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Rural Housing Action Guide for Wales

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‘The Rural Housing Action Guide for Wales’ is aimed at aiding housing professionals, communities and other stakeholders address the challenges faced in delivering affordable housing in rural Wales.

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Views expressed in this report are those of the authors and not necessarily those of the Welsh Government

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Glossary

Acronym Definition

CAT	Community Asset Transfer
CLT	Community Land Trust
CPO	Compulsory Purchase Order
DEFRA	Department for Environment, Food and Rural Affairs
EIA	Environmental Impact Assessment
EPC	Energy Performance Certificate
GIS	Geographic Information Systems
HHSRS	Housing Health and Safety Rating System
IHP	Innovative Housing Programme
LCHO	Low-cost home ownership
LDP	Local Development Plan
LHMA	Local Housing Market Assessment
LPA	Local Planning Authority
MMC	Modern Methods of Construction
NMP	Nutrient Management Plan
NRW	Natural Resources Wales
PPW	Planning Policy Wales
RHE	Rural Housing Enabler
RSL	Registered Social Landlord
SPG	Supplementary Planning Guidance
SuDS	Sustainable Drainage Systems
TAN	Technical Advice Note
WDQR	Welsh Development Quality Requirements
WG	Welsh Government

1. Introduction

Rural Housing Action Guide Wales – Context and Purpose

- 1.1 This guide helps housing professionals, communities and other stakeholders tackle the challenges of delivering affordable housing in rural Wales. Rural communities in Wales, with diversity in housing needs, face specific challenges in housing development that differ from those in urban settings. The guide's primary focus is to facilitate and enhance the provision of affordable housing in rural communities that are most affected by housing shortages and prohibitive costs relative to household income.
- 1.2 Rural areas face challenges like limited land availability, high costs, whilst aiming to preserve community identity and other sustainability concerns. These challenges are compounded by an ageing population and the out-migration of young people, caused by limited local employment and affordable housing. In contrast, inward migration of retirees contributes to demographic ageing, increasing demand for healthcare and specialist housing needs. Addressing these demographic shifts requires diverse and innovative housing solutions to support adequately the demographic characteristics and the revitalising of rural communities ([WLGA 2021](#)).
- 1.3 The guide serves as a resource for local authorities, social landlords, and other stakeholders involved in housing development. More specifically, it undertakes to offer insights, strategies and practical tools to enhance the supply of affordable and sustainable housing in rural Wales.
- 1.4 The guide is an essential resource for anyone involved in the development, management, promotion and delivery of rural housing in Wales, whether you are a community representative, local government officer, social landlord, developer or a council, community or town council member. The guide provides a comprehensive framework to understand and tackle the unique and complex challenges of rural housing in Wales.
- 1.5 Within this guide, you will find a blend of strategic insights, practical advice and innovative approaches bespoke to the Welsh rural context. The guide includes topics such as legislation, planning strategies, funding mechanisms, community engagement, housing quality standards, and building technology requirements. It is intended to be a comprehensive resource for stakeholders involved in rural housing,

putting forward the necessary tools and knowledge to navigate the complexities of developing affordable housing in rural Wales.

- 1.6 The aim is to present guidance that improves access to quality, affordable housing, making rural areas more vibrant, environmentally friendly and inclusive places to live.

What Defines Affordable Housing in Rural Wales

- 1.7 Although the intention within this guide is not to define 'rural' in the context of Wales, geographical representation of rural communities and the housing challenges they face is an important aspect to consider. There is no single official definition of 'rural Wales' per se. [The Rural Vision for Wales](#) (WLGA, 2021) Evidence Report identifies that the areas of the nine predominantly rural counties of Anglesey, Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Monmouthshire, Pembrokeshire and Powys are commonly understood to constitute 'rural Wales'. Collectively these counties comprise 82 per cent of the land area of Wales and are home to 1,022,000 people (32 per cent of the national population). There are pockets of rural territory in other local authority areas in Wales, with some 137 local authority wards outside of the 9 predominantly rural counties. These wards have a combined population of 476,000 residents (15 per cent of the national population) ([OECD, 2020](#)). This guide is set up to meet the needs of residents of all rural areas within Wales, including those in remote rural areas and their communities, as well as those in close proximity to functional urban centres.
- 1.8 Information is targeted towards a variety of tenures, a key consideration given the diverse populations in these communities, including:
- Social rent: The guide addresses the development of homes that are rented at rates below the market level, managed by local authorities or registered social landlords.
 - 'Intermediate' rent: Similar to social rent but typically capped at 80% of the local market rent, intermediate rent offers another viable option for individuals and families who earn above the threshold to qualify for social housing but still struggle with market rent levels.
 - Shared ownership: This tenure allows individuals to buy a share of a property and pay rent on the remaining share. It is particularly suitable for those who cannot afford to buy a home outright but can manage partial ownership and

offers opportunities to ‘staircase’ to full ownership (i.e. paying off portions of the loans received until fully paid and obtaining full ownership of the property).¹

- **Community-led housing:** The guide explores community-led initiatives, such as housing cooperatives or community land trusts, which enable local communities to have a direct role in solving their housing issues.

1.9 Whilst this guide may explore policies and strategies that indirectly benefit first-time buyers, its main emphasis is not specifically on facilitating home ownership. Instead, it focuses on broad strategies to increase affordable housing supply in rural areas. This includes social housing, shared ownership and other intermediate rent schemes that might assist first-time buyers.

Key Stakeholders and Beneficiaries of the Guide

1.10 Effective stakeholder engagement and collaboration are critical to the success of affordable housing initiatives. Key stakeholders in rural housing development include local authorities, registered social landlords (RSLs), private developers, other planning and housing professionals, community organisations, residents and those who help finance and invest in affordable housing development. Each plays an integral role in identifying housing needs, planning developments and ensuring the long-term sustainability of housing projects.

1.11 This guide aims to assist stakeholders with the knowledge and tools necessary to develop, manage and endorse sustainable and affordable rural housing, improving community well-being and economic resilience in rural Wales. Stakeholders who will benefit from the guide include:

- **Local government and national parks officers:** Planners, housing strategists, property and estates officers within local authorities who oversee housing development projects and services. This guide offers frameworks and best practices to address rural housing needs effectively while considering environmental and community priorities.
- **Local government elected members:** Representatives from councils, communities or town councils who play a pivotal role in advocating and supporting rural housing initiatives. This guide provides tools to engage in housing development discussions and represent community interests.

¹Welsh Government (n.d.) *Help to Buy Wales*. Available at: <https://www.gov.wales/help-buy-wales> (Accessed: 19 July 2024).

- **Social landlords:** RSLs and other housing providers that manage and develop affordable housing projects are given strategies and insights that will enhance their operations and contributions to rural housing supply.
- **Housing developers:** Both private and public-sector developers focused on rural areas are assisted in navigating the complexities of rural housing development, from planning to implementation.
- **Planning professionals:** Urban and rural planners working on housing projects can refer to the review of legislative frameworks, innovative housing solutions and funding mechanisms.
- **Policy makers:** Government officials and legislators who influence housing and rural development policies, to aid understanding of the housing landscape and identify effective policy interventions.
- **Community groups and rural housing enablers:** Local groups and housing specialists that work directly within communities are assisted with the identification of housing needs to help drive projects forward.
- **Financial institutions and investment organisations:** Those aiding the finance of affordable housing development, gain insights into the financial structuring and economic viability of rural housing projects.

1.12 Some rural local authorities and RSLs host rural housing enablers (RHEs) to enhance collaboration and streamline the rural housing development process. RHEs are individuals employed by a local authority or RSL that assist rural communities in identifying and meeting their housing needs. Their role and expertise are explored further below, detailing how they can support rural housing initiatives and foster successful outcomes for all stakeholders.

The Role of Rural Housing Enablers

1.13 Rural Housing Enablers (RHEs) work closely with stakeholders throughout the housing development process, addressing the specific challenges of rural housing. They play a critical role in identifying local housing needs, finding development opportunities and coordinating efforts among local authorities, RSLs, private developers and community groups. RHEs serve as a bridge between these organisations and the communities they represent, resulting in housing solutions that are appropriately aligned with local demand. Additionally, RHEs influence policy

by providing robust evidence to inform local authority planning and housing policies, ensuring they effectively address local housing challenges and priorities.

1.14 Funded by Welsh Government, local authorities and RSLs, RHEs are key to facilitating affordable housing development across Wales.² They work at every stage of the housing development process, including:

- **Identifying housing needs:** RHEs conduct local housing assessments in partnership with communities to gather data on the specific housing challenges facing rural areas. These assessments help to tailor housing solutions to local requirements.
- **Engaging and empowering communities:** One of the core functions of RHEs is to coordinate early and meaningful community engagement. They support rural communities by offering information, facilitating discussions and ensuring that the voices of local residents are heard throughout the development process.
- **Navigating planning and development challenges:** RHEs play a critical role in helping communities and developers navigate the planning system. They help to overcome barriers and challenges associated with rural housing developments. This includes liaising with planning authorities and assisting in securing planning permissions.
- **Securing partnerships and funding:** RHEs help to bring together local authorities, RSLs and private developers, to form partnerships that facilitate the delivery of housing projects. They also assist in identifying and applying for funding to support the development of affordable housing.
- **Endorsing rural housing:** RHEs act as advocates on behalf of rural communities, meaning that their housing needs are represented in local and national housing strategies. They promote the benefits of affordable rural housing and work to integrate housing developments into broader community and economic development plans.

1.15 RHEs are often integral to the success of many rural housing projects across Wales. Their expertise in community engagement, partnership-building and navigating the complexities of rural housing development makes them vital to affordable housing projects. They help to ensure the requirements of rural

²Welsh Government (2014) *Evaluation of Rural Housing Enablers in Wales: Final Report*. Available at: <https://www.gov.wales/sites/default/files/statistics-and-research/2018-12/140117-evaluation-rural-housing-enablers-en.pdf> (Accessed: July 2024).

communities and the broader policy objectives of sustainable development in Wales are met. By working closely with local communities, authorities and developers, they help to ensure that housing projects are successful, sustainable and aligned with the requirements of those they are designed to serve.

- 1.16 It is highly recommended that local communities and their representatives engage with RHEs from the outset. This is likely to be from the initial identification of housing need in a rural community, and the exploration of development opportunities. Early involvement helps RHEs offer support, build partnerships, and ensure community views and priorities are included from the beginning.

2. The Policy Context

Programme for Government and Affordable Housing

- 2.1 The target of delivering additional homes for rent in the social sector stems from the Welsh Government's housing policy and commitments outlined in the [Programme for Government](#). These targets form part of broader, ongoing efforts to address housing needs and expand the availability of affordable housing across Wales. As the Programme for Government is regularly updated, targets may be revised over time to reflect emerging priorities and housing demands.
- 2.2 The Programme for Government target is defined with reference to the recognised [Technical Advice Note 2](#) (TAN 2) affordable housing definition. Affordability is therefore defined as the ability of households to purchase or rent property that meets their requirements without subsidy.³ This is generally assessed based on the ratio of household income or earnings to property prices. Local authorities have the option to set affordability criteria for housing market areas through the local housing market assessment (LHMA) process. The LHMA, in turn, informs the local development plan (LDP) and local housing strategy.
- 2.3 The LHMA data is used to determine the total affordable housing need, which includes various supply sources such as acquisitions and conversions and is not limited to new-build developments. The LDP focuses on the delivery of affordable housing through new-build developments, while also considering financial viability and the ability of sites to meet affordable housing targets. Affordability is a key factor that influences housing demand, and it is crucial for developing policies for affordable housing.
- 2.4 For land-use planning, affordable housing is defined as housing with secure mechanisms to ensure it remains accessible to those who cannot afford open-market housing. This includes social rented housing, intermediate housing and low-cost home ownership (LCHO), defined below:⁴
- **Social rented:** Social rent refers to housing that is offered at below-market rent levels, typically by local authorities or RSLs, to provide housing for households unable to afford market rents. Rent levels are usually set based on a formula

³ James, J. (2021) 'Written Statement: Social Housing in Wales', (GOV.WALES, 15 June). Available at: <https://www.gov.wales/written-statement-social-housing-wales> (Accessed: 21 November 2024).

⁴Welsh Government (2022) Local Housing Market Assessment Guidance 2022: Glossary of Terms, p.42. Available at: https://www.gov.wales/sites/default/files/publications/2022-03/local-housing-market-assessment-guidance-2022_0.pdf (Accessed: 21 October 2024).

linked to local incomes, property values and affordability guidelines. The aim of social rented homes is to deliver secure and affordable housing to low-income households.

- **Intermediate rent:** Intermediate rent is a type of affordable housing where rent levels are set between social rent and market rent levels. Such properties are intended for households that may not qualify for social rent but still find it difficult to afford full market rents. Typically, intermediate rent schemes offer homes at around 80% of market rent, resulting in a more affordable option.
- **Low-cost home ownership (LCHO):** LCHO schemes give an opportunity for prospective buyers who are unable to afford market-rate homes to purchase properties at a price below open-market value. These schemes are typically managed by RSLs and local authorities and are designed to cater to households with varying financial circumstances. LCHO schemes offer a variety of options, such as shared ownership and shared equity, which allow buyers to partially own their home while paying rent on the remaining share. In schemes that allow staircasing, where buyers gradually increase their ownership share to full ownership, it is important to reinvest any capital received from these sales into developing replacement affordable housing. This ensures the ongoing availability of affordable homes.

2.5 All other housing types are classified as open-market housing, meaning private housing for sale or rent with prices determined by market demand. There is a strong presumption that affordable housing will be provided on any planning application site, to contribute to the development of socially mixed communities.

The Well-being of Future Generations (Wales) Act 2015

2.6 The Well-being of Future Generations (Wales) Act 2015 outlines seven goals, including prosperity, resilience, health, equality, community cohesion, cultural vibrancy, thriving Welsh language and global responsibility. It aims to enhance Wales' social, economic, environmental and cultural well-being by encouraging public bodies to consider long-term impacts. The aim is to achieve these goals by collaborating effectively and tackling challenges such as poverty, health inequalities and climate change. For rural affordable housing, this means:

- **Prosperity:** Supporting economic stability and growth by creating jobs and training opportunities through housing construction and maintenance projects.

- **Resilience:** Ensuring housing developments are sustainable and safeguard the ability of future generations to live in an environmentally sound way, for instance, by using sustainable materials and practices.
- **Health:** Improving living conditions, which can have a direct impact on physical and mental health. Poor housing is a known determinant of health; adequate housing helps to reduce health inequalities and promotes well-being among residents and communities.
- **Equality:** Giving equal access to quality housing regardless of socio-economic status, to prevent rural poverty and homelessness.
- **Community cohesion:** Promoting developments that strengthen societal bonds, and securing housing growth that contributes to a sense of community.
- **Vibrant culture and thriving Welsh language:** Encouraging developments that respect and enhance local cultural values and the use of the Welsh language.
- **Global responsibility:** Achieving housing developments that factor in their environmental impact, promoting energy efficiency and reducing carbon footprints.

2.7 The '[Shared Purpose: Shared Future](#)' guidance outlines the statutory framework set by the Well-being of Future Generations (Wales) Act 2015. It emphasises the integration of sustainable development into the operations of specified public bodies. This is achieved by adopting a long-term, preventive and collaborative approach to their functions. These bodies must set and pursue well-being objectives that align with the seven well-being goals.

2.8 In the context of rural affordable housing, this statutory framework mandates that initiatives not only address immediate housing needs but also contribute holistically to the social, economic, environmental and cultural well-being of communities. Rural housing strategies should focus on sustainability, broader community needs, and involve local stakeholders to ensure alignment with local priorities and well-being goals.

The Future Wales: National Plan 2040 and Planning Context

Future Wales: The National Plan 2040 – A Strategic Vision

2.9 The '[Future Wales: The National Plan 2040](#)' sets out a vision for how Wales will develop over the next two decades. The strategy addresses key areas such as

housing, transport, energy and public services, with a strong focus on sustainable growth and resilience. This plan is Wales' response to the climate emergency, the ecological crisis and the need for economic recovery, post-Covid-19. It aligns closely with the priorities specified in Welsh Government's Programme for Government, using planning as a powerful tool to drive change and deliver more sustainable development. The plan focuses on placemaking principles, a multi-layered approach to the planning, design and management of public spaces, with the intention of creating spaces that improve urban vitality, health and well-being.

- 2.10 The concept of placemaking is set out in the [Placemaking Guide](#), placemaking involves working collaboratively across sectors and disciplines to comprehensively consider the future development of distinctive and vibrant places. Placemaking provides a holistic approach to the planning and design of spaces, ensuring that developments create environments within which people, communities, businesses and nature thrive.
- 2.11 The 2040 Plan outlines several key themes to guide Wales towards a sustainable future:
- **Climate and environment:** Prioritising actions to reduce carbon emissions, enhancing biodiversity and building resilience against the impacts of climate change.
 - **Health and well-being:** Focusing on creating vibrant, healthy communities with easy access to essential services, green spaces and opportunities for active lifestyles. The plan advocates the delivery of comprehensive infrastructure, including healthcare, education and community facilities, to support sustainable and socially inclusive well-being.
 - **Economic growth:** Supporting sustainable economic development through innovation, improved infrastructure and regional initiatives that drive growth across Wales.
 - **Housing and communities:** Increasing the supply of affordable housing significantly and supporting the regeneration of communities, with the goal of a safe and affordable home for everyone.
 - **Transport and connectivity:** Improving transport networks and digital infrastructure, with the aim of enhancing connectivity, reducing the necessity to travel and supporting more sustainable lifestyles.

