

PLANNING COMMITTEE	DATE: 21/03/2022
REPORT OF THE SENIOR PLANNING AND PUBLIC PROTECTION SERVICE MANAGER	

**REPORT TO THE PLANNING COMMITTEE
REFERRED TO A COOLING OFF PERIOD**

DATE OF THE PLANNING COMMITTEE: 21.03.22

DESCRIPTION AND LOCATION OF APPLICATION: C21/1010/32/LL- Conversion of outbuilding to provide an affordable dwelling, together with alterations to existing vehicular access, installation of a package treatment plant and associated works.

REPORT BY: Assistant Head, Environment Department

RECOMMENDATION: To refuse the application for the following reasons:

"The proposal does not comply with all the criteria of Policy TAI 7 of the Anglesey and Gwynedd Joint Local Development Plan as there is no evidence that the existing structure has been marketed for business use, and no certainty that the existing structure is sufficiently robust to cope with the restoration work without requiring significant rebuilding, substantial extensions would be needed to deliver the development, and the structure's original historic character would be lost by undertaking this restoration work. The house would also be significantly larger than the notional size of an affordable single-storey two-bedroom house as noted in the Affordable Housing Supplementary Planning Guidance."

"This development would introduce a development of an urban nature in the open countryside that would have a significant impact on the character of a site that is located in a Special Landscape Area. The development would not respect the context of the site in open countryside and would not integrate with its surroundings, and therefore the proposal is contrary to policies PCYFF 3, PYCFF 4 and AMG 2 of the Anglesey and Gwynedd Joint Local Development Plan in their effort to protect the quality of the county's landscape."

These reasons have been amended since the Planning Committee held on 10/01/2022 to reflect the further information that was received and which is discussed below,

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and the further consideration given to the relevant policies in the preparation of this report.

1. PURPOSE

- 1.1 It was resolved to defer a decision on the application in the Planning Committee meeting held on 10/01/2022 in order to enable the applicant to prepare an open market evaluation of the proposed property to assess whether a discount could be determined to make the property affordable. The results of the evaluation have been received and the implications are discussed below.
- 1.2 Although an Open Market Evaluation has been received, in the opinion of the Assistant Head, Environment Department, there is a significant risk to the Council in respect of the Planning Committee's intention to approve the application contrary to officers' recommendation, therefore, the matter was referred to a cooling off period in accordance with the Committee's standing orders. The purpose of reporting back to the Committee is to highlight planning policy issues, the possible risks and options for the Committee before it reaches a final decision on the application.

2. DESCRIPTION AND BACKGROUND

- 2.1 This is a full application for planning permission to convert an outbuilding into an affordable dwelling house. The site is located in open countryside, far from any development boundary as defined by the Anglesey and Gwynedd Joint Local Development Plan.
- 2.2 As referred to above, the previous application was submitted to committee on 10/01/2022 with a recommendation from officers to refuse the application. Based on the information and the evidence submitted and the responses received, it was considered that the application was unacceptable and did not comply with the requirements of the relevant local and national policies and guidance. A copy of the report, plans and minutes of the application as submitted to the Planning Committee on 10/01/2022 are attached at Appendix 1, with a further explanation of the background to the application.
- 2.3 Following referring the application to a cooling off period at the planning committee on 10/01/2022 a letter was sent to the applicant's agent on 12/01/22 requesting a full market valuation of the property in order to enable the Council to assess whether it would be possible to ensure that the property remained permanently affordable by securing an appropriate discount on the market price.
- 2.4 A response was received from the agent on 11/02/22, which included an Open Market Evaluation prepared by a registered valuer to RICS (Royal Institute of Chartered Surveyors) standards, following the recognised "Red Book" international approach. It concluded that the fair market price for the completed property in accordance with the submitted plans would be £275,000.
- 2.5 The Housing Strategic Unit was consulted about this figure, and it reported:
- The property (LL53 8NS) lies within Botwnnog ward. This area has a median household income of £25,828 (Caci Paycheck 2020).
 - In accordance with the Affordable Housing Guidance, the price of an area's affordable property can be found by noting 3.5 times the median income and adding a deposit of 10%.
 - In this case, the property's open market price is noted as being £275,000. Therefore, the property's affordable price should be: $25,828 * 3.5 + 27,500 = £117,898$
 - In order to ensure that the property is affordable even to an intermediate level, a 50% discount would be required on the open market price, that would bring the sum to £137,500.

