

**Report of: Strategic Policy Manager**

---

**Subject: Well-being Objective Deep Dive/ Self-Assessment:** Communities – To create vibrant, sustainable and prosperous communities in the Park that are places people can live, work and enjoy.

Management Team Leads: Head of Regenerative Tourism. Director of Nature Recovery and Tourism. Chief Executive. Head of Engagement and Inclusion. Strategic Policy Manager. Head of Marketing and Communications.

Outcomes for Objective:

- Visitors make a positive contribution to local communities and the Park's Special Qualities.
- Work more closely with National Park communities to better understand and support local priorities.
- National Park communities are vibrant, sustainable and prosperous.
- Residents and visitors have effective and sustainable options (including using the rights of way network) to travel around the National Park.
- Increase in Affordable housing provision in the Park.
- The work of the Authority contributes to Pembrokeshire life supporting delivery of Welsh language, cultural, recreational and community activities.

**Outcomes this report is focusing on:**

This report provides a deep dive into the delivery of affordable housing in the National Park which contributes to the following outcomes:

- National Park communities are vibrant, sustainable and prosperous.
- Work more closely with National Park communities to better understand and support local priorities.
- Increase in Affordable housing provision in the Park.
- The work of the Authority contributes to Pembrokeshire life supporting delivery of Welsh language, cultural, recreational and community activities.

## 1. Policy Background

### National policy requirements on affordable housing

Affordable housing is defined as: “Affordable housing for the purposes of the land use planning system 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.” (Planning Policy Wales, paragraph 4.2.26).

Affordable housing includes:

- **social rented housing** owned by local authorities or registered social landlords and
- **intermediate housing** where prices or rents are above those of social rent but below market prices or rent. Intermediate housing can comprise of intermediate rented, shared ownership or Low Cost Home Ownership.

The delivery of affordable housing is a Welsh Government priority. Affordable housing can be delivered through the following means:

- **Planning obligations** (Section 106 agreements or Unilateral Undertakings), with affordable units provided on-site, or in some circumstances off-site
- **Commuted sums** paid where on-site provision is not feasible
- **Rural exception sites** outside of settlement boundaries for 100% affordable housing
- **Delivery by Pembrokeshire County Council** (the Housing Authority) using Social Housing Grant or Housing Revenue Account borrowing
- **Delivery by Registered Social Landlords (RSLs)** using a mix of Social Housing Grant, private borrowing and recycled grant
- **Community-Led Housing** through Community Land Trusts (CLTs)

National planning policy in Planning Policy Wales (PPW) and Technical Advice Note 2: ‘Planning and Affordable Housing’ requires Local Development Plans to:

- Set an authority wide target for the number of affordable homes to be delivered, based on the housing need identified in the Local Housing Market Assessment (LHMA).
- Identify policy targets and thresholds for the provision of affordable housing, based on viability evidence. Delivery could be onsite as affordable housing units, or through a financial commuted sum agreement. These would be secured through planning obligations and conditions.
- Identify housing allocations to meet market and affordable housing needs.
- Include policies to maximise the supply of affordable housing, including an exception site policy for 100% affordable housing that may be permitted

adjacent to settlement boundaries where general market housing would not be acceptable.

- Secure affordable housing in perpetuity for subsequent occupiers.
- Monitor delivery and review policy if targets are not met.

## **Future Wales: The National Plan 2040**

Future Wales: The National Plan 2040 is the national development plan for Wales and sets out the strategic direction for development in Wales up to 2040. Policy 7 'Delivering Affordable Homes' sets out the Welsh Government's policy to increase delivery of affordable homes. Local planning authorities are required to develop strong evidence-based policy frameworks to deliver affordable housing, including setting development plan targets based on estimates of housing need and local assessments. Local planning authorities should also "explore all opportunities to increase the supply of affordable housing".

## **Local Development Plan 2 Policy Framework**

A strategic objective of the Pembrokeshire Coast National Park Authority's adopted Local Development Plan 2 (LDP 2) is to deliver market housing in order to facilitate the provision of affordable housing to meet the needs of local communities. LDP 2 policies seek to facilitate the sustainable delivery of affordable housing to meet local needs and includes:

- **Policy 47 'Housing Allocations or Land with Planning Permission'** sets out the requirements for affordable housing on allocated sites or sites with permission.
- **Policy 48 'Affordable Housing (Strategy Policy)'** identifies a target to provide 362 affordable homes in the National Park and sets the affordable housing policy requirements and thresholds for different Housing Market Areas.
- **Policy 49 'Affordable Housing Exception Sites'** sets out criteria for the release of land for 100% affordable housing
- **Policy 55 'Infrastructure Requirements'** clarifies that where it can be proven that a proposal is unable to viably deliver the total amount of planning contributions, priority will be given to the delivery of affordable housing in any further negotiation.

## **Supplementary Planning Guidance on Affordable Housing**

The Authority has adopted Supplementary Planning Guidance (SPG) on Affordable Housing, which provides guidance on the implementation of LDP 2 policies. The SPG sets out the financial commuted sum requirements for different Housing Market Areas, based on the size of the dwelling in square metres. The Affordable Housing SPG has recently been updated and adopted in February 2026 to provide additional

clarity on Pembrokeshire's latest Local Housing Market Assessment (2023), commuted sum contributions, off-site affordable housing contributions, exception sites, staircasing to 100% ownership and viability assessments.

