

# CABINET MEMBER FOR HOMES & DEPUTY LEADER

**FRIDAY**, 15 March 2024

**PRESENT: Councillor:** L.D. Evans (Cabinet Member).

**The following officers were in attendance:**

R.M. Davies, Investment & Development Service Manager

E. Bryer, Democratic Services Officer

Virtual Meeting - 11.00 am - 12.00 pm

**1. DECLARATIONS OF PERSONAL INTEREST**

There were no declarations of personal interest.

**2. TO SIGN AS A CORRECT RECORD THE DECISION RECORD OF THE MEETING HELD ON THE 5TH MARCH 2024**

**RESOLVED**, that the decision record of the meeting held on the 5<sup>th</sup> March, 2024 be signed as a correct record subject to updates to the housing types listed which should reflect those detailed within the reports.

**3. SECTION 106 TOWN AND COUNTRY PLANNING ACT 1990 - AFFORDABLE HOUSING PRICE CALCULATION**

The Cabinet Member considered a report which was requesting approval of the update to the affordable housing calculation used in Section 106 agreements to set the affordable price. The purpose of which was to ensure that it continued to follow the parameters of affordability set in the Local Housing Market Assessment.

The Cabinet Member noted that Local planning authorities must ensure that planning policies including the affordable price set within Section 106 agreements are based on evidence on affordability contained within the Local Housing Market Assessment (LHMA). The calculation currently used to set the affordable price in Section 106 agreements no longer reflected the evidence within the new 2024 LHMA.

The Cabinet Member noted that the change to the median income levels multiplier used to calculate the affordable housing price would require an amendment to the current template used for Section 106 agreements to reflect the new calculation. The change would not be applied retrospectively to any previous agreements unless a deed of variation was agreed and the necessary evidence in support was deemed sufficient by the Council's legal department.

In response to a query by the Cabinet Member regarding why the scheme had not been reviewed since 2008 it was stated that this change to the Section 106 affordable price is required to reflect the evidence from UK Finance (formerly the

Council of Mortgage Lenders) on current multiples of income lent to home buyers in Wales and evidenced in the WG LHMA guidance for 2023/24.

The Cabinet Member stated the importance of assuring that the affordable housing price calculation is reviewed regularly to reflect the current market to ensure that the scheme remained viable.

In reviewing the report, the Cabinet Member noted the value of the scheme as it maximised the opportunity of providing opportunities for local residents to purchase homes for low cost home ownership directly from developers in the county.

**Resolved:**

- 3.1 that a multiplier of 4.17 times median income levels be used to calculate the affordable price in each community connection area, in line with the evidence provided in the local housing market assessment and the recommendations of UK Finance (formally the Council of mortgage lenders);**
- 3.2 that increasing the multiplier to 4.17 times median income levels would reduce the risk of private developments being unable to deliver affordable homes through the planning system due to scheme financial viability issues;**
- 3.3 that the formula used in Section 106 agreements be amended to reflect the increased median income levels multiplier and applied to all property types; and**
- 3.4 that the affordable housing price calculation be reviewed and updated when required in line with the parameters of affordability set in the local housing market assessment and the recommendations of UK Finance.**

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**CABINET MEMBER**

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**DATE**