

## **Environment, Planning and Countryside Committee**

**Date:** Wednesday 1 February 2006

**Venue:** Committee Room 1, National Assembly Building

### **Consultation Report on the revision of Technical Advice Notes 1 and 2 (*Joint Housing Land Availability Studies and Planning and Affordable Housing*) and Ministerial Interim Planning Policy Statement on 'Housing'**

#### **Purpose**

1. To discuss the Consultation Report (see Annex) on the revision of Technical Advice Notes (TANs) 1 and 2 (*Joint Housing Land Availability Studies and Planning and Affordable Housing*) and the Ministerial Interim Planning Policy Statement on 'Housing' (MIPPS).

#### **Summary**

2. This paper provides an outline of the purpose of the consultation and the responses received. Further details, including a summary of the responses to each consultation question for both TANs 1 and 2 and for the responses to the MIPPS, are set out in the Consultation Report.

3. A previous paper [EPC(2)-11-05 (p2)] provided a summary of the review process and the main changes made to TAN 2, plus the main policy changes included in the related MIPPS, prior to consultation. It also covered the broader policy context in which the review is taking place, with particular reference to the draft *Affordable Housing Toolkit* and the draft *Local Housing Assessment Guide* which were issued for consultation by the Minister for Social Justice and Regeneration.

4. This paper is being presented to this meeting at the request of the Committee to enable discussion of the Consultation Report to take place prior to the revisions to TANs 1 and 2 and the MIPPS being completed.

#### **Background**

5. This consultation exercise sought views on proposed revisions to the two 'housing' TANs 1 and 2. As the proposed revisions would also require some amendments to the planning policy for housing set out in the Welsh Assembly Government's land use planning policy document, *Planning Policy Wales* (2002), a draft MIPPS also formed part of the consultation.

6. The main aim of the revision of TAN 1 is to build on the existing Joint Housing Land Availability process and in particular to reflect the technological and institutional changes that have taken place since it issued in 1997. The overriding aim of the revision of TAN 2 is to facilitate an increase in the provision of affordable housing through the planning system. The MIPPS

revises Chapter 9 of *Planning Policy Wales* to reflect the revisions to TANs 1 and 2 in policy terms.

7. Approximately 200 copies of the consultation document were sent out to interested bodies and individuals. A total of 56 responses were received and were assigned to one of five categories or sectors:

- Local Authorities (including National Park Authorities);
- Businesses / Planning Consultants;
- Government Agencies / other Public Sector;
- Professional Bodies / Interest Groups (including voluntary sector organisations); and
- Others.

### **Next Steps**

8. The draft TANs and the MIPPS are now being amended taking account of all the issues raised by the respondents and all their detailed comments.

9. The responses to the related consultations on the *Local Housing Assessment Guide* and the *Affordable Housing Toolkit*, both issued by the Minister for Social Justice and Regeneration, are currently being considered by the Housing Directorate.

10. A comprehensive package of guidance to assist local authorities in the delivery of affordable housing will subsequently be published later this year.

11. I will keep the Committee informed of progress through my Reports to Committee.

### **Cross-cutting themes**

12. The active participation of Technical Advisory Groups in the preparation of the consultation drafts of TANs 1 and 2 involved local government and the business and voluntary sectors, in addition to officials from across the Assembly Government.

13. The creation of mixed and sustainable communities is a key theme of both TAN 2 and the MIPPS and an underlying theme of TAN 1. All these documents will therefore contribute to achieving the Assembly Government's sustainable development objectives.

### **Action for the Committee**

14. Committee members are asked to note the Consultation Report.

**Carwyn Jones AM**  
**Minister for Environment, Planning and Countryside**

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**ANNEX**



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

**REVISION OF TECHNICAL ADVICE NOTE 1, 'JOINT HOUSING  
LAND AVAILABILITY STUDIES' (1997), TECHNICAL ADVICE  
NOTE 2, 'PLANNING AND AFFORDABLE HOUSING' (1996)  
AND MINISTERIAL INTERIM PLANNING POLICY STATEMENT  
ON HOUSING**