## 2. Affordable housing need in the National Park

The primary source of evidence for identifying affordable housing need is the latest Local Housing Market Assessment (LHMA) for Pembrokeshire (2023). The 2023 LHMA estimates future affordable housing need using the Welsh Government's 2018-based household projections and three locally derived growth scenarios for Pembrokeshire. These scenarios cover the local planning authority areas of the Pembrokeshire Coast National Park Authority and Pembrokeshire County Council. The forecasts take account of existing levels of need, with over 5,000 households recorded on the housing register in 2023.

Based on the 2018-based principal projection, the LHMA identifies an existing need for 82 affordable dwellings per annum over a five-year period to address the existing backlog. The methodology assumes this backlog is met within five years and estimates a newly arising need for 8 affordable dwellings per year over a remaining 10-year period. Over a 15-year period, the level of affordable need averages 33 dwellings per year.

The LHMA also considers local growth scenarios. The Pembrokeshire Growth Scenario, assumes a higher delivery of 435 dwellings per year, which is in line with two authorities' LDP 2 growth strategies. This scenario identifies an existing need for 90 affordable dwellings per annum over a five-year period, with a newly arising need of 17 affordable dwellings per year for the following 10-year period. Over a 15-year period, this equates to an average annual affordable housing need for 42 dwellings.

The LHMA provides detailed evidence on spatial need, affordable housing tenure, and required property sizes. The key findings are summarised below:

- **Affordable housing need:** 70% social rent, 30% intermediate rent.
- **Social rented need by property size:** 75% require one-bedroom units.
- **Adaptable homes:** 11,158 homes needed in Pembrokeshire by 2036 (≈18.3% of total housing stock), built to Lifetime Homes Standard.
- **Wheelchair-accessible homes (by 2036):** 190 market sector homes; 221 affordable homes.

### 3. Progress Assessment

<b>Delivery Plan</b>	<b>Activities</b> [The things that are being done with these resources]	<b>Inputs</b> [The resources (staff, time, money) being put into an intervention]	<b>Outputs</b> [A count of what has happened as a result of these activities]	<b>Outcomes</b> [The immediate consequences and change.]	<b>Impact</b> [The higher level and longer term results.]
Implement planning policy to support delivery of the Authority's targets for affordable dwellings to be built over the Local Development Plan period. Secure section 106 agreements	Strategic Policy Officers prepare an <a href="#">Annual Monitoring Report (AMR)</a> which monitors performance of Local Development Plan 2 (LDP 2) against key indicators. The relevant indicators include: <ul style="list-style-type: none"> <li>- Indicator 23: Number of net additional affordable dwellings built</li> <li>- Indicator 24: Number of net additional dwellings built</li> <li>- Indicator 25: House prices, build costs and affordable rents (for monitoring LDP 2 policies 47 Land Allocations or Land with Planning Permission and 48</li> </ul>	Strategic Policy Officers undertake annual housing surveys to assess delivery on consented housing development.	Indicators 23, 24 and 25 are delivering in line with targets.	Results from AMR 2024-25:  Indicator 23: 232 affordable dwellings built since 2015, which is marginally higher than the target of 230 dwellings (equates to a target 23 affordable dwellings per annum).  Indicator 24: 633 net additional dwellings built since 2015 against a target of 593.  Indicator 25: House prices, build	The National Park is delivering in line with policy targets to secure affordable housing for local needs in perpetuity.

<b>Delivery Plan</b>	<b>Activities</b> [The things that are being done with these resources]	<b>Inputs</b> [The resources (staff, time, money) being put into an intervention]	<b>Outputs</b> [A count of what has happened as a result of these activities]	<b>Outcomes</b> [The immediate consequences and change.]	<b>Impact</b> [The higher level and longer term results.]
	Affordable Housing (Strategy Policy)			costs and affordable rents are all below the trigger points which indicates the affordable housing policy requirements can be maintained.	

- **Affordable housing completions in the National Park** (LDP 2, AMR indicator 23)

The table below shows affordable housing completions in the National Park over a 10-year period since 2015. A total of 232 affordable homes have been delivered in the National Park, against a target of 230 new affordable homes.