- 2.12 The 2040 Plan is closely aligned with the Well-being of Future Generations (Wales) Act 2015. It serves as a strategic framework for land use across Wales, ensuring that development aligns with both national and international sustainability goals. The plan takes a strategic approach to addressing the unique housing needs of rural communities in Wales. It advocates more flexible planning policies that allow for housing solutions tailored specifically to rural areas. This includes making provisions for single-dwelling constructions and setting aside land specifically for this purpose. The plan also supports innovative approaches such as cooperative housing models and sustainable building practices. This approach advocates the use of local materials such as timber and wool, for building affordable, sustainable homes. These strategies not only promote environmental sustainability but also help boost local economies through the creation of jobs.
- 2.13 In addition, the 2040 Plan endorses increased financial support to develop affordable housing across different ownership and tenancy types. The plan ensures funding aligns with evidence-based requirements, and is integrated into LDPs.

The Role of ‘Tiered Planning’ in Wales

- 2.14 In Wales, the planning system has a three-tiered approach, supporting integration across national, regional and local levels, concerning land use, housing, infrastructure and sustainable development. This tiered planning framework allows the Welsh Government to address strategic issues that span Wales, while also catering to the specifics of regions and local communities. Each tier focuses on a distinct level of planning. Each ‘tier’ has a defined role in maintaining developments that align with national policy goals, while addressing local and regional challenges:
- **National spatial plan (first tier):** Future Wales: The National Plan 2040 represents the first tier of [development planning](#) in Wales. As a national spatial plan, it sets the strategic direction as to how land and resources should be allocated to maximise benefits across Wales. This includes guiding investment in infrastructure and development, to ensure public, private and third-sector projects are consistent in achieving national priorities.
 - **Strategic development plan (second tier):** The second tier of planning comprises strategic development plans (SDPs), which are prepared at a regional level by corporate joint committees. These plans address cross-boundary issues between local planning authorities (LPAs). They focus on regional solutions to

transport, housing and economic development in each of Wales' four regions. SDPs aim to address how people live, work and travel across multiple local authority areas, promoting cooperation across regions.

- **Local development plan (third tier):** At the third tier are the [LDPs](#), prepared by each LPA, including national park authorities. LDPs set out specific proposals and policies for land use within a local authority over a 10–15-year period, in line with national planning policies. They identify allocated sites for a variety of land uses, such as housing, employment and infrastructure. For housing, this includes the allocation of specific sites for affordable housing, alongside policies that set affordable housing targets, informed by financial viability testing. These plans are statutorily required, subject to public consultation and scrutinised by the Welsh Government before adoption. LDPs provide a detailed framework for how development should occur locally so that national priorities are reflected at the local level. More information on specific LDPs, including any currently undergoing statutory consultation, can be viewed on the corresponding LPA's website.

- 2.15 Along with the 2040 Plan, a LPA will use its LDP as the primary basis for making decisions on planning applications and development proposals. These plans should therefore give a degree of certainty to developers, in the context of where applications for housing in rural locations will be permitted.

The Welsh Language

- 2.16 The Welsh Government established the Commission for Welsh-speaking Communities in response to the recommendations of the '[Second Homes: Developing New Policies in Wales](#)' report. The report identified worsening structural challenges for Welsh-speaking communities, following the United Kingdom's exit from the European Union and the impacts of the Covid-19 pandemic. The commission was tasked with developing public policy to maintain the Welsh language in these identified areas. This led to the publication of the '[Empowering Communities, Strengthening the Welsh Language](#)' report in 2024.
- 2.17 The report highlights the vital link between the lack of affordable housing in rural Wales and the sustainability of Welsh-speaking communities. The report emphasises that planning decisions should focus on local housing needs, while avoiding large-scale developments that could displace a populace that is closely aligned with the goals of '[Cymraeg 2050: Welsh Language Strategy Action Plan](#)'

[\(2024\)](#).' The aim of 'Cymraeg 2050' is to increase the percentage of Welsh speakers to one-million by 2050. The strategy recognises that the availability of affordable housing in rural and Welsh-speaking areas is crucial to maintaining and growing the Welsh language, to help younger generations remain in their communities.⁵ The commission's report emphasises not only that affordable housing is a necessity, but also that developments be small scale and community centred, maintaining the cultural integrity of Welsh-speaking areas. Local housing needs assessments conducted by RHEs are critical to this, ensuring that housing aligns with both local demand and the preservation of Welsh as a community language.

- 2.18 To support this, the Welsh Government has already introduced a range of interventions, including measures to address second homes, empty homes and short-term lets in Welsh-speaking communities. These measures, aimed at tackling housing pressures in the identified areas, have been integrated into the planning system. They allow local authorities to increase Council Tax premiums on second homes by up to 300%.⁶ These measures are supported by guidance in [Technical Advice Note 20 \(TAN 20\): Planning and the Welsh Language](#). TAN20 requires planning authorities to consider how the strategy and policies are likely to impact on use of the Welsh language, and the sustainability of communities when preparing LDPs.
- 2.19 Furthermore, the [Cymraeg 2050 Action Plan](#) (2024–25) strengthens the focus on housing as a critical element in supporting Welsh-speaking communities. In 2022, the Welsh Government published the [Welsh Language Communities Housing Plan](#), bringing housing, economy, community development and language planning themes together in order to help sustain local communities. It encourages support of the Welsh language by effectively linking housing development to local needs, supporting the sustainability of the Welsh language in rural communities.
- 2.20 The Commission for Welsh-speaking Communities made 10 key recommendations in its 2024 report that are particularly relevant for affordable housing development in rural Wales. These recommendations aim to assist with the provision of housing

⁵ Welsh Government (2022) *Cabinet Statement: Changes in Planning Legislation and Policy for Second Homes and Short-Term Lets*. Available at: <https://www.gov.wales/written-statement-changes-planning-legislation-and-policy-second-homes-and-short-term-lets> (Accessed: October 2024).

⁶ Welsh Government (2022) *Cabinet Statement: Changes in Planning Legislation and Policy for Second Homes and Short-Term Lets*. Available at: <https://www.gov.wales/written-statement-changes-planning-legislation-and-policy-second-homes-and-short-term-lets> (Accessed: October 2024).

developments in rural areas, meeting local need, and protecting the cultural and Welsh-speaking fabric of those communities. Below is a summary of these recommendations:⁷

- **Rural housing enablers:** The commission advocates the empowerment of RHEs to conduct local housing assessments that are language-sensitive and designed at community level. Such assessments provide housing solutions that align closely with the cultural and language aspirations of Welsh-speaking communities.
- **Vacant housing stock:** The report recommends making better use of existing vacant properties within local authority areas to meet local housing needs, reducing the number of new large-scale developments that may disrupt community structures. It is important to note that bringing vacant properties back into use does not contribute to increasing housing supply, as these properties are already part of the existing housing stock.
- **Community-led housing:** There is a strong emphasis on supporting community-led housing projects. Such work includes creating funding mechanisms, such as low-interest loans or equity schemes, that enable communities to purchase land or properties for local housing solutions.
- **Small-scale developments:** Flexibility within the Social Housing Grant formula is encouraged to facilitate small-scale housing developments that are more appropriate for rural areas. This avoids the risks associated with over-development and supports sustainable growth in line with local demand.
- **Housing for local needs:** The importance of basing housing developments on local housing needs assessments is emphasised. Developments should prioritise residents with strong local connections, to maintain the linguistic and cultural integrity of Welsh-speaking areas.
- **Welsh Language Communities Housing Plan:** The commission supports this plan as part of a holistic strategy, suggesting that housing development must be evaluated continuously for its impact on Welsh-speaking communities, supported by localised assessments.

⁷ Welsh Government (2023) *Cymraeg 2050: Welsh Language Strategy Action Plan 2024-2025*, Section 12. Available at: <https://www.gov.wales/sites/default/files/publications/2024-08/empowering-communities-strengthening-the-welsh-language.pdf> (Accessed: October 2024).

- **Second homes and affordability:** The commission praises ongoing initiatives such as the second-homes pilot in Dwyfor, aimed at addressing the issue of affordability in Welsh-speaking communities. Monitoring the impact of these policies and their effects on the Welsh language is crucial for future development.
- **Article 4 directions:** The commission calls for close monitoring of the use of Article 4 directions, which restrict changes to properties to protect local housing availability for residents, such as converting homes into second homes or short-term holiday lets. All LDPs are subject to an annual monitoring report, which evaluates the effectiveness of policies. This monitoring can identify whether policies, such as those aimed at delivering local housing for local needs, are achieving their goals. It can also highlight challenges, like financial or lending issues, that may impact outcomes but are beyond the control of the planning process or the LDP itself..
- **Planning guidelines:** There is a duty on planning authorities to consider the impact of planning decisions on the Welsh language, as set out in the Welsh Government's [TAN 20](#). LDPs should be focused on local issues and objectives, informed by local strategies, and an evidence base. Matters requiring consideration when preparing a plan include how the strategies and policies are likely to impact on use of the Welsh language, the sustainability of communities, and delivering on national policies or global challenges (such as climate change).
- **Support for social enterprises:** Finally, the report suggests further investment in social enterprises and community development initiatives. This is aimed at creating sustainable local economies, that support Welsh-speaking communities and mitigate the impact of out-migration.

2.21 Recommendation 35 of the [Commission for Welsh-speaking Communities Report](#) emphasises the importance of planning policies that support and sustain Welsh-speaking communities. It highlights the value of integrating language considerations into the planning system to ensure that developments, especially housing, align with the culture and language of these communities. This includes safeguarding local housing availability, preventing excessive second-home ownership and promoting affordable housing solutions tailored to the needs of local people. This recommendation underscores the importance of planning policies that not only

focus on housing supply but also actively protect and promote the use of the Welsh language in rural areas. Furthermore, it suggests that RHEs work closely with Welsh-speaking communities so that housing projects support the language and developments help to limit the negative impact of out-ward migration or community fragmentation.

2.22 [The Cymraeg 2050](#) strategy also highlights the role of education, particularly through [Welsh in Education Strategic Plans](#) (WESPs), in preserving the Welsh language. With goals to increase access to Welsh-medium education, those involved in local housing policies are encouraged to consider how housing developments might impact local schools and help retain families, which are vital for sustaining intergenerational use of the Welsh language.

3. Planning Policy and Regulatory Frameworks – Wales

Introduction

- 3.1 LDPs are a critical component of the strategic framework for housing development in Wales. These plans must be informed by robust estimates of housing needs derived from [local housing market assessments](#) (LHMAs), and supplemented by other sources such as population projections, housing waiting lists and local data. LDPs ensure that land-use policies and development plans align with the actual housing requirements of local communities, making appropriate provisions for affordable housing and ensuring that new developments contribute to sustainable community growth.
- 3.2 The Welsh Government has established its own distinct planning policies and legislative framework. The devolution of powers allows Wales to address its specific planning needs independently, in balance with other competing priorities such as employment and environmental considerations. [The Planning \(Wales\) Act 2015](#) made important changes to the legislative basis for planning and development across Wales. However, the overarching statutory control for development and land use in both England and Wales remains the Town and Country Planning Act 1990, while the Planning and Compulsory Purchase Act 2004 introduced Wales' local development plan system. The Planning (Wales) Act 2015 was informed by extensive stakeholder engagement and evidence-gathering, updating the legislative framework by making key amendments to the 1990 and 2004 Acts. The 2015 Act also complements the Well-being of Future Generations (Wales) Act 2015 and is aligned with the strategic vision outlined in Future Wales: The National Plan 2040, concerning planning and sustainable development.

Planning Policy Wales (PPW) and the Regulatory Framework

- 3.3 [Edition 12](#) of PPW was published in February 2024. It sets out the land-use planning policies of the Welsh Government. PPW, together with a series of [technical advice notes](#) (TANs), Welsh Government [Circulars](#) and policy clarification [letters](#), providing national planning policy for Wales.
- 3.4 The primary objective of PPW is to ensure that the planning system contributes to the overarching aims of sustainable development as required under the [Planning and Compulsory Purchase Act 2004](#) (PCPA), the [Planning \(Wales\) Act 2015](#) and the [Well-being of Future Generations \(Wales\) Act 2015](#):

- **The PCPA 2004** established the statutory framework for the planning system in England and Wales, including the requirement for LDPs.
- **The Planning (Wales) Act 2015** introduced specific provisions to streamline and strengthen planning processes in Wales, including regional planning.
- **The Well-being of Future Generations (Wales) Act 2015** ensures that planning decisions contribute to sustainable development and long-term well-being goals.

3.5 Each of the regulatory policy and guidance frameworks referred to make sure that planning in Wales is aligned with national sustainability goals, complies with legal standards and responds to the specific needs of local communities. Here is a brief explanation of the role and function of each within planning law in Wales:

- **Planning Policy Wales:** PPW provides the overarching national planning policy framework for Wales. It sets out the Welsh Government's vision for sustainable development and the role of planning in meeting this vision. The PPW guides local authorities in making planning decisions that promote sustainability, well-being and economic growth. In planning law terms, it serves as a key reference document that must be considered when formulating local and strategic development plans, and making decisions on planning applications.
- **Technical advice notes:** TANs provide detailed guidance on specific technical aspects of planning policy. Each TAN addresses a particular issue, such as housing, biodiversity or flood risk, offering local authorities and planners practical advice on how to implement the policies set out in PPW. TANs help planners interpret policy correctly, ensuring decisions align with national priorities and are based on sound evidence. Additionally, the Development Plans Manual ([Edition 3](#)) offers comprehensive guidance for LPAs on preparing LDPs. The Development Plans Manual outlines key aspects of plan preparation, including public consultation, sustainability appraisal and site allocation. Crucially, it sets out the 'tests of soundness' that all LDPs must satisfy; to guarantee they are robust, evidence-based and aligned with national policy.
- **Planning circulars:** Planning circulars offer additional guidance on specific legal or procedural matters within the planning system. They clarify how particular statutory provisions should be interpreted and applied. Circulars may be issued to update regulations, explain amendments to existing legislation or offer

clarification on planning law changes. They are binding on LPAs, to achieve consistent application of legal principles across Wales.

- **Planning clarification letters (chief planning officer letters):** Planning clarification letters (often referred to as ‘chief planning officer (CPO) letters’) are issued by the Welsh Government to give urgent or specific updates to planning officers on policy interpretations or recent legislative changes. These letters clarify policy intentions, offer interpretive guidance on planning issues or introduce new legislation. Whilst not legislation themselves, they are important for providing up-to-date information that influences how LPAs implement and interpret planning policies.

- 3.6 In the context of affordable housing development, PPW recognises that affordable housing within communities is a material planning consideration of any housing-led application. However, placemaking in rural areas can be a complex balance as the countryside in Wales is to be conserved and enhanced. For example, developments must respect the character of the rural landscape, consider biodiversity and environmental sustainability, and ensure that new housing integrates well with existing communities while supporting local needs. Delivering affordable housing also depends on financial viability and securing funding sources to make projects viable in practice.
- 3.7 To align with sustainable development requirements, most new rural developments should be located in existing settlements that already benefit from good services, facilities, active travel connections and infrastructure. Minor extensions to existing developments or infilling may be considered acceptable, particularly when the development meets the demand for local affordable housing. Developments in rural areas are to be of a scale and design commensurate with their surroundings; however, applications for buildings away from existing settlements can expect to be strictly controlled.

Supplementary Planning Guidance and Place Plans

- 3.8 Supplementary planning guidance (SPG) is introduced and adopted by LPAs to provide detailed guidance on specific policy areas contained within their LDP. These include affordable housing, planning obligations, design standards, amenity and open space supplementary guidance. SPG is non-statutory documentation but can be treated as material considerations in planning decisions if they meet certain criteria. They must align with any community involvement scheme, undergo public

consultation and be formally adopted by the LPA. As highlighted in paragraph 9.6 of the Development Plans Manual ([Edition 3](#)), while not part of the statutory LDP, SPG must be consistent with it and with national policy.

- 3.9 Place plans, like SPG, are non-statutory documents that are prepared and driven by the local community, offering a powerful tool for improving well-being by facilitating placemaking. However, place plans cannot introduce new policy, duplicate existing policy or alter site allocations that have already been approved within the LDP.
- 3.10 To explore further information on the weight and significance of SPG and LDPs within a plan-led system, refer to Chapter 9 of the Development Plans Manual ([Edition 3](#)) published by the Welsh Government in March 2020. This document gives a detailed breakdown of how SPG, though non-statutory, are often regarded as material considerations in planning decisions, particularly when they align with policies within the LDP.
- 3.11 The plan-led system prioritises decisions that are based on a combination of national and local policies, ensuring that development aligns with both local priorities and broader national sustainability goals. The LDP is central to this system as it contains statutory policies. Strategic development plans, when adopted, will play a regional role in addressing cross-boundary issues. Supplementary planning guidance offers detailed guidance on specific issues, such as design, affordable housing or sustainable development.

