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Welsh Assembly Government
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Dear Mr Lewis

Consultation on the Revision of Technical Advice Note 1 'Joint Housing Land Availability Studies,' Technical Advice Note 2 'Planning and Affordable Housing' and Draft Ministerial Interim Planning Policy Statement No DMIPPS/02/05

Thank you for the opportunity to respond to the above consultation papers. They have been considered via the Royal Town Planning Institute's Welsh Planning Policy Panel and through feedback from two joint professional seminars held with members of the Royal Town Planning Institute (RTPI), Chartered Institute of Housing (CIH) and Royal Institution of Chartered Surveyors (RICS) in North and South Wales. As such I can offer the following views:-

TAN 1 'Joint Housing Land Availability Studies'
GENERAL COMMENTS

1. We welcome the Welsh Assembly Government's focus on the issue of affordable housing demonstrated through its' commitment to revising both TAN 1 and TAN 2, the issue of the Draft MIPPS and also through the draft local housing assessment guide and affordable housing toolkit issued alongside the consultation papers.
2. The revised format of the TAN 1 document is welcomed as it is clearly drafted to follow the JHLA process through the various stages. Furthermore, the use of specific targets and indicators should help to ensure that housing information is comprehensive, up to date and consistent across Wales.
3. However, we consider that TAN 1 does not take sufficient account of regional partnership working within the framework of the Wales Spatial Plan. The TAN places the onus solely onto individual local planning authorities to ensure that it has a 5-year supply of land for housing. Failing to achieve this could lead to a local authority being forced to release additional land within its boundaries when there could be sufficient land available a short distance away within a neighbouring authority. The 'identified options' referred to in paragraph 27 are for a local authority in isolation – no mention is made of regional collaboration.
4. The proposals will involve more work and be more onerous than the previous process – as such, some further thoughts on resource and capacity issues may be required.

QUESTIONS

Do you agree that information on affordable housing should be collected as part of the JHLA process?

5. The distinction between affordable and general market housing made in the paper is welcomed and considered adequate for the purposes of land use planning. JHLA studies provide a consistent process for the collection of information on affordable housing. Future studies should provide a mechanism for monitoring the provision of both market and affordable housing between authorities.
6. At present the Welsh Development Agency's land division collects and keeps much of this information. This requires significant resources which should be taken into consideration and protected when the WDA merges with the Welsh Assembly.

Do you agree that a regional approach would be beneficial to the JHLA process?

7. We welcome the reference to the Wales Spatial Plan (WSP) and the ability to undertake studies at a regional level. Local housing markets are not restricted to local authority boundaries hence a regional approach will ensure that local housing markets are accurately reflected. The regional approach is considered essential – this can be pursued by the various regional strategic planning groups in Wales (e.g. the South East Wales Strategic Planning Group) and should link to the WSP Area Reference Groups. However, greater involvement of the private sector at this regional level is essential.

Do you agree that the JHLA process should be a trigger for increasing housing land supply through the revision or review of the development plan?

8. The JHLA process should provide an appropriate trigger for increasing housing land supply through the revision/review of the local development plan. However, this should be compatible with the regional framework (as referred to above). The clear advice on Study frequency and publication should help to ensure that all development plan information kept up to date. The incorporation of Study findings into the Development Plan Annual Monitoring Report is useful and will ensure that a monitoring mechanism is publicly available. An annual review is considered the optimum time.

Do you agree that where there is a shortfall in the 5-year housing land supply the need to increase supply should be given considerable weight when deciding planning applications?

9. Where there is a shortfall, the most appropriate way of increasing supply through a plan-led system is via a review of the local development plan. It is also important to define the term "considerable weight."

Do you agree with the proposed study frequency?

10. It is agreed that the study should be undertaken annually. This will help to ensure comparison with other authorities on a consistent basis. However, an annual study requires many meetings and is resource-intensive. Again, this should be considered in the merger of the WDA with the Welsh Assembly to ensure that adequate staff and resources are committed to this study.

Do you feel that the additional categories are correct and add value to the information already collected?

