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Llywodraeth Cymru
Welsh Government

Welsh Government Consultation Document

Delivery of housing through the planning system

Call for evidence

Date of issue: 18 July 2018

Action required: Responses by 10 October 2018

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview

The Welsh Government is undertaking a 'Call for Evidence' to explore ways for the planning system to assist in increasing the delivery of new homes in sustainable locations in line with the commitment in its national strategy, *Prosperity for All*, including achieving the delivery of 20,000 affordable homes during the current term of Government.

Through the questions asked in this document and any other related information you think we should consider, we are seeking your views on how to improve the delivery of Local Development Plan (LDP) housing requirements, including looking at the interrelationship with the measuring of the housing land supply needed to meet these requirements. The parameters for this 'call for evidence' are set out in the form of three overarching principles.

How to respond

Please respond to this consultation by answering the questions set out within this document and in the response form. Responses can be submitted in a number of ways:

On-line: <https://beta.gov.wales/delivery-of-housing-through-the-planning-system>

E-mail: planconsultations-j@gov.wales

Post: Housing Delivery Call for Evidence
Planning Policy Branch
Planning Directorate
Welsh Government
Cathays Park
Cardiff CF10 3NQ

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information:

email: planconsultations-j@gov.wales

telephone: 03000 253882 / 03000 256802

or write to: Housing Delivery Call for Evidence
Planning Policy Branch
Planning Directorate
Welsh Government
Cathays Park
Cardiff CF10 3NQ

General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation. If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data holds about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

e-mail:

Data.ProtectionOfficer@gov.wales

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.uk/>

What are the main issues?

The Welsh Government believes the following overarching principles should apply and should be addressed through the evidence submitted:

- planning decisions must be based on an up-to-date development plan – the plan-led approach to development management;
- housing requirements should be based on evidence and all sites identified to meet the requirement must demonstrate they are deliverable;
- monitoring arrangements and any associated actions must reinforce the plan-led approach to development management.

Planning authorities, through their Local Development Plans (LDPs), must enable the provision of housing to meet the needs of their communities. To ensure sufficient land is brought forward for housing development to meet these needs, the Welsh Government's planning policy requires planning authorities to identify specific, deliverable sites for the following five year period and to monitor this position on an annual basis through the preparation of a Joint Housing Land Availability Study (JHLAS)¹. Technical Advice Note 1, *Joint Housing Land Availability Studies* (TAN 1),² sets out the mechanism by which the housing land supply figure is calculated.

Through the questions asked in this document and any other information you think we should consider, we are seeking your views on how to improve the delivery of LDP housing requirements, including looking at the interrelationship with the measuring of the housing land supply needed to meet these requirements.

The **next steps** following the completion of this 'call for evidence' will be dependent on the responses, but could include changes to *Planning Policy Wales*, to the forthcoming revised version of the *Development Plans Manual* and to TAN 1.

Why are we undertaking this 'call for evidence'?

New home building in the right locations is essential in Wales to meet the growing need for housing. The national strategy *Prosperity for All* strengthens the role of the planning system by recognising planning decisions as critical in delivering the central goal of prosperity for all. It recognises that planning decisions can affect every area of a person's life and can be key to the creation of cohesive communities. Planning decisions determine where homes are built, where services are provided and the quality of the local environment; they also promote sustainable economic growth and access to open space. The planning system therefore plays an important role in delivering the objectives of the national strategy – this includes ensuring that development plans are more delivery focused in future.

The plan-led system for planning and managing development in Wales is essential for ensuring that the homes needed are delivered and sets the context for rational and

¹ See *Planning Policy Wales* (Edition 9) paragraph 9.2.3

<http://gov.wales/topics/planning/policy/ppw/?lang=en>

² <http://gov.wales/topics/planning/policy/tans/tan1/?lang=en>

consistent decision-making in line with national and local policies. LDPs establish a housing requirement, based on local evidence, and allocate deliverable sites to meet this. The monitoring of housing land supply provides very important information which informs LDP policies and land allocations and can be a reason to review an adopted LDP. The monitoring process is a critical element of ensuring delivery and consequently needs to be based on meeting the housing requirements set out in an adopted LDP. The maintenance of a five-year supply of housing land in each planning authority across Wales remains a key policy requirement of the Welsh Government, as set out in *Planning Policy Wales*.

What is the current LDP and housing land supply position?

The LDP system has been in place since 2005. There are currently 21 adopted LDPs, a coverage rate of 87%. There is one LDP currently subject to examination which, if found 'sound', is expected to be adopted this Autumn. It is anticipated that there will be full LDP coverage in Wales in 2020. Many planning authorities are about to embark on, or have already commenced, a first review / revision of their LDP. It is also anticipated that the first LDP to be revised will be adopted later this year. In addition, it is anticipated a Strategic Development Plan (SDP) for the Cardiff Capital Region will be commenced in 2018/19.