Technical Advice Notes (TANs) and Their Role in Rural Housing

The role of TANs in planning policy

- 3.12 The Welsh Government has issued 18 [TANs](#), to provide detailed guidance on planning in Wales. As previously noted, they work alongside Planning Policy Wales (PPW) to help LPAs shape their LDPs. They are also important when decisions are made on individual planning applications, guiding both planning officers and inspectors.
- 3.13 TANs play a critical role in supporting rural communities in affordable housing delivery, helping to effect sustainable development and the preservation of rural character and identity. For rural communities, several of these TANs are particularly relevant in addressing the unique challenges of rural housing development; these

include 'TAN 2: Planning and Affordable Housing' and 'TAN 6: Planning for Sustainable Rural Communities'.

TAN 2: Planning and Affordable Housing

- 3.14 One of the most important TANs for rural housing is [TAN 2](#), 'Planning and Affordable Housing,' which was introduced in June 2006. This document provides a clear definition of what qualifies as 'affordable housing' and sets out how LPAs should use [local housing market assessments](#) (LHMAs) to determine local housing needs. These targets are pursued through policies and regularly monitored for progress.
- 3.15 TAN 2 highlights the need for collaboration between LPAs and local housing authorities to build strong frameworks for affordable housing. This includes integrating local housing strategies and supplementary planning guidance with LDPs, safeguarding that all parts of the planning process are aligned to meet local housing needs.
- 3.16 TAN 2 also imparts guidance on how LDPs should specify affordable housing requirements for different developments. TAN 2 highlights several mechanisms to achieve affordable housing targets:
- **Thresholds:** Setting a minimum number of houses that a residential development must include before affordable housing can be required.
 - **Site-specific targets:** Setting specific affordable housing goals for individual residential or mixed-use sites.
 - **Rural exception sites:** Identifying land on the periphery of rural settlements, which are not typically allocated for development, where 100% of the housing is affordable and allocated for people with a local connection to the community.
 - **Commuted sums:** Specifying financial contributions from developers for cases where on-site delivery of affordable housing is not feasible, with funds directed towards achieving affordable housing elsewhere in the local authority area.

Monitoring and collaboration

- 3.17 TAN 2 emphasises the importance of LPAs and local housing authorities working together to establish local housing strategies and SPG that are fully integrated into LDPs, with affordable housing policies fully aligned and deliverable.

- **Integration of local housing strategies into LDPs:** TAN 2 advises LPAs to integrate evidence from local housing strategies into LDPs. Local housing strategies outline the broader housing needs of an area, including priorities for affordable housing, while LDPs provide the spatial framework for delivering those priorities. This ensures that affordable housing needs identified in local housing strategies are reflected in LDP policies, site allocations and specific housing targets. This integration secures housing policies that address both the strategic housing priorities of local housing authorities, and the spatial considerations of LPAs, avoiding policy gaps or mismatches.
- **Role of supplementary planning guidance (SPG):** TAN 2 encourages LPAs to adopt SPG that gives detailed guidance on implementing affordable housing policies set out in their LDPs. This SPG can cover topics such as thresholds for affordable housing contributions, calculation of commuted sums and the processes for securing affordable housing through Section 106 agreements. SPG bridges the gap between policy and practice, helping developers, planners and stakeholders understand how affordable housing policies will be applied in specific contexts. This reduces ambiguity and improves delivery outcomes.
- **Collaborative monitoring of affordable housing delivery:** TAN 2 emphasises that ongoing monitoring is necessary for affordable housing targets to be achieved. It advises LPAs to work closely with local housing authorities to track the implementation of affordable housing policies, assess whether housing needs are being met, and make adjustments to policies or practices if delivery falls short of targets. Effective monitoring allows authorities to identify barriers or blocks in the delivery process, whether related to land supply, developer viability or policy constraints. Collaboration ensures that both LPAs and local housing authorities have the necessary data to address these challenges proactively.

TAN 6: Planning for Sustainable Rural Communities

- 3.18 [TAN 6](#), 'Planning for Sustainable Rural Communities,' provides practical advice on planning for rural housing, economies and services, together with agriculture. TAN 6 supports developments that facilitate residents living and working in the same area, promoting local employment opportunities alongside housing. This guidance also encourages planning authorities to support developments that balance housing and employment opportunities. The advice note encourages self-build projects and low-

impact housing solutions, including One Planet Developments, to prioritise sustainability and minimise environmental impact.

- 3.19 TAN 6 emphasises the importance of modelling housing developments to meet the specific requirements of rural communities, often through small-scale projects informed by local housing needs assessments. These developments focus on maintaining the character of rural settlements while addressing housing shortages.
- 3.20 For rural areas, the focus is on prioritising affordable housing that meets the specific requirements of the local community. This is often achieved by identifying land within or on the periphery of existing settlements for affordable housing developments, particularly in villages or areas where housing options are limited. These smaller developments are tailored to local needs and backed by local housing needs assessments at ward or village level.⁸

Supporting self-build and low-impact housing in TAN 6

- 3.21 TAN 6 advises LPAs to allow self-build projects as a viable method of meeting local housing needs, especially in rural areas. This approach supports individuals or families in constructing their own homes, often with reduced costs and with a focus on sustainable design. LPAs are encouraged to allocate suitable land for self-build projects in their LDPs or consider them on rural exception sites. Such projects empower local residents to take ownership of their housing needs and create homes that reflect personal requirements, local materials and traditional designs. They are particularly effective in addressing the housing needs of smaller or underserved rural communities where large-scale developments may not be viable.
- 3.22 TAN 6 promotes low-impact developments that prioritise sustainability and environmental preservation. These projects aim to reduce resource consumption, minimise ecological footprints and integrate harmoniously with the rural landscape. A specific example of this is the One Planet Development (OPD) initiative, which is explicitly supported by TAN 6 as an innovative approach to sustainable living. OPD projects focus on minimising carbon emissions and waste, promoting renewable energy use, and supporting local economies through land-based activities such as agriculture or forestry. Low-impact housing aligns with national sustainability goals and the Well-being of Future Generations (Wales) Act 2015, resulting in housing developments that contribute to environmental, social and economic well-being.

⁸ See Section 5 of this Guide, 'Local Housing Needs Assessments, Strategies and Development Plans' for more details.

OPDs are a distinctive feature of Welsh planning policy. They allow individuals or groups to build homes in rural areas, on condition that they meet strict sustainability criteria. Key requirements include:

- Demonstrating that the development will have a low ecological footprint, in line with One Planet Council guidelines
- Showing that residents will meet at least 65% of their basic needs (e.g. food, water, energy) from the land within five years
- Providing detailed management plans to ensure compliance with sustainability goals.

3.23 LPAs are encouraged to approve OPDs that meet these criteria, even in locations where other types of housing would not typically receive planning permission.

3.24 OPDs present an innovative solution for addressing rural housing needs while promoting long-term environmental sustainability. They also support traditional rural lifestyles, biodiversity and renewable energy use, making them a unique part of planning policy in Wales.

Section 106 Agreements and Rural Housing Need

3.25 Rural communities face unique challenges in delivering affordable housing, such as limited land availability, planning restrictions and rising land prices driven by competition. Affordable housing addresses the growing gap between supply and demand that is exacerbated by rising housing costs and constrained local incomes.

3.26 To ensure that affordable housing remains accessible for future generations, LPAs use planning obligations (also known as Section 106 agreements (S106)). These legally binding contracts between LPAs and developers, established under the [Town and Country Planning Act 1990](#), are linked to individual planning permissions. [S106 agreements](#) secure affordable housing in perpetuity, ensuring that developments meet local community objectives while mitigating any negative impacts. Whilst subject to negotiation, these agreements can cover a range of issues both on and off site and, once in place, are legally enforceable by the LPA. Obligations can be fulfilled through direct affordable housing provision or financial contributions, which are often a mix of both, to serve the community in the best way.

3.27 Although Section 106 agreements are legally binding, developers may apply to modify or discharge obligations after five years under certain circumstances. For

Section 106 agreements to be valid, they must meet the three legal tests outlined in [Regulation 122](#) of the [Community Infrastructure Levy Regulations 2010](#):

- The obligation must be necessary to make the development acceptable in planning terms
- It must be directly related to the development
- It must be fairly and reasonably related in scale and kind to the development.

- 3.28 LDPs outline the policies guiding Section 106 agreements, while SPG provides additional detail, stipulating that these contributions align with broader community planning goals. The Section 106 agreement is a legal charge on the land, so it will transfer automatically with any subsequent change in ownership. If a Section 106 is not complied with, it is enforceable by injunction against the person that entered into the obligation and any subsequent landowner. The decision on whether, and how, to enforce a planning obligation is one for the LPA, having regard to its planning objectives. Where planning obligations are not complied with, they are enforceable by injunction against the person that entered into the obligation and any subsequent landowner. The LPA also has powers to enter onto the land to carry out the works itself and to recover reasonable expenses incurred in doing so.⁹
- 3.29 In rural areas, Section 106 agreements play a vital role in ensuring that affordable housing benefits those with a local connection, helping to maintain the sustainability and social fabric of those communities. While the preference is for on-site affordable housing, in some exceptional cases, offsite contributions or commuted sums may be accepted. Ideally, discussions about Section 106 contributions should start early, at the pre-application stage of the planning process. This proactive approach helps to make certain that the needs of the community are fully considered and integrated into the development plans.
- 3.30 Section 106 agreements are an essential tool for establishing new developments that contribute positively to rural communities. By securing affordable housing and other vital infrastructure, these agreements facilitate development in rural Wales that is aligned with the needs of local residents. For more detailed information on Section 106 agreements and their applications, refer to the Welsh Government

⁹ National Assembly for Wales Research Service. (2016). The Planning Series: 13 - Section 106 Agreements, p.4. Available at: <https://senedd.wales/media/3z3enwhm/24-web-english.pdf> (Accessed: 24 October 2024).

planning obligations guidance,^{10 11 12} the [Local Government Association](#), or [resources](#) produced by Planning Aid Wales.

¹⁰ Welsh Government (1997) *Planning Obligations (Circular 13/97)*. Available at: <https://www.gov.wales/planning-obligations-circular-1397> (Accessed: 21 November 2024).

¹¹ GOV.UK, n.d. *Planning obligations (Section 106 agreements)*. Available at: <https://www.gov.uk/guidance/planning-obligations> (Accessed: 24 October 2024).

¹² Welsh Government (n.d.) *Development Management Manual*. Available at: <https://www.gov.wales/development-management-manual> (Accessed: 21 November 2024).

4. The Use of Planning Conditions and Enforcement Tools for Development Management

Introduction

- 4.1 Managing developments effectively requires a robust regulatory framework, one that sets projects to align with local and national planning objectives. In Wales, this includes using planning conditions, Section 106 agreements and local authority enforcement mechanisms to secure affordable housing. This section explores the legal and policy instruments available to LPAs, focusing on compliance and community benefit .

Planning Conditions and Section 106 Agreements

- 4.2 Planning conditions, outlined in the Welsh Government circular Use of Planning Conditions for Development Management ([WGC 016/2014](#)), are preferred to Section 106 agreements, if they ‘adequately address development requirements.’ However, the circular advises that conditions cannot control matters such as tenure, price or ownership, making Section 106 agreements the preferred tool for achieving affordable housing obligations. Negatively worded conditions can be used to prevent occupation or construction of other properties until the affordable homes are built. For example, Condition 20 requires developers to submit affordable housing details for approval, and to implement them as part of the planning permission.
- 4.3 In some cases, conditions may be applied to prevent either the occupation or construction of market housing until the affordable housing is delivered. This ensures developers fulfil affordable housing obligations before proceeding with profitable aspects of the development. The conditions should be aligned with the LDP so that affordable housing is delivered in line with the strategic housing objectives of the LPA. This is particularly important in rural areas, where the provision of affordable housing may be critical to maintaining local communities and supporting sustainable development.
- 4.4 Model Condition 20 (as outlined in the 2014 Welsh Government Circular) operates in conjunction with Section 106 agreements to ensure that affordable housing is delivered as part of new developments. While Condition 20 sets out clear parameters for securing affordable housing through planning conditions, Section 106 agreements are often used to formalise the legal commitments of developers to meet these obligations. Section 106 agreements allow LPAs to negotiate financial

contributions or other forms of support to provide affordable housing. They also control details like tenure and occupancy criteria, which fall outside the scope of planning conditions.

- 4.5 Planning conditions are a useful mechanism to achieve affordable housing as part of new developments. They ensure developments align with national guidance (TAN 2) and local planning objectives. Planning conditions allow LPAs to enforce affordable housing needs by securing detailed scheme proposals before developments begins. These provisions, combined with Section 106 agreements, form the legal framework for meeting affordable housing needs.

Community involvement and accountability in planning

- 4.6 Members of the public, local communities and other stakeholders can routinely check whether planning conditions and Section 106 agreements are being met. Communities can monitor planning applications through their LPA's online planning portal, where details of applications, including planning conditions and Section 106 agreements, are publicly accessible. To ensure conditions are met stakeholders can:

- **Review planning conditions and obligations:** Identify affordable housing provisions, including construction timelines, tenure mix and other criteria in the decision notice and accompanying legal agreements.
- **Participate in public consultations:** Engage during the planning application stage by submitting comments or objections.
- **Check compliance through updates:** LPAs often arrange public updates or progress reports for major developments. Communities can request updates from the planning authority.

- 4.7 It is also good practice to maintain communication and other collaborative and engagement practices with developers. This can include:

- **Engaging early in the process:** Communities can proactively engage face to face with developers during pre-application consultations. This contributes to concerns being addressed, such as the delivery of affordable housing, at an early stage.
- **Establishing liaison groups:** Create community liaison groups involving residents, developers and LPA representatives to foster dialogue, resolve issues and monitor commitments during construction.

- **Negotiate local benefits:** Collaborate with developers to press for community-focused outcomes, such as prioritising local residents for affordable housing allocations, or enhancing community infrastructure.

4.8 These efforts not only contribute to affordable housing obligations being met but also promote transparency and accountability. Positive partnerships between communities, developers and LPAs contribute to better-designed developments that reflect local needs, support sustainability goals and build trust for future projects. For additional resources, communities can refer to organisations such as [Planning Aid Wales](#), which produces tools and guidance on engaging with the planning process.

Enforcement Tools and Compliance Mechanisms

- 4.9 LPAs have access to a range of enforcement tools to ensure that developments proceed in accordance with approved plans and conditions. These tools are outlined in the [Development Management Manual](#), Section 14: Enforcement Tools. The manual outlines local authorities' legal mechanisms for addressing unauthorised development and ensuring compliance with planning requirements, including affordable housing delivery.
- 4.10 The enforcement process includes the ability to issue temporary stop notices, stop notices, enforcement notices and enforcement warning notices, aimed at bringing unauthorised developments into compliance. For instance, a temporary stop notice can be issued immediately to halt work on a site where a breach of planning control is identified, to allow consideration of whether to serve an enforcement notice (for a breach of planning controls). An enforcement warning notice differs from an enforcement notice in that it signals to developers that a retrospective planning application may be acceptable. This allows conditions to be imposed to make the development compliant with planning policy.
- 4.11 These enforcement tools, when used in conjunction with planning conditions and Section 106 agreements, contribute to the regulatory framework for delivering affordable housing. They control accountability and alignment of developments to the long-term goals of sustainable development and affordable housing provision.

Compulsory Land Acquisition and Development Control

- 4.12 The use of compulsory purchase powers for land acquisition, including for housing developments, is guided by key provisions outlined in [Circular 003/2019](#):

Compulsory Purchase in Wales and the Crichton Down Rules (Wales Version, 2020), which set out policy and guidance on the legal framework for local authorities and other public bodies to acquire land compulsorily for development purposes including housing and regeneration projects.

- 4.13 Local authorities can use compulsory purchase orders (CPOs) if there is a compelling case in the public interest, such as to supply affordable housing. This aligns with the Welsh Government's goal of increasing the housing supply and bringing vacant buildings back into use. Importantly, the Well-being of Future Generations (Wales) Act 2015 also plays a role, requiring public bodies to demonstrate that the use of compulsory purchase powers supports sustainable development goals.
- 4.14 While CPOs are rarely implemented, being primarily seen as a tool of last resort, they offer local authorities an effective method to acquire land for housing-led regeneration, especially when landowners are unwilling to sell voluntarily. The Welsh Government has emphasised that compulsory purchase powers should facilitate developments that enhance communities and contribute to the public good. For further details, Circular 003/2019 outlines the process and considerations for applying compulsory purchase in Wales. CPOs can place significant financial demands on local authorities, both in terms of upfront costs and long-term liabilities. Increasing pressures on local authority budgets means that careful financial planning and external funding sources will be crucial for CPOs to remain a viable tool for future developments. Circular 003/2019 provides further details, outlining the process and considerations in applying CPOs in Wales.

5. Local Housing Needs Assessments

Introduction

- 5.1 Local housing authorities are required to assess housing needs, to fulfil duties under several legislative frameworks. Section 8 of the [Housing Act 1985](#) requires periodic reviews of housing needs and conditions, and the [Planning and Compulsory Purchase Act 2004](#), section 13, requires LPAs to monitor housing needs, to inform LDPs. Local housing market assessments (LHMAs) are the primary tool used to meet these obligations and are essential for aligning LDPs and local housing strategies to local needs. Welsh Government guidance, including the Development Plans Manual (Edition 3) and Planning Policy Wales (PPW), requires LHMAs to develop evidenced-based policies and plans.

