provide practical guidance on the role of the planning system in delivering affordable housing. Affordable Housing is defined as housing provided to those whose needs are not met by the open market. Affordable housing should meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices; and include provision for the home to remain affordable for future eligible households, or if a home ceases to be affordable or ‘stair-casing’ to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing.
- 2.5 The TAN gives a strong presumption that affordable housing will be provided on the application site so that it contributes to the development of socially mixed communities.
- 2.6 The TAN advises that targets and thresholds should be set for affordable housing,

but balanced against the need to ensure site viability. Planning authorities may apply

their policies on sites below the threshold where they can demonstrate that those sites are capable of delivering more housing than proposed, and which would then be above the threshold, and/or are part of a larger site above the threshold, and/or are integral to the development of sustainable communities.

- 2.7 The TAN notes the potential for rapid changes in the housing market and therefore there is a justification for a flexible approach to targets and thresholds. This approach is being monitored as part of the LDP process; more details are set out in Para. 2.12.

Local Policy Framework

Newport Local Development Plan 2011 - 2026

- 2.8 The Local Development Plan (LDP) policies relating to affordable housing are set out below.

Policy H4 - Affordable Housing

ON-SITE PROVISION OF AFFORDABLE HOUSING WILL BE REQUIRED ON ALL NEW HOUSING SITES OF 10 OR MORE DWELLINGS WITHIN THE SETTLEMENT BOUNDARY, OR 3 OR MORE DWELLINGS WITHIN THE DEFINED VILLAGE BOUNDARIES.

THE AUTHORITY WILL SEEK THE PROVISION OF AFFORDABLE HOUSING IN ACCORDANCE WITH THE RELEVANT SUBMARKET AREA TARGET NOTED BELOW;

**40% CAERLEON AND RURAL NEWPORT
30% ROGERSTONE AND WEST NEWPORT
20% EAST NEWPORT
10% MALPAS AND BETTWS**

(A Plan of these areas is set out in Appendix 4 of this SPG)

SPECIFIC SITE TARGETS MAY VARY SUBJECT TO VIABILITY AND NEGOTIATION.

FOR NEW HOUSING SITES OF FEWER THAN 10 DWELLINGS WITHIN THE SETTLEMENT BOUNDARY, OR FEWER THAN 3 DWELLINGS WITHIN THE DEFINED VILLAGE BOUNDARIES, THE COUNCIL WILL SEEK A COMMUTED SUM CONTRIBUTION. THE AFFORDABLE HOUSING SPG CLARIFIES THE METHODOLOGY FOR CALCULATING THE COMMUTED SUM PAYMENTS.

Strategic Policy SP10: House Building Requirement outlines the overall affordable housing target for the plan period. **The Strategic Policy SP13:** Planning Obligations, provides the basis for the Council to seek relevant benefits for the community by means of planning obligations, including for affordable housing.

Detailed Policy H4: Affordable Housing (above) sets out the need for on-site provision, thresholds, targets, viability assessments and the use of commuted sums. These factors are dealt with in detail within this SPG.

Policy H5: Affordable Housing Exceptions sets out the provision for the development of affordable housing on sites adjacent to or within the settlement boundary which would not otherwise be released for development.

- 2.9 The policy basis for securing affordable housing is well established in Newport, and increasing emphasis is being placed upon the role the private sector can have in its delivery. These policies have been developed and examined taking into account financial viability across all sub markets within Newport. The viability work took account of the costs involved in developing a site, including policy requirements and whether this still allowed a reasonable return for the landowner and developer. The Council recognises that there may be a need to negotiate in some cases with developers on viability issues. The objective of the policy is to provide affordable housing units to meet local need but at a level that ensures the development remains viable.
- 2.10 The Council will expect applicants to have taken into account the likely cost of providing the affordable housing when purchasing land subject to alternative use values.
- 2.11 The Council considers that the targets are reasonable and will constitute the norm. Only where evidence of exceptional need is justified, as set out in Section 5 of this SPG, will a lower level of provision be acceptable.
- 2.12 The plan period runs until 2026 and throughout this period the Plan will be subject to annual monitoring. There is a monitoring target (OB4 MT7) within Chapter 12 of the LDP that reviews the changes in residual values across the submarket areas of Newport. An increase or decrease of 5% of residual value will trigger a review of the affordable housing area of the Plan which may lead to an updated policy and SPG. Any review will be subject to consultation.

Community Infrastructure Levy

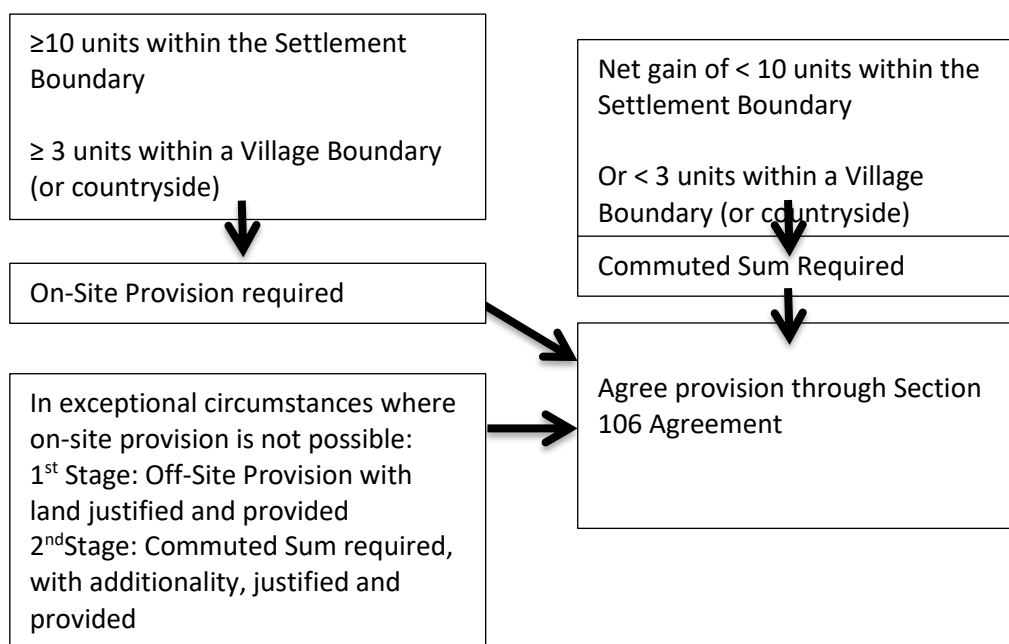
- 2.13 The Community Infrastructure Levy (CIL) was introduced by the 2008 Planning Act and has been brought into operation by the Community Infrastructure Regulations 2010. The CIL is designed to be a mechanism whereby new development would contribute to the provision of the new or improved infrastructure. Affordable housing will remain subject to Section 106 and is not included within the scope of CIL. Negotiations on affordable housing will therefore continue as previously. However, in the circumstances where a developer submits a financial viability assessment to seek reduction in the required proportion of affordable housing, this should take into account the cost of any CIL liability and other site-specific Section 106 obligations required to make the proposed scheme acceptable in planning terms.

3 EVIDENCE OF NEED

- 3.1 The production of Local Housing Market Assessments (LHMA) has been specified by Welsh Government. The aim is to enable local authorities to develop an understanding of the nature and level of housing demand and need in their local housing markets. Newport has undertaken a LHMA in 2013 to inform the LDP process; it identified a net affordable housing requirement of 86%.
- 3.2 The LHMA found that like many areas, property prices in Newport have fluctuated significantly in the last 10 years. As of April 2018, the average house price in Newport was £167,000, which is £14,000 more than the Welsh average.
- 3.3 Between 2001 and 2011 Newport saw its resident population grow from 137,011 people in 2001 to 145,736 in 2011. One of the reasons for this is Newport's relatively youthful population in that between 2001 and 2011 many of the population that were children in 2001 would have grown up and had families of their own. Another reason is increased migration to Newport, particularly international migration. At the time of the 2011 census around 5% of Newport's population was born outside the UK. Undertaking this housing market assessment has identified the need for 593 new affordable housing units per year.
- 3.4 The need for affordable housing therefore remains acute. Economic recession may have some impact on the propensity to form separate households, and will also have an effect on the type of tenure sought, but will have little impact on the base population level, apart from some possible variations in migration flows. Therefore, the population to be housed will be largely the same, whatever the state of the economy.
- 3.5 Housing demand and need in local housing markets is subject to change, particularly over a 15 year plan period. The level of need will be subject to review and developers are advised to contact the Housing Development Manager, see Appendix 1 for contact details, for an up to date position.

4 HOW THE POLICY WILL BE APPLIED

- 4.1 Affordable housing contributions will be required on **all** residential developments that result in a net gain of dwellings (i.e. C3 of the Use Classes Order (including studio flats and bedsits) and Houses in Multiple Occupation (whether classified C4 or Sui Generis within the Use Classes Order), in accordance with the requirements of LDP **Policies H4 and H5**. A flow chart as to the process to be undertaken is provided below.
- 4.2 Where the proposal meets the threshold of Policy H4 an **on-site provision** is required. The level of provision may result in a requirement which is a fraction of one affordable unit. In this case Newport will round the figure up or down, e.g. 30% of 25 units is 7.5 which would be rounded up to 8 units, similarly 30% of 11 units equals 3.3 which would be rounded down to 3 units.
- 4.3 Applicants should be aware that affordable housing provision is exempt from contributions towards leisure and education planning obligations.
- 4.4 On sites below the threshold then the developer can meet their requirement by paying a **commuted sum**. Details of how commuted sums are to be calculated are set out in Section 5 of this SPG.
- 4.5 There is provision in policy to deliver affordable housing in or adjoining settlements where land would not otherwise be released, as set out in Policy H5. This affordable housing exception would require local need to be evidenced and for all residential dwellings on this site to be affordable, as defined by National Planning Policy.
- 4.6 Landowners and developers are advised to make early contact with the Local Authority to clarify requirements and discuss relevant issues, including density, and how best to achieve a mutually acceptable approach to achieving a good quality and appropriate development. This would usually take the form of pre-application advice, which is subject to a charge. All information for this service can be found on the Council's website. Relevant contacts in the Local Authority are included in Appendix 1.