11. Additional categories will add to the value of data collected, however, consideration should be given to how local planning authorities can resource this before additional categories are added. A category to look at density levels may be useful to distinguish between houses and flats but it is considered that the additional ownership category would not be of significant value to the JHLA process and should be reconsidered. Studying completions does not provide the whole picture as new-build may include apartments bought as second homes/buy-to-let properties and hence do not add to the supply of affordable homes. This type of information should be collated. Land values may provide useful information related to areas showing signs of high pressure. This information is available via the Land Registry.

Do you agree that the categorisation of sites should remain unchanged?

12. Yes – it would be difficult to make site categorisation amendments at this time of change with the introduction of the new LDP system. Also, retaining the existing categories will enable comparative monitoring with JHLA studies in previous years. It is suggested that this should be kept under review.

Do you agree that where a site in Category 2 remains undeveloped for more than 5 years it should be re-categorised 3i?

13. Yes, otherwise this could distort the housing land availability figures. The proposal to introduce reasoning into the report is supported – this should ensure that the local development plan is kept up to date. Additional guidance would be useful to ensure that brownfield sites with constraints do not fall into category 3i, leaving only Greenfield sites with fewer constraints in category 2. The reasons for non-development of a site should be thoroughly examined before it is re-categorised. In this respect some consideration of phased sites that may take longer to develop should be taken into account. There is concern that paragraph 18 states that where there is disagreement ‘the majority view will prevail.’ Commercial decisions could be taken without any democratic scrutiny. Perhaps such decisions should be taken as part of the review of the LDP?

Do you agree that the identified options remain the best way to calculate housing land availability?

14. Use of identified options ensures that historical comparison can be made with previous JHLA studies. However, the method of calculation may need further explanation – for example, a worked example could be included to illustrate the methodology. The revision of TAN 1 provides a good opportunity for providing greater clarity. Also, consideration should be given to distinguishing between the supply of different types of dwellings as there may be sufficient land for high density dwellings and apartments yet the demand is for family homes with a garden.

Where the supply is below 5 years

15. Identified options including the revision of the development plan and securing the provision of infrastructure on particular sites are considered appropriate mechanisms

to address shortfalls of housing land supply. In addition, the position should be reviewed on a cross-boundary basis. There is concern over the proposal to expedite

planning applications which are not in conformity with the development plan. This could lead a dangerous precedent for other applications which are not in conformity plus in future site appraisals undertaken for the development plan may lead to alternative sites being considered more appropriate.

Should interim measures be introduced to ensure that LPAs meet the 5-year housing land requirement during the transition from UDPs to LDPs?

16. It is agreed that some mechanism is required to ensure that local planning authorities meet the 5-year housing land requirement during the transition period. The preparation of LDPs will take 4 years which may lead to housing land supply significantly below the 5-year requirement. The mechanisms outlined would help to bring forward sites through a forward planning context.

Do you consider such a mechanism (buffers) to be appropriate in a Wales context?

17. The use of such 'buffers' is considered to undermine the plan-led system in England and in Wales as it bypasses any public consultation. The holding of 'buffer sites' could lead to more appropriate sites not being brought forward. There is already provision for over-allocating land during periods of uncertainty/pressure within the new LDP system. This could be reviewed in future.

Do you agree that this concept would be a valuable mechanism for collecting, monitoring and analysing housing land availability information across Wales?

18. The geographical display of housing land availability is considered useful for collecting, monitoring and analysing such data and is consistent with the e-planning approach across England and Wales. It would be useful, however, if the TAN could clarify the responsibility for producing and maintaining any national database.

TAN 2 'Planning and Affordable Housing'

GENERAL COMMENTS

19. Notwithstanding the statements made in the 'Affordable Housing Toolkit,' there is considerable concern that the future level of Social Housing Grant (SHG) will be insufficient to meet the affordable housing needs within local authority areas. A number of authorities may seek to make up the shortfall by requiring that the developer's financial contribution equals the SHG that would have been available. Whilst it is appreciated that the precise mechanisms for provision of affordable housing need to be negotiated at a local level, there is a lack of clear policy direction from the Assembly on this matter. There is little reference to this in the 'Affordable Housing Toolkit' and the working of paragraph 5.3 of TAN 2 is vague. This may lead to an inconsistent approach between authorities and appears inequitable – the ability of local authorities to maximise affordable housing provision depends on their negotiation skills and knowledge of the system rather than being in accordance with clear and consistent national policy guidelines.