Aligning Local Housing Strategies and Development Plans with Housing Needs

- 5.2 Local housing strategies, while not legally mandated, are widely produced by local housing authorities to address local housing needs. These strategies prioritise affordable housing, set targets and identify funding sources to align with LDPs and national goals. LHMAs give the evidence for these strategies, enabling local housing authorities to plan effectively, in line with community housing needs.
- 5.3 LDPs, created by LPAs, set the spatial framework for housing and sustainable development in each area. Using LHMA data, LDPs allocate land and set policies for housing, including affordable options, to align developments with local needs. LPAs also use planning obligations, such as Section 106 agreements, to secure contributions from developers for affordable housing.
- 5.4 A key consideration in aligning LDPs with local housing strategies is financial viability. Developers are often required to deliver a set percentage of affordable housing as part of their projects. The feasibility of being able to meet those requirements depends on site-specific factors such as land value, construction costs and market conditions. Financial viability assessments ensure the percentage of affordable housing sought is realistic while ensuring that housing developments remain viable. These assessments help LPAs balance the need for affordable housing with the economic viability of development, assuring deliverable and robust policies.

- 5.5 LDPs translate housing strategies into spatial planning policies. They allocate land for housing development and set requirements for affordable housing provision through planning obligations. By integrating LHMAs into the LDP process, LPAs ensure that housing developments effectively meet local housing needs. However, LPAs often cannot fully meet the needs identified in LHMAs due to constraints like limited land, environmental restrictions, or viability challenges. In such scenarios, LPAs prioritise housing delivery relative to available resources and strategic objectives. The primary aim being that the most acute needs, such as affordable housing or housing for vulnerable populations, are addressed. This often involves working collaboratively with developers, RSLs and other stakeholders to maximise the use of available land and resources while pursuing innovative solutions. Solutions may include the use of rural exception sites or commuted sums, to bridge the gap between identified needs and delivery capacity.
- 5.6 Planning Policy Wales (PPW) sets the overarching framework for land-use planning in Wales, promoting sustainable development. It integrates housing policy with planning objectives and aims for housing developments to contribute to broader goals such as environmental sustainability, economic development and social well-being. PPW is instrumental in guiding the preparation of LDPs. TAN 2 offers detailed guidance on affordable housing within the planning system.¹³ It defines affordable housing and outlines mechanisms for securing it through planning obligations. The guidance emphasises collaboration between local housing authorities and LPAs to meet affordable housing targets through strategic planning and development control processes.

Local Housing Market Assessments

- 5.7 Welsh Government guidance supports LHMAs with [templates and tools](#) that simplify the assessment process, which enables local authorities to plan for housing demand and supply through evidenced-based assessments. The LHMA tool supports consistency in assessment methodology and aids authorities in producing reliable, data-driven housing plans. Authorities submit their completed LHMA [tool and report](#) to the Welsh Government for review, to establish that assessments meet specified standards, and approved. The approach ensures that local policies reflect both current and future housing demands, including affordable and social housing, to support housing development plans and strategies.

¹³See 'Section 3.4 Technical Advice Notes (TANs) and their Role in Rural Housing' for more details.

- 5.8 The toolkit and guidance issued by the Welsh Government presents a structured methodology for local authorities to assess housing needs within their areas. This process broadly involves engaging with stakeholders, offering an evidence base for strategic housing and planning policy. Key components of the LHMA process include:
- **Defining housing market areas (HMAs):** Local authorities use data such as travel-to-work areas, migration patterns and house prices to understand the local housing market.
 - **Determining household projections:** Using Welsh Government [household projections](#), local authorities estimate the number of new households in their planning for future housing needs.
 - **Gathering income and rent data:** Local authorities collect data on local incomes and rents to assess housing affordability and plan accordingly. The determination of rent levels is undertaken by using a [defined methodology](#) through the collection of transactional rental data from private landlords and letting agents.
 - **Assessing current housing need:** Local authorities analyse data on households that are currently inadequately housed, including those on social housing waiting lists or living in overcrowded conditions.
 - **Calculating estimated additional housing need:** To estimate additional housing needs by tenure and area, based on several factors such as unmet needs and turnover of stock.
 - **Analysing multiple scenarios:** Local authorities conduct scenario analysis to appraise how factors such as economic conditions and population growth impact housing needs.
 - **Engaging stakeholders:** Collaboration with stakeholders is necessary for a comprehensive assessment that considers a wide range of perspectives.
 - **Quality assurance:** Local authorities perform quality checks to confirm the accuracy of their data and methods, in line with best practices and government guidelines.
- 5.9 LHMA's are refreshed every two to three years within a five-year cycle. This established up-to-date analysis and strategy alignment.

- 5.10 RHEs play a vital role in Wales by conducting complementary local housing needs assessments. LHMAs offer broader local authority wide, and smaller housing market area, insights every five years. While RHE assessments, of local housing needs, focus specifically on small, rural communities, providing data that identifies local housing gaps, such as needs for affordable housing or accommodations for specific demographics (e.g. ageing populations or larger family homes). The work of RHEs complements LHMAs, offering a detailed perspective that aids in community-supported housing solutions and helps to inform local planning and development policies.
- 5.11 RHEs engage directly with communities and stakeholders, fostering a grassroots approach and support for housing projects that reflect local priorities at a micro-level. Their work is especially valuable in rural areas, where housing needs may be underestimated in larger assessments. Furthermore, RHEs support planning policies by helping to secure affordable housing contributions from developers through mechanisms like Section 106 agreements. Although RHEs operate independently of LHMAs, both are essential, as they jointly ensure that rural housing needs are comprehensively identified and addressed.

6. Environmental Considerations in Rural Housing Development

Understanding Environmental Impact Assessments (EIAs)

- 6.1 When planning a major development in Wales, it's essential to consider the potential environmental impacts. Certain types of planning proposals must undergo an environmental impact assessment (EIA). This process is required for significant developments, for their potential effects on the environment to be thoroughly assessed before any planning permission is granted.
- 6.2 The specific requirements for Environmental Impact Assessments (EIAs) are detailed in the [Town and Country Planning \(Environmental Impact Assessment\) \(Wales\) Regulations 2017](#), updated in 2019 ('the EIA Regulations'). EIAs must be screened if located in a sensitive area, **or**
- The development includes more than 1 hectare of urban development which is not dwelling-house development, or
 - The development includes more than 150 dwelling-houses, or
 - The overall area of the development exceeds 5 hectares.
- 6.3 An EIA will be required if the development is likely to have significant effects on the environment. The process of screening determines whether there needs to be an EIA .
- 6.4 Housing development falls under the 'urban development' project category, listed under Schedule 2 of the EIA Regulations. An EIA may be necessary if the development exceeds certain thresholds related to size, nature or location. The LPA must assess whether the proposed development is likely to have significant environmental impacts based on these factors. If an EIA is required and not submitted, planning permission will automatically be refused. The assessment is a legal requirement for making sure that the environmental effects of a project are fully considered before approval.
- 6.5 An EIA evaluates the direct and indirect effects of proposed developments. Key factors include:
- **Human health:** Assessing potential risks and impacts to public well-being
 - **Biodiversity:** With greater emphasis on protected habitats and species to assure their preservation

- **Land, soil, water, air, and climate:** Evaluating the development's potential to degrade or alter these natural resources
- **Material assets, cultural heritage and the landscape:** Protecting valuable physical and cultural assets from damage or degradation
- **The interactions between these factors:** Recognising the interdependence of these elements and assessing how changes in one may affect others.

When is an EIA Required for Rural Housing?

- 6.6 In the context of rural housing development, an EIA may be required if the project falls under the categories listed in Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) (Wales) Regulations 2017. This typically applies to developments that could have significant environmental impacts due to their scale, nature or location. An EIA may be required for rural housing developments involving increased traffic, significant landscape impacts, harm to protected species, or proximity to sensitive environmental areas. Undertaking an EIA ensures that potential environmental effects are fully assessed before planning permission is granted.
- 6.7 To determine whether an EIA is necessary, developers can request a 'screening opinion' from the LPA. This involves submitting detailed information about the proposed development including its location, purpose and potential environmental impacts. The LPA will then decide within 21 days whether an EIA is required. This early step in the planning process helps to clarify whether an EIA is required and commits to environmental considerations being addressed from the outset.¹⁴

Protecting Habitats, Species and Water Quality in Wales

- 6.8 Wales is home to several protected areas known as European sites, which include Special Areas of Conservation (SACs), Special Protection Areas (SPAs), and Ramsar Sites (wetlands of international importance). These areas are safeguarded under the Conservation of Habitats and Species Regulations 2017 to maintain biodiversity and ecological integrity ([DEFRA, 2024](https://www.gov.uk/government/publications/conservation-of-habitats-and-species-regulations-2017)). Additionally, several Welsh rivers, such as the River Cleddau, Eden, Gwyrfai, Teifi, Tywi, Glaslyn, Dee, Usk and Wye, are designated as SACs and are subject to strict water quality targets. This is

¹⁴Welsh Government (2017) *The Planning Series 10: Environmental Impact Assessment*. Available at: <https://senedd.wales/media/03rbzgra/17-016-web-english.pdf> (Accessed: October 2024)

due to concerns about nutrient pollution, including elevated levels of phosphorus and ammonia.

6.9 Developments impacting European sites must undergo a ‘habitats regulations assessment’ (HRA). This is conducted in three stages:

- **Screening:** To determine whether the development could significantly affect a protected site. Information on the conservation objectives of European sites in Wales can be found on the Natural Resources Wales designated sites [database](#).
- **Appropriate assessment:** If potential impacts are identified, this assessment evaluates mitigation measures, to ensure the development will not harm the site’s ecological integrity.
- **Derogations:** If the site’s integrity cannot be assured, further assessments are conducted to explore alternative solutions, with compensatory measures put in place ([Natural Resources Wales](#)).

6.10 To determine whether a site is eligible for a derogation exception, authorities will assess the proposal against three legal tests, which must be considered in the following order:

- **No feasible alternatives:** There are no feasible alternative solutions that would cause less damage or avoid harm to the site.
- **Imperative reasons of overriding public interest (IROPI):** The proposal must be necessary for imperative reasons of overriding public interest, such as public safety, health or environmental protection.
- **Compensatory measures:** The necessary compensatory measures must be secured to allow for the overall coherence of the network of protected sites.

6.11 All findings from these tests, including failed tests, must be thoroughly documented and submitted for review. Where no feasible alternative sites are available, the proposal must meet the following criteria to proceed:

- **Imperative:** The proposal is essential for public interest reasons.
- **In the public interest:** It provides benefits to the public rather than solely private interests.
- **Overriding:** The public interest significantly outweighs the predicted harm or risk to the integrity of the European site.

- 6.12 In SAC river catchment areas, new developments must manage their environmental impacts carefully. Natural Resources Wales (NRW) advises that proposals may proceed if one of the following conditions is met:
- The development does not contribute to an increase in nutrient levels.
 - There is no pathway for nutrients to enter the river SAC.
 - Measures are in place to achieve nutrient neutrality, effecting no negative impact on water quality.
- 6.13 In rural areas where connecting to the public sewerage system is not feasible, developers may have to consider private sewerage solutions, such as septic tanks or small sewage treatment plants. Planning Circular [008/2018](#) delivers specific guidance, outlining the planning requirements and environmental standards to ensure that such systems do not pose risks to public health or the environment.
- 6.14 To address nutrient pollution in river SACs, several LPAs have established nutrient management boards. These boards are responsible for developing and implementing nutrient management plans (NMPs), which assess current evidence, identify sources of excess nutrients and propose strategies to reduce nutrient levels. NMPs include measurable outputs and timelines to achieve conservation targets.
- 6.15 The issue of phosphorus in river SACs is dynamic, with nutrient levels fluctuating and subject to changes in monitoring targets within the legislative framework of NRW. Nutrient management boards play a key role in revising NMPs and providing essential [guidance](#) for navigating housing developments in SAC catchment areas. Their insights assist rural developments with compliance with environmental regulations while mitigating nutrient impacts.
- 6.16 As emphasised in Chapter 6 of Planning Policy Wales (PPW), all new developments in Wales are expected to deliver a net benefit for biodiversity, ensuring that they contribute positively to the natural environment rather than simply mitigating harm. This principle extends beyond preserving existing biodiversity to actively enhancing it through measures such as habitat creation, green infrastructure and integrating nature-friendly design into developments. Net benefit approaches align closely with national sustainability objectives, with the long-term health and resilience of ecosystems being supported by the developments.
- 6.17 This requirement of net benefit for biodiversity relates to section 6 of the Environment (Wales) Act 2016. The act imposes a statutory duty on public

authorities to maintain and enhance biodiversity while actively promoting ecosystem resilience. Public bodies, including LPAs, must demonstrate how their policies and decisions contribute to the recovery and protection of Wales's natural resources. Ecosystem resilience is defined as the capacity of ecosystems to adapt to changes and continue providing vital services. Considerations include flood prevention, clean air and carbon sequestration. In practice, this means developers and LPAs must integrate biodiversity enhancements into projects at every stage of the planning process. This could include:

- **Habitat creation and restoration:** Establishing wildflower meadows, ponds or woodland areas to assign new habitats for wildlife
- **Green infrastructure:** Incorporating features such as green roofs, living walls and wildlife corridors into urban developments to connect fragmented habitats
- **Biodiversity-friendly design:** Designing developments to include bird boxes, bat roosts, hedgehog-friendly fencing and the planting of native species
- **Sustainable drainage systems (SuDS):** Designing SuDS schemes that not only manage water effectively, but also serve as habitats for aquatic and terrestrial species.

6.18 Developers and LPAs must integrate biodiversity enhancements into projects, to achieve conservation goals alongside housing needs. Examples include habitat restoration, green infrastructure and biodiversity-friendly drainage systems. This approach further ensures that new developments contribute to the [Well-being of Future Generations \(Wales\) Act 2015](#), aligning short-term projects with long-term environmental goals.

7. Site Identification, Acquisition and Planning for Rural Housing

Introduction

- 7.1 Developing affordable housing in rural Wales calls for a structured approach that combines housing needs assessments, community engagement and strategic land acquisition. By linking the insights from local housing market assessments (LHMAs) and local housing needs assessments with participatory planning, local authorities can establish developments that align with community requirements. Early public consultations and participatory planning sessions are essential for understanding the community's priorities and securing their support. This approach guarantees that the housing development reflects local needs from the outset.
- 7.2 Organisations such as [Planning Aid Wales](#) can assist communities in participating effectively in the planning system. They may be able to give additional support, alongside rural housing enablers, to achieve effective community engagement and involvement.¹⁵ Collaborating with local authorities, social landlords, as well as traditional landowners, is also crucial. For instance, guidance, such as that offered by the Welsh Government's [Land Division](#) can help to identify underutilised public lands suitable for development. Established in 2019, the Place Division (previously [Land Division](#)) works to increase the number of new homes built across Wales by acquiring, as well as de-risking, land and promoting collaboration between public-sector bodies to unlock the potential of public land.
- 7.3 Local authorities are mandated under the Local Government Act 1972 to achieve 'best consideration' when disposing of land. However, projects that deliver significant social, economic or environmental benefits, such as rural affordable housing developments, can navigate an alternative pathway through best value exemptions. These exemptions allow local authorities to transfer land at below-market value where clear community benefits can be demonstrated. This approach supports projects that align with the goals of the Well-being of Future Generations (Wales) Act 2015 and promotes sustainable development that is connected to local needs. Collaboration with LPAs, RSLs and community groups is crucial to successful delivery through this pathway, to unlock land for affordable housing projects.

¹⁵See Section 7 for more details on stakeholder engagement and collation methods.

Techniques for Identifying Sites and Development Viability

7.4 Identifying and assessing potential sites for affordable housing in rural areas involves considering numerous factors regarding the site's suitability, sustainability and viability. Here are some practical methods and key considerations:

- **Identify sustainable locations:** Evaluate the site's integration with existing infrastructure, to minimise environmental impact and promote sustainable living. Consider locations that reduce the necessity for private car use and promote walking, cycling and public transport. Proximity to essential services such as schools, healthcare, shops and public transport is also crucial ([Welsh Government, 2024](#)).
- **Understand house values:** Conduct a market analysis to understand local house values and the economic landscape. This information helps establish realistic pricing for new homes that align with market conditions and affordability criteria. Market analysis helps ensure the financial viability of potential housing schemes, remaining accessible to the local population (see, [HM Land Registry](#)).
- **Review local housing demand:** Engage with community stakeholders and review housing needs assessments so that the housing mix reflects local demographic needs. This might include the type, size and demographic needs of the housing required. LHMA's and local housing needs assessments are key tools in identifying these needs.¹⁶
- **Identify technical constraints:** Identify potential technical constraints early by conducting detailed surveys and technical studies. These might include geotechnical surveys, environmental impact assessments and consultations with utility providers. Addressing issues such as site access, topography, and utilities availability early is crucial for site viability. The [Chartered Institute of Building](#) publishes guidelines on assessing site constraints and their impacts on project viability.
- **Collaborate with landowners and interest groups:** Develop strong relationships with landowners and key stakeholders, including organisations such as the National Farmers' Union (NFU) and local interest groups. This collaborative approach assists threefold: with the identification of suitable sites;

¹⁶See 'Section 6 Local Housing Needs Assessments, Strategies and Development Plans' of this Guide

in addressing concerns; and with the creation of successful and viable solutions for land use and housing development.