- 4.7 There are a number of factors that influence the provision of affordable housing e.g. the size of the proposal, tenure, design and delivery. It is acknowledged that certain types of development may find it challenging to provide a contribution, e.g. conversion from commercial uses where the net gain is low (3 units). However, this will need to be evidenced; see the Small Sites Viability Assessment in Appendix 7 for more details. Each factor and the Council's approach/requirement for them are set out in detail below:

Size Thresholds

- 4.8 Policy H4 will apply to residential developments (including mixed use, conversions and change of use) within the settlement boundary (urban area) of 10 dwellings or more; or for developments within the village boundaries the threshold is 3 or more units. For development in the Countryside see paragraph 4.16 for further details.
- 4.9 Where sites are **sub-divided**, the Council will seek to secure an appropriate amount of affordable housing, as if the whole site were to be developed. Where a site is adjacent and related to a previously developed site, subsequent developers will be expected to make provision to reflect the numbers on the combined parts of the site.
- 4.10 On **outline** planning applications a presumed density will be calculated in order to determine whether the trigger for affordable housing will be met.

Location of Affordable Housing

- 4.11 The policy states that the affordable housing provision should be made **on-site**. This will help in the creation of inclusive, mixed communities as required by National Planning Policy.
- 4.12 The percentage of provision of affordable housing differs between **submarket areas** as set out in Policy H4. The submarket areas are divided by postcode and a plan is shown in Appendix 4.
- 4.13 **Off-site** provision of affordable housing will only be allowed in exceptional circumstances and where there is a clear advantage to the arrangement. It will need to be acceptable in planning terms, conforming to the Newport Local Development Plan. The onus is on the developer to set out these exceptional circumstances and how their proposal will address the need. Such considerations would include bringing existing housing back into affordable use, or that the off-site location is closer to local facilities. The developer would also have to demonstrate that the delivery of the off-site affordable dwellings is assured. This could be, for example, through a formal agreement with a housing association about the provision of the units; and there are a sufficient number of affordable units proposed. The number of affordable units should be based on the combined total of the units on both (or all) sites. The site will then be transferred to the Affordable Housing Provider at nil cost.
- 4.14 Where there are over-riding difficulties in providing the required affordable dwellings, either on-site or off-site, and this has been evidenced through a viability assessment, there will be a mechanism for a commuted sum to be paid by the developer to

discharge the affordable housing requirement. In those exceptional circumstances where off-site provision is permitted under this guidance, the total provision required by Policy H4 will be provided in monetary form. The sum is to be calculated on the basis of the number of units being those required as an offsite contribution i.e.

$$\frac{\text{No of units on main site} \times \text{affordable housing \%}}{\text{Off-site factor}} = \text{total number of off-site affordable units}$$

- 4.15 Once the number of affordable units has been calculated using the formula above then the commuted sum required will be calculated using the methodology set out in Section 5 of this report.

Development in the Countryside

- 4.16 The Plan restricts residential development within the Countryside, however, where development is considered appropriate, any net gain of residential dwellings will be required to provide a provision of affordable housing. The scale of development will decide the level and type of contribution i.e. a development of 3 or more units would be required to provide on-site provision. Viability will be taken into account on a site by site basis if necessary. The level of provision will be in accordance with the sub-market area the development is located as set out in Appendix 4. The provision of on site, off site or financial affordable housing contributions is set out elsewhere in this report.

Affordable Housing Targets

- 4.15 The percentages required for each of the submarket areas is set out in table 1 below. A plan of the extent of these areas is set out in Appendix 4 or can be viewed on interactive map at www.newport.gov.uk. These percentage figures have been based on the analysis of viability across Newport.

Table 1: Submarket Affordable Housing percentages

40%	Caerleon and Rural Newport
30%	Rogerstone and West Newport
20%	East Newport
10%	Malpas and Bettws

House Types and Accommodation Types

- 4.16 The mix of house types should reflect local need; this information can be established from the Council's Housing Strategy Service on a site-by-site basis in accordance with the particular needs of the community in which the site is located.
- 4.17 Affordable housing is required in a range of sizes and types. The mix of property types will be influenced by the circumstances of each site, topography, proposed market housing and evidence of housing need including any potential specialist provision. Developers will be expected to liaise with the Council over the mix of affordable units to be built.

Tenure

- 4.18 In line with Welsh Government guidance the preference throughout Newport is for 'neutral tenure'. This is defined as **housing whose tenure is not predetermined, but may vary according to the needs, means and preferences of the household to whom it is offered**. In all cases an RSL will be the most appropriate body to act as agent, to ensure the benefit of affordability is retained in perpetuity.

Delivery and Financial Arrangements

- 4.19 The preferred arrangement will be for developers to build the affordable housing themselves and to transfer it to a Registered Social Landlord (RSL). RSLs are non-profit making organisations, regulated by the Welsh Government, working jointly with Local Authorities. Types of accommodation should be agreed with the Local Authority (see below), and when complete will be transferred to the social housing provider at the relevant percentage of the Welsh Government Acceptable Cost Guidelines (ACG). ACG is currently set at 50% within Newport and it is the standard cost of providing affordable housing including the various costs of development e.g. construction. Model planning agreements to satisfy these requirements for transferring accommodation are set out on Appendix 5.
- 4.20 The Council has a long-term joint commissioning partnership with RSLs to secure the strategic provision of all types of housing accommodation. This covers minimum standards of service in management terms, allocation of Social Housing Grant, specialisms of the Housing Associations and the long-term allocation of affordable housing sites. A list of Housing Associations developing in Newport is included at Appendix 2. Other Housing Associations may just manage rather than develop accommodation. The Council will normally allocate a Housing Association to each site where affordable housing is to be provided on the basis of that RSLs development capacity, grant monies available, other properties in the area, rental levels and other relevant issues.
- 4.21 The financial calculation required of the developer, for those sites below the threshold and required to provide a commuted sum, is set out in Section 6.
- 4.22 The proportion of different types of affordable housing required will need to reflect current assessments of need, as set out in Appendix 3 and Section 3 of this report.
- 4.23 Occasionally, it may be appropriate for the developer to transfer fully serviced, remediated land to the registered social landlord, rather than build the accommodation. In this case, this should be done at no cost to the social housing provider and with a contribution of 30% of ACG towards build costs.

Service Charges and Ground Rents

- 4.24 Rents or purchase price are usually seen as the main measures of affordability, but the whole cost of occupation could be significantly higher where service charges and/or ground rents are also payable, for example in a block of apartments. Where there are to be service charges and/or ground rent then these should also be set at an affordable level if properties are to be classed as affordable. If at the time of

determining a planning application the level of service charge or ground rent is not known, an appropriate condition or section 106 agreement clause will be applied.

Development Appraisal Toolkit

- 4.25 Newport City Council has taken the lead, along with other Local Authorities in South Wales, in procuring a version of the Development Appraisal Toolkit from Three Dragons Consultancy. This has been customised with local data and is used to allow financial appraisals of development sites to be undertaken. The model allows sites to be appraised with typical local costs and values, or specific ones if these are made available. The Toolkit is widely used in Wales and allows calculations to be undertaken on a site by site basis as to what is a realistic level of planning obligations be provided by a developer under section 106 of the Town and Country Planning Act 1990 (as amended). Going forward, the Council may continue to utilise this Toolkit or any other industry recognized financial appraisal toolkit

Abnormal Development Costs

- 4.26 The Council, through the Local Development Plan, expresses a clear priority for the re-use of 'previously developed land'. This "brownfield strategy," as well as making good use of the land itself, helps to bring visual and wider environmental benefits while contributing to the more general regeneration of the whole area. Such sites do, however, sometimes have abnormal development costs, especially where remediation of contamination from former uses is required. In these cases, if insistence on the full proportion of affordable units would render the development unviable, then the developer may seek a reduction in the requirement in order that the development might proceed. Any such negotiation would need to be on an "open book" basis, providing a financial viability assessment including appropriate supporting evidence of costs and value. Appendix 6 sets out a Viability Assessment Checklist which sets out the level of information the Council will require in this instance to analyse the viability assessment provided by the developer. Where all parties are unable to agree the level of provision, the District Valuer will be appointed (at cost to the developer/owner/applicant) to provide an independent financial viability assessment. All parties with an interest in the development have to agree to the appointment.

Phasing

- 4.27 The occupation of general needs housing should be linked to the completion and transfer of the related affordable units. On large developments this should be phased so that the affordable housing is provided in step with the general housing. Appropriate trigger points should be included in planning agreements (see Appendix 5). This should help in the creation of inclusive, mixed communities. These requirements will apply wherever the affordable housing is to be provided.

Perpetuity

- 4.28 Most affordable housing will be managed by an RSL and the properties allocated through the Common Housing Register. In the unusual circumstances where an RSL is not involved, it will be necessary for there to be appropriate long term occupancy arrangements, which may be secured through planning conditions or planning

obligations. In these cases, the Council will require full nomination rights, which will

be exercised according to the Council's allocations policy as current at the time. The key requirement is that any housing that is provided as affordable should remain in the affordable stock each time there is a change of occupant.