**PUBLIC CONSULTATION 11 JULY TO 28 OCTOBER 2005**

**REPORT AND SUMMARY OF RESPONSES**

**January 2006**

# REVISION OF TECHNICAL ADVICE NOTE 1, JOINT HOUSING LAND AVAILABILITY STUDIES (1997), TECHNICAL ADVICE NOTE 2, PLANNING AND AFFORDABLE HOUSING (1996) AND MINISTERIAL INTERIM PLANNING POLICY STATEMENT ON HOUSING

## CONSULTATION 11 JULY TO 28 OCTOBER 2005 - REPORT AND SUMMARY OF RESPONSES

### Introduction

This report is set out under the following headings:

- **Background** to the consultation
- **Details of the responses** received
- **Summary of responses** to each question and to the draft Ministerial Interim Planning Policy Statement
- **Statistical summary** of responses to each question
- **List of respondents**

### Background

1. This consultation exercise sought views on proposed revisions to the two 'housing' Technical Advice Notes (TANs) 1 and 2 (*Joint Housing Land Availability Studies* and *Planning and Affordable Housing*). As the proposed revisions would also require some amendments to the planning policy for housing set out in the Welsh Assembly Government's land use planning policy document, *Planning Policy Wales* (2002), a draft Ministerial Interim Planning Policy Statement (MIPPS) also formed part of the consultation.
2. The revision of the TAN series is a component of the Planning: delivering for Wales programme which was launched in 2002 with the aim of improving the operation of the planning system in Wales. In the case of the TANs the aim is to update them, where necessary, in line with the strategic policy set out in *Planning Policy Wales*.
3. The current **TAN 1** was issued in 1997 and provides advice on the production of Joint Housing Land Availability Studies. These studies are produced for each local authority area in order to monitor the supply of housing land and to provide information about the adequacy of this supply. The main aim of the revision is to build on the existing Joint Housing Land Availability process and in particular to reflect the technological and institutional changes that have taken place since 1997 and recent changes to the development plan system in Wales.
4. **TAN 2** was issued in 1996 and gives advice on the assessment of need for affordable housing and affordable housing policies in local planning authorities' development plans. It also covers the issue of securing

affordable housing via the planning system and controlling occupancy and the content and discharge of planning obligations and conditions. The overriding aim of the revision is to facilitate an increase in the provision of affordable housing via the planning system.

5. Two separate Technical Advisory Groups (TAGs) were established to advise on the revision of TANs 1 and 2, with representatives of key stakeholders from the public, private and voluntary sectors. The revision of the TANs also took account of the following:
  - The Assembly Environment, Planning and Countryside Committee Inquiry into the *Planning aspects associated with the provision of affordable housing and sustainable communities in the countryside* (February 2004) and the Assembly Government's response;
  - The Planning and Compulsory Purchase Act 2004;
  - The new Local Development Plan system in Wales;
  - The Kate Barker Review of Housing Supply for the UK Government; and
  - *People, Places, Futures - The Wales Spatial Plan* (2004).
6. Along with the two 'housing' TANs and the MIPPS, two related Assembly Government documents were issued by the Housing Directorate for consultation:
  - *Draft Local Housing Assessment Guide*; and
  - *Draft Affordable Housing Toolkit*.
7. Together these documents, when finalised, will form a comprehensive housing package to provide improved guidance, particularly aimed at assisting local authorities in Wales in meeting their housing requirements.
8. This document summarises the responses received to the proposals in TANs 1 and 2 and the MIPPS.

### **Details of the responses**

9. Approximately 200 copies of the consultation document were sent out to interested bodies and individuals. A total of 56 responses were received. The respondents were assigned to one of five categories or sectors:
  - Businesses / Planning Consultants;
  - Local Authorities (including National Park Authorities);
  - Government Agencies / other Public Sector;
  - Professional Bodies / Interest Groups (including voluntary sector organisations); and
  - Others.

10. The responses received by category are set out below:

<b>Category</b>	<b>No. of respondents</b>	<b>% of respondents</b>
Businesses / Planning Consultants	9	16%
Local Authorities (including National Park Authorities)	24	43%
Government Agencies / other Public Sector	5	9%
Professional Bodies / Interest Groups	14	25%
Others	4	7%
<b>Total</b>	<b>56</b>	<b>100%</b>

11. A summary of the responses to each question for both TANs 1 and 2, and for the responses to the MIPPS, is set out in the next section of this report. This is then followed by a statistical summary of the responses to the TANs. Finally, there is a list of all the respondents to the consultation.