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- 2.6 Given the definition of an intermediate affordable house in the LDP as a house where the prices or rents are higher than social housing rents but lower than the prices or rents on the open market, and that the applicant in this case has been assessed by Tai Teg as qualifying for an affordable house, it is not considered that the price, with a 50% discount, is unreasonable in relation to ensuring that the property would be available for a local person on an income that would not allow access to the open housing market.
- 2.7 Taking the market value of this house, with a deposit of 10% an income of approximately £71,000 would be required to secure a mortgage to purchase the property at its full price. With a discount of 50% a mortgage could be secured with a household income of approximately £35,000. With an income level such as this, although it is higher than the median income for Botwnnog ward, it continues to meet the requirements for Tai Teg in relation to being in need of an affordable house. It is therefore considered that including a 50% discount in a 106 Agreement in accordance with permission would keep the property affordable and within a reasonable price to some people in the community who have been identified as qualifying for this type of property.
- 2.8 From the report submitted to Committee on 10/01/2022 it can be seen that there are a number of aspects to the reason for refusal based on the requirements of policy TAI 7 of the Local Development Plan and, although the information submitted about the property's market price satisfies one aspect of the reason for refusal, there are a number of other fundamental objections to the proposed development in relation of the principles of this policy, such as:
- there is no evidence that using the existing structure has been marketed for business use,
 - the new house would be significantly larger than the notional size noted in the Affordable Housing SPG,
 - there is no certainty that the existing structure is sufficiently robust to cope with the restoration work without requiring significant rebuilding,
 - substantial extensions would be needed to deliver the development, which are larger than the SPG allows for an affordable house, and
 - the structure's original historic character would be lost by undertaking this restoration work.
- 2.9 Essentially, officers do not accept that the existing building is a structure that is suitable for conversion into a residential unit in accordance with local and national policies. The site is in open countryside and the dilapidated building has merged into the landscape. Local and national policies are totally clear that only housing for serving rural enterprises or a one planet development should be considered in open countryside, and no such justification has been offered in this case.

3 POLICY CONTEXT

3.1 National Planning Guidance

Paragraph 1.22 of Planning Policy Wales (Edition 11, February 2021) states clearly that “Up-to-date development plans are the basis of the planning system and set the context for rational and consistent decision making. Plans at all levels of the development plan hierarchy must be prepared in accordance with national planning policies. Planning applications must be determined in accordance with the adopted plan, unless material considerations indicate otherwise.”

It is also noted that the following are relevant:

- Technical Advice Note (TAN) 2 Planning and Affordable Homes (2006)
- Technical Advice Note 6 Planning for Sustainable Rural Communities (July 2010)
- Technical Advice Note 12 Design (2016)

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3.2 Local Planning Policies

The adopted Local Plan is the Anglesey and Gwynedd Joint Local Development Plan and the relevant policies in this case are:

PCYFF 1: Development Boundaries,

TAI 7: Conversion of traditional buildings in open countryside to residential use and TAI 15: Affordable Housing Threshold and Distribution.

It is also noted that the following Supplementary Planning Guidance (SPG) are relevant:

Supplementary Planning Guidance 'Replacement Dwellings and Conversions in the Countryside (September 2019).

Supplementary Planning Guidance 'Affordable Housing' (September 2019).