- **Understand Section 106 requirements/Community Infrastructure Levy proposals:** Collaborating closely with local authorities on compliance and effective use of these mechanisms can support infrastructure and affordable housing delivery.¹⁷
- **Evaluate build costs:** Consider the cost per square metre for delivering affordable housing compared to open-market housing. Agreeing on favourable terms with landowners and exploring funding options can significantly impact the viability of site development.
- **Land value negotiation:** After assessing build costs, negotiate land values that are fair to both landowners and buyers. Consider tax implications for landowners, such as capital gains tax and agricultural property relief. Explore creative solutions like phased or deferred payments to address these concerns.
- **Consider planning timescales:** Prepare for potential delays in the planning process by setting realistic timelines and including flexibility in contracts. Maintain open communication with planning authorities to mitigate delays. For instance, carry out a sustainable drainage system (SuDS) approval pre-application in parallel with the planning pre-application process. Both these processes complement each other, which avoids unnecessary delays and ensures holistic site planning.
- **Utilise pre-application process:** Use the LPA pre-application process to identify and address potential issues as early as possible. While it may not guarantee final approval, pre-application gives valuable insight that can streamline the planning application process.
- **Plan on satisfying or exceeding minimum design requirements:** Prioritise meeting the Welsh Development Quality Requirements 2021 for all affordable housing funded by Welsh Government. Where feasible, aim to exceed these minimum standards to improve the quality, energy efficiency and sustainability of housing, such as by incorporating the Lifetime Homes Standard. Avoid compromising design standards for financial viability except where higher-than-required standards are being pursued to achieve greater sustainability and long-

¹⁷See 'Section 3, Section 106 Agreements and Rural Housing Need' in this Guide

term, built-in benefits. See section 9 'Housing Design, Construction and Quality Requirements' for further information on design requirements.

- Additionally, the innovative use of Section 106 contributions (commuted sums) and Community Infrastructure Levy funding can improve development viability. These funding mechanisms can provide financial support for off-site provision and help address technical constraints. Allocation of resources to pre-development activities such as site preparation and infrastructure improvements is encouraged. This also applies to the exploration of other innovative uses of Section 106 and Community Infrastructure Levy funding to support rural affordable housing projects. This may include property or land acquisition for affordable housing or remediation of brownfield sites. Also, setting up essential infrastructure and creation of community amenities that enhance site viability and sustainability. While Section 106 funds are traditionally allocated to infrastructure improvements or onsite affordable housing, in certain cases, LPAs may apply these funds to acquire property or land for affordable housing ([Welsh Government, 2018](#))

Site Assessment, Planning, and Development in Rural Settings

- 7.5 Developing affordable housing in rural settings requires balancing the pressing need for homes with environmental, cultural, and economic considerations of these areas. This sub-section offers step-by-step guidance on identifying and assessing suitable sites, navigating planning processes, and implementing development strategies appropriate to rural Wales.

Site viability assessment

- 7.6 Once potential sites are identified, assessing their viability is essential. The process uses tools like geographic information systems (GIS) for spatial analysis. Development viability model (DVM)¹⁸ toolkits evaluate the sites' physical, social and economic feasibility of sites. Environmental impact assessments (EIAs) may also be necessary.¹⁹

Navigating planning requirements

- 7.7 Understanding rural-specific planning requirements, such as rural exception site policy frameworks, is crucial. Early consultations with planning authorities help align

¹⁸For example, 'Development Viability Model,' commissioned by Local Planning Authorities in the Mid & South West Wales and South East Wales Regions (June 2020)

¹⁹See Section 6, 'When is an EIA Required for Rural Housing?' in this Guide.

proposed developments with local policies and streamline approvals, reducing potential delays.

Implementation and community engagement

- 7.8 Following site acquisition and planning approvals, the implementation phase includes detailed planning, construction and ongoing community engagement. Continuous communication with the community helps to build support and allows for adjustments based on feedback. Engagement can enhance the development's alignment with local needs and promoting long-term project sustainability.

Allocated affordable housing sites

- 7.9 Fast-tracking allocated sites with affordable housing designations is another important strategy. By treating site allocation as a form of outline planning permission, the focus shifts to resolving specific details, which speeds up the delivery of housing. Advocating planning policy reforms that streamline the approval process for affordable housing is also crucial for timely and efficient development.

Rural exception sites

- 7.10 Developing affordable housing on rural exception sites (areas specifically designated to meet local housing needs) may present an effective strategy. Collaborating with planning authorities to prioritise these sites within planning policies can ensure that affordable housing needs are met. Justifying the demand through LHMA's and local housing needs assessments strengthens the case for these developments in planning decisions.

Addressing community concerns

- 7.11 Addressing community resistance, often referred to as 'NIMBYism' ('not in my backyard'), is another challenge. Engaging with the community early and regularly is key to highlighting the local benefits of affordable housing. Involving local representative groups such as community councils is essential for building trust, addressing specific concerns and ensuring community voices are heard throughout the process. Using innovative design solutions, visual aids and site visits can help address any worries and demonstrate the positive impact of proposed developments.

Prioritising affordable housing in high-demand areas

- 7.12 In areas with high numbers of second homes, particularly in coastal communities in North and West Wales, there is an urgent need to address local housing needs.

Giving precedence to affordable housing in these areas and making sure that any allocated sites of this nature are prioritised in planning decisions is essential. Policies that put local residents first in housing allocations are crucial for maintaining the fabric of rural communities.

Streamlined processes and environmental considerations

- 7.13 Streamlined planning processes are critical for the success of affordable housing projects. Reforms that prioritise these projects and reduce bureaucratic delays can significantly enhance project delivery. Early engagement with LPAs and the SuDS approval body during the pre-application stage is essential to address both planning and environmental considerations simultaneously. For detailed information on SuDS standards and the approval process, developers can refer to Natural Resources Wales' [guidance](#). Understanding the environmental considerations is important, and this is best achieved through early engagement with LPAs.²⁰
- 7.14 Addressing these factors equips stakeholders to deliver sustainable, community-focused housing solutions that align with local needs and priorities while preserving cultural identity.

Rural Exception Sites

- 7.15 Rural exception sites are small plots of land specifically used for affordable housing in rural areas where open-market housing would not normally receive planning permission. These sites can be crucial for meeting local housing needs. [TAN2](#) defines rural exception sites as those used for affordable housing in perpetuity, with priority given to people with a local connection. For instance, this may include current residents or those with family or employment ties to the area. This approach delivers housing that meets the specific needs of the local community and remains affordable for future generations.
- 7.16 A significant advantage of rural exception sites is the prioritisation of individuals with a local connection in the affordable housing allocation process. Local allocation policies are key to ensuring that housing first serves households within the parish or a defined local area in which the site is located. These policies outline eligibility criteria that include residency, family ties or local employment. To reinforce this:

²⁰ See Section 6, 'Environmental Considerations in Rural Housing Development' in this Guide.

- Sales policies should require that homes are marketed exclusively to local people, avoiding generic online property portals to maintain the focus on local needs.
- Local authorities, RSLs or community land trusts may administer cascading mechanisms whereby, if no eligible buyers from the immediate area apply, the homes can be offered to households from adjacent parishes.
- Legal agreements, such as Section 106 agreements, can ensure that eligibility criteria are applied during both initial sales and resales, safeguarding affordability and local allocation for future generations.

7.17 These sites are intended to supply 100% affordable housing to address the acute needs of rural communities in Wales. The land used for rural exception sites typically wouldn't receive planning permission for open-market housing but has significant value compared to agricultural land. This increase in value makes it attractive for landowners to sell, while legal agreements guarantee that the developed housing remains affordable in perpetuity.

7.18 To identify rural exception sites effectively, LPAs should work closely with community stakeholders, local landowners, housing providers and local authorities, to identify potential sites that could be developed under rural exception policies. It is important for selected sites to be adjacent to or within existing settlements to promote integration with established communities and infrastructure.

7.19 When identifying land for rural exception sites, local authorities should consider the potential for utilising public land through 'best value' provisions. By applying exemptions under the Local Government Act 1972, local authorities can dispose of land at less than market value to support developments that deliver measurable social, economic and environmental benefits. This flexibility is particularly valuable for rural exception sites, where land costs can otherwise present a barrier to affordability. Such an approach aligns with the Welsh Government's policies on promoting community-focused housing solutions and achieving broader well-being objectives.

7.20 While rural exception sites are often used for social rented accommodation, incorporating shared ownership or discounted sales models can meet wider community needs by helping local people take a step onto the property ladder. These tenure options not only help address affordability but also contribute to creating balanced communities, blending a mix of tenure types while maintaining

affordability and prioritising local connections. Shared ownership agreements and legal restrictions, such as Section 106 agreements, can result in the homes remaining accessible to future generations within the community.

- 7.21 Planning policies should explicitly support rural exception sites. LDPs should include clear guidelines and criteria, encouraging the use of local resources and sustainable building practices.. The Welsh Government's [planning policy framework](#) offers a supportive environment for rural exception sites.

Community-Led Housing Initiatives

- 7.22 Community-led housing initiatives, such as community land trusts and housing cooperatives, can play a vital role in developing rural exception sites. Local communities can also raise funds through community shares and crowdfunding campaigns, attracting local investment and encouraging community engagement and support.²¹ Community land trusts are non-profit organisations that own land for community benefit, which can be used for affordable housing. They retain ownership of the land and lease it to residents, guaranteeing long-term affordability. Other community-led housing initiatives include housing cooperatives, which are jointly owned and managed by residents, and self-build housing, where individuals or groups build their own homes, with support from local authorities or RSLs.
- 7.23 Local councils can support these initiatives by arranging resources and guidance to help Community Infrastructure Levy and community-led housing groups navigate the planning process. They can also adopt policies that favour community-led schemes, offering a presumption supportive of these developments, even on land not typically identified for housing. This approach gives community-led housing groups an advantage over traditional developers, promoting local engagement and ensuring that developments meet community needs. Utilising the Welsh Government's [Community Asset Transfer](#) (CAT) Guidance, housing providers can facilitate meaningful dialogue with local stakeholders about site transfer options and schemes.
- 7.24 Community-led housing initiatives can also benefit from local authority policies that allow for land disposal at below-market value. Where projects demonstrate significant social, economic or environmental benefits, local authorities may apply best-value exemptions to facilitate access to land. This approach enables

²¹See 'Section 8, Funding and Economics of Rural Housing' below for further information.

community groups, cooperatives, and land trusts to advance housing projects aligned with local needs and sustainable development principles. Local authorities can work with organisations such as [Cwmpas](#), in order to structure projects in a way that maximises long-term community benefits. Cwmpas provides support on forming groups, accessing funding and navigating the planning process.

8. Funding and Economics of Rural Housing

Introduction

- 8.1 Securing adequate funding and ensuring economic viability are essential for affordable housing development opportunities to be realised. Local authorities play a critical role in leveraging various funding mechanisms to support affordable housing initiatives. This section delves into how local authorities can effectively utilise these resources to make development sites viable and achieve economies of scale. By successfully securing and deploying funds, local authorities can significantly enhance the impact and sustainability of rural housing projects. This approach not only addresses immediate housing needs but also contributes to long-term community development and economic growth.
- 8.2 At the time of publication, the latest report on affordable housing provision in Wales from April 2023 to March 2024²² highlights the progress in addressing housing needs. During this period 3,643 additional affordable housing units were delivered across Wales. This was a 12% increase on the previous year and the highest total since data was first recorded in 2007 to 2008. RSLs continued to make the largest contribution to additional affordable housing in Wales, delivering 74% of all additional affordable housing provision during 2024 to 2025 (2,681 units).
- 8.3 In Wales, there are several types of capital grants available to support the development of affordable housing. Below is an overview of the types of 'capital grant' models available in Wales for such developments.

Capital Funding Options

- 8.4 The '[Social Housing Grant](#)' (SHG) is the primary source of funding for new affordable housing projects in Wales. Administered by the Welsh Government, SHG contributes financial assistance to RSLs and local authorities to support the construction and acquisition of affordable housing. This grant can cover a considerable proportion of development costs, with the remainder typically met through borrowing by the landlord, making it an essential tool for expanding affordable housing supply.

²² Welsh Government, 2023. *Affordable Housing Provision: April 2023 to March 2024*. Available at: [Affordable housing provision: April 2024 to March 2025 \[HTML\] | GOV.WALES](#)

- 8.5 Guidance documents for SHG outline the framework for securing funding for affordable housing projects.²³ RSLs and local authorities are the eligible applicants for SHG funding. Affordable housing schemes delivered via private developers or community-led housing groups may be eligible for funding. However, this can only be through RSLs or local authorities who can partner with the other organisations.
- 8.6 The [Transitional Accommodation Capital Programme \(TACP\)](#) supports a range of schemes including the acquisition of existing dwellings, conversion of non-residential buildings into housing and helps bring void properties back into use. Local authorities and RSLs in Wales are eligible to apply for this grant funding for the purpose of developing or purchasing affordable housing at pace in order to support move on from temporary accommodation.
- 8.7 The '[Land and Buildings Development Fund](#),' launched in 2022, is a Welsh Government initiative designed to unlock the development potential of land and buildings specifically for public benefit, particularly social and affordable housing. The fund allocates grants that cover various aspects, including land use studies, demolition, and site de-risking. By facilitating early-stage development activities, the fund helps local authorities and RSLs overcome barriers to making land viable for affordable housing projects.
- 8.8 The '[Land for Housing Scheme](#),' launched initially as a pilot in 2014 (although not a grant capital funding avenue), is a loan-based scheme that allows RSLs to acquire land to develop affordable and open-market housing. It operates as a revolving fund, meaning that, as loans are repaid, the funds are reinvested in new projects. This scheme was introduced to support Wales' target for additional affordable homes and has since facilitated numerous projects across the country, making land acquisition more feasible for RSLs.
- 8.9 Whilst not providing grant funding (as support takes the form of loans), two schemes 'Wales Residential Property Fund, and 'Self Build Wales,' delivered by the Development Bank for Wales on the Welsh Government's behalf, also support the provision of housing.
- 8.10 The [Wales Residential Property Fund](#) followed the merger of the funds previously available under the Wales Property Development Fund and Wales Stalled Sites

²³ Welsh Government, n.d. *Social Housing Grant: guidance for registered social landlords and local authorities*. Available at: <https://www.gov.wales/social-housing-grant-guidance-registered-social-landlords-and-local-authorities> (Accessed: 24 October 2024).

Fund. It offers SME developers access to flexible loans ranging from £150,000 to £10 million with repayment terms of up to four years and up to 100% of build costs.

- 8.11 The 'Self Build Wales' scheme offers loan funding to self-builders to help finance the purchase of a plot and the construction of their home. The scheme focuses on providing finance for plots where planning and site requirements are already completed. Self-builders who already own land or have identified land outside the scheme can also apply for loans to cover land purchase and/or construction costs. There are no repayments on the loan until the property is completed, allowing households to meet everyday expenditure while their new home is being constructed (up to a maximum of 2 years). The scheme also supports SME house builders, where applicants appoint an accredited SME house builder to build their home.

Section 106 Agreements and Commuted Sum Contributions

- 8.12 Section 106 agreements are planning obligations used by LPAs to offset the impacts of new developments. These agreements require developers to provide affordable housing within new projects. This is often funded through cross-subsidies from open-market housing sales. Section 106 agreements are vital for ensuring new developments meet community housing needs. They can be used in several ways to support affordable housing and community development, for example:
- **Mixed-use developments:** Combining distinct types of housing, such as social rent, shared ownership and open-market housing, to create diverse and inclusive communities.
 - **Supporting community-led housing groups:** Enabling local groups to develop affordable housing projects tailored to their community's needs.
 - **Broader regeneration efforts:** Improving existing housing stock and infrastructure and funding energy-efficient and environmentally friendly housing projects that align with sustainability goals.
- 8.13 Effective use of Section 106 agreements is essential for meeting affordable housing needs in Wales, particularly in rural areas. To ensure that local authorities can maximise the availability and benefit from these funds, robust guidance and enforcement policies should be in place. They should include:

- **Clear policies and guidance:** Local authorities should establish clear policies within their LDPs that outline the requirements for Section 106 contributions specific to affordable housing. LDPs are subject to a statutory review cycle every four years (sooner if the annual monitoring report indicates that policies or allocations need updating). These reviews make certain that policies remain in step with the latest local housing market assessments and reflect current housing needs.
- **Monitoring and reporting:** Tracking and reporting on commitments made in Section 106 agreements assist in maintaining transparency and accountability. Robust monitoring systems help track fund collection and use, ensuring they are utilised within the specified timeframe.
- **Sector-wide partnerships:** Collaborating with developers, RSLs and community groups allows for affordable housing needs to be met effectively. Engaging communities to identify priority areas for affordable housing ensures funds are directed to meet local needs effectively.
- **Flexible policies:** Allowing flexibility in the type and location of affordable housing contributions assists local authorities react to changing needs and market conditions. This approach can also promote the use of innovative schemes and funding models.
- **Enforcement:** LPAs must enforce Section 106 agreements effectively, to guarantee compliance. This may include issuing breach notices, imposing fines or taking legal action if necessary. Training planning officers and staff on best practices for negotiating and managing Section 106 agreements strengthens the use of these enforcement mechanisms.