# Summary of responses to each question and to the draft Ministerial Interim Planning Policy Statement

## Technical Advice Note 1 - *Joint Housing Land Availability Studies*

### Purpose

The draft TAN proposes that Joint Housing Land Availability Studies (JHLAS) should monitor the provision of affordable housing to establish how much affordable housing is being delivered through the planning system.

### **Question 1: Do you agree that information on affordable housing should be collected as part of the JHLA process? (41 responses)**

All of the respondents supported the collection of affordable housing information. A number of respondents from the business and professional sectors felt that all forms of affordable housing should be monitored including those provided outside the planning system such as home buy and intermediate schemes. One respondent commented there should be no 5-year supply target set for affordable housing and no attempt to forecast affordable housing provision. Concern was expressed regarding the resource implications of collecting information, especially post WDA/Assembly merger.

### Study Group Composition

Where housing markets extend beyond the boundaries of individual authorities, the draft TAN provides an option to undertake JHLA studies on a regional basis. Regional groups' conclusions would need to be disaggregated into reports covering individual local planning authorities.

### **Question 2. Do you agree that a regional approach would be beneficial to the JHLA process? (39 responses)**

The majority of respondents (30) supported this proposal. However, the overriding view was that the TAN needed to clarify how a regional process would operate, who would be responsible for study reports and how would data be disaggregated to the local level. Several respondents whilst supporting the aim expressed caution that regional studies might have major resource implications, be difficult to implement, and have erratic membership resulting in inconsistencies. Respondents specifically disagreeing felt that the existing format worked, where as regional studies risked uncertainty, delay, lengthy meetings, loss of local focus, and could discourage participation.

## Development Plans

The TAN proposes that where the JHLA study identifies a shortfall in the five-year housing land supply requirement the local planning authority will normally need to review or revise the development plan.

### **Question 3. Do you agree that the JHLA process should be a trigger for increasing housing land supply through the revision or review of the development plan? (36 responses)**

The overwhelming majority of respondents (27) agreed with the proposal and generally supported the development plan as the appropriate mechanism for bringing housing land forward. There was some confusion amongst respondents whether JHLA studies triggered or informed development plan review. Where adoption of a development plan was a long way off interim housing policy statements were suggested as a short-term solution. Those respondents not supporting the proposal suggested that JHLA studies supply figures could at times be misleading and could undermine the development plan.

## Development Control

Where there is a shortfall in the five year housing land supply requirement, the draft TAN proposes that the need to increase supply should be given considerable weight when deciding planning applications for housing development, provide that they would otherwise comply with the development plan and national policy.

### **Question 4. Do you agree that where there is a shortfall in the five year housing land supply the need to increase supply should be given considerable weight when deciding planning applications? (36 responses)**

Responses were fairly evenly divided between those in favour with the proposal (19) and those disagreeing (17). Local authorities were the largest sector not to support the proposal (13) whilst the professional and business sectors (13) were overwhelmingly in favour. Some of those in favour considered a 5-year supply target was useless without sanctions, and that development control could be used to help release land supply. Respondents disagreeing with the proposal held the general view that development plan's, not JHLA studies, were the appropriate mechanism to deal with land shortages. Respondents also requested clarity on what is meant by 'considerable weight'. There was also concern that such an approach could lead to planning by appeal.



## Study Frequency

The TAN proposes that all JHLA studies should be produced on an annual basis, with a base date of the 1<sup>st</sup> April to ensure housing information is up to date, comprehensive and consistent across Wales.

### **Question 5. Do you agree with the proposed study frequency? (37 responses)**

The vast majority of respondents (29) agreed with this proposal and welcomed the creation of a dataset that could be compared across all Wales local authorities. However, several respondents, both supporting and not supporting, expressed concern that additional resources would be needed to implement change, particularly in rural areas. Additional arguments against the frequency change included, co-ordination difficulties and the loss of time series data for certain local authorities. Several respondents queried the survey date; summer was preferable for site visits because of weather and April was at the height of the building period.

## Data Collection

The TAN proposes that additional data should be collected for each housing site. New categories include planning status, whether the site is on previously developed land, ownership, development constraints and density.