Special Needs

- 4.29 Where the affordable housing to be provided is designed to meet specialist housing needs at the behest of the City Council, an appropriate reduction in the proportion of affordable housing may be allowed to reflect the additional cost and a greater land take of such dwellings. Specialised accommodation may be required for elderly persons' dwellings or for those with disabilities. Adjustments to financial calculations would then be required as higher grant rates are normally required. Due to the extra cost of these types of accommodation, fewer units may be required in order not to increase the total cost to the developer.

Design and distribution

- 4.30 In order to meet the objective of creating inclusive, mixed communities, it is important that the affordable elements of a housing scheme should be well integrated into the scheme as a whole. This means that they should not be segregated, and should preferably be dispersed throughout the development. Integration will also be assisted by the use of a common design theme through the development and if the developer also builds the affordable housing.
- 4.31 The preference for the construction of units to be undertaken by the developer means it will help to ensure consistency in the design and materials used in the development as a whole and contribute to the social inclusion agenda. Dwellings should be constructed to the requirements of the Welsh Government relevant at the time the section 106 agreement is signed. Details of current requirements can be obtained from either the Housing Section at the City Council, Registered Social Landlord's or the Welsh Government.
- 4.32 It will be appropriate for higher density parts of a development to be located near to public transport routes and other facilities. Generally no more than 18 apartments should be clustered together and no more than 12 houses. All Affordable Housing will need to be constructed to the latest requirements of Welsh Government. This standard is currently the Design Quality Requirement (DQR), which also includes Secure by Design, Lifetime Homes and attainment of Part L1a of Building Regulations. The Council will require all affordable housing to be built to the floor areas set out in the Welsh Government Acceptable Cost Guidance document.
- 4.33 Householder permitted development rights may be withdrawn so that control may be exercised over the enlargement or alteration of dwellings in ways that would change their affordability for future occupiers.

5. COMMUTED SUMS

- 5.1 There are only two situations where commuted sums will be utilised by the Council.

1. Where exceptional circumstances have been justified.

Justification would be determined by practical planning issues such as the need for achieving sustainable development and the acceptance of the future management of the affordable properties by housing associations. Only then may the Council come to the conclusion that the commuted sum approach is deemed appropriate.

Or,

2. Where the housing development does not meet the threshold set out in Policy H4.

- 5.2 The Authority will seek to prioritise spending commuted sums in the submarket area in which they are generated. If following 3 years, no suitable scheme has been identified within the submarket area in which the sums were generated, then the Authority will widen the spending area. This will include the area where the sums were generated, as well as any other submarket area for a further 2 years. If following a total of 5 years from receipt the contribution has not been spent or committed to be spent, it will be returned to the developer at a rate adjusted to reflect interest over 5 years.

- 5.3 The Council is utilizing 2015 ACG figures when calculating commuted sums. Whilst these figures were updated in January 2018, it has been concluded that due to viability constraints, the commuted sums achieved more accurately reflect the 2015 figures.

Commuted Sums in Exceptional Circumstances–The Calculation

- 5.4 There is a high need for affordable units across Newport and this methodology sets a cost based on need, ACG values and affordable housing threshold percentages.

Step 1: Establish the affordable housing need across each sub-market area by unit type (i.e. 90% of need is for 1 bedroom flats in Newport West)

Step 2: Establish the average ACG cost of all units types combined per submarket area – define the ‘straight average’

Step 3: The average ACG costs are weighted to factor in submarket need. Therefore the higher need for 1-bed flats in Newport West is reflect in the ‘weighted average cost’ of a unit.

Step 4: Establish the proportion of the true ACG unit value against the straight average (i.e. Newport East 1 bed ACG is £73,764 – the Newport West straight average for all properties combined is £125,531. Therefore the proportion is 59%)

Step 5: Multiple the weighted average for each sub area against the proportions established in step 4.

Step 6: Divide the figure 2, to represent the 50% of the ACG applicable to a developer, and multiply it by the affordable housing threshold set within each submarket area e.g. 10%-40%.

The full background calculations and justification is available to view in Appendix 7.

The resultant Commuted Sums per unit are as follows:

Submarket	1bed flat	2bed flat	2bed house	3bed house	4+bed house
Rural Newport	£13,150	£18,399	£23,847	£25,591	£32,118
Newport West	£8,580	£12,176	£15,320	£16,492	£20,641
Newport East	£4,695	£6,671	£8,346	£8,990	£11,246
Malpas & Bettws	£2,747	£3,914	£4,833	£5,214	£6,513

Commuted Sums in Exceptional Circumstances—Replacing physical provision

- 5.5 Where exceptional circumstances have been justified (see paragraph 5.1) and the on-site and off-site provisions cannot be met, and this is agreed by the Council, then a commuted sum will be required. Once the exceptional circumstances have been agreed with the Council the contribution will need to be calculated. It will not be calculated in the same fashion as development which does not meet the thresholds of Policy H4. The sum is to be calculated on the basis of the number of units required as an offsite contribution, see the formulae below:

$$\frac{\text{No. of units on main site} \times \text{affordable housing \%}}{\text{affordable Off-site factor}} = \text{total number of off-site units}$$

- Off-site factor calculation:

Affordable Housing Threshold	Number of Affordable Housing units required
10%	$X \text{ units} \times 0.1 / 0.9 = Y \text{ units}$
20%	$X \text{ units} \times 0.2 / 0.8 = Y \text{ units}$
30%	$X \text{ units} \times 0.3 / 0.7 = Y \text{ units}$
40%	$X \text{ units} \times 0.4 / 0.6 = Y \text{ units}$

- 5.6 Once the affordable housing requirement has been calculated, using the formula above, then the commuted sum cost will be calculated using the methodology set out in paragraph 5.4. Viability assessments may need to be provided to evidence whether a development cannot afford the sum. Such an assessment would need to be submitted covering all the points as set out in Appendix 6 of this report.

Commuted Sums – Below the Threshold

- 5.7 All development which falls below the thresholds set in Policy H4 will be expected to contribute sums in accordance with the following tables. These sums reflect the reduced viability of smaller developments.

Schemes of 1 or 2 units anywhere in Newport

Submarket	1bed flat	2bed flat	2bed house	3bed house	4+bed house
Rural Newport	£1,315	£1,840	£2,385	£2,559	£3,212
Newport West	£858	£1,218	£1,532	£1,649	£2,064
Newport East	£470	£667	£835	£899	£1,125
Malpas & Bettws	£275	£391	£483	£521	£651

Schemes of 3 units to 9 units within the defined settlement boundary

Submarket	1bed flat	2bed flat	2bed house	3bed house	4+bed house
Rural Newport	£5,260	£7,360	£9,539	£10,236	£12,847
Newport West	£3,432	£4,870	£6,128	£6,597	£8,256
Newport East	£1,878	£2,668	£3,338	£3,596	£4,498
Malpas & Bettws	£1,099	£1,566	£1,933	£2,086	£2,605

Commuted Sums–Spending the financial contribution

- 5.8 All financial contributions made ‘in lieu’ of affordable housing provision, will be spent, in line with the Local Housing Strategy, on one or more of the following which are all compliant with TAN2 definition of affordable housing:-
- The provision of affordable housing, on an alternative site, by a RSL
 - The purchase and refurbishment of problematic empty properties by a RSL, which will be managed as affordable housing;
 - Mortgage rescue, to ensure the occupant does not have to move out of an adapted home, if repossession is threatened;
 - The development of supported or specialist housing;
 - The conversion of larger properties or commercial properties to provide additional affordable housing;
 - Any other measures that increase the provision of affordable housing.

Legal Agreements and Administration Fees

- 5.9 Developers will be required to enter into a legal agreement with the Authority to allow a contribution to be made towards affordable housing through the provision of commuted sums. The level of contribution is set out above but the Council would welcome pre-application discussions to ascertain the level of contributions.
- 5.10 It is advisable to submit the following information in order to avoid unnecessary delays with the processing and determination of a planning application:
- Land Registry Title and plan – proof of ownership of all the property and/or land affected by the application (site edged red). Given that planning obligations run with the land, all owners, lessees and mortgagees must be signatories;
 - Details of the solicitor that will be handling the case;
 - All other requirements outlined by the application form checklist.
- 5.11 For those individuals who are not employing their own solicitors and require the Council to draw up the agreement, they will need to send in their Land Registry title and plan . The Council will draft an agreement for them to sign and explain the procedure. A contribution to the legal costs incurred by the Council in drafting and negotiating the agreement will be payable. In addition to the legal fee, the Council charges an Administration Fee for progressing and monitoring the S106 legal agreement (please see the Planning Obligations SPG for further detail.
- 5.12 Should an application be approved, subject to the signing of a Section 106 agreement, the decision notice relating to that application should be issued within 3 months from the date of the resolution. Where evidence is provided by the applicant, to the Council's satisfaction that the agreement cannot be signed within the prescribed period, then a variation on the time limit will be considered on a case-by- case basis. Should this information not be forthcoming, the Local Planning Authority reserves the right to refuse the application based on the non-completion of the S106 agreement.

Payments of Commuted Sums

- 5.13 The timing of payments is to be agreed through the legal agreement process. Staged payments will be linked to the phasing of the development, allowing the developer to generate income prior to payment of the fee.

Worked Examples

Example 1

Developer X is proposing to build 8 units, all 3 bed houses, in the Lliswerry Ward.

The Lliswerry Ward has two affordable housing targets; to confirm the affordable housing target for the area the developer should use the plan illustrating the sub market areas in Appendix 4. The proposed development is in the north of the ward and therefore the affordable housing target is set at 20%.