Other Innovative Affordable Housing Funding Options

- 8.14 In addition to traditional funding models, several innovative investment avenues can significantly support affordable housing development in Wales. These include partnerships with private developers, decarbonisation initiatives and optimised retrofit programmes. Such schemes can supplement traditional funding models and help to address the unique challenges of rural housing development.
- 8.15 Welsh Government offers two main homeownership support grants that facilitate individuals and families to transition from renting to owning. '[Homebuy Wales](#)' is a scheme that offers equity loans of up to 30% of a property's market value, which are

interest-free, reducing the upfront costs of buying a home. This makes homeownership more accessible for first-time buyers and low- to moderate-income households. Another key initiative is '[Help to Buy Wales](#),' which supports buyers purchasing new-build homes by offering a shared equity loan of up to 20% of the property price.

- 8.16 **Private finance initiatives (PFIs)** and other public–private partnerships are essential tools for addressing affordable housing challenges in Wales. These partnerships combine the resources and expertise of both public entities and private companies to fund and manage affordable housing projects. They help ensure schemes are economically viable and effectively managed. They involve partnerships where private investors finance the construction and maintenance of housing developments. Local authorities or RSLs repay the investment over time, leveraging private capital for public housing needs. The 'Welsh Housing Partnership' initiative combines public and private sector resources to deliver affordable housing. It involves collaboration between the Welsh Government, RSLs and private investors to fund the acquisition and development of affordable homes, offering a mix of rental and ownership options.
- 8.17 Public–private investment partnerships such as these provide several benefits, reducing the financial burden on public resources. Private companies bring additional expertise including construction, financial investment and innovation expertise. Financial investment partnerships also result in shared risk, making them more manageable and leading to more sustainable community growth and economic benefits.

Environmental, Energy Efficiency and Decarbonisation Initiatives

- 8.18 In April 2019, the Welsh Government declared a climate emergency, underscoring the urgency of addressing climate change through policy and action. This declaration has led to the implementation of several mitigating measures, including the establishment of policy and standards frameworks, that mandate new builds to achieve specific environmental standards. For instance, the Welsh Development Quality Requirements (WDQR) 2021 set new [quality standards](#) for social housing, focusing on flexibility, space and sustainability.
- 8.19 In addition, environmental, energy efficiency and decarbonisation initiatives are increasingly making a significant contribution to, and having an impact on, the development of affordable housing. The [Optimised Retrofit Programme](#) (ORP),

focuses on retrofitting existing homes with energy-efficient technologies, reducing carbon emissions and improving energy performance. This initiative gives funding and technical support for measures such as insulation, solar panels and heat pumps.

- 8.20 Furthermore, developing new, affordable housing with low-carbon technologies can attract funding from environmental grants and subsidies. These projects align with the Well-being of Future Generations (Wales) Act 2015, promoting sustainable and resilient communities. The [Energy Company Obligation](#) (ECO) programme obliges energy companies to fund energy efficiency improvements in low-income households. Local authorities and RSLs can leverage these funds to enhance the energy performance of affordable housing.
- 8.21 Securing and utilising a combination of various funding sources is key to the viability of affordable housing developments in rural Wales. By integrating these funds, RSLs, local authorities, partner organisations and community trusts can cover significant costs, making projects more financially feasible. Combining funding mechanisms can create more sustainable and economically viable housing developments, ensuring they are affordable, meet immediate housing needs, and contribute to long-term community development and economic growth.
- 8.22 As well as new-build construction, the repurposing and retrofitting of existing properties is vital. Repurposing existing buildings not only preserves historical and cultural assets but also contributes to sustainability by reducing the need for new materials and minimising waste. These practices align with the Welsh Government's commitment to decarbonisation and the efficient use of resources.

9. Housing Design, Construction and Quality Requirements

Introduction

- 9.1 The development of affordable housing in Wales is guided by a comprehensive policy framework that ensures ambitious standards of quality, sustainability, and quality of living. Key policy drivers include legislative frameworks, national policies, and strategic guidelines that RSLs and local authorities must follow when planning and constructing new housing developments. These are outlined in more detail below.

Welsh Development Quality Requirements (WDQR) 2021

- 9.2 The '[Welsh Development Quality Requirements](#)' (WDQR) 2021 set the minimum functional quality standards for new and rehabilitated affordable homes. These standards focus on space, accessibility, energy efficiency, and overall housing quality. The standard ensures that homes are liveable, sustainable, and adaptable to residents' needs over time. Key features of the standards, or requirements, are:

9.2.1 High-quality, innovative and sustainable homes:

- **Value for money:** Homes should offer good value by considering both initial costs and future maintenance through whole-life cost analysis.
- **[Modern methods of construction](#) (MMC):** Innovative technologies are preferred for building affordable homes. These methods replace or complement traditional construction, speeding up processes, reducing resource use, and enhancing quality. More details on MMC can be found in the Welsh Government's '[A Modern Methods of Construction Strategy for Social Housing](#).' This strategy aims to promote the adoption of innovative building techniques to accelerate the delivery of high-quality, sustainable social housing.
- **Decarbonisation and circular-built environment:** Homes should incorporate best practices to reduce carbon emissions, reuse materials and ensure buildings can be adapted at the end of their lifecycle. This includes maximising the use of sustainable materials like timber and integrating renewable energy sources to meet energy efficiency standards. The UK Net Zero Carbon Buildings [Framework](#) gives a detailed approach to achieving net-zero carbon buildings in the UK.
- **Energy performance and decarbonisation:** New homes must achieve an energy performance certificate (EPC) rating of A, and forgo boilers that use fossil

fuels. The energy performance must align with the minimum fabric standards set out in Appendix E of the Building Regulations [Approved Document Part L](#) Wales 2020. Additionally, fossil-fuel-fired boilers are not permitted for providing domestic hot water and space heating. Alternative proposals are acceptable if independently certified, to reduce the building's energy demand, in accordance with the Energy Hierarchy for Planning in the Welsh Government's [Planning Policy Wales](#). Furthermore, an assessment of overheating risk, based on the Chartered Institution of Building Services Engineers (CIBSE) [TM59](#) methodology, is required for certain dwelling types. These include apartments/flats and houses without two or more parallel aspects for cross-ventilation. Adherence to CIBSE TM59 compliance criteria must be demonstrated.

9.2.2 Flexibility and responsiveness in home design: Homes should be designed to adapt to the changing needs of residents throughout their lives. This ensures they can accommodate different household sizes and requirements, including:

- **Adequate room sizes:** Rooms should be spacious enough to comfortably fit necessary furniture and meet the space standards set by the [guidelines](#).
- **Accessibility:** Design features should facilitate easy movement, with wide entrances, accessible stairs and lift options.
- **Storage space:** Homes should offer sufficient internal and external storage, including space for bicycles, to encourage sustainable travel.
- **Bathroom facilities:** Homes should have a shower in addition to a bath, with space for future installations of barrier-free showers. In larger homes, these facilities should be provided from the outset.
- **Home office space:** Homes should include a dedicated area for setting up a home office, to accommodate remote working needs.
- **Future adaptability:** Where possible, internal walls should be non-load bearing to allow for future adaptations. Modern construction techniques should be employed to enhance flexibility.
- **Digital infrastructure:** Homes should be equipped with gigabit-ready broadband connectivity, with provisions for potential installations to futureproof digital infrastructure.

9.2.3 Home safety and security: Homes should be safe and secure, this means:

- **'Secured by Design' gold standard:** This standard must be achieved by new developments, giving assurance that they are safe and secure. This includes secure entry points, surveillance systems and 'designing out crime' through thoughtful arrangement.
- **Functional kitchens and bathrooms:** These spaces should be designed to minimise the risk of accidents and be safe and accessible for all users.
- **Stairs and electrical outlets:** Stairs should be designed to accommodate future stair lift installations, and homes must have sufficient electrical outlets in convenient locations.
- **Private gardens and parking:** Family homes should include safe, private gardens and adequate parking that reflects anticipated car ownership levels.
- **Safety features:** Homes must be fitted with hard-wired carbon monoxide detectors and heat detectors in kitchens, in addition to standard fire safety requirements.

Building Regulations in Wales

9.3 Building regulations play a crucial role in the design and development of rural housing in Wales. These regulations establish that new homes are safe, accessible, energy-efficient and sustainable. They impact every stage of the development process, including:

- **Pre-planning and concept design stage:** At this stage, understanding and integrating building regulations into the design concepts helps to avoid significant redesigns later. Key considerations include structural integrity, fire safety, ventilation and accessibility.
- **Detailed design and planning application stage:** Detailed designs and specifications must be developed and submitted to a building control body for review and approval. This involves providing materials and construction methods that meet the compliance requirements, including energy efficiency, fire safety and accessibility.
- **Construction stage:** Building inspectors conduct regular site visits to oversee compliance with approved plans and building regulations. On-site adjustments are made, as necessary, to meet these standards.

- **Post-construction and final approval stage:** A final inspection is required prior to the building control body being able to issue a certificate of completion. The works being inspected and assessed must show sufficient evidence of compliance with the building regulations.

9.4 The Welsh Governments' Building Regulations website gives an overview of all building regulations applicable in Wales, along with the applicable [approved documents](#) referenced above.

Planning and Sustainability Requirements for Rural Housing in Wales

9.5 The successful design and development of rural housing in Wales requires adherence to a set of comprehensive planning and sustainability requirements. These requirements ensure that new housing developments are not only compliant with national standards but that they also contribute to the sustainability and well-being of rural communities. This section outlines the key planning and sustainability requirements that must be considered, referencing critical design and policy frameworks.

Planning Policy Wales (PPW) Edition 12

9.6 Planning Policy Wales (PPW) [Edition 12](#) provides a framework to guide sustainable development across Wales. It emphasises the importance of placemaking, i.e. development that contributes positively to the economy, environment and society. Key principles include:

- **Sustainable rural communities:** PPW highlights the importance of making rural communities sustainable, resilient and adaptable to changing circumstances. It acknowledges the unique challenges rural areas face, such as depopulation, limited access to services and a shortage of affordable housing. PPW encourages developments that support community viability, making essential services like healthcare, education and transport accessible. These elements are vital for maintaining a high quality of life and preventing depopulation, ultimately supporting the long-term sustainability of rural communities.
- **Affordable housing in rural areas:** Affordable housing is a critical component of PPW, with the aim of everyone having access to a decent home. LPAs are tasked with facilitating the provision of affordable housing in rural areas, supporting small-scale developments that meet local needs. [PPW](#) emphasises that affordable housing should remain accessible to the local community in

perpetuity, so that it continues to serve those who cannot afford open-market prices. Authorities have the power to negotiate revisions or refuse applications that do not sufficiently accommodate mixed communities.

- **Use of planning obligations and Section 106 agreements:** PPW stresses the importance of planning obligations, including Section 106 agreements, to secure contributions from developers towards affordable housing.
- **Design and sustainability standards:** New developments are required to meet high design and sustainability standards, including the WDQR. These standards lead to homes that are energy efficient, well-designed and built to last, delivering broader environmental goals.
- **Community involvement:** Community engagement is central to PPW. The policy advocates involving local communities in the planning process to achieve developments that reflect local needs and aspirations. Engaging with the community early on garners support for new housing projects and helps with their integration with existing communities.
- **Innovative approaches:** PPW encourages the use of innovative construction methods, such as MMC, to deliver high-quality, sustainable homes efficiently. It also supports pilot projects and innovative approaches to housing that can serve as models for future development across Wales.

Technical Advice Note (TAN) 12: Design

9.7 [TAN 12](#) offers guidance on the design aspects of development, including affordable housing in Wales. This guidance emphasises the importance of high-quality design in creating sustainable and attractive communities. Key design principles include:

- **Sustainable design practices:** TAN 12 emphasises the need for sustainable design practices that reduce the environmental impact of new developments. This includes promoting energy efficiency, using sustainable materials, and creating buildings adaptable to future needs.
- **Accessibility for all:** Ensuring that new housing developments are accessible to everyone, including those with disabilities, is crucial. This involves designing homes and communities that are inclusive and easy to navigate for all residents.
- **Sympathetic design and local context:** New developments should respect and enhance the local context, positively impacting the character and identity of the

area. This includes careful consideration of the scale, form and materials used in the surrounding environment.

- **Innovative design solutions:** TAN 12 encourages innovative design solutions to address specific challenges in affordable housing development. Exploring new construction methods, materials and technologies can improve the quality and efficiency of housing.
- **Community engagement in the design process:** Engaging with local residents and stakeholders is key to achieving blueprints for affordable housing developments, to meet the needs and aspirations of those who will live there.
- **Adherence to design quality standards:** TAN 12 stresses the importance of adhering to such standards, including compliance with WDQR. They verify that new homes are safe, secure and comfortable for residents, covering aspects such as space, storage, natural light and ventilation.
- **Consulting with Design Commission for Wales (DCFW):** TAN 12 works in tandem with resources from the [Design Commission for Wales](#), which offers guidance and support to promote good design in Welsh development projects. The DCFW offers advice on integrating quality design principles into housing and infrastructure that results in long-term sustainability and community benefits.

Lifetime Homes Standard – Wales

9.8 The Lifetime Homes Standard is a crucial component of housing policy in Wales. The standard ensures that homes are designed to be adaptable, inclusive and sustainable throughout a person's life. It comprises 16 design criteria for accessible and adaptable homes, accommodating the changing needs of residents, from young families to elderly individuals and people with disabilities. Key principles are:

- **Accessibility:** Homes should be easily accessible for everyone, including wheelchair users. Step-free access to the home and wider doorways are stipulated.
- **Adaptability:** Homes are designed to be easily adaptable to meet the changing needs of occupants, such as being able to modify bathrooms and kitchens for use by people with disabilities.
- **Inclusion:** Homes should accommodate various household sizes and compositions, supporting families, single occupants and elderly residents alike.

- **Sustainability:** Integrating design features that promote long-term usability and environmental sustainability contributes to the overall well-being of the community.

- 9.9 Homes built to these standards have less need for costly future adaptations, saving money for homeowners and local authorities. The 16 design criteria cover everything from parking and access to internal space and service controls, meaning that homes are functional, flexible and sustainable.
- 9.10 The Welsh Government encourages the adoption of the Lifetime Homes Standard. The criteria of this standard are integrated into the Welsh Development Quality Requirements and supported by Planning Policy Wales, promoting adaptable and sustainable housing designs across Wales.

Delivering Net Zero: The Tai ar y Cyd ‘Pattern Book’

- 9.11 Tai ar y Cyd is a collaborative initiative involving 24 social landlords (local authorities and social landlords) in Wales. The initiative is aimed at creating a standardised suite of design templates for timber-based, off-site manufactured homes. Its pattern book designs are an important tool in achieving net-zero operational carbon, and significantly reducing embodied carbon emissions. These are emissions associated with materials and construction processes throughout the whole lifecycle of a building.
- 9.12 The home pattern books will be used by the member social landlords to help build their affordable new homes. The project will use the aggregated pipeline demand for the new homes to unlock a strong, sustainable and short local supply chain. This approach focuses on increasing the use of Welsh timber, providing economic opportunities for private companies in Wales and fostering the growth of green skills in the sector. By building a strong, sustainable supply chain in Wales, the project aims to enhance the quality of homes while driving down costs over time. The objective is to achieve long-term economic and environmental benefits.
- 9.13 The initiative centres on developing standardised designs for 15 common housing types, each reaching the Royal Institute of British Architects’ Stage 3+, which guarantees readiness for implementation. These designs incorporate a fabric-first approach to construction. They prioritise insulation and energy efficiency, and are designed for utilisation of modern methods of construction techniques. Detailed energy modelling establishes that these homes meet rigorous net-zero carbon performance standards. The designs include sustainable features such as timber

frames, air source heat pumps and optimised glazing for solar heat gain, enhancing both environmental performance and cost efficiency.

- 9.14 The project aims to assist social landlords with the adoption of the pattern book designs and performance specifications for their developments. This collaborative approach uses regional frameworks and involves dialogue with project members, local suppliers, and stakeholders. This ensures effective scheme implementation, employing the expertise of skilled, accredited Welsh manufacturers and installers. The initiative is largely self-funded by the participating landlords, with additional support from the Welsh Government.²⁴

²⁴ See, 'Tai Ar Y Cyd.' (n.d.). The Project, available at: <https://taiarycyd.cymru/the-project/> (Accessed: 23 January 2025), for more information.

10. Stakeholder Engagement and Collaboration

Introduction

- 10.1 Effective stakeholder engagement and collaboration is essential to the success of affordable housing schemes. Housing schemes can then align with the needs and aspirations of local communities while leveraging the expertise and resources of various partners. Stakeholders in rural housing development include residents, community representatives, local government, social landlords, private developers, as well as council, community or town council members. Each plays a crucial role in identifying housing needs, planning developments, and ensuring the sustainability of housing projects.