### **Question 6. Do you feel that the additional categories are correct and add value to the information already collected? (34 responses)**

All respondents supported the collection of additional data. Some local planning authorities indicated that they were already collecting such data, but others were concerned that it might have significant resource implications. One respondent indicated land ownership details were difficult to collect and were of little value because ownership changed frequently. Another suggestion was to collect size of unit by number of bedrooms to assess whether supply was reflecting demand.

## Site Categorisation

To allow comparative monitoring over time no changes to site categorisation are proposed in the draft TAN

### **Question 7. Do you agree that the categorisation of sites should remain the same? (38 responses)**

The majority of respondents (26) supported the retention of the categorisation system as currently employed. The majority of local authority and professional sector respondents (12 and 8 respectively) were in favour of the proposal. Respondents disagreeing with the proposal made the following comments. Categorisation was too rigid and reduced Ipa's ability to respond to the dynamics of the market. Concern was expressed that a land allocation can be excluded if all the members don't agree. Market conditions can prevent the development of Category 3 sites, which can skew the JHLA studies. Also developers may try to exclude category 2 sites that they consider unlikely to be developed and may land bank 3i sites. Studies published years after the assessment are misleading.

### **Re-assessing Site Categorisation**

The draft TAN proposes that where a site in Category 2 remains undeveloped for more than 5 years the group should consider whether that site should be re-categorised 3i

#### **Question 8. Do you agree that where a site in Category 2\* remains undeveloped for more than 5 years it should be re-categorised 3i? (33 responses)**

Respondents comments were almost equally divided, with 17 agreeing and 18 disagreeing with the proposal. The majority of local authorities disagreed (12), whilst most professional and business sector respondents (11) favoured the proposal. Several of those agreeing supported the automatic re-categorisation of 2\* sites to 3i after 5 years, or the reconsideration of their status by the study group. Concern was expressed that Greenfield sites would be brought forward before brownfield sites. Some respondents against the proposal commented that sites often remained undeveloped because of prevailing economic and market conditions

Opinion was divided on rural issues between removing sites with little prospect of development out of the 5-year supply, and identifying rural sites as an exception because development process was much slower. Both supporters and non-supporters of this proposal felt that inclusion of the term 'the majority view prevailing' was unhelpful and could be manipulated by attendance at group meetings.

### **Calculating Housing Land Supply**

The draft TAN retains the option to use a residual or past building rate method to calculate housing land supply.

#### **Question 9. Do you agree that the identified options remain the best way to calculate housing land? (38 responses)**

The overwhelming majority of respondent's (36) supported this proposal, but made the following additional comments. The TAN should recognise that there is no requirement for a level of provision in National Parks. A number of respondents believed both existing methods of calculation should be shown in the study, but were divided in opinion between officially adopting one method, or using both at all times. One respondent also considered it unacceptable that to use past completions the agreement of the group was required. One local planning authority did not support the existing methodology and put forward their own Housing Phasing Mechanism for consideration.

### **Situations where supply is below 5 years**

The draft TAN sets out options for addressing situations where a JHLA study identifies a shortfall in housing land supply (less than 5 years supply). The options include revision of the development plan, expediting planning applications or securing the provision of infrastructure on particular sites.

### **Question 10. Do you agree the identified options are the most appropriate ways to address shortfalls in housing land supply? (40 responses)**

The majority of respondents (31) supported this proposal. However, it was suggested that the identified list should not be exhaustive and several respondents (8) supported the inclusion of supplementary planning guidance, in particular interim housing land statements. It was also suggested that section 106 sites be included in the land supply as they make up an ever-increasing proportion.

Respondents not supporting the proposal made the following comments. The term 'expediting applications' needed to be clarified and how should local authorities undertake this process. The development plan and AMR process were the appropriate mechanisms for bringing forward housing land, not JHLA studies. Supplementary Planning Guidance should specifically be excluded as an option.

### **Transition from UDPs to LDPs**

The draft TAN states that only those housing sites with the benefit of planning permission or allocation in an adopted development plan can be included in JHLA studies. A number of LPAs have decided not to take UDPs to adoption and have commenced work on the Local Development Plans instead. For some LPAs this has resulted in a housing land supply significantly below the 5-year requirement. It is necessary to ensure that LPAs continue to meet the 5-year requirement during the transition from UDPs to LDPs. Possible mechanisms to increase supply could include including unadopted UDP housing sites which have reached an advanced stage in the process (post inspectors report) or the use of interim housing land studies to bring forward sites.