Commuted Sum			
Bed Type	(A) Commuted Sum per unit	(B) Number of Houses	(A)x(B) Total Commuted Sum for the total scheme
3 bed	£899	8	£7,192 Or £899 per unit

Example 2

Developer Y is proposing to build 9 units in the Lliswerry Ward. This is made up of 3, 3-bed houses, 3, 2-bed houses and 3, 4-bed houses.

The Lliswerry Ward has two affordable housing targets; to confirm the affordable housing target for the area the developer should use the plan illustrating the sub market areas in Appendix 4. The proposed development is in the south of the ward and therefore the affordable housing target is set at 40%.

Commuted Sum			
Bed Type	(A) Commuted Sum per unit	(B) Number of Houses	(A)x(B) Total Commuted Sum for the Total scheme
3	£10,236	3	£30,708
2	£9,539	3	£28,617
4	£12,847	3	£38,541
TOTAL		9	£97,866 Or £10,874 per unit

6. DEFINITIONS/GLOSSARY

Acceptable Cost Guidelines (ACG)	ACG is a schedule of the standard cost of providing affordable housing in a particular location calculated by the Welsh Government. These figures are considered to represent all of the costs of development i.e. land purchase, construction works and on-costs. Each area in Newport is placed in one of four ACG bands to reflect difference in costs.
Affordable housing	<p>The term used to describe certain 'below market' price properties that are available either for sale or rent. Affordability determines whether people have the ability (financial resources) to satisfy their housing requirements by buying or renting on the open market without subsidy. Affordability can be assessed in a number of different ways, but each one depends on common factors that are crucial to the analysis. The affordability of any particular household will depend on the relationship between:</p> <ul style="list-style-type: none"> • the amount that the household is able to afford, and • the cost of appropriate local housing.
Affordable Housing Target/Requirement	The percentage of affordable housing required on a site as set out in Policy H4. In Newport there are four affordable housing targets depending on the area e.g. 10% target in Bettws, 20% in Lliswerry, 30% in Graig and 40% in Caerleon.
Affordable Housing Threshold	The threshold is the number of units which if met will be required to provide physical affordable housing units. This threshold is set in Policy H4 and is set at 10 units in the urban area and 3 units in the villages.
Common Housing Register	Newport City Council maintains the Common Housing Register from which all Housing Associations in the City allocate their properties regardless of tenure. Applicants are placed in one of four bands dependent upon their housing needs and circumstances. Properties are then advertised and interested applicants can bid for the homes, thus ensuring choice. The list incorporates people who are looking for specialist accommodation e.g. applicants with a physical or learning disability.
Design Quality Requirement (DQR)	Minimum space and technical standards required of all affordable homes constructed with the benefit of Social Housing Grant. These standards are set by the Welsh Government.
Exception Sites	As set out in Technical Advice Note 2: Affordable Housing, these are sites for 100% affordable housing to meet local needs, within or adjoining settlements, on sites where housing would not normally be permitted.

Intermediate Housing	Prices or rents are above those of social rent, but below market housing prices or rents. Shared equity schemes enable the resident to part-own the dwelling and pay rent on the remaining proportion. The remaining equity of these properties is retained by a third party, usually an RSL. The most common form of intermediate housing in Wales is Homebuy, a Welsh Government initiative under which an RSL provides an equity loan for an agreed percentage (usually 30% but up to 50% in some areas) of the property purchase price. The purchaser funds the balance through a conventional mortgage and savings. No interest is payable on the loan, but when the loan is repaid, the amount repayable will be the same agreed percentage of the value of the property at that time. The loan can be repaid at any time but must be repaid when the property is sold. Sub market rented housing is normally provided by an RSL with a local management presence.
Neutral Tenure/Flexible Tenure	Neutral Tenure refers to housing whose tenure is not predetermined, but may vary according to the needs, means and preferences of the household to whom it is offered. This incorporates the tenures described above. This arrangement gives flexibility in that it allows the tenure type of a property to change between occupiers, or even with the same occupier. So for example, on first occupation a house might be social rented, but when that occupier vacates the property, the next occupier may choose the Homebuy option. In another instance, a property might initially be rented, but if the economic circumstances of the occupier improve, they may choose to convert to Homebuy. Neutral tenure is the preferred tenure option in Newport.
Perpetuity	Technical Advice Note 2: Affordable Housing defines 'affordable housing' for the purpose of the land use planning system 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, i.e. in perpetuity.
Registered Social Landlord (RSL)	RSL is the term for a landlord registered with the Welsh Government, more commonly known as Housing Associations.
Section 106 Agreement	A legal agreement made under section 106 of the Town and Country Planning Act 1990, between a Local Planning Authority and the person, organisation or business that owns the land subject of a planning application, specifying, how various planning obligations are to be achieved. Section 106 agreements run with the land and apply to successive owners. The delivery of affordable housing will normally be through a section 106 agreement.
Social Housing Grant	The grant paid by the Welsh Government to Housing Authorities to aid the building of social housing programmes.
Social Rent	Social Rented Housing is housing available to rent at

	affordable, below market levels. Lower rents are possible because the Government subsidises local authorities and registered social landlords (RSLs), who are the main providers of social rented housing in Wales. Social rented accommodation is allocated according to a needs based allocation systems administered by RSLs and/or the Council.
Viability Assessment	A report including a financial appraisal to establish the profit or loss arising from a proposed development. It will usually provide an analysis of both the figures inputted And output results, together with other matters of relevance. An assessment will normally provide a judgement as to the profitability (or loss) of a development, the requirements of such an assessment are set out in Appendix 5.

APPENDICES

Appendix 1: Newport City Council Contacts

Housing

Michelle Aspey

Housing Manager Strategy

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Planning Contributions Manager

Alun Lowe

Tel: 01633 210087

Email: alun.lowe@newport.gov.uk

Development Management

West Area:

Stephen Williams

West Area Manager

Tel: 01633 210106

Email: stephenj.williams@newport.gov.uk

East Area:

Joanne Davidson

East Area Manager

Tel: 01633 210066

Email: joanne.davidson@newport.gov.uk

Appendix 2: Registered Social Landlords

Developing Affordable Housing Schemes in Newport

Newport City Homes

Nexus House

Mission Court

Newport

NP20 2DW

Tel: 01633 381111

Linc-Cymru Housing Association

387 Newport Road

Cardiff

CF24 1GG

Tel: 02920 473767

Melin Homes Ltd

Ty'r Efail, Lower Mill Field

Pontypool

Torfaen

NP4 0XJ

Tel: 08453 101102

Pobl Group

Exchange House

High Street

Newport

NP20 1AA

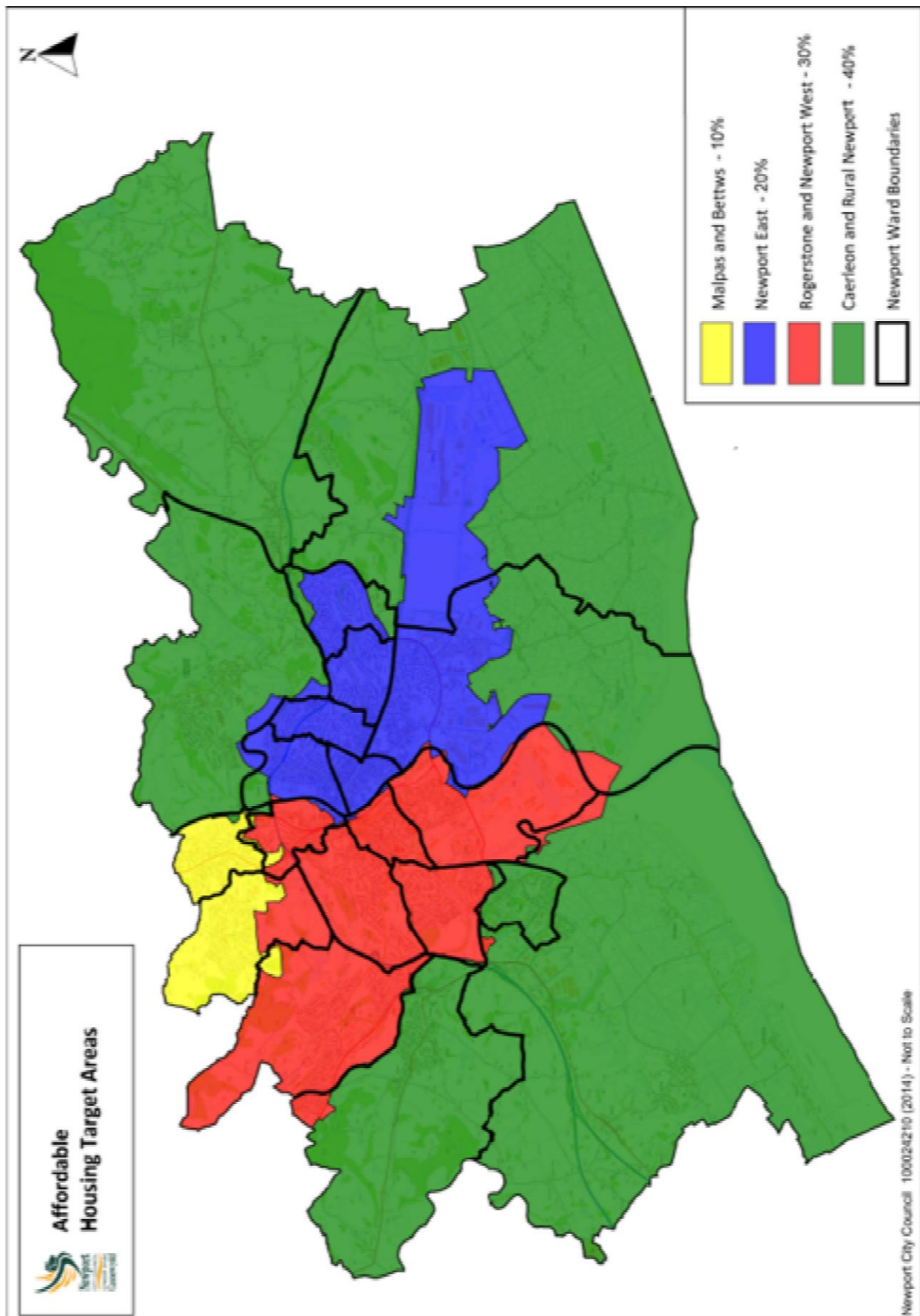
Tel: 01792 488288

Appendix 3: Housing Market Assessment Summary

- A3.1 The Local Housing Market Assessment has fully utilised the guidance provided by Welsh Government and is intended to cover the period from 2013 – 2018. The need for new housing in Newport, therefore, equates to the production of 690 units per year of which 593 need to be affordable. This would require 86% of all housing constructed to be affordable. Newport City Council has worked with the development industry to look at viability of new build housing sites and obviously it would not be possible to facilitate this level of affordable housing delivery. Affordable housing will also be delivered by bringing empty private sector homes back into use and by housing associations delivering new homes on land in their ownership. The tenure of these units will be neutral, i.e. this will be dependent upon the applicants circumstances, if they can afford to purchase a share they can, otherwise they can rent their home.
- A3.2 The housing market analysis will be undertaken on an annual basis and will therefore review the supply of affordable housing delivery as well as fluctuations in the housing waiting list and inward and outward migration as well as changes in the mortgage market.
- A3.3 This is all obviously a dynamic situation and therefore these figures can change. Advice regarding the delivery of affordable housing on specific sites can be obtained from the Housing Strategy section at the time of obtaining planning permission, their contact detail are in Appendix 1. The need for accommodation for people over 55 years as well as the needs for people requiring specialist or adapted accommodation has also been included within these figures. The common housing register includes all applicants and properties are advertised to enable all applicants to have a choice of area within the City. Applicants whose physical circumstances mean that a property may only require a minor adaptation can often be accommodated in standard housing. On occasions there is the need to purpose build specific accommodation for applicants with a physical or learning disability; this is accomplished with guidance from either social services or the health authority, who also advise on the suitability of location.
- A3.4 Proposed changes to the welfare benefit system will also have an impact on the housing situation causing pressures and increased demand in the private rented sector.
- A3.5 There has been a significant increase in housing need within the City since the last housing market assessment was undertaken. This is only to be expected when there has been an increase in the population as a whole, economic migrants moving to Newport, as well as the City becoming an asylum dispersal area.
- A3.6 There have been increased pressures on availability within the private rented sector and many individuals and households priced out of the home ownership market, either by limited mortgage finance being available or the requirement for large deposits.

- A3.7 When previously estimating housing need, the consultants took into account that the multiple housing registers in operation at that time would have meant an element of double counting. When the Common Housing Register was implemented it was found that people registering on multiple registers was considerably less than was first envisaged and, therefore, it is likely that previously numbers was underestimated because of this.
- A3.8 This assessment pulls together all the available data in order to produce an accurate and detailed picture of housing need in Newport. As has been acknowledged throughout this assessment, there are many factors that impact on the supply and demand for housing and, as such, this Assessment will be updated on a regular basis. This will ensure that both the Local Authority and its partners have a clear understanding of housing need in Newport and that they are able to work together to ensure the best outcomes for the residents of the city, both now and in the future.

Appendix 4: Housing Submarket Areas for Newport



Appendix 5: Model Heads of Terms (under section 106)

WHERE A DEVELOPER BUILDS AND TRANSFERS AFFORDABLE HOUSING UNITS TO REGISTERED SOCIAL LANDLORD

Definitions:

Affordable Dwelling Units – the units consisting of [x no. or x% of the total no.] to be constructed pursuant to the planning permission for affordable housing purposes, the number, type and mix to be agreed with the council prior to the commencement of the development.

Open Market Dwellings – dwellings which are not Affordable Dwelling Units constructed as part of the development intended for sale in the private housing market at open market value

Acceptable Cost Guidance (ACG) – the highest acceptable scheme costs as provided in the appropriate band in the Acceptable Cost Guidance produced by the Welsh Government or any similar cost definition applicable to affordable housing amending or replacing the same and current for the type and size of dwelling at the date that a binding contract is entered into between the Owner and the RSL or affordable housing provider.

Affordable Housing Provider – ‘X’ Housing Association, a social housing landlord registered with Welsh Government as defined in the Housing Act 1996 and is capable of managing affordable housing and receiving grant from Welsh Government and is zoned to develop in Newport.

Alternative Housing Provider – A registered social landlord nominated by the Council who shall be different from the Affordable Housing Provider to which the first offer is made pursuant to paragraph 4 below.

Offsite Affordable Housing – only in exceptional circumstances will agreement be given for the affordable housing to be provided in an alternative location, rather than as part of the main development. In these circumstances the developer is required to identify a site in close proximity to the main development site, and obtain planning consent for the development of affordable housing. The number of affordable units should be based on the combined total of the units on both (or all) sites. The site will then be transferred to the Affordable Housing Provider at nil cost. The developer will then pay 30% of ACG towards build costs.

Offsite Affordable Dwelling Financial Contribution – The sum of money paid in-lieu of providing an Affordable Dwelling Unit on site. The sum is to be calculated on the basis of the number of units being those required as set out in Policy H4. The sum is to be calculated on the basis of the number of units being those required as an offsite contribution i.e.

$$\frac{\text{No. of units on main site} \times \text{affordable housing \%}}{\text{Offsite factor}^*} = \frac{\text{total number of off-site affordable units}}{\text{units}}$$

*Offsite factor calculation:

Affordable Housing Threshold	Number of Affordable Housing units required
10%	$X \text{ units} * 0.1 / 0.9 = Y \text{ units}$
20%	$X \text{ units} * 0.2 / 0.8 = Y \text{ units}$
30%	$X \text{ units} * 0.3 / 0.7 = Y \text{ units}$
40%	$X \text{ units} * 0.4 / 0.6 = Y \text{ units}$

- 5.4 The Authority will seek to prioritise spending commuted sums in the submarket area in which they are generated. If following 3 years, no suitable scheme has been identified within the submarket area in which the sums were generated then the Authority will widen the spending area. This will include the area where the sums were generated as well as any other submarket area for a further 2 years. If following a total of 5 years from receipt the contribution has not been spent or committed to be spent, it will be returned to the developer at a rate adjusted to reflect inflation over 5 years.
- 1 The Owners shall prior to the commencement of development submit to the Council for its approval:
 - a) Details of specification, service charges, and programme for the construction of the affordable Dwelling Units in accordance with the Welsh Housing Quality Standards, Development Quality Requirements, Lifetime Homes Standard and Secured by Design principles published by the Welsh Government, as applicable.
 - 2 The affordable housing units shall be constructed to at least the same specification and all internal fittings, finishes, kitchen and bathroom units and sanitary ware shall be of the equivalent quality as those in the Open Market Dwellings.
 - 3 None of the Open Market Dwellings shall be occupied until such time as the Owners have made an offer in writing to the Affordable Housing Provider to build and transfer the affordable housing units to the Affordable Housing Provider in accordance with:
 - a) the Planning Permission
 - b) the details and specification approved pursuant to paragraphs 1a and 2 above, and building regulations and other statutory consents required
 - c) and the owners have provided evidence of this in writing to the Council.
 - 4 The owners shall use reasonable endeavours to enter into a binding unconditional contract with the Affordable Housing Provider in accordance with paragraph 3 above but in the event that the Affordable Housing Provider fails to enter into such a contract within three months from the date the draft contract is submitted to the Affordable Housing Provider then the owners shall use reasonable endeavors to enter into a binding unconditional contract with the Alternative Housing Provider in accordance with paragraph 3 above.

- 5 In the event that the Owners fail to enter into a binding unconditional contract with either the Affordable Housing Provider or the Alternative Housing Provider within a period of (24) twenty four months from the date the development is commenced and the Council is satisfied that the owners have used reasonable endeavors to enter into such a contract then the Council will accept payment of the Off-site Affordable Dwelling Financial Contribution.
- 6 No more than x% of the Open Market Dwellings may be occupied until such time as a binding contract has been entered into between the Owners and either the Affordable Housing Provider or Alternative Housing Provider for the building and transfer of the affordable dwelling units in accordance with paragraph 4 above or the Council has certified in writing that it is satisfied that a lump sum payment in accordance with paragraph 5 may be made in-lieu of the on-site affordable dwelling provision.
- 7 No more than x% of the Open Market Dwellings shall be occupied until such time as the affordable dwelling units and any amenity/garden land associated with the affordable dwelling unit have been transferred to the Affordable Housing Provider or Alternative Housing Provider or the Council (having first certified that a lump sum payment may be made) has received from the owners the said lump sum payment in accordance with the definition of the Off-site Affordable Dwelling Financial Contribution (the lump sum payment to be used by the Council to provide affordable housing at its discretion in the City of Newport).
- 8 The Owners covenant with the Council as follows:
 - 8.1 The offer referred to at Paragraph 3 shall be made on the following basis:
 - a) With full title guarantee
 - b) With vacant possession
 - c) Free of financial encumbrance
 - d) With the benefit of all rights of access and passage of services as are reasonably necessary to service the affordable dwelling units through, on, over and under the remainder of the site
 - e) With such other terms as may be agreed between the parties thereto
 - f) Subject to each party bearing its own costs in relation to such transfer
 - g) The Standard Conditions of Sale (Third Edition) or any modification or subsequent reissue thereof shall apply to the transfer in so far as the same are not inconsistent with the express terms of this Agreement
 - h) With a price of 50% (fifty per cent) of the ACG for the dwelling type for the Council Ward Area in which the Development will take place (Band x); and,
 - i) Subject to the owners agreeing to procure the issue of an insurance certificate from the NHBC (or other warranty provider approved by the Council of Mortgage Lenders) in relation to the Affordable Housing Units.