The monitoring of housing land supply under TAN 1 has highlighted a shortfall in 'deliverable' land, including for some planning authorities with recently adopted LDPs. As at 1 April 2017 nineteen out of the twenty-five planning authorities were unable to demonstrate a five-year housing land supply (including seven planning authorities which were unable to carry out a JHLAS as they did not have an adopted LDP or an adopted Unitary Development Plan still within its plan period).

The process has exposed unrealistic and unviable land allocations within LDPs which have been promoted by landowners, developers and local authorities for a range of different motives. This situation has resulted in lower than expected delivery rates on sites allocated in LDPs, leading to insufficient homes being provided to meet the needs of local communities, and is clearly having a detrimental effect on housing land supply across Wales. Research carried out in 2016/17³ has borne this out and demonstrates viability and deliverability are key reasons for delays in sites coming forward for development. The research highlights the need for a more rigorous assessment of sites prior to their allocation in LDPs and for increased engagement in the process on the part of landowners and developers. The recommendations from the research are being taken forward as part of the current reviews of *Planning Policy Wales* and the *Development Plans Manual*.

There are also several other factors which have contributed to this problem including the way housing requirements included in LDPs have been arrived at sometimes reflecting aspirations rather than deliverability and the time taken to prepare plans which has compounded the problems of land supply shortfall.

³ *Longitudinal viability study of the planning process*, February 2017, undertaken for the Welsh Government by Arcadis (UK) Ltd (<http://gov.wales/topics/planning/planningresearch/publishedresearch/longitudinal-viability-study-of-the-planning-process/?lang=en>).

‘Call for evidence’ Consultation Questions

This paper seeks evidence-based views on the three related areas of how to establish LDP housing requirements, how to ensure the deliverability of housing sites allocated to meet the LDP housing requirement and the monitoring arrangements for housing land supply once LDPs are adopted.

In addition to the specific questions, the response form provides an opportunity to provide other related evidence that you think we should consider. Responses to consultations may be made public on the internet or in a separate report. If you would prefer your response to be kept confidential, please indicate this by ticking the relevant box on the response form.

Housing Requirement

The identification of an appropriate housing requirement in a development plan is a key component of plan preparation. Planning authorities need to understand their local housing market and the factors influencing housing requirements in their area over the plan period. The Welsh Government encourages a collaborative approach, involving housing and planning representatives in the public and private sectors and communities, when identifying an appropriate housing requirement for inclusion in a development plan. Where appropriate, a housing market or regional approach should be adopted.

Planning Policy Wales states that planning authorities will need to have a clear understanding of the factors influencing housing requirements in their area over the plan period. The latest Welsh Government local authority level Household Projections for Wales, alongside the latest Local Housing Market Assessment, will form part of the plan’s evidence base together with other key issues such as what the plan is seeking to achieve, links between homes and jobs, the need for affordable housing, Welsh language considerations, the provisions of corporate strategies and the deliverability of the plan. The establishment of a housing requirement is not an exact science, however the identification of an appropriate and deliverable requirement is fundamental to a plan’s successful delivery.

Q 1	How should a deliverable housing requirement be calculated for inclusion in a development plan? Please provide relevant examples.
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LDPs and housing delivery

The LDP system has been subject to much criticism with many adopted plans failing to achieve a five-year housing land supply. Annual Monitoring Reports (AMRs) have highlighted issues relating to the deliverability of the overall housing requirement and individual sites. As a consequence many adopted plans are failing to deliver the number of homes anticipated and allocated sites are not being brought forward for development or rates of development are lower than anticipated.

Q 2 How can we ensure development plan housing requirements are delivered?

Q 3 What evidence is necessary to demonstrate the deliverability of sites which make up the housing requirement?

Monitoring development plans and housing land supply

The current basis for monitoring housing land supply is a comparison of the quantity of land agreed by stakeholders to be readily available for development with the remaining housing requirement in an adopted LDP. As part of the plan-led system the monitoring yardstick needs to be the housing requirement established in an adopted LDP to meet the needs of local communities. On this basis, a methodology utilising past build rates is not acceptable as this is based on the past performance of the house-building industry rather than the needs of local communities.

Q 4 How should housing land supply be monitored in relation to delivering the housing requirement set out in an adopted development plan?

Q 5 What action should follow if a planning authority does not have an up-to-date development plan and/or a housing land supply?

Is there any other related evidence that you think we should consider?

Q 6 If you would like to submit any other information related to the issues raised in this consultation, please do so here.