**Question 11. Should interim measures be introduced to ensure that LPA's meet the 5-year housing land requirement during the transition from UDP's to LDP's. (35 responses)**

All 35 respondents supported this proposal. There was general support for using unadopted UDP housing sites as an interim measure during transition but there were differences of opinion at what stage the UDP needed to have achieved before sites were included. Where UDP sites could not be used some respondents favoured use of interim housing statements whilst others felt this would undermine the LDP process and suggested it would only be agreeable when the LDP process was well advanced. The supply should be less than 5-years in order to trigger these scenarios. Consideration should also be given to whether such mechanisms required SEA.

**Housing Land Buffers**

The Barker report 'Review of Housing Supply (2004)' advocates that more land should be released for housing when market signals indicate that housing shortages and affordability problems are growing. One of the mechanisms proposed is the use of a land bank buffer, over and above a development plans anticipated housing requirement, to improve responsiveness to changes in housing demand. Use of the buffer would be triggered by signals of market disequilibrium which could include:

- worsening market affordability
- local house price increases relative to the regional average
- an increasing premium in land prices for residential use over other uses
- employment growth significantly outstripping housing growth
- rising numbers of housing transactions

**Question 12. Housing Land Buffers – do you consider such mechanisms to be appropriate in a Wales context? (33 responses)**

19 respondents did not support this proposal, the majority (15) being local authorities, however all business responses were in favour (5) and there was an equal split between professional responses (6). There seemed to be confusion whether buffers were to be part of the development plan allocation or a separate land bank. Where the buffer was perceived to be the latter, concerns were expressed about potential lack of consultation and community involvement, and generally undermining the development plan. Several respondents indicated that there was not necessarily a link between housing prices and land supply. Some respondents argued that rural areas (especially National Parks) should be an exception to such buffers because of the time it takes to develop sites. The AMR was considered by some to be more appropriate even if this led to an interim housing land statement before review of the development plan. Also, there was concern that buffer land would be predominantly greenfield land.

## **Information technology**

Since TAN 1 was last reviewed in 1997 advances in information technology, particularly GIS, have been rapid. Most if not all local authorities are familiar with GIS technology and to varying degrees are beginning to plot both development plan land allocations and planning applications on their systems. This developing data source could be used to support and add value to the JHLAS process by allowing land availability information to be displayed geographically on an all Wales basis. Information could be supplied locally and stored centrally to create a comprehensive database of land availability for all to access and analyse.

### **Question 13. Do you agree that this would be a valuable mechanism for collecting, monitoring and analysing housing land availability across Wales?**

All of those who responded supported this proposal. It was generally agreed that an all Wales database would be a valuable resource. However, concern was expressed over compatibility issues because different authorities used different GIS systems. It was also unclear whether a standardised system was required and whether funding would be made available. TAN should also clarify how such a system would work and who would be responsible for producing and maintaining the database.

## Technical Advice Note 2 - *Planning and Affordable Housing*

### Affordability

The TAN provides a general definition of the concept of 'affordability' for land use planning purposes and proposes that local authorities calculate it for each of the housing markets that may be operating in their area (and those of neighbouring authorities, if appropriate).

**Question 1.** *Do you agree that information on local 'affordability' is an important factor in developing policies for affordable housing?*

A substantial majority of respondents across all sectors agreed that local 'affordability' is an important factor in developing affordable housing policies. Many respondents, from all sectors, commented on the issue of defining 'affordability' and the need to take account of its changing nature, as recognised in the draft TAN. The need for local authorities to use a consistent methodology in defining 'affordability' was also highlighted.

**Question 2.** *Do you agree that 'affordability' should be defined for each housing market operating in a local authority area?*

A substantial majority of respondents across all sectors also agreed that 'affordability' should be defined for each housing market. Some respondents raised concerns about the difficulty of incorporating the different levels of affordability within housing market areas into LDPs, due to their dynamic nature. Others, including some local authorities, requested more detailed guidance on defining 'affordability' and housing market areas.