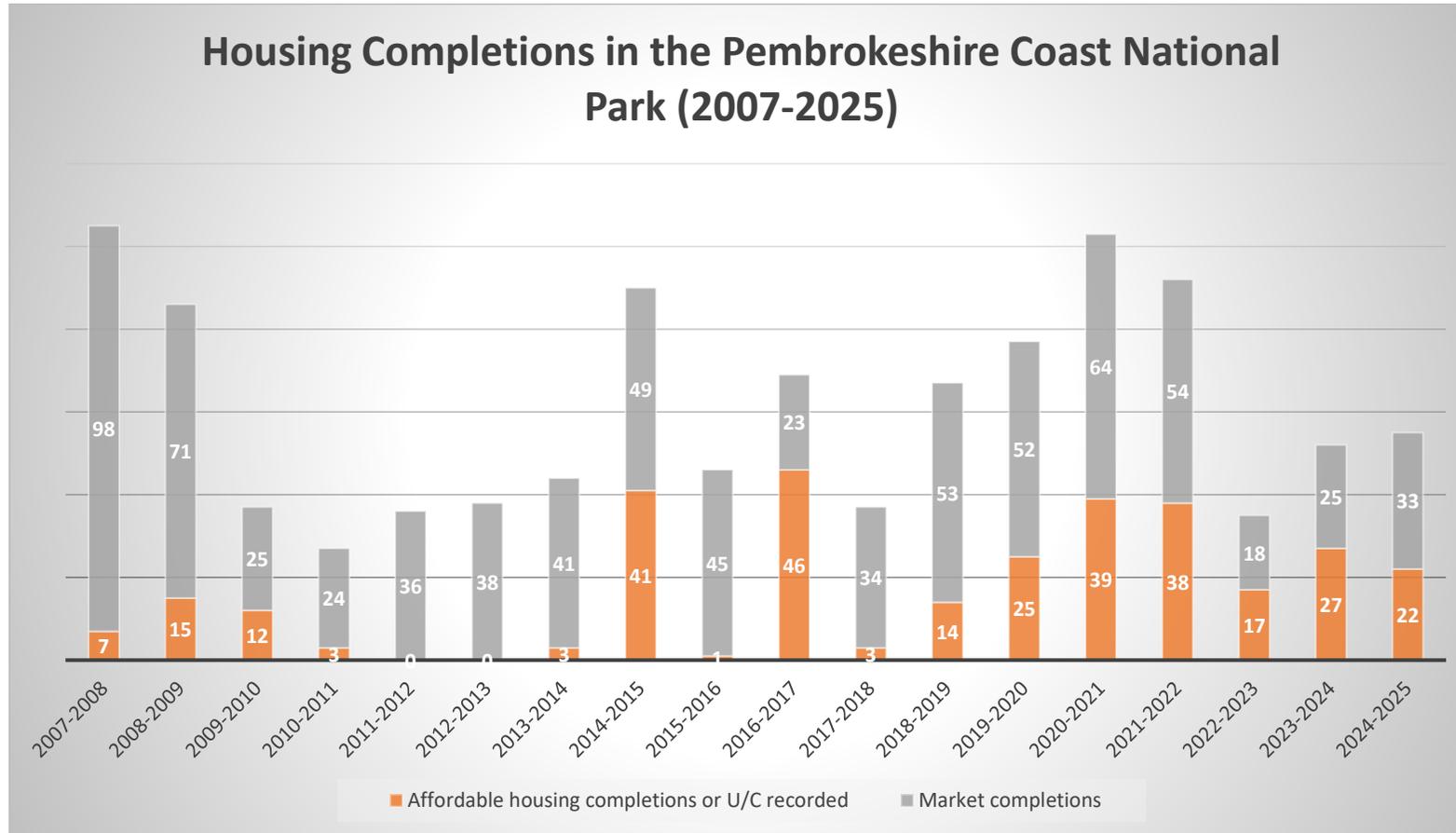
	Year	Annual Target	Cumulative Target	Trigger 1: 10% Below At Review	Trigger 2: 25% Below at Review	Completed	Cumulative Completions	Cumulative Performance	Action	Overview
Year 1	2015-2016	23	23	21	17	1	1	4%	Continue Monitoring	
Year 2	2016-2017	23	46	41	35	46	47	102%	Continue Monitoring	
Year 3	2017-2018	23	69	62	52	3	50	72%	Continue Monitoring	
Year 4	2018 -2019	23	92	83	69	14	64	70%	Continue Monitoring	
Year 5	2019-2020	23	115	104	86	25	89	77%	Continue Monitoring	
Year 6	2020-2021	23	138	124	104	39	128	93%	Continue Monitoring	
Year 7	2021-2022	23	161	145	121	38	166	103%	Continue Monitoring	
Year 8	2022-2023	23	184	166	138	17	183	99%	Continue Monitoring	
Year 9	2023-2024	23	207	186	155	27	210	101%	Continue Monitoring	
Year 10	2024-2025	23	230	207	173	22	232	101%	Continue Monitoring	

- **Housing completions in the National Park** (LDP 2, AMR Indicator 24)

The table below shows housing completions since 2015. During the 10-year period April 2015 to the end of March 2025, 633 new homes have been completed in the National Park, against a target of 593 dwellings. Annual completions peaked in 2020-21 with the delivery of 103 units, with the lowest delivery in 2017-18 of 37 units. The average delivery over the past 10 years has been 63 homes per annum.

	Year	Annual Target	Cumulative Target	Trigger 1: 10% Below	Trigger 2: 25% Below	Annual Completions	Cumulative Completions	Annual Performance	Cumulative Performance	Action	Overview
Year 1	2015-2016	46	46	41	35	46	46	100%	100%	Continue Monitoring	
Year 2	2016-2017	69	115	104	86	69	115	100%	100%	Continue Monitoring	
Year 3	2017-2018	39	154	139	116	37	152	95%	99%	Continue Monitoring	
Year 4	2018 -2019	57	211	190	158	67	219	118%	104%	Continue Monitoring	
Year 5	2019-2020	72	283	255	212	77	296	107%	105%	Continue Monitoring	
Year 6	2020-2021	62	345	311	259	103	399	166%	116%	Continue Monitoring	
Year 7	2021-2022	62	407	366	305	92	491	148%	121%	Continue Monitoring	
Year 8	2022-2023	62	469	422	352	35	526	56%	112%	Continue Monitoring	
Year 9	2023-2024	62	531	478	398	52	578	84%	109%	Continue Monitoring	
Year 10	2024-2025	62	593	534	445	55	633	89%	107%	Continue Monitoring	

The graph below shows the delivery of market housing and affordable housing in the National Park over the period 2007 to 2025. The graph shows the significant increase in affordable housing delivery, especially during the past 10 years and annual fluctuations in overall housing completions.



