

Mrs. Justina M Moss
Development Management
Vale of Glamorgan Council
Dock Office, Barry Docks, Barry
CF64 4LJ

1 May 2018

Dear Mrs Moss

Application ref: 2017/00539/FUL – Collie Cottage, Cardiff Road, Dinas Powys

The applicant has instructed me to submit a viability appraisal in support of the claim that an affordable housing contribution regarding this development would be unviable. I attach with this letter the following:

1. Spreadsheet detailing the costs involved in constructing the dwelling and a residual value. All costs can be supported by the provision of invoices and receipts upon request.
2. 3 Estate agents valuations.
3. A completed Development Viability Assessment based on the template in the appendices of the Affordable Housing SPG (February 2018).

In your letter of the 26 September 2017 to the applicant, you stated that according to the Council's policy affordable housing set down in Policy MG4 of the adopted Local Plan, council expect an offsite contribution of £40,716 based on the following formula that was defined in the Council's Adopted SPG on Affordable Housing (2017):

Financial Contribution (£) = Acceptable Cost Guidance (£) x Social Housing Grant (58%) x Number of affordable housing units.

The Acceptable Cost Guidance band for Dinas Powys is Band 5. Based upon a 2-bed house, the offsite affordable housing contribution would thus be:

£175,500 x 0.58 x 0.4 = £40,716.

As you will know the applicant purchased the site and erected a new dwelling under outline consent ref: 2012/00800/OUT and reserve matters application 2015/00713/RES. According to the Council, the scheme was not carried out in accordance with the approved plans. The

current application was submitted to get the discrepancies to be treated as minor amendments. However, it was not agreed that the changes could be considered as minor amendments and it was decided by the Council that the application should be treated as a full retrospective application. Because of this, the Council decided that affordable housing policy MG4 would now apply, even though no such policy applied before.

Section 38(6) of the Planning and Compensation Act 2004 requires that determination of planning applications must be made in accordance with the adopted Local Plan, unless material considerations indicate otherwise.

The application is for *“Alteration of an approved dwelling and access”*. This application is retrospective to deal with changes to the design of the development that have been carried out without consent. Consequently, it would be wrong to apply the affordable housing policy to a site where there is already an approved permission that has been implemented. That is one material consideration that weighs against the application of the policy in this instance.

It is further contended that the fact that the applicant has purchased the site with planning permission but without the affordable housing policy that applied at the time, is another material planning consideration that weighs against the application of the policy.

The Affordable Housing SPG makes clear at paragraph 6.1.1. that *“Planning obligations and affordable housing will have an impact on land values and landowner expectations, therefore the Council will expect that applicants have considered in full the overall cost of development including the required planning obligations and any abnormal costs, when negotiating the purchase of land.”*

In the absence of the policy at the time of purchase, the applicant was unable to do negotiate the provision of affordable housing when buying the land that occurred at full market value. Therefore, it is extremely punitive and prejudicial to apply the policy retrospectively in this case. (It should be noted that he added some land that he already owned to the development plot to make it larger).

That notwithstanding, the submitted viability information demonstrates that the applicant will already be suffering a loss of £16,820 on the completed house based on construction costs compared to current sales value, even before the affordable housing requirement is added. The construction costs reflect actual costs in completing the 2-bedroom dwelling. Even if the Council were to question some of the costs, that they would still far outweigh any presumed sales value.

Therefore, it is clear and beyond doubt that the request for an affordable housing contribution regarding this development would prejudice viability further.

It is hoped that the Council will agree that it is not appropriate to apply the policy due to principle and lack of viability.

Please come back to me should you wish to discuss matters further.

Yours sincerely

Jeremy Peter

Jeremy Peter MRTPI