3.3 Lack of justification for development in open countryside

Planning Policy Wales states:

"new building in the open countryside away from existing settlements or areas allocated for development in development plans must continue to be strictly controlled"

and

"In the open countryside, away from established settlements recognised in development plans or away from other areas allocated for development, the fact that a single house on a particular site would be unobtrusive is not, by itself, a good argument in favour of permission; such permissions could be granted too often,"

Similarly, the Anglesey and Gwynedd Joint Local Development Plan notes in Policy PCYFF 1:

"Outside the development boundaries development will be resisted unless it is in accordance with specific policies in this Plan or national planning policies or that the proposal demonstrates that its location in the countryside is essential."

Furthermore paragraph 6.4.36 notes:

"Development in the open countryside will have to satisfy national policy and TAN6 in relation to new rural enterprise dwelling or one planet development."

Given that the existing building has been empty for a lengthy period, is in a dilapidated condition and has merged into its surrounding landscape, this is considered as an application for a new development in open countryside that is totally contrary to the above policy principles. It is important to bear in mind that there are many ruins in a similar, or better condition, than this building in the countryside throughout the county and, although each application must be considered on its own merits, if this were to be permitted, it would be far more difficult for the Planning Service to justify the fundamental and consistent refusal to convert ruins in the open countryside to houses or holiday units.

It should also be noted that there would be a visual impact deriving from this development. Policy PCYFF 3 of the LDP emphasises that proposals should respect the context of the site and its place in the local landscape, while Policy PCYFF 4 notes that proposals should integrate with their surroundings and respect and retain any existing natural features. The work that would be required to complete this development, including the restoration and expansion of the building and establishing an adjacent garden and parking area, would inevitably bring an urban aspect to the site which is in the open countryside, and would have a greater visual impact than the existing structure, that has by now merged into the landscape. This would be detrimental to the character of a site in a Special Landscape Area, and Policy AMG 2 emphasises that consideration must be given to the scale and nature of the development in order to ensure that there is no substantial detrimental impact on the landscape. The urban nature of this development would change the character of this site significantly, and would have a significant impact on this part of the protected area.

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3.4 Conversion of traditional buildings in open countryside to residential use

If the Committee accepts that this is an application to convert an existing traditional building in the countryside to a residential use, the development must then be considered under policy TAI 7 in the LDP. This application remains deficient in relation to the criteria that are set under that policy in relation to approving proposals to convert buildings to houses. The policy states that all the policy criteria must be met, however the proposal does not satisfy those criteria as is discussed below:

Criterion 1: There is evidence that employment use of the building is not viable;

No evidence was submitted to demonstrate that employment use is not viable.

Criterion 2: The development provides an affordable unit for local community need for an affordable house, or the residential use is a subordinate element associated with a wider scheme for employment use

There is no evidence that the proposal relates to employment use, however as noted above, it is accepted that the price of the property could be restricted by setting a 50% discount through a 106 Agreement, in order to ensure its affordability. However, it should also be noted that the property is substantially larger than the recommendation in the Affordable Housing SPG. It states *"The size and scale of the affordable housing must not be excessive in relation to the type of property required to meet the target need."* It also emphasises that the total floor area should be in accordance with the notional sizes referred to in the Appendix to the SPG, and in this case, the building's floor space would be 98.9m² compared with the notional 58m² noted in the SPG. Therefore, the property does not meet the Council's requirements in relation to the size of an affordable unit.

Criterion 3: The structure is structurally sound

Although a structural report was submitted with the application, given the obvious deficiencies in the existing structure, officer do not accept that the existing building is a robust structure that is suitable for conversion under this policy. The noted deficiencies include the need to rebuild parts of the walls and replace the main structural elements such as the roof, floors and lintels and the shallow foundations of the existing walls that could be undermined during aspects of the development nearby.