#### 4. Mechanisms for delivery of affordable housing

##### Delivery of affordable housing units on site via Planning Obligations

Planning obligations are used to secure affordable housing contributions from developers and landowners through policy-led negotiation. LDP 2, Policy 48 'Affordable Housing (Strategy Policy)' sets out the required affordable housing percentages and site thresholds across different housing market areas. For example, developments in Tenby are required to provide 50% affordable housing, while developments in the St Brides Bay housing market area are required to provide 20%.

**Policy 48      Affordable Housing (Strategy Policy)      ★**

**Over the Plan period 2016 to 2031 the Local Development Plan will seek to provide 362 affordable - dwellings in the National Park. In order to deliver this target:**

**a) Development proposals for private market housing will be required to make the following on-site provision:**

- i. 50% affordable housing on sites of 2 or more dwellings in the Newport, Tenby and South East Coast sub-market areas;**
- ii. 35% affordable housing on sites of 3 dwellings or more in the St Davids and North Coast sub-market area;**
- iii. 25% affordable housing on sites of 4 dwellings or more in the South West Coast sub-market area;**
- iv. 20% affordable housing on sites of 5 dwellings or more in the St Brides Bay sub-market area; and**
- v. 15% affordable housing on sites of 7 dwellings or more in the Estuary Hinterland and North East sub-market areas.**

These targets were informed by a Viability Assessment undertaken for LDP 2 by Dr. Andrew Golland using the Wales Development Appraisal Toolkit and have been tested through independent examination.

Allocated sites in LDP 2 have site-specific affordable housing targets, informed by individual site viability assessments, to ensure deliverability as set out in Policy 47, 'Housing Allocations or Land with Planning Permission'.

The AMR (indicator 25) monitors house prices, build costs and affordable rents to ensure the targets in policies 47 and 48 are appropriate. The indicator contains various triggers for reviewing the policy which have not been reached.

Where affordable housing is provided on site by a private developer, these are usually sold to a Registered Social Landlord (RSL), or Pembrokeshire County Council at a discounted rate. The RSL will then own and manage the homes.

The Authority has not quantified the proportion of affordable housing delivered solely through planning obligations, but monitors the delivery of units on consented sites. In general, sites are delivering in line with policy requirements.

Applicants are expected to have fully accounted for all development costs, including policy-based planning obligations and any reasonably foreseeable abnormal costs, when negotiating land purchase prices. In line with national planning policy, it should not be necessary for viability issues to be considered further. Where an applicant argues that they are not able to meet the affordable housing policy requirements, they must demonstrate particular exceptional circumstances to justify the need for a viability assessment at the planning application stage, supported by a viability assessment which will be subject to an independent assessment. Planning permission on previously developed sites can incur higher costs associated with site remediation, which can result in reduced affordable housing contributions. For example, a reduction in affordable housing was required on the Former Royal Mail Office site in Warren Street, Tenby. Planning permission was granted (NP/21/0593/FUL) for 34 dwellings, of which, 27 will be market units subject to a Class C3 primary residence restriction; 7 units will be permitted for Class C3, C5 (second home), and C6 (short-term let) use. Four affordable homes will be provided, representing 12% of the total.

### **Commuted sum payments**

Commuted sum payments are secured in lieu of on-site affordable housing provision where the number of homes falls below the threshold for the delivery of affordable units on site, or where it is not possible to deliver affordable housing on a site. The payment must accord with the policy requirements as set out in the Authority's Supplementary Planning Guidance on Affordable Housing. The financial commuted sum payments are made to Pembrokeshire County Council as the Housing Authority and managed by the Planning Obligations Monitoring Officer.

A report to [Pembrokeshire County Council's Cabinet \(item 164 Use of Affordable Housing Section 106 Contributions 22/02/2016\)](#), established that commuted sum contributions must be spent on schemes falling within the definition of affordable housing and can be used to fund the following:

- A. Support for home buyers in housing need: supporting the development of Low Cost Home Ownership schemes
- B. Tackling empty homes: to bring properties back into use within the definition of affordable housing
- C. Direct delivery of affordable: housing to top up Social Housing Grant schemes or fund new affordable housing on PCC or PCNPA owned land, purchase land for new affordable housing schemes to be provided by PCC or PCNPA, or purchase existing properties on the open market for letting as affordable housing

- D. Development of supported / adapted housing: Funding or contributions to affordable housing which meets specifically identified needs e.g. learning disabilities, extra care housing or other customer groups
- E. Fund the cost of area regeneration of Council HRA housing estates that would provide new affordable housing
- F. Support regeneration projects to tackle poor housing condition
- G. Support established community groups to develop affordable housing initiatives such as Community Land Trusts
- H. Any other measures that can be categorised as affordable housing.

The table below shows the amount of developer contributions that have been received and spent in the National Park during the last five years. At April 2025 there was £555,393.63 available to spend on affordable housing in the National Park, with £87,668.33 received towards affordable housing during the financial year.

**Table showing developer contributions towards the provision of affordable housing via planning obligations**

	<b>Held at start of year</b>	<b>Received during year</b>	<b>Spent during year</b>	<b>Year end total</b>
<b>2020-21</b>	£388,657.64	£61,623.00	£10,800.00	£439,480.64
<b>2021-22</b>	£439,480.64	£196,088.00	£29,450.00	£606,118.64
<b>2022-23</b>	£606,118.64	£107,855.00	£11,250.00	£702,723.64
<b>2023-24</b>	£702,723.64	£59,957.00	£128,209.84	£625,470.80
<b>2024-25</b>	£625,470.80	£87,668.33	£157,745.50	£555,393.63

When a commuted sum payment towards affordable housing is required, in the first instance, spend will be restricted to the local Community Council area and land within adjacent Community Councils which lies within the National Park. Any land in these Community Councils which lies outside the National Park would be excluded. If, following 3 years, no suitable scheme has been commenced and the sum has not been spent, the contribution may be spent on any Affordable Housing scheme across the whole of Pembrokeshire (including the area outside of the National Park) for a further 2 years. If following a total of 5 years from receipt of the original sum the contribution has not been spent, it will be returned to the developer at a rate adjusted to reflect inflation over 5 years. To date, no commuted sum payments have been returned to developers in Pembrokeshire due to underspend.