Appendix 6: Viability Appraisal Checklist

Viability Appraisal Checklist

If a viability appraisal is to be submitted to the Council, the following information is required:

1. SITE OVERVIEW	
a) Site Address	b) State why there is a case for lower levels of planning contributions
c) Current use & planning use class ¹	d) Application Number <u>or</u> Pre-Application
e) Current use value of site (supported by professional valuation)	f) Description of the scheme
g) Who owns the site	h) Site Size (Hectares)
i) Are there any ownership options on the site	j) Ward
2. CHARACTERISTICS OF DEVELOPMENT	
a) Numbers and types of dwelling, including both Private and Affordable Housing (i.e. house, flat, bedsit, wheelchair housing etc.)	b) Parking by type (none, surface, under-croft or underground)
c) Size of dwellings by Type (in sq. m)	d) Number of storeys of buildings
e) Number of Bedrooms by Type	

¹ Use Classes can be viewed at: <http://www.planningportal.gov.uk/permission/commonprojects/changeofuse/>

3. MARKET VALUES

- a) Sale value of Private Dwellings (by Type and Number of Bedrooms)

NB. All sales values to be supported by professional evidence and values for comparable sites in the area of the development for independent verification on a unit by unit basis (e.g. 1 bed 2 person flat – 1 bathroom, balcony, view, car space etc.)

4. SALES REVENUES & COSTS FOR MIXED USE ELEMENTS (categorised by: Industrial; Office; Retail; Hotel; Leisure; Community; Other)

a) Revenues

- i. Size of scheme (gross sq. m)
- ii. Rent (£ per sq. m)
- iii. Yield (%)
- iv. Capital Value

b) Costs

- v. Build Costs (£ per GIA sq. m)
- vi. Professional and Other Fees (% build costs)
- vii. Return (% capital value)

5. DEVELOPMENT COSTS

<p>a) Build costs by Type (£ per sq. m)</p> <p>(NB: Include sub and super structures but exclude external infrastructure/special landscaping. The Council's Toolkit Appraisal allows an additional 15% for external works i.e. garages, drives etc.)</p>	<p>b) Internal Overheads (% of build costs)</p>
<p>c) Build Costs for Flats for: 5 & less storeys; 6-15 storeys; 16+ storeys (£ per sq. m)</p>	<p>d) Finance (Market) (% of market value)</p>
<p>e) Ecohomes Standards (for Private and Affordable)</p>	<p>f) Finance (Affordable Housing) (% of development costs)</p>
<p>g) Professional Fees (% of build costs)</p>	<p>h) Marketing Fees (% of market value)</p>
<p>i) Cost of building Affordable Housing Units (if this differs from private market units) x per sq. m of affordable housing to meet the Welsh Government's Development Quality Requirements (including the Code for Sustainable Homes and Secured by Design) and Welsh Housing Quality Standard.</p>	<p>j) Developers Return (% of market value)</p>
<p>k) Abnormal/Exceptional Costs</p>	<p>l) Contractors Return (% of development costs, excluding finance)</p>
<p>m) Actual or Anticipated land acquisition cost (please state if conditional, and the condition) and date of contracts where relevant. Evidence of contract details and prices etc. required.</p>	
<p>NB. Evidence to support costing. This should include detailed breakdown of costs provided by appropriate professionals and a method statement of how costs have been calculated.</p>	

6. SECTION 106 CONTRIBUTIONS (£).
AGREED CONTRIBUTIONS TO THE FOLLOWING:

a) Education	b) Affordable Housing
c) Highways	d) Environmental Improvements
e) Travel Plans	f) Countryside
g) Countryside	h) Employment Development/ Employment related training
i) Public Transport	j) Flood Defence Strategy
k) Community Facilities	l) Monitoring Fee
m) Open Space/Leisure	n) Others (please specify)

7. AFFORDABLE HOUSING DWELLINGS

a) Amount an RSL/applicant can pay for a dwelling (by Type)	b) % of Acceptable Cost Guidance available
c) % and/or number of Affordable Housing dwellings being sought by the Council	d) Type of Tenure

8. CAPITAL CONTRIBUTION FROM OTHER SOURCES, IF RELEVANT:

a) Welsh Government	b) Lottery Grant
c) Subsidy for Intermediate Rent	d) Commuted Sum
e) European Union Funding	f) CADW (Heritage Funding)
g) Local Authority Capital Grant	h) Employer Contribution
i) Other Regeneration Funding	j) Other

Appendix 7: Commuted Sums Background Calculations

Step 1: Need is based on the most up to date Local Housing Market Assessment.

Step 2&3:

		1bed flat	2bed flat	2bed house	3bed house	4+bed house	Average
Rural Newport	ACG cost per dwelling	£92,950	£130,050	£168,564	£180,889	£227,025	£159,895.6
	Weighted Average based on % of need	£69,923	£9,940	£12,883	£4,631	£15,728	£113,104
Newport West		1bed flat	2bed flat	2bed house	3bed house	4+bed house	Average
	ACG cost per dwelling	£86,975	£123,433	£155,300	£167,183	£209,242	£148,426.6
	Weighted Average based on % of need	£78,452	£816	£1,026	£1,668	£15,650	£97,613
		1bed flat	2bed flat	2bed house	3bed house	4+bed house	Average
Newport East	ACG cost per dwelling	£73,764	£104,814	£131,129	£141,250	£176,700	£125,531.4
	Weighted Average based on % of need	£68,465	£1,128	£1,412	£0	£8,890	£79,895
		1bed flat	2bed flat	2bed house	3bed house	4+bed house	Average
	ACG cost per dwelling	£84,000	£119,700	£147,800	£159,450	£199,200	£142,030
Malpas & Bettws	Weighted Average based on % of need	£77,524	£0	£0	£0	£15,358	£92,882

Step 4:**Cost of dwelling as a percentage of the straight average cost**

	1bed flat	2bed flat	2bed house	3bed house	4+bed house
Rural Newport	0.58	0.81	1.05	1.13	1.42
Newport West	0.59	0.83	1.05	1.13	1.41
Newport East	0.59	0.83	1.04	1.13	1.41
Malpas/Bettws	0.59	0.84	1.04	1.12	1.40

Step 5: Multiple the weighted average for each sub area against the proportions established in step 4.

Step 6:

Apply 50% ACG and relevant sub-market area percentage

Commuted Sums per unit					
	1bed flat	2bed flat	2bed house	3bed house	4+bed house
Rural Newport	£13,150	£18,399	£23,847	£25,591	£32,118
Newport West	£8,580	£12,176	£15,320	£16,492	£20,641
Newport East	£4,695	£6,671	£8,346	£8,990	£11,246
Malpas/Bettws	£2,747	£3,914	£4,833	£5,214	£6,513

Newport City Council

Supplementary Planning Guidance

FLAT CONVERSIONS



NEWPORT
CITY COUNCIL
CYNGOR DINAS
CASNEWYDD

January 2020



Mae'r ddogfen hon ar gael yn Gymraeg, gyda fformatau eraill ar gael ar gais /

This document is available in Welsh, with other formats available on request.

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1.0 INTRODUCTION

1.1 What is supplementary planning guidance (SPG)?

- 1.1.1 Published as an addition to the Newport Local Development Plan 2011 – 2026 (Adopted Plan, January 2015), supplementary planning guidance provides clear, in-depth advice on a range of planning and development issues. Before it can be adopted, it has to undergo a period of public consultation and then receive the council's approval. Once adopted, it constitutes a material consideration in the determination of relevant planning applications.

1.2 What is the history of the Flat Conversions SPG?

- 1.2.1 This SPG was formally adopted on 06 August 2015. It has been updated in 2020 to add clarification on points raised in the ongoing use of the guidance.

1.3 What is the purpose of this SPG?

- 1.3.1 This SPG has three main functions:

- i) To ensure that occupants of converted flats (excluding houses in multiple occupation, which are licensed by the Public Protection Service) have reasonable living conditions;
- ii) To ensure that converted flats do not deprive persons in existing dwellings of reasonable living conditions; and
- iii) To protect the character and appearance of the built environment.

2.0 TERMINOLOGY

2.1 Dwelling

- 2.1.1 A flat (including bed-sits and studio flats) or a house.

2.2 Habitable room

- 2.2.1 Any room used or intended to be used for sleeping, living, cooking or eating purposes. Enclosed spaces, such as bath or toilet facilities, service rooms, corridors, laundries, hallways and utility rooms, are excluded from this definition.

2.3 Protected window

- 2.3.1 An opening (that is, a door or a window) that serves a habitable room in a dwelling.

Note:

A house with a rear extension such as a conservatory whereby it is predominantly glazed, may retain a door or a window in its original rear elevation. If such an extension has an opaque roof (i.e. does not let light through), the Council will treat the rearmost opening (that is, the door or window in the extension) as the protected window. If, however, the conservatory has a transparent roof that does not significantly prejudice light to original openings, the Council may decide to treat these original rear openings as the protected windows

Note:

These terms are provided only for the purposes of this supplementary planning guidance. In no way do they alter or supersede similar terms in planning legislation or national policy documents.

3.0 POLICY CONTEXT

3.1 Legislation

3.1.1 **The Planning (Wales) Act (2015)** enables the creation of an efficient planning process that ensures the right development is located in the right place. This is done through adherence with the Well-being of future generations Acts (see below) to ensure that we plan and manage our resources in an engaged and sustainable way. There is greater emphasis on development engagement at the pre-application stage. This approach will help ensure issues such as design and amenity are considered at the earliest stage.