Criterion 4: No extensive extensions are required to enable the development

There would be an increase of approximately 50% in the building's floor area as a result of this proposal. The adopted SPG "Supplementary Planning Guidance 'Replacement Dwellings and Conversions in the Countryside' (September 2019) notes that no extensive extensions should be required to enable the development, and the building in its current form (in terms of size) should be suitable. It is evident, from the fact that extensive extensions are required, that the building in its current form is not of a suitable size for the development in question.

Criterion 5: Any architectural characteristics of merit and traditional materials are retained and that the proposal does not lead to the loss of the original structure's character.

Although the existing building is in a dilapidated condition, it continues to be a good example of 19th century architecture, and restoring it would lead to the total loss of the building's original fabric.

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3.8 In summary

In light of the above assessment, although by now it is accepted that the affordability of the property could be managed appropriately by a 106 Agreement, it is not considered that this is acceptable as permitting new developments in the open countryside without robust policy justification is totally contrary to local and national policy principles.

Even by attempting to justify the development under Policy TAI 7 of the LDP, the application does not meet the required criteria for approving plans to convert traditional buildings in the countryside to residential use.

In order to approve this application, members should present firm reasons and evidence to approve and reverse the officers' recommendation on an application for a house that does not comply with the relevant policies of the Gwynedd Unitary Development Plan as well as Welsh Government's specified planning policies.

2 RISKS TO THE COUNCIL OF APPROVING THE APPLICATION

- 4.1 As has been outlined above, approving this application would undermine policies on a national and local level. The site is located within open countryside, as defined by the Anglesey and Gwynedd Joint Local Development Plan, where it is encouraged to refuse proposals unless they are accordance with a specific policy of the Development Plan or national planning policy. As the above assessment shows together with the assessment in the Committee report of 10/01/2022 this location is not suitable for meeting the need for a local need affordable house as no appropriate policy justification has been submitted to justify a development in the open countryside.
- 4.2 Approving the application would create inconsistency in terms of implementing the Council's adopted planning policies in reaching decisions on applications regarding houses in the countryside.
- 4.3 There is a risk that the application may called in by the Welsh Government for determination. As well as the risk of individual applications being called in, the Welsh Government has powers to intervene formally in the way the Council provides the Planning Service. This would ultimately be the greatest risk to the Council.

5 OPTIONS FOR THE COMMITTEE

- 5.1 The options available to the Committee in determining the application are noted below with the options increasing in terms of risk to the Council as you proceed down the list:
- a) Refuse the application in accordance with the recommendation - The above assessment assesses the merits of the application against the requirements of relevant policies and guidance and reaches the conclusion that the proposal does not comply with the policies of the Anglesey and Gwynedd Joint Local Development Plan or the guidance in the SPG 'Replacement Dwellings and Conversions in the Countryside'. This is the only possible decision without any significant risks to the Council.
 - b) Approve the application with a Section 106 Agreement - The only way to make the house affordable if a high discount such as 50% is given on it. However, historically we are aware that such a high discount causes problems and lenders are not willing to give a loan on this basis. Additionally, there is a risk, if house prices continue to rise, that the property would not continue to be affordable

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even with a 50% discount and, if that happened, it would not be possible to justify the retention of the 106 Agreement, that could mean that the property could be converted into an open market property in future.

- c) Approving the conversion to an open market house outside the boundary - This is the greatest risk to the Council as it would approve an open market house in the countryside without any control in terms of occupancy or price. This would completely undermine local and national policies as well as the Council's credibility. Once more it is noted that Welsh Government has powers to intervene formally in the way the Council provides the Planning Service.

5.2 In order to ensure that the Council avoids the risks outlined above and as the application's merits have been assessed thoroughly by Council officers it is deemed that the proposal does not conform to the requirements of the adopted policies of the Anglesey and Gwynedd Joint Local Development Plan, local and national guidance and national planning policies. Therefore, it is recommended that the application as submitted is refused in accordance with the reasons for refusal noted at the beginning of this report.

6. APPENDICES

Appendix 1 – A copy of the previous report, plans and records submitted to the Planning Committee dated 10/01/2022.