### **Affordable Housing Exception Sites**

LDP 2, Policy 49 'Affordable Housing Exception Sites' permits affordable housing sites within or adjoining the Plan's Centres where it can be demonstrated that:

a) the site is solely for affordable housing and there are clear and adequate mechanisms to ensure that the benefits of affordable housing will be secured for initial and subsequent occupiers; and

b) a genuine need for affordable housing has been identified; and

c) the site is of a size and scale that is commensurate with the defined need and is in keeping with the form and character of the Centre.

In the National Park, four sites have been permitted to provide 100% affordable housing outside, but adjacent to settlement boundaries

<b>Planning application reference</b>	<b>Site name and location</b>	<b>Number of affordable units</b>	<b>Status of planning application</b>
NP/17/0722/OUT	Land west of Narberth Road, Tenby	14	Permission time extended, awaiting submission of reserved matters application
<a href="#">NP/19/0548/FUL</a>	Land North of Bay View Terrace, Dinas Cross, Newport, Pembrokeshire	17	Site completed
<a href="#">NP/23/0076/FUL</a>	Land North of Bay View Terrace, Dinas Cross, Newport, Pembrokeshire	14	Site completed
NP/23/0545/FUL	Land adjacent to Bro Dawel, Solva	17	Permission granted for phase 1, awaiting reserved matters permission for phase 2, 11 affordable units.

### **Social Housing Grant**

Social Housing Grant is a Welsh Government Grant given to Pembrokeshire County Council as the Housing Authority to administer to Registered Social Landlords for the delivery of affordable homes. Social Housing Grant can be used to develop

additional affordable housing units in the National Park but should not be used to provide affordable housing on a site where it is financially viable to deliver the affordable housing by a Section 106 agreement. In the financial year 2024-25, Pembrokeshire County Council fully allocated its Social Housing Grant budget and received additional slippage totalling £15.9 million.

In 2024/25 the following schemes in Pembrokeshire received Social Housing Grant. Sites highlighted in red are located in the National Park:

- The Kilns, Llangwm (phase 1)
- **Whitlow, Saundersfoot**
- **Land opposite Bush Terrace, Jameston**
- Parc Maen Hir, Letterston
- Former Cleddau Bridge Hotel, Pembroke Dock
- Phase 1, Harcourt Close, Hook
- Land at Slade Lane, Haverfordwest
- Ship and Anchor, Fishguard
- Adams Drive, Narberth
- **The Barn, Dinas Cross (Phase 2)**

The funding can be used to build new homes or to acquire existing housing as affordable homes, either for social rent or intermediate forms of affordable housing. The grant may be used with the Housing with Care Fund (HCF) towards extra care housing for older people or supported housing for people with specific needs.

## 5. Case Studies

The following case studies will be presented to the Operational Review Committee:

### **Case Study 1: Delivery of 125 dwellings, of which 93 affordable homes at Brynhir, Tenby.**

**Planning Application Ref:** [NP/19/0361/OUT](#) and [NP/23/0458/RES](#)

**Proposal:** Residential development

**Location:** Brynhir, Old Narberth Road, Tenby, Pembrokeshire SA70 8TT

The greenfield site is located to the north and east of Upper Hill Park on the edge of Tenby. It was allocated as a housing site under the previous Local Development Plan 1 (LDP 1) but is not allocated in LDP 2. Outline planning permission was granted under LDP 1 prior to the adoption of LDP 2, establishing the principle of development within the parameters of that permission.



**Site location plan, Brynhir, Tenby**



**Approved site layout, Brynhir, Tenby**

The site is owned by Pembrokeshire County Council and planning permission has been granted for 125 residential units, comprising 32 open market dwellings and 93 affordable housing units. Of the 32 open market dwellings, 16 would be shared ownership properties. These shared ownership units are not required to comply with the planning definition of affordable housing and may staircase to 100% ownership.

The Local Housing Market Assessment (2023) identifies a total need for 223 affordable homes in the Tenby Housing Market Area over 15 years, with the majority of need for social rented properties (79%) and 21% for intermediate rent. The proposal includes 55 one-bedroom units, reflecting the highest level of need identified in the LHMA. There would also be a mix of two, three, four and five bed roomed affordable units.

The Section 106 legal agreement requires the Council to agree a Local Lettings Policy for the affordable housing units, giving preference to local people on the Pembrokeshire Common Housing Register. In addition, the shared ownership units must be occupied as the sole, permanent, and principal residence of the owner, with no permission to let, sub-let, or underlet, and allocated to households in local housing need.





**Computer-generated images above provide an impression of the site at Brynhir, Tenby.**

**Case Study 2: Delivery of 31 affordable homes on a rural exception site.**

**Planning application ref:** [NP/19/0548/FUL](#) (Phase 1) [NP/23/0076/FUL](#) (phase 2)

**Proposal:** Phase I residential development of 17 affordable housing units and Phase II residential development of 15 No units to include 14 social rented new build properties and the conversion of an existing traditional outbuilding into a one-bedroom unit for market sale.