Community Engagement Strategies

- 10.2 By actively involving the community, housing projects can gain support and be of a form that aligns with the community's values and preferences. Here are some effective methods for engaging with local communities:
- **Conducting community consultations:** Hosting public consultations and workshops gives community members a platform to share their views and contribute to the planning process. RHEs can facilitate these sessions, overseeing their accessibility and inclusivity. Focus groups and community centre meetings, in collaboration with community councils and other groups, gather insights and perspectives. This approach ensures a wide range of voices is heard.
 - **Surveys and questionnaires:** Distributing surveys and questionnaires helps to capture a broad spectrum of community opinions and preferences. RHEs can design and distribute these to gather valuable data on housing needs, preferences and concerns. These insights inform planning and design decisions, considering community needs and contributing intelligence for [local housing market assessments](#) (LHMA).
 - **Creating community liaison groups:** Establishing liaison groups comprising local residents, community leaders and other stakeholders can provide ongoing feedback throughout the project lifecycle. These groups serve as a bridge between the community and developers. They allow for continuous dialogue and collaboration, and ensure that community concerns are addressed promptly during the lifecycle of the project.

- **Utilising digital platforms:** Digital tools like social media, forums, and websites can enhance engagement, especially for those unable to attend in-person events. RHEs can manage these platforms to give updates, gather feedback and facilitate a sense of community ownership. These digital strategies allow for greater reach and interaction with the community.
- **Promoting transparency and accountability:** Keeping the community informed about project progress, challenges and decisions is vital for maintaining transparency and trust. RHEs can issue regular newsletters, updates and reports to keep everyone up to date. This approach aligns with the principles of the Well-being of Future Generations (Wales) Act 2015, which emphasises community involvement in sustainable development.

10.3 These engagement methods help to clarify misconceptions about affordable housing, fostering community support for planning and development proposals. They also provide an opportunity to demonstrate the measures that will be undertaken to secure that properties will be accessible to local residents. Where appropriate, the engagement can highlight how commuted sums from the development will benefit the wider community. This also gives an opportunity to brief elected members involved with planning committees, who themselves may face community resistance regarding an affordable housing development.

Building Effective Partnerships

10.4 Effective partnerships between local authorities, RSLs and other stakeholders are essential for the successful delivery of affordable housing projects. RHEs play a vital role in facilitating these partnerships, ensuring that the needs of all parties are met and projects remain sustainable and community-focused. Effective engagement must also adhere to [Welsh language requirements](#), for the inclusivity of Welsh-speaking residents and the support of cultural heritage. Facilitating stakeholder engagement sessions and bilingual surveys ensures accessibility for Welsh-speaking residents. This approach helps capture a broad spectrum of community opinions and preferences. Here are some effective methods for engaging with local communities:

- **Identifying common goals:** Collaborative efforts work best when all stakeholders have a clear understanding of shared objectives. RHEs can facilitate initial discussions to establish these objectives, addressing each stakeholder's priorities and concerns. Aligning local housing strategies with

national policies, such as those outlined in Planning Policy Wales (PPW) [Edition 12](#), results in consistent planning and implementation strategies.

- **Regular communication and transparency:** Maintaining open lines of communication and transparency is crucial for successful collaboration. RHEs can organise regular meetings and updates to keep all stakeholders informed about project progress, challenges and changes. Ongoing communication builds trust and keeps everyone on track, reducing the potential for misunderstandings or conflicts.
- **Leveraging expertise and resources:** Each stakeholder can contribute specialist expertise and resources. For instance, RSLs offer valuable insights into housing management and tenant need, while local authorities provide planning support and access to funding opportunities, such as the Social Housing Grant.
- **Formalising partnerships:** Developing formal agreements, such as memorandums of understanding (MoUs), clarifies roles, responsibilities and expectations. These documents put in place accountability and a framework for resolving disputes. The Welsh Government's [guidelines](#) recommend formalising such partnerships to enhance collaboration and confirm that all parties are committed to the project's success.

11. Case Studies: Success Stories from Rural Wales

Introduction

- 11.1 This section presents a collection of case studies highlighting successful affordable housing projects in rural Wales. Each example illustrates key themes such as sustainability, community engagement, innovative funding, and local partnerships. The case studies provide insights into the practical application of strategies like rural exception sites, modern methods of construction, and local lettings policies. They also emphasise the role of energy efficiency, cultural preservation, and community-led approaches in delivering affordable housing for rural communities in Wales. Each case study includes a references section, offering links to further information and supporting materials for a more in-depth understanding of the projects outcomes. The aim of this section is to share best practices to help inform and inspire future projects to address rural housing challenges in Welsh communities.

Cwrt Canna Affordable Housing Development, Llangan, Vale of Glamorgan

Overview

- 11.2 The Cwrt Canna affordable housing development in Llangan, Vale of Glamorgan, is a £3.4 million initiative by Newydd Housing Association, in partnership with the Vale of Glamorgan Council. With funding from Welsh Government's Innovative Housing and Social Housing Grant programmes, this mixed-use project provided 13 low-energy homes and commercial units to meet local housing needs, and support local economic well-being.

Scheme details

- 11.3 These homes were designed using the Beattie Passive build system, which achieved certification from the Passivhaus Institute in Germany. The Passivhaus Standard, attained by the homes in Cwrt Canna, features high insulation, high-performance windows and mechanical ventilation systems, requiring minimal energy use and low tenant-utility costs. The project includes a fully accessible bungalow for a disabled resident, addressing the need for specialist housing. It also facilitated a prisoner rehabilitation scheme, in collaboration with HM Prison and the probation service at HMP Parc and subsequently HMP Prescoed. The scheme made it possible for prisoners to gain qualifications and practical construction experience, facilitated by the Y Prentis shared apprenticeship scheme. By 2020, six apprentices had completed nearly 300 weeks of hands-on training. In addition to this, contributions were made to the Friends of St Canna to support a community facility in Llangan.
- 11.4 The local lettings policy, developed and agreed in partnership between the local council, the RSLs and community council, aims to ensure that residents who wish to remain in the area are able to do so, enabled through the local lettings policy.
- 11.5 **Relevant good practice**
- **Energy efficiency:** The ultra-low-energy designs reduce tenant utility costs while supporting environmental goals.
 - **Training and apprenticeships:** The prisoner rehabilitation and apprenticeship programmes highlight how housing projects can contribute positively to rehabilitation and workforce training opportunities, providing wider social benefits.

- **Mixed-use development:** Combining housing with a rural business hub encourages local economic growth, community and economic well-being.
- **Local lettings policy:** Prioritised local connection policy means the new development fully fits in with the local community needs.

Conclusion

- 11.6 Cwrt Canna provides an example of integrating mixed-use rural affordable housing, alongside the provision of commercial spaces. Incorporating rehabilitation training and apprenticeship programmes in delivering sustainable and energy-efficient homes demonstrates how housing schemes can deliver broader community and economic benefits.

Key themes

- 11.7 Energy Efficiency / Passive Design Principles / Training and Apprenticeships / Economic Well-being

Further information

- 11.8 Newydd Housing Association. (2022). *Cwrt Canna in Llangan awarded UK best affordable housing*. Available at: <https://www.newydd.co.uk/stories/cwrt-canna-yn-llan-gan-yn-ennill-gwobr-tai-fforddiadwy-goraur-du> (Accessed: 18 November 2024).
- 11.9 Offsite Hub. (n.d.). *Cwrt Canna - Beattie Passive*. Available at: <https://www.offsitehub.co.uk/project/cwrt-canna-beattie-passive/> (Accessed: 18 November 2024).
- 11.10 Vale of Glamorgan Council. (n.d.). *Llangan - Cwrt Canna Lettings Policy*. Available at: <https://www.bromorgannwg.gov.uk/Documents/Living/Housing/Homes-4-U/Lettings-Policies/Llangan-Cwrt-Canna-English.docx> (Accessed: 18 November 2024).

Cwrt Nant Wen Affordable Housing Development, Llantilio Crossenny, Monmouthshire

Overview

- 11.11 The Cwrt Nant Wen affordable housing development in Llantilio Crossenny, Monmouthshire, represents a community-focused initiative addressing local housing needs. Delivered by Monmouthshire Housing Association on underutilised church land, with funding from Welsh Government, the project delivered four affordable homes. Guided by a rural housing enabler (RHE) and supported by strong community partnerships, the scheme shows how rural exception sites can be repurposed to provide sustainable, affordable housing for local residents.

Scheme details

- 11.12 Cwrt Nant Wen was initiated in response to housing needs identified through consultations as early as 2006, reinforced at a resident meeting held in January 2018. The Monmouthshire Housing Association collaborated with the RHE, local councils, and church representatives ensuring alignment with community-identified priorities. The scheme prioritises affordability, sustainability and energy-efficient measures such as high insulation standards that reduce long-term costs for residents while supporting environmental goals.
- 11.13 Although the land was initially outside the LDP, the collaboration between stakeholders enabled planning permission to be obtained as a rural exception site. The initiative highlights the importance of consultation and adaptability in addressing rural housing challenges.
- 11.14 **Relevant good practice**
- **Land utilisation:** Transforming former church land into affordable housing addressed local housing needs while preserving community resources.
 - **Stakeholder collaboration:** Engaging local councils, church representatives and the RHE facilitated planning approval and alignment with community priorities.
 - **Community-led development:** Continuous consultations meant that the project reflected resident needs, fostering strong local support.
 - **Sustainability integration:** Incorporating eco-friendly features demonstrates a commitment to reducing environmental impact and long-term costs.

Conclusion

- 11.15 Cwrt Nant Wen shows how exception sites can be leveraged for affordable housing through effective collaboration and community engagement. The project demonstrates the potential for repurposing underutilised land to address local housing needs. The involvement of the RHE highlights the importance of their representation and expertise in navigating planning and consultation processes to achieve successful outcomes.

Key themes

- 11.16 Rural Land Repurposing / Community-led Housing / Energy Efficiency / Affordable Warmth / Community Partnership / Cooperative Framework / Local Housing Need.

Further information

- 11.17 Monmouthshire Housing Association. (n.d.). *Cwrt Nant Y Wen*. Monmouthshire Housing. Available at: <https://www.monmouthshirehousing.co.uk/homes/cwrt-nant-wen/> (Accessed: 29 October 2024).

Glasdir Affordable Housing Development, Ruthin, Denbighshire

Overview

- 11.18 Completed in 2023 by ClwydAlyn in collaboration with Denbighshire County Council and Williams Homes, the project provides 63 energy-efficient and adaptable homes.

Scheme details

- 11.19 With a total investment of £15.05 million, using £10.6 million from the Welsh Government's Innovative Housing Programme and Social Housing Grant Funding, Glasdir incorporates energy-saving technologies such as air source heat pumps, solar panels and battery storage systems. Homes were built to the Lifetime Homes Standard, ensuring adaptability to residents' changing needs. The project's design also features electric vehicle charging points and recycled materials, including MacRebur tarmac, a road surface made from single-use plastics.
- 11.20 Apprenticeships and training programmes were central to the construction process, with a collaboration with HMP Berwyn to deliver practical skills and qualifications to inmates. Additionally, land donated to Denbighshire County Council has been transformed into green spaces and a mini forest, benefiting local schools and childcare centres.
- 11.21 **Relevant good practice:**
- **Sustainability and technology integration:** The use of air source heat pumps, solar panels and recycled materials illustrates how innovative technology can reduce costs and environmental impact.
 - **Community-centred approach:** Partnering with local organisations and involving the community strengthened local engagement and delivered social benefits.
 - **Lifetime-homes standard:** Designing homes to the Lifetime Homes Standard provides long-term use and adaptability of homes for those residents.
 - **Social impact initiatives:** Apprenticeships, inmate training programmes, and land donations provide economic and community benefits, supporting skills development, workforce integration, and enhanced local facilities and resources.

Conclusion

- 11.22 The Glasdir development highlights the value of combining innovative design with community engagement to deliver affordable, sustainable housing. Its energy-

saving technologies, adaptability features and emphasis on social impact make it a replicable model for rural affordable housing projects across Wales. By addressing fuel poverty and fostering local partnerships, Glasdir aligns with Welsh Government objectives for sustainable community growth.

Key themes

- 11.23 Life-time Homes / Energy Efficiency / Affordable Warmth / Public-Private Partnerships / Training and Apprenticeships / Community Partnership / Community Benefit / Mixed Affordable Housing Development

Further information

- 11.24 ClwydAlyn. (n.d.). *Land at Glasdir, Denbighshire*. Available at: <https://www.clwydalyn.co.uk/developments/glasdir/> (Accessed: 18 November 2024).
- 11.25 ClwydAlyn (2023) *Minister visits new housing development in Ruthin*. Available at: <https://www.clwydalyn.co.uk/minister-visits-new-housing-development-in-ruthin/> (Accessed: 24 October 2024).

Glasfryn Affordable Housing Development, St David's, Pembrokeshire

Overview

- 11.26 The Glasfryn affordable housing development in St David's, Pembrokeshire, demonstrates a collaborative approach to delivering energy-efficient and sustainable affordable housing.

Scheme details

- 11.27 Built by GRD Homes Ltd with Pembrokeshire County Council and Welsh Government funding, the project combines sympathetic design and energy-efficient technologies. Phase one, comprising seven bungalows, is due by Winter 2024, with eleven more planned for late 2025. Each home incorporates energy-saving features, including solar panels, and efficient heating systems, built to EPC A specification, which reduces energy costs and environmental impact. Early and proactive community engagement allowed local residents to influence design and housing allocation. This ensured the development aligned with the community's needs, and the adoption of sympathetic and traditional design principles.
- 11.28 **Relevant good practice:**
- **Community engagement:** Early consultations built community support and resulted in a design that reflected local preferences and traditions.
 - **Phased construction:** The two-phase approach provides flexibility for incorporating community feedback and adapting to changing needs.
 - **Sustainability in design:** The scheme illustrates how community involvement, sustainable construction practices and sympathetic design practices can successfully deliver affordable housing to meet local housing needs.

Conclusion

- 11.29 The Glasfryn development demonstrates how energy-efficient, high-quality housing respond to rural affordability challenges, while promoting environmental and community objectives.

Key themes

- 11.30 Local Housing Needs / Community Engagement / Community Consultation / Specialist Housing / Energy Efficiency / Sympathetic Design / Sustainable Building Practices

Further information

- 11.31 Pembrokeshire County Council. (2023). *Work has started on new council homes in St David's*. Available at: <https://newsroom.pembrokeshire.gov.uk/news/work-has-started-on-new-council-homes-in-st-davids> (Accessed: 18 November 2024).
- 11.32 Pembrokeshire County Council. (2023). *Community asked for views on allocation of new St David's homes*. Pembrokeshire Newsroom. Available at: <https://newsroom.pembrokeshire.gov.uk/news/community-asked-for-views-on-allocation-of-new-st-davids-homes> (Accessed: 29 October 2024).

Nefyn Town Trust Affordable Housing Development, Nefyn, Gwynedd

Overview

- 11.33 The Nefyn Town Trust affordable housing initiative, Gwynedd, is a community-led housing model aimed at addressing local housing needs. Operated by the ‘Ymddiriedolaeth Drefol Nefyn Town Trust,’ a long-established charitable organisation, this project focuses on delivering affordable housing for local residents, while preserving cultural and environmental values.

Scheme details

- 11.34 The first development site, previously used for workshops, will deliver two adaptable bungalows designed to accommodate individual accessibility needs. The second site, a former bakery, is set to provide two family homes, with ongoing community consultations and final property acquisition pending. The project utilises sustainable construction practices, including the use of timber frames, high-level insulation, air source heat pumps and glazed openings to maximise solar gain. These methods tie in with sustainability goals and offer energy-efficient homes that reduce costs for residents.
- 11.35 The Nefyn Town Trust secured initial funds through Prosiect Perthyn, managed by Cwmpas, which covered the consultation and early costs. Additionally, the trust is seeking to access the Land and Buildings Development Fund through the Welsh Government’s Place Division, which is offering funding on a pilot basis. This grant will support land acquisition, site demolition and preparation for service installation. Nefyn Town Trust has received support from Welsh Government Dwyfor Pilot officers to assist with the progress of their projects.
- 11.36 The project integrates significant community involvement through outreach efforts led by the RHE and the Town Trust. Open days, surveys and consultations with local stakeholders ensure effective alignment with local housing need. Encouraging broad participation means the project reflects community priorities, building trust and securing local buy-in. Planning conditions restrict the properties to primary residences (Class C3), aligning with new Welsh planning classifications to inhibit second-home usage and protect the Welsh language and local culture.

11.37 **Relevant good practice:**

- **Community housing trust model:** Longstanding community-led housing trusts like Nefyn Town Trust demonstrate the value of local leadership in addressing housing shortages.
- **Sustainability and adaptability:** Using sustainable construction methods and the Lifetime Homes criteria provides long-term security, adaptability and lower energy costs for residents.
- **Collaborative planning and funding:** Partnerships with RHEs, Cwmpas and local authorities, alongside innovative funding like the Land and Buildings Development Fund, support project delivery.
- **Cultural sensitivity in development:** Incorporating Welsh language policies and restricting properties to primary residences preserves local heritage and addresses rural housing challenges.

Conclusion

- 11.38 The Nefyn affordable housing initiative highlights the potential of community-led trusts in delivering adaptable, ecological homes for local residents. Effective community engagement throughout the planning and construction phases encouraged local buy-in and support for the development.