3.1.2 **The Well-being of Future Generations (Wales) Act (2015)** is about improving the social, economic and cultural well-being of Wales. The Act ensure that local authorities deliver sustainable development by considering long term effects as well as encouraging a more joined up approach. The Well-being of Future Generations Act put in place seven well-being goals to help ensure that public bodies are all working towards the same vision of a sustainable Wales.

3.2 National Policy

3.2.1 *Planning Policy Wales (Edition 10, December 2018)*

This document sets out the land-use planning policies of the Welsh Government. It is supplemented by a series of Technical Advice Notes (TANs). Procedural advice is given in circulars and policy clarification letters.

3.2.2 An overarching objective of PPW is the need for planning to take an active and positive role in placemaking¹. This approach is even to be taken at the householder scale, paragraph 2.7 states; Placemaking in development decisions happens at all levels and

¹ The definition of placemaking here is ‘a holistic approach to the planning and design of development and spaces, focused on positive outcomes. It draws upon an area’s potential to create high quality development and public spaces that promote people’s prosperity, health, happiness, and well being in the widest sense. Placemaking considers the context, function and relationships between a development site and its wider surroundings. This will be true for major developments creating new places as well as small developments created within a wider place. Placemaking should not add additional cost to a development, but will require smart, multi-dimensional and innovative thinking to implement and should be considered at the earliest possible stage. Placemaking adds social, economic, environmental and cultural value to development proposals resulting in benefits which go beyond a physical development boundary and embed wider resilience into planning decisions.

involves considerations at a global scale, including climate change, down to the very local level, such as considering the amenity impact on neighbouring properties and people.

3.2.3 Paragraphs 1.1.8 & 1.1.9 also states:

It is not the function of the planning system to interfere with or inhibit competition between users of and investors in land. It should not discriminate against or favour any particular group or members of society. In taking planning decisions the planning authority must clearly state the reasons for the decision. Those proposing development also have a responsibility to provide sufficient information to enable the decision maker to make an informed judgement on whether the proposed development is sustainable (i.e. contributes to social, economic, environmental and cultural well-being).

3.2.4 National Planning Policy is clear that in seeking to achieve good design developments should seek to maximise energy efficiency and the efficient use of other resources (including land), maximise sustainable movement, minimise the use of non-renewable resources, encourage decarbonisation and prevent the generation of waste and pollution.

3.2.5 In addition, the density, layout, built form, the choice of materials, the adaptability of buildings and site treatment will be an appropriate way of contributing to resilient development. The special characteristics of an area should be central to the design of a development.

3.2.6 Good design is about avoiding the creation of car-based developments. It contributes to minimising the need to travel and reliance on the car, whilst maximising opportunities for people to make sustainable and healthy travel choices for their daily journeys

3.2.7 *Technical Advice Note 12: Design (2016)*

Paragraph 1.6 states the following:

The purpose of this TAN is to equip all those involved in the design of development with advice on how ‘Promoting sustainability through good design’ and ‘Planning for sustainable building’ may be facilitated through the planning system.

3.2.8 Paragraph 2.2 states the following:

“The Welsh Government is strongly committed to achieving the delivery of good design in the built and natural environment which is fit for purpose and delivers environmental sustainability, economic development and social inclusion, at every scale throughout Wales — from householder extensions to new mixed use communities.”

3.2.9 *Technical Advice Note 15: Development and Flood Risk (2004)*

This document establishes a precautionary framework for assessing development proposals in flood-prone areas. In certain circumstances, developers may have to submit Flood Consequence Assessments in an attempt to justify their proposals. In especially vulnerable locations, however, even the principle of residential development is unlikely to be acceptable.

3.2 **Local policy**

3.2.1 *Newport Local Development Plan 2011 – 2026 (Adopted Plan, January 2015)*

Policy GP2 (General Amenity) states the following:

“Development will be permitted where, as applicable:

- i. There will not be a significant adverse effect on local amenity, including in terms of noise, disturbance, privacy, overbearing, light, odours and air quality;
- ii. The proposed use and form of development will not be detrimental to the visual amenities of nearby occupiers or the character or appearance of the surrounding area;
- iii. The proposal seeks to design out the opportunity for crime and antisocial behaviour;
- iv. The proposal promotes inclusive design both for the built development and access within and around the development;
- v. Adequate amenity for future occupiers.”

3.2.2 Policy H2 (Housing Standards) states the following:

“Residential development should be built to high standards of environmental and sustainable design, taking into account the whole life of the dwelling.”

Excerpt of supporting text:

“Residential development of all types, whether new development, redevelopment, conversions, extensions or changes of use, should be carried out in as sustainable way as possible, to reduce the impact on the environment both of the construction and subsequent use of the dwelling.”

3.2.3 Policy H8 (Self-contained Accommodation and Houses in Multiple Occupation) states the following:

“Within the defined settlement boundaries, proposals to subdivide a property into self-contained, bedsits or a house in multiple occupation will only be permitted if:

- i. The scale and intensity of use does not harm the character of the building and locality and will not cause an unacceptable reduction in the amenity of neighbouring occupiers or result in on street parking problems;
- ii. The proposal does not create an over concentration of houses in multiple occupation in any one area of the city which would change the character of the neighbourhood or create an imbalance in the housing stock;
- iii. Adequate noise insulation is provided;
- iv. Adequate amenity for future occupiers.”

3.2.4 Policy SP3 (Flood Risk) states the following:

“Newport’s coastal and riverside location necessitates that development be directed away from areas where flood risk is identified as a constraint and ensure that the risk of flooding is not increased elsewhere. Development will only be permitted in flood risk areas in accordance with national guidance. Where appropriate a detailed technical assessment will be required to ensure that the development is designed to cope with the

threat and consequences of flooding over its lifetime. Sustainable solutions to manage flood risk should be prioritised.”

4.0 GENERAL PRINCIPLES AND CONSIDERATIONS

4.1 Does a flat conversion always require planning permission?

- 4.1.1 Yes. Even the creation of one flat within an existing dwellinghouse constitutes a material change of use of the building. In addition, Section 55(3) of the Town and Country Planning Act 1990 defines the subdivision of a dwellinghouse into two or more separate dwellings as a material change of use that requires planning permission. A separate dwelling may take the form of a flat, a flatlet, a bedsit or a maisonette, and it may be separated from another dwelling by physical means, such as exclusive facilities, services and access, or by legal means, such as individual letting arrangements.

4.2 The council's approach

- 4.2.1 The council recognises the contribution that flat conversions make to the city's housing stock. In particular, such units make more efficient use of existing buildings and encourage people to maintain or improve old ones. Inappropriate conversions, however, can worsen neighbours' living conditions and give rise to parking problems. This guidance describes the circumstances in which proposals for flat conversions are likely to be acceptable.

4.3 How does the council assess flat conversions?

- 4.3.1 The following list is not exhaustive, but, when determining an application for planning permission, the council considers such issues as:
- The availability of on-street and off-street parking;
 - Neighbours' living standards (with particular regard to noise and privacy);
 - Future occupants' living standards (with particular regard to internal floor space, outdoor amenity space, parking, bin storage, bicycle storage and noise);
 - Impact on the character and appearance of the building and the streetscape.

- 4.3.2 The council may be willing to relax the requirements for off-street parking and outdoor amenity space in the city centre, but applicants must first demonstrate that the living standards of future occupants and neighbours would not suffer as a consequence of any shortfall.

4.4 Which types of buildings might be suitable for conversion?

4.4.1 Conversion opportunities might include:

- Old and large houses that may be difficult to sustain as single dwellings because of their size and location;
- Commercial or institutional buildings that are no longer needed for their original purposes; and
- The upper floors of business premises within commercial areas, including the city centre.

- 4.4.2 Any scheme that involves an extension will be assessed against policies GP2 (General Amenity), GP6 (Quality of Design) and Policy H2 (Housing Standards) of the Newport Local Development Plan 2011 – 2026 (Adopted Plan, January 2015).

4.5 Development in conservation areas

- 4.5.1 When assessing a development proposal in a conservation area, the council has a duty to pay special attention to the “desirability of preserving or enhancing the character and appearance of [a conservation] area” (Section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990). In every submission, therefore, the applicant must indicate precisely how the proposed development would appear in the context of its surroundings.

4.6 Legal and statutory requirements

- 4.6.1 It is recommended that developers consider all of the legal and statutory requirements that might affect their proposals. Of particular relevance are the Party Wall etc. Act 1996, the Countryside Act, details of property ownership, rights of land and listed-building consent.

4.7 Building regulations

- 4.7.1 Flat conversions may require building-regulations approval. Advice and application forms can be obtained from the Building Control section of the Newport City Council website.

4.8 Necessary consents and certificates

- 4.8.1 Those who undertake flat conversions without the necessary consents may find it difficult to sell their properties in the future. They will not, for instance, be able to provide prospective buyers (or their representatives) with copies of certificates.

4.9 Enforcement

- 4.9.1 Newport City Council may take enforcement action against (and, if necessary, prosecute) those who commence development without having obtained the necessary permission.

4.10 Lawful Development Certificates

- 4.10.1 A developer may apply for a Lawful Development Certificate (LDC) so long as the converted flat in question has served as a dwelling for at least four years.

4.11 Wildlife

- 4.11.1 Dwellings, as well as their outbuildings and curtilages, may support protected species that are material to planning decisions, such as bats, barn owls, swallows and house martins. The Wildlife and Development SPG outlines a range of potential

considerations in planning proposals. Further advice may be found via the Natural Resources website (<http://naturalresources.wales>).