**Location:** Land North of Bay View Terrace, Dinas Cross, Newport, Pembrokeshire, SA42 0UR

A total of 31 social rented homes have been built at Dinas Cross under the exception site policy. The site was partly within and partly outside of the settlement boundary of Dinas Cross. Phase 1 developed 17 affordable units comprising of a mix of one bedroom flats, one bedroom bungalows and two and three bedroomed houses.

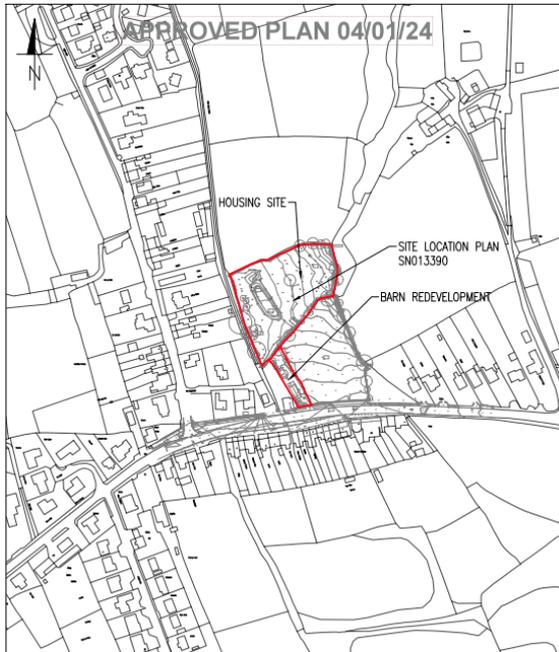


[NP/19/0548/FUL](#) Phase 1: Site location and proposed layout, Bay View Terrace, Dinas Cross.

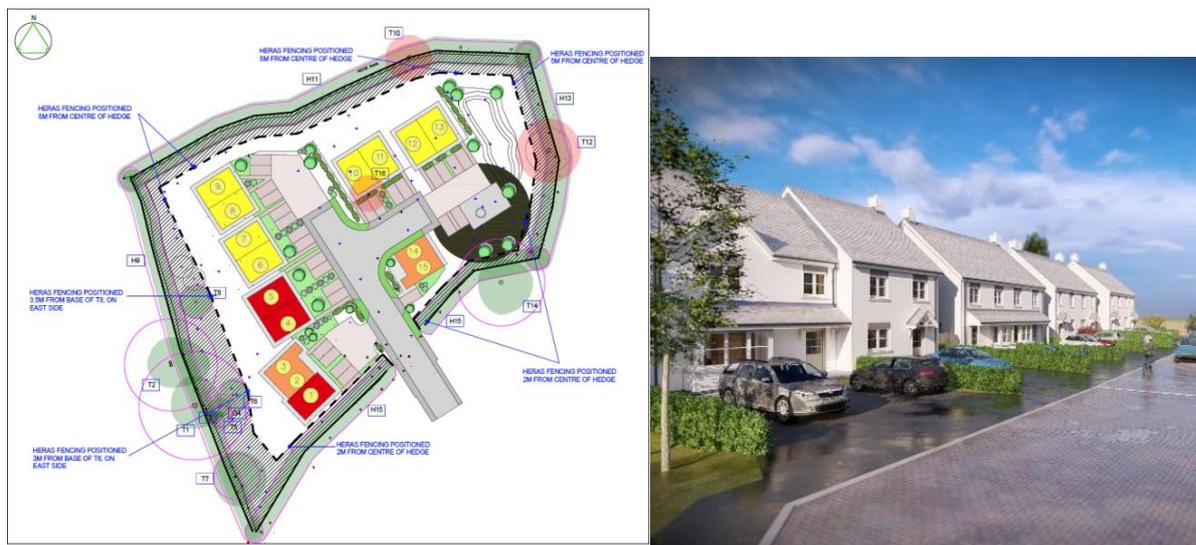


[NP/19/0548/FUL](#) Phase 1: Site section drawings, Bay View Terrace, Dinas Cross.

Phase two was sited to the north of phase one and is outside of the settlement boundary of Dinas Cross. Phase two provides 14 social rented units and also included the conversion of an existing traditional outbuilding into a one bedroomed open market unit. A mix of one bedroom flats and two, three and four bedroomed houses is provided.



[NP/23/0076/FUL](#) (phase 2) Site location plan, Bay View Terrace, Dinas Cross.



[NP/23/0076/FUL](#) (phase 2) site layout and computer generated image to provide an impression of the development, Bay View Terrace, Dinas Cross.

Evidence from the 2021 Local Housing Market Assessment highlighted a need for social and intermediate affordable homes in Dinas Cross, supported by data from

Pembrokeshire County Council's Housing Register. Tai Wales and West Housing manage the development using a choice-based letting policy. A Section 106 agreement secured occupancy conditions to ensure the affordable homes are let to those in local need. The application site is also within a Welsh Language Sensitive Area and the prioritisation of people with a local connection through the following criteria would support the Welsh language and culture in the area. Occupants are required to demonstrate they:

- i) Are unable by reason of limited means to compete in the open market for rented residential properties in the Council Area. The Council Area is defined as Dinas Cross Community Council, the Newport Town Council and the Cwm Gwaun Community Council areas.
- ii) Able to establish a Council Area connection. A local connection requires the person to have lived in the area for the last five years, or demonstrate they have lived in the area for at least 10 years previously, have a permanent job (at least 16 hours a week) or unpaid work in the local area, a child attending school within the area or a parent or close family member living in the area providing or requiring support.
- iii) Are registered on the Pembrokeshire Common Housing Register.