Key themes

- 11.39 Local Housing Needs / Community Engagement / Specialist Housing / Local Lettings Policy / Rural Land Repurposing / Community Partnership / Community-led Housing / Cultural Preservation

Further information

- 11.40 Gwynedd Council. (n.d.). *Planning Application Details for Application ID: 34026*.

Available at:

<https://amg.gwynedd.llyw.cymru/planning/index.html?fa=getApplication&id=34026>

(Accessed: 18 November 2024).

Red Dragon Site Affordable Housing Development, Newtown, Powys

Overview

- 11.41 The Red Dragon affordable housing development in Newtown, Powys, illustrates an innovative approach to financing rural housing. The mixed development of 18 affordable homes integrates energy-efficient designs, responding to both identified local housing needs and sustainability objectives.

Scheme details

- 11.42 The development, located on the former Red Dragon site on Plantation Lane, Maesyrhandir, includes a mix of two-bedroom to five-bedroom homes. The project was delivered in two phases, with Phase 1 completed in August 2023 and Phase 2 in December 2023.
- 11.43 The project cost £3.5 million, funded by £2.4 million from the Innovative Housing Programme (IHP), a town centre grant for site improvements, and a £347,000 interest-free loan. The loan, secured for five years, enabled the council to overcome financial constraints without relying on Section 106 agreements. As well as being WDQR compliant, ecological construction practices included the use of Welsh-grown timber for the frame walls and wood-fibre insulation. Homes are equipped with air source heat pumps, ecologically friendly drainage systems and a dedicated bat loft, to meet sustainability, environmental and biodiversity requirements.
- 11.44 **Relevant good practice:**
- **Innovative funding models:** Combining public and private funding sources, such as government grants and interest-free loans, enabled the council to finance the initiative.

- **Sustainable construction practices:** The use of Welsh timber, fabric-first principles and renewable energy systems illustrates how housing projects can align with environmental objectives.
- **Energy efficiency:** Features such as air source heat pumps and high insulation standards reduce operational costs for residents, addressing fuel poverty.

Conclusion

- 11.45 The Red Dragon site illustrates how innovative funding models and sustainable construction practices can effectively address rural housing need. Powys County Council's mixed-financing approach provides a replicable model for other local authorities facing similar challenges. By delivering affordable, eco-friendly homes, the project supports both housing affordability and environmental aims.

Key themes

- 11.46 Sustainable Building Practice / Energy Efficiency / Affordable Warmth / Local Housing Needs / Regeneration

Further information

- 11.47 Powys County Council. (n.d.). *Clos Y Ddraig Goch, Newtown (Red Dragon)*. Available at: <https://en.powys.gov.uk/article/16555/Clos-Y-Ddraig-Goch-Newtown-Red-Dragon> (Accessed: 18 November 2024).

Trawscoed Affordable Housing Development, Llandrinio, Powys

Overview

- 11.48 The Llandrinio Trawscoed affordable housing development in Powys illustrates the strategic use of rural exception sites to meet local housing needs. Originally designated for private housing, the 0.9-hectare site's expired planning permission provided an opportunity for Powys County Council to purchase the land from private ownership with Welsh Government funding. The intention is to build 24 affordable homes for social rent, to address significant housing shortages in the area.

Scheme details

- 11.49 The Trawscoed project utilised the flexibility of rural exception sites to prioritise social rent housing. Extensive community consultations informed the design and connected with local needs. The development prioritises housing for families and individuals unable to access the private market. By utilising rural exception site planning policies, the venture aligns with the Welsh Government's objectives of sustainable rural communities and local housing provision. This model demonstrates the viable use of rural exception sites as a means of addressing local housing needs requirements.

Relevant good practice

- **Strategic land use:** Utilising a rural exception site resulted in Powys County Council being able to build affordable housing in a location outside traditional development boundaries.
- **Community engagement:** Early consultations meant that the project reflected local needs, fostering acceptance and support.

Conclusion

- 11.50 The Llandrinio Trawscoed venture demonstrates the viability of rural exception sites for delivering affordable housing in underserved areas.. By converting a previously unsuccessful private venture into a social housing initiative, Powys County Council ensured the site was secured for affordable housing. The project ties in with Powys' strategic housing policies and Welsh Government objectives for sustainable, inclusive rural communities.

Key themes

- 11.51 Local Housing Needs / Community Engagement / Local Lettings Policy / Rural Land Repurposing / Community Consultation / Rural Exception Site.

Further information

- 11.52 Powys County Council. (n.d.). *Trawscoed, Llandrinio*. Available at: <https://en.powys.gov.uk/article/16626/Trawscoed-Llandrinio> (Accessed: 18 November 2024).

Valley Mill / Mart Affordable Housing Development, Valley, Anglesey

Overview

- 11.53 The Valley Mill/Mart affordable housing development in Valley, Anglesey, is an initiative led by ClwydAlyn, in partnership with the Isle of Anglesey County Council and Welsh Government. This 55-home scheme, situated on a derelict brownfield site, meets diverse housing needs, with specialist housing for individuals with learning disabilities. The project aligns with Anglesey's strategic objectives, addressing housing shortages, reducing fuel poverty and promoting sustainable development.

Scheme details

- 11.54 The project comprises a mix of one-bedroom to four-bedroom homes, including five homes designed to support independent living for individuals with learning disabilities. This required specific design adaptations: two independent flats, a group home with en-suite rooms, together with shared facilities. Funding sources were £7.3 million from the Social Housing Grant and private finance from ClwydAlyn. The budget for the scheme totalled £11.1 million, with local procurement resulting in 96% of goods and services sourced from within Wales. Phase 1, completed in early 2024, delivered 27 homes, with Phase 2 set to add 28 homes later in the year. The design adheres to Welsh Government's Development Quality Requirements, achieving EPC A ratings and reduced heating costs. Green spaces and biodiversity features such as habitats for lizards and bat boxes further supported environmental objectives.
- 11.55 Community engagement was integral to the project. Consultations influenced design features such as 'dark sky' compliant lighting and a communal playground. Local schools participated in workshops and site visits, encouraging community

support and engaging the local community. Employment outcomes included six apprenticeships (equating to 558 weeks of training), support for local unemployed individuals and the involvement of HMP Berwyn inmates in producing timber frames. Post-completion, housing officers provided residents with guidance on low-carbon living, supported by video tutorials and informational flyers.

11.56 **Relevant good practice:**

- **Community engagement:** Collaborative design processes, incorporating feedback from schools and residents, ensured the project addressed local priorities.
- **Sustainability in construction:** The 'fabric first' approach and local sourcing of materials underscore the project's commitment to environmental efficiency, economic resilience and sustainable building practices.
- **Education and engagement:** Involving local schools and residents through workshops and consultations encouraged a sense of ownership and community integration.
- **Economic and social impact:** The project supported local employment by creating jobs and apprenticeships while helping residents lower their energy bills through energy-efficient housing. This contributed to the local economy and provided practical measures to alleviate fuel poverty through education and support initiatives.

Conclusion

- 11.57 The Valley Mill/Mart project demonstrates the role of brownfield redevelopment in addressing housing shortages, alongside enabling community and environmental benefits. ClwydAlyn's collaborative approach with local authorities and stakeholders resulted in the project meeting genuine housing needs. By prioritising sustainability, community involvement and local economic growth, the initiative serves as a replicable model for rural housing initiatives in Wales.

Key themes

- 11.58 Passive Design Principles / Sustainable Building Practice / Training and Apprenticeships / Energy Efficiency / Affordable Warmth / Local Housing Needs / Community Engagement / Specialist Housing / Local Lettings Policy / Rural Land Repurposing / Community Consultation / Public-Private Partnerships / Mixed Affordable Housing Development.

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Y Garnedd Affordable Housing Project, Llanfairpwllgwyngyll, Anglesey

Overview

- 11.60 The Y Garnedd affordable housing development in Llanfairpwllgwyngyll, Anglesey, is a 27-home project designed to address significant local housing needs. Led by ClwydAlyn in collaboration with DU Construction and Anglesey County Council, the scheme targets social and intermediate rental housing, ensuring affordability and energy efficiency. It reflects the ongoing commitment to tackling housing shortages in Anglesey and supporting sustainable community growth.

Scheme details

- 11.61 The £7.25 million development secured funding through a combination of the Welsh Government's Social Housing Grant, ClwydAlyn contributions and local agency support. Designed with a mix of one- to four-bedroom homes, the project accommodates diverse household sizes and meets the Lifetime Homes Standard, facilitating adaptation of living spaces to meet residents' changing needs.
- 11.62 Sustainable features include air and ground source heat pumps, passive ventilation systems and battery storage linked to solar energy. The 'fabric first' approach enhances insulation, minimising energy usage and reducing costs. The homes also provide electric vehicle charging points, further contributing to long-term sustainability goals.
- 11.63 Community engagement played a pivotal role in the development process. Priority allocation is given to local people, addressing needs identified through the Anglesey Housing Register. This ensures homes remain accessible to residents with strong local ties, in line with the Common Housing Allocation Policy.
- 11.64 **Relevant good practice:**

- **Sustainability and energy efficiency:** Incorporating technologies such as heat pumps, passive ventilation, and battery storage reduce energy consumption and help alleviate fuel poverty.
- **Local allocation and cultural preservation:** Prioritising local housing needs and incorporating Welsh-language elements supports community and cultural preservation.
- **Collaborative model:** Partnerships with local construction firms and agencies support regional economic growth while enhancing community infrastructure.
- **Adaptability:** The Lifetime Homes Standard ensures homes are adaptable to residents' changing needs, enabling older individuals to remain in their homes and communities as they age.

Conclusion

- 11.65 With an anticipated completion date of autumn 2026, Y Garnedd aims to address significant local housing demands through a mix of social and intermediate rental homes. The project prioritises affordability and sustainability, using a fabric-first approach to enhance energy efficiency and reduce costs for residents. Its allocations policy ensures homes are reserved for those with strong local ties, supporting cultural preservation and community cohesion. By combining adaptable housing designs, energy-efficient features, and a commitment to meeting local needs, Y Garnedd provides a practical model for rural housing developments in Wales.

Key themes

- 11.66 Passive Design Principles / Sustainable Building Practice / Energy Efficiency / Affordable Warmth / Local Housing Needs / Community Engagement / Local Lettings Policy / Public-Private Partnerships / Mixed Affordable Housing Development / Cultural Preservation / Rural Exception Site

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13. Annex A - Affordable Housing Development Checklist

- 13.1 The Affordable Housing Development Checklist has been designed as a practical guide for all stakeholders involved in the delivery of affordable housing in Wales. Whether you are a community representative, local government officer, social landlord, developer or a member of a council, community or town council, this checklist outlines the key stages of the development process, from identifying housing needs to post-completion evaluation.
- 13.2 Rural housing enablers (RHEs) are invaluable partners throughout this process. This checklist serves as a complementary resource to the expert support provided by RHEs in Wales. Their proficiency in community engagement, housing needs assessments and site identification ensures that developments align with local priorities and overcome potential barriers. Engaging with RHEs at every stage of the process can significantly enhance the viability and success of rural housing projects.
- 13.3 The checklist serves as a roadmap to navigate the complexities of affordable housing development in Wales, helping stakeholders work collaboratively to create homes that are not only affordable but also sustainable, inclusive and reflective of community values.

Phase	Action	Notes and Completion Date/s	Relevant Section of the Guide
A. Identifying Housing Need	Understanding local housing needs is the initial determining factor for effective planning and development. By reviewing LHMA's, communities can gather crucial data on demand, affordability and demographics to inform housing strategies and priorities. Local housing needs can be evaluated through:		Local Housing Market Assessments (LHMA's) (Section 5)

	<ol style="list-style-type: none"> 1. Accessing the most recent LHMA report from the local planning authority's (LPA's) website or housing team 2. Identifying data on housing demand, affordability and tenure needs 3. Reviewing findings specific to a community's demographic and economic conditions. 		
	<p>Engaging with the community achieves housing developments that align with local needs and priorities. Conducting consultations provides valuable insights into preferences for bedroom sizes, tenure and other key housing features to inform development needs. Additionally, bilingual community surveys and consultations recognise such preferences. The following represent good practice:</p> <ol style="list-style-type: none"> 4. Hosting town hall meetings or workshops for public input 5. Engaging with diverse stakeholders, including underrepresented groups 		<p>Community Engagement Strategies (Section 10)</p>

	6. Recording feedback and identifying consistent themes.		
	<p>Partnerships with local authorities are essential for aligning housing developments with strategic objectives. Working collaboratively helps to determine priority areas, such as social rented homes or shared ownership, and ensures developments address community needs. Collaborate with local authorities to determine housing priorities by:</p> <p>7. Scheduling meetings with housing and planning officers</p> <p>8. Reviewing local policies for alignment with identified needs</p> <p>9. Advocating priority areas, such as social rented homes or shared ownership.</p>		Aligning Local Housing Strategies and Development Plans with Housing Needs (Section 5)
B. Site Identification	Identifying suitable sites is a critical step in the development process. Using GIS tools and reviewing local development plans (LDPs) can pinpoint locations that are well-connected and meet planning		Techniques for Identifying Sites and Development Viability (Section 7)

	<p>policy requirements. Use GIS tools and local plans to map potential sites for housing by:</p> <p>10. Identifying undeveloped or underutilised land in key locations</p> <p>11. Comparing site locations against proximity to essential services and transport links</p> <p>12. Reviewing LDP maps for allocated housing sites.</p>		
	<p>Building relationships with landowners and exploring creative agreements can unlock opportunities for development. Engaging with stakeholders ensures land is made available in ways that benefit both the community and the landowner. Participate by:</p> <p>13. Attending local landowner forums or NFU Cymru meetings</p> <p>14. Building relationships with local stakeholders to explore site availability</p> <p>15. Discussing incentives such as capital gains relief or social value contributions.</p>		<p>Techniques for Identifying Sites and Development Viability (Section 7)</p>

C. Planning and Approvals	<p>Early engagement with LPAs can help to address potential challenges before formal submissions. Pre-application discussions provide valuable feedback to refine proposals and improve the likelihood of approval. Collaborate with LPAs early via pre-application processes by:</p> <p>16. Scheduling meetings with planning officers to discuss potential obstacles</p> <p>17. Submitting draft proposals for feedback before formal submission</p> <p>18. Addressing any concerns related to environmental impacts or policy compliance.</p>		Planning Policy Wales (PPW) and the Regulatory Framework (Section3)
	<p>Environmental considerations are at the heart of ensuring sustainability and compliance. Addressing biodiversity and water management requirements early in the process can streamline approvals and enhance the project's environmental appeal. Consider environmental requirements for the site by:</p> <p>19. Checking requirements for SuDS approval and integrating SuDS plans</p>		Protecting Habitats, Species and Water Quality in Wales (Section 6)

	20. Addressing biodiversity net benefit requirements under the Environment (Wales) Act 2016.		
D. Funding and Partnerships	<p>Securing funding is vital to project viability. Exploring a mix of traditional funding avenues, planning obligations and innovative funding models can provide the financial support needed for affordable housing developments. Review potential funding sources such as the Social Housing Grant, Section 106 and the Community Infrastructure Levy by:</p> <p>21. Contacting your LPA to understand available funding streams</p> <p>22. Exploring innovative funding models, such as crowdfunding or community shares.</p>		Capital Funding Options (Section 8)
	Strong partnerships with registered social landlords (RSLs), RHEs and community groups enhance project delivery. Collaboration with public-sector landowners can unlock access to land and resources. Identify partnerships to support development by:		Building Effective Partnerships (Section 10)

	<p>23. Collaborating with RSLs, RHEs and community groups</p> <p>24. Engaging with public-sector landowners to explore land-use options.</p>		
E. Design and Construction	<p>Sustainability and quality are at the heart of successful housing developments. Incorporating energy-efficient features, low-carbon technologies and local materials delivers long-term affordability and community acceptance. Plan for sustainable, high-quality designs by:</p> <p>25. Complying with WDQR and the Lifetime Homes Standard.</p> <p>26. Integrating low-carbon technologies, e.g. solar panels, heat pumps</p> <p>27. Incorporating energy-efficient features of the Passivhaus Standard.</p> <p>28. Employing local contractors and suppliers to boost local economies.</p>		<p>Welsh Development Quality Requirements (WDQR) 2021 (Section 9)</p>
F. Allocation and Management	<p>Prioritising local residents in housing allocation results in developments that meet the needs of the</p>		<p>Site Assessment, Planning and</p>

	<p>community. Clear allocation policies and targeted marketing can prevent external demand from overshadowing local priorities. Implement local allocation policies by:</p> <p>29. Working with LPAs to prioritise local residents</p> <p>30. Avoiding generic online portals for sales; market homes locally instead.</p>		<p>Development in Rural Settings (Section 7)</p> <p>Rural Exception Sites (Section 7)</p>
	<p>Effective management ensures affordable housing remains accessible and sustainable. Establishing partnerships with RSLs or community groups can secure long-term affordability and provide guidance to residents on eco-friendly living. Plan for long-term management by:</p> <p>31. Establishing agreements for RSLs or community groups to manage properties</p> <p>32. Implementing local allocation policies prioritising individuals with local connections</p> <p>33. Maintaining affordability through Section 106 agreements</p>		<p>Planning Conditions and Section 106 Agreements (Section 4)</p>

	34. Providing guidance to residents on managing energy-efficient homes.		
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