### Definition of 'affordable housing'

The definition of 'affordable housing' as described in the TAN focuses on housing where there is a mechanism in place to ensure that it is accessible to those who cannot afford market housing (as defined in para. 5.4 of the draft TAN).

**Question 3.** *Do you agree that this is an appropriate definition for the purpose of the land use planning system?*

A majority of respondents agreed that this is an appropriate definition, but there were differing views across the sectors. The Business sector was evenly split, with those who disagreed considering that the definition should include all low cost market housing, including that which was not secured in perpetuity as affordable housing. Most local authorities, on the other hand, welcomed the definition of affordable housing, particularly the need for it to be secured as such in perpetuity.

## Partnership approach

The TAN proposes a partnership approach involving local authorities planning and housing functions, Registered Social Landlords (RSLs) and private developers to prepare the evidence base and to create and implement the policy framework for the provision of affordable housing.

**Question 4.** *Do you agree that this partnership approach is a key element of achieving the aim of increasing the provision of affordable housing via the planning system?*

A substantial majority across all sectors agreed that this partnership approach is key to achieving increased provision of affordable housing. There was a general consensus that this approach should make the process more proactive rather than reactive. Business respondents stressed that consultation with the private sector must be meaningful and must be ongoing throughout the process. This issue was also raised by some local authorities, with concerns about the details of the 'partnership' process, particularly in relation to the nature of the involvement of RSLs and developers. Local authorities also expressed the view that the partnership approach would facilitate cross-disciplinary and strategic working and increase the validity of their affordable housing policies.

## Building the evidence base - local housing assessments

The TAN stresses that it is vital that local authorities understand their whole housing system so that they can develop sound and robust approaches when preparing LDPs and local housing strategies. These 'local housing assessments' should be readily manageable by local authorities and be easily kept up to date.

**Question 5.** *Do you agree that local housing assessments will improve the robustness of the evidence base and plan policies?*

A majority across all sectors agreed that local housing assessments will represent an improvement in the evidence base and resultant plan policies. In support, it was considered important for new housing provision to be considered within the context of identified housing need and demand, with consideration being given to the nature of the existing housing supply. Some concerns were raised about the resources needed for local authorities to carry out local housing assessments (LHAs) and, regarding implementation, the need for transitional arrangements from the current housing needs assessments to the proposed LHAs.

**Question 6.** *Do you agree that the necessary skills are available within local authorities to undertake local housing assessments?*

Respondents were evenly split on this related question. In the Local Authority sector, the majority did not consider that they possessed the necessary skills

to undertake LHAs. In this context, the need for training and additional resources were raised as important prerequisites by both local authorities and respondents from the Professional Bodies / Interest Groups sector.

## **Targets for affordable housing**

An authority-wide target for affordable housing is proposed, specifically derived from the local housing assessment and to be delivered by identified policy approaches.

**Question 7.** *Do you agree that an authority-wide target linked to the LHA requirement and identified policy approaches will result in improved delivery of affordable housing?*

Overall, a majority across all sectors agreed that an authority-wide target was an essential starting point for the delivery of more affordable housing. However, within each sector the majority in favour was relatively slim, in large part due to the perceived implications of setting an authority-wide target, the manner of its derivation from the LHA and its relationship with the proposed thresholds and site specific targets.

As the affordability of housing can change over a relatively short period of time, it is proposed that local authorities should treat the affordable housing targets to be delivered by the identified policy approaches as being indicative. However, it is also proposed that there should be a strong expectation that the indicative target will be provided by developers.

**Question 8.** *Do you agree that these proposals provide the right balance between enabling local authorities to meet their affordable housing targets and providing developers with sufficient flexibility in their negotiations?*

The majority of respondents agreed that these proposals do provide a balanced approach. However, the majority of the Business sector did not agree, stating that developers needed greater flexibility to enable them to seek more innovative solutions. This view also received some support from the Professional Bodies / Interest Groups sector. Local authorities by contrast, supported the presumption that the indicative target for affordable housing should be provided by developers unless they can clearly demonstrate why it could not be delivered.

## **Thresholds**

The TAN proposes that site thresholds above which a proportion of affordable housing will be sought should be set locally in the LDP.

**Question 9.** *Do you agree with this approach to the setting of site thresholds?*



A substantial majority of respondents across all sectors agreed with the setting of