The Section 106 agreement requires the affordable housing units to be constructed in accordance with the Welsh Housing Quality Standard and the Welsh Development Quality Requirements. The Welsh Government Development Quality Requirements (WDQR 2021) set minimum standards for new homes in Wales, covering internal space, accessibility and adaptability standards that align with the principles of Lifetime Homes, and technical specifications. They ensure homes are functional, safe, energy-efficient, and built to a high-quality design, with adequate storage, circulation, and outdoor space. Homes delivered through the Social Housing Grant must fully comply, while those provided via planning obligations (Section 106) are required to meet the space standards. The standards are regularly reviewed to reflect evolving Welsh Government policy and best practice.

### **Partnership working**

The National Park Authority is committed to close partnership working with Pembrokeshire County Council as the Housing Authority. This collaboration includes jointly preparing the Local Housing Market Assessment to ensure robust evidence of housing need. The Authority holds quarterly meetings with local Registered Social Landlords, namely Ateb and Tai Wales and West Housing to discuss delivery on existing and proposed sites in the National Park. Through this partnership approach, the Authority seeks to align planning policy and housing provision to meet local needs effectively.

## **6. Challenges and Opportunities**

There are a number of future challenges to the delivery of housing and affordable housing in the National Park which are outlined:

### **- Viability constraints**

Delivery of affordable housing through planning obligations is reliant on the scheme's viability which is sensitive to fluctuations in build costs, land values and house prices. Affordable housing delivery through S106 is market-dependent and may vary over time, particularly during periods of economic uncertainty or rapid cost inflation.

### **- Limited development opportunities**

A statutory purpose of the National Park is to conserve and enhance the natural beauty, wildlife and cultural heritage, which limits the number of sites available for housing development. Opportunities for large-scale developments is limited, and developers tend to be local, small-scale developers, rather than national scale housing developers. It is therefore paramount in the National Park that all development opportunities maximise the delivery of affordable housing on site and for affordable housing to be retained in perpetuity.

### **- Delivery of one-bedroom units**

Planning policy requires proposals to create balanced communities through an appropriate mix of dwelling sizes, types and tenures, having regard to the current evidence of housing need. The LHMA 2023 identifies a high level of need for new social rented housing, with 75% of properties required to be one-bedroom homes. Registered Social Landlords find it unrealistic to deliver 75% one-bedroom properties due to demand, funding rules and long-term management.

### **- Infrastructure constraints**

A further limitation on the delivery of affordable housing is the capacity of supporting infrastructure to accommodate new development. In the National Park there is limited capacity within certain wastewater treatment works which is constraining the scale and timing of new housing, including affordable housing. Where treatment works or the wider sewerage network lacks available capacity, development may be delayed, phased, or refused until upgrades are delivered.

### **- Planning policy – water quality**

The delivery of affordable housing in some areas of the National Park is constrained by environmental regulations. In January 2021, Natural Resources Wales (NRW) published guidance on phosphate levels which restricted new development in certain settlements that drain to the Cleddau riverine Special Area of Conservation (SAC). In June 2025, following the publication of condition assessments for Welsh European marine sites and associated advice packages, guidance from NRW requires new development to demonstrate nutrient neutrality where it drains to the Milford Haven

Inner waterbody or the Burry Port Inlet. These constraints affect the location of affordable housing delivery. The National Park is fortunate in that none of its main Centres fall within this geographical area, instead the majority drain to coastal locations rather than the Milford Haven Inner waterbody or the Burry Port Inlet. This means that fewer sites are constrained than is the case for neighbouring authorities including Pembrokeshire County Council, Carmarthenshire County Council and Swansea City Council, however the geographical areas affected do include a rural area within the National Park and development within this location is having to demonstrate compliance with the relevant NRW guidance in order to be acceptable under the Habitats Regulations. Such considerations can add costs to developments in terms of survey information, design of package treatment plants in non mains locations and delays whilst Habitat Regulations Assessments are processed.

- **Grant funding**

Affordable housing delivery is heavily dependent on Welsh Government funding. Changes in funding or policy could affect delivery rates, especially as private sector contributions remain limited.

**7. Contribution to Cross Cutting Outcomes:**

<b>Cross Cutting Outcome</b>	<b>Contribution – Activities and Impact</b>
Sustainable Development Principles – 5 ways of working	<p><b>Long Term</b> – affordable housing is secured in perpetuity ensuring that it meets the needs of future occupiers and communities in the long-term.</p> <p><b>Prevention</b> – the provision of affordable housing seeks to prevent rural depopulation and outmigration of local people, including Welsh speakers and prevents homelessness.</p> <p><b>Integration</b> – the provision of affordable housing is not isolated but impacts on wider economic, social, environmental and health and wellbeing goals, helping to create sustainable, mixed communities.</p> <p><b>Collaboration</b> – delivery of affordable housing requires collaboration of the National Park Authority with Pembrokeshire County Council as the Housing Authority, Registered Social Landlords, Community Land Trusts and landowners. Affordable housing may be funded by developers, Pembrokeshire County Council, RSLs or the Welsh Government. A number of consultees are involved during the planning process, including transport and</p>