QUESTIONS

Do you agree that information on local 'affordability' is an important factor in developing policies for affordable housing?

20. Yes as markets (and sub markets) can change quickly.

Do you agree that 'affordability' should be defined for each housing market operating in a local authority area?

21. This information is crucial to develop local affordable housing policies. Care should be taken when looking at broad housing markets so that those bordering high pressure areas are not excluded.

Do you agree that this is an appropriate definition for the purpose of the land use planning system?

22. Yes although if it is set too low then it will not be financially viable for developers to build.

Do you agree that this partnership approach is a key element of achieving the aim of increasing the provision of affordable housing via the planning system?

23. Collaboration between local authority planning and housing departments, RSLs and private developers is key. The recent local authority plan rationalisation proposals should take care not to abolish local authority housing strategy documents as these are prepared collaboratively between planning and housing departments.

Do you agree that local housing assessments will improve the robustness of the evidence base and plan policies?

24. The guidance in TAN 2 is very thorough here, however, the issue of resources in delivering these proposals needs to be considered. However, robust evidence will provide a sound basis for development plan policies and provide the justification for affordable housing targets where necessary.

Do you agree that the necessary skills are available within local authorities to undertake local housing assessments?

25. Local planning and housing authorities are facing resource shortages. However, it is important that each authority prepares these local housing assessments to the same standard. It may be necessary to undertake further training but this should be done at a consistent basis and to the same level across authorities.

Do you agree that an authority-wide target linked to the LHA requirement and identified policy approaches will result in improved delivery of affordable housing?

26. An authority-wide target does not take sub-markets into account. It may be unrealistic to expect the LDP system to meet all identified housing need. Establishing targets does not necessarily equate to ensuring delivery and as such it is questionable as to how this would be enforced?

Do you agree that these proposals provide the right balance between enabling local authorities to meet their affordable housing targets and providing developers with sufficient flexibility in their negotiations?

27. This would be a good approach provided it is made clear that a site is only being allocated where there would normally be a presumption against speculative market housing due to the benefits the development will have in meeting local needs for affordable housing.

Do you agree with this approach to the setting of site thresholds?

28. Whilst developers would seek more consistency, site thresholds must be set locally through the LDP.

Do you agree that where evidence has identified a need for the identification of sites for up to 100% affordable housing may be appropriate?

29. This approach will not create sustainable and balanced communities. It may be appropriate in very small sites (e.g. 3 or 4 houses)

Do you agree that local planning authorities should set out the criteria for identifying such sites in the LDP? If so, do you have any suggestions for these criteria?

30. Yes, criteria for such (small) sites should be identified through the LDP process. Planning authorities should also work with local authority housing departments.

Do you consider that this approach will result in increased housing provision in rural areas to meet the needs of local people and to contribute to the delivery of sustainable communities?

31. Yes – although such sites would be small

If not, would it be appropriate to revise the rural exceptions policy by allowing an element of market housing on such sites, thus raising the land value and providing a greater incentive for landowners to release sites?

32. Such an approach would undermine the plan-led system by leading to speculative applications and pressure for residential development in countryside locations. The idea of Community Land Trusts could be usefully explored here.

Do you agree that this remains the most appropriate way of securing the occupancy of affordable housing (except where RSLs are to be responsible for the management of affordable housing)?

33. This is difficult to enforce and monitor as people move between categories. Legal agreements may be necessary to ensure that affordable housing is retained.

Do you agree that this approach will assist local authorities in meeting their target for affordable housing in the locations where the need has been identified in the local housing assessment?

34. As above

Do you agree that this monitoring process is vital to ensuring that an authority's policies are delivering the affordable housing required to be provided via the planning system?

35. Yes but it may be necessary to look more closely into categories of affordable housing (e.g. Homebuy, renting etc).

Also, do you agree that the LDP Annual Monitoring Report is the appropriate mechanism for responding to changes in the affordability of housing and progress against the affordable housing target?

36. Yes

Thank you for the opportunity to respond to these consultation papers. If you require further clarification on any comments above, please do not hesitate to contact me.

We have no objection to these comments being made available to the public.

Yours sincerely

Rebecca Phillips
Welsh Planning Policy Officer