4.12 Sustainable Drainage Systems

The Flood and Water Management Act (FWMA) 2010 (Schedule 3) came into effect in Wales on 7th January 2019 and requires all new developments where the construction area is 100m² or more to use Sustainable Drainage Systems (SuDS) to manage on-site surface water. These surface water drainage systems must be designed and built in accordance with mandatory Welsh Government national standards, published by Welsh Ministers. They must be approved by the council's Sustainable Drainage Approving Body (SAB). The SAB will undertake the statutory function of ensuring that surface water drainage proposals meet with the mandatory national standards and will adopt and maintain SuDs in accordance with Section 17 of Schedule 3 of the FWMA 2010.

For all qualifying developments, SAB approval must be sought in addition to planning approval. Construction will not be allowed to commence on site following the granting of planning consent until SAB approval has also been granted. The SAB offers a chargeable Pre- Application Advice service to discuss & consider surface water drainage proposals in detail and we strongly recommend applicants consider this prior to making a Full Application.

Information regarding SuDS, applying for SAB approval and the scale of charges can be found on the NCC website under Sustainable Drainage Systems. The SAB can also be contacted via email: sab@newport.gov.uk.

5.0 GUIDANCE NOTES

5.1 General

5.1.1 *FC 1.1 (Conservation areas)*

Planning applications that relate to properties in conservation areas must indicate precisely how the proposed development would appear in the context of its surroundings.

5.1.2 *FC 1.2 (Listed buildings)*

Applications for listed-building consent should contain details of all proposed internal and external works.

5.2 Living conditions

5.2.1 *FC 2.1 (Living conditions)*

A converted flat should offer its occupants reasonable levels/amounts of natural light, perceived space, privacy, ventilation, peace and quiet, noise attenuation, outdoor amenity space, parking, cycle storage, and bin/recycling storage.

Notes:

i) *Converted roof spaces*

Roof lights, unless installed in such numbers that they risk spoiling the appearance of a building, are unlikely to meet council amenity standards on their own. In some circumstances, therefore, it may be necessary to build one or two well-designed dormers.

ii) *Converted basements*

Basement flats that either contain no windows or offer protected windows with very limited outlooks will not be acceptable.

5.3 Internal layout

5.3.1 It is essential that converted flats offer their occupants reasonable living conditions.

5.3.2 FC 2.2 (*Internal floor space*)

A flat conversion should meet the relevant desired standard for gross internal floor space:

Beds/bedrooms	Flat type			
	<i>Studio</i>	<i>Converted</i>	<i>New</i>	
			<i>Common Access</i> ²	<i>Walk Up</i> ³
1	32	45	46	50
2	n/a	58	59	65
3	n/a	74	84	90
4	n/a	86	93	99

Figure 1: Desired standards for gross internal floor space (square metres)

Note:

Gross internal floor space includes circulation space and any space occupied by fixtures, appliances, work surfaces, etc.

If the dwellings proposed are to be affordable housing that are in receipt of social housing grant they will need to meet the relevant DQR standards.

5.3.3 Rooms should be arranged and designed in a manner that maximises the living standards of occupants. For instance, living rooms, kitchens and bedrooms should neither overlook adjoining properties nor face high boundary walls. Living rooms, moreover, should not be next to, directly above or directly below a bedroom in a

² Common access is where more than one flat is accessed from a communal entrance.

³ Walk up is where a flat has its own direct access point which is not shared.

neighbouring property unless the fabric of the building contains suitable acoustic insulation.

5.4 Design

5.4.1 FC 3.1 (*External alterations*)

External alterations in association with a flat conversion should respect the character and appearance of both the building and the streetscape.

Note:

New doors and windows in a converted ground-floor commercial unit should be identical to those in the upper floors. Developers must take particular care when a proposal would affect a listed building or a conservation area (see below for guidance).

5.5 Noise

5.5.1 FC 4.1 (*Acoustic insulation*)

In order to ensure that occupants have adequate living conditions, a converted flat in a noisy location should feature noise-attenuation and ventilation measures.

Note:

Applicants should submit details of noise-attenuation and ventilation measures with the initial planning application. Alternatively, they may submit the required details with subsequent discharge-of-condition applications. A degree of disturbance must be expected in certain locations, such as the city centre, but proposals that would fail to protect prospective occupants from excessive external noise will not receive planning permission.

5.5 Amenity space

5.5.1 FC 5.1 (*Outdoor amenity space*)

Outdoor amenity space, whether a back garden or a patio, should be made available to the occupants of a converted flat wherever the opportunity exists.

5.6 Bins

5.6.1 FC 6.1 (*Refuse and recycling arrangements*)

Dustbins and recycling boxes should be provided outside the flat, but within the curtilage of the property, in the least conspicuous location possible.

5.7 Access

5.7.1 FC 7.1 (*Access*)

A rear passageway will be acceptable as a primary access point only if it is wide and well lit. In no circumstances may a flat and a non-residential unit (e.g. a shop) share a single entrance.

5.8 Converting roof spaces

5.8.1 FC 8.1 (*Converted roof spaces*)

A converted roof space must offer its occupants sufficient natural light.

Note:

- i) Roof lights, unless installed in such numbers that they risk spoiling the appearance of a building, are unlikely to meet council amenity standards on their own. In some circumstances, therefore, it may be necessary to build one or two well-designed dormers.
- ii) Developers should consider whether ceiling heights are sufficient to allow reasonable use of the proposed living space.

5.9 Loss of privacy

5.9.1 FC 9.1 (*Protected windows and separation distances*)

In order to ensure that all residents have sufficient privacy in their homes, suitable separation distances must exist between protected windows in existing and converted dwellings.

Notes:

- i) Protected windows that face one another should be at least 21.00 metres apart (unless separated by permanent structures or evergreen trees protected by Tree Preservation Orders).
- ii) Protected windows that do not face one another may be less than 21.00 metres apart.

5.9.2 FC 9.2 (*Protected windows and adjacent gardens*)

In order to prevent overlooking or perceived overlooking and overbearing effects developments must have a suitable separation distances between new high-level protected windows and adjacent back gardens.

Note:

When judging whether the distance between a high-level protected window and a neighbouring garden is suitable, the council will consider, amongst other things, the shape, size and layout of the garden and the effects of ground levels, outbuildings and boundary treatments (e.g. hedges and fences).

5.10 Loss of perceived space and visual amenity

5.10.1 FC 9.3 (*Protected windows and blank two-storey elevations*)

Development that reduces the distance between a protected window and a blank two-storey elevation to less than 14.00 metres is unlikely to be acceptable.

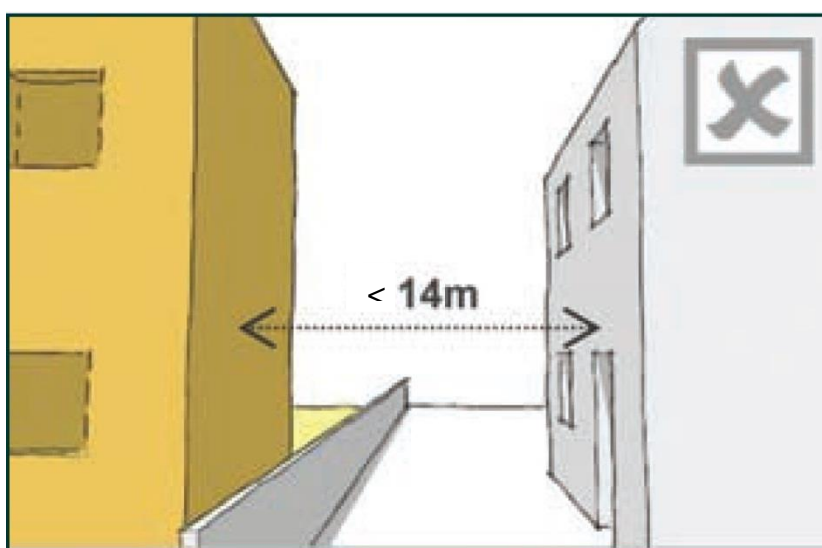


Figure 2: Distance of 14.00 metres between a protected window and a blank two-storey wall

5.11 Concluding note

- 5.11.1 Every application for development requires the council to assess whether any residents would experience a material (that is, substantial and harmful) loss of privacy, natural light or perceived space. No two application sites have identical physical characteristics, however, and very few sites conform to the “textbook” scenarios illustrated in this guidance. The council must, therefore, consider how factors such as orientation, topography and spatial relationships between buildings might accentuate or diminish the impact of a proposal. For instance, a south-facing window receives a great deal of direct sunlight between dawn and dusk, whereas a north-facing window receives only diffuse and, on occasion, oblique light. Of the two, then, it is the former that is more likely to be left in shadow by a neighbour’s extension or outbuilding. Lastly, the council must also take into account how development proposals might affect, or be affected by, other proposals that have received planning permission and are likely to be implemented.

6.0 PARKING, DRIVEWAYS/ACCESS ROADS, TRAFFIC AND VISIBILITY

6.1 Parking

6.1.1 *FC 10.1 (Parking standards)*

Development proposals must comply with the Newport City Council Parking Standards 2015 (or any supplementary planning guidance that amends or replaces these standards).

Note:

The council favours off-street parking, but schemes that sacrifice entire gardens in order to provide parking spaces will not receive planning permission. Proposals that cannot provide off-street parking and are likely to create or exacerbate on-street parking problems will also be unsuccessful. The council may, however, relax certain requirements if an applicant can demonstrate that a proposal is sufficiently well served by public transport and local services. Planning decisions will also take account of the manner in which buildings are currently used. For instance, even in the absence of off-street parking, the council may grant planning permission if the proposed development would create less demand for parking than the existing use.

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