	<p>environmental consultees and the wider community.</p> <p><b>Involvement</b> – a number of organisations, stakeholders and local communities are engaged to ensure affordable housing meets local need.</p>
Public Sector Equality Duty/ Socio Economic Duty / Reducing Child Poverty	<p>Housing costs are a primary driver of inequality and poverty. The provision of affordable housing promotes equality of opportunity by providing access to well designed, efficient affordable housing. This supports opportunities to access employment education, healthcare and transport. Affordable housing can directly benefit many protected characteristic groups including older people, younger people disabled people through accessible and adaptable homes, minority ethnic households and women who tend to be disproportionately affected. The provision of mixed, inclusive communities can reduce segregation and foster good relations through the integration and inclusion of all. The provision of affordable housing plays a key role in tackling child poverty by improving health, access to education and housing related pressures for families.</p> <p>LDP2's policies have been subject to an Equalities Impact Assessment.</p>
Promoting Welsh Language	<p>The LHMA is the primary source of evidence of local housing need to ensure affordable housing is provided to meet local needs, including the needs of Welsh speakers and ensure that suitable mechanisms are in place for the retention of affordable housing or its replacement for future generations.</p> <p>The adopted LDP 2, which underwent a sustainability appraisal that included Welsh Language as an assessment criterion.</p> <p>Local Lettings Policy for the allocation of affordable housing units, gives preference to local people, thereby helping to protect the Welsh language and culture.</p>
Section 6 Biodiversity Duty / Sustainable Management of Natural Resources	<p>Planning Authorities must maintain and enhance biodiversity and promote the resilience of ecosystems through the planning</p>

	process as part of compliance with the Environment (Wales) Act 2016. Biodiversity enhancements which are proportionate to the scale and nature of development must be provided to ensure a net benefit for biodiversity is delivered. Planning Policy Wales states that a Green Infrastructure Statement should be provided with all planning applications to provide an assessment of what impact a planning application will have to existing biodiversity and describe what and how green infrastructure will be incorporated into the proposal.
Engagement with Communities and Stakeholders	Stakeholders and communities are engaged and involved through the preparation of the Local Development Plan at informal and key consultation stages. All planning applications are advertised and comments are invited from statutory consultees which includes Town and Community Councils and members of the public.
Staff Development / Volunteering Opportunities	Planning officers maintain up-to-date knowledge of planning policy, viability and wider issues that affect housing delivery, such as environmental or infrastructure constraints through engagement with Dwr Cymru Welsh Water and NRW. Officers engage in ongoing professional training and partnership forums with the Housing Authority and Registered Social Landlords.

## 8. Overall Assessment and Next Steps

The National Park Authority is delivering affordable housing in line with national and local policy requirements. Delivery to date has met, and marginally exceeded, Local Development Plan 2 (LDP 2) targets, with 232 affordable homes completed against a target of 230 since 2015, and overall housing completions also exceeding planned levels. The LDP 2 Annual Monitoring Report indicators confirm that affordable housing policy thresholds remain viable, with house prices, build costs and affordable rents below policy trigger points.

Affordable housing is being delivered through a combination of planning obligations, exception sites, and partnership working with Pembrokeshire County Council and Registered Social Landlords. The case studies at Dinas Cross and Brynhir, Tenby illustrate how policy mechanisms are successfully securing significant levels of social rented housing that closely align with identified local needs in the Local Housing Market Assessment, particularly for one-bedroom units. Build quality standards are

high, with developments meeting Welsh Government Development Quality Requirements.

Commuted sum contributions continue to provide a valuable supplementary funding source, with effective governance arrangements in place to ensure funds are spent within policy timescales. No commuted sums have been returned due to underspend, indicating active use of contributions to support affordable housing delivery.

Future delivery may face some challenges, including limited development opportunities within the National Park, infrastructure constraints (notably wastewater capacity), environmental regulations relating to water quality, and reliance on external grant funding. Affordable housing delivery through Section 106 agreements remains sensitive to market conditions and viability, particularly during periods of economic uncertainty. Despite these constraints, the Authority's policies, monitoring arrangements and partnership approach provide a robust framework for maximising affordable housing provision, while safeguarding the National Park's statutory purposes.

### Next Steps

- **Continue robust monitoring** of affordable housing delivery through the Annual Monitoring Report, including viability indicators and market conditions that could affect future supply.
- **Maintain a strong policy stance** on affordable housing requirements, only permitting deviations where exceptional and evidenced viability circumstances are demonstrated.
- **Maximise opportunities for affordable housing delivery in LDP 3** through on-site affordable housing provision and exception sites, ensuring homes are secured in perpetuity and aligned with LHMA-identified needs.
- **Maintain and strengthen partnership working** with Pembrokeshire County Council, Registered Social Landlords and other stakeholders including Planned and Community Land Trusts to maximise opportunities for future affordable housing delivery.
- **Ensure Social Housing Grant funding and commuted sum funding**, identifies deliverable projects and prioritises sites identified in the LDP.
- **Engage with infrastructure providers and regulators**, including Dŵr Cymru Welsh Water and Natural Resources Wales, to anticipate and respond to infrastructure and environmental constraints affecting housing delivery.
- **Publish updated Supplementary Planning Guidance on Affordable Housing** (agreed by NPA on 11 February 2026) to provide clarity on

commuted sums, off-site affordable housing contributions, exception sites, staircasing to 100% ownership and viability assessments.

These actions will help sustain affordable housing delivery, respond to emerging challenges, and ensure that future provision continues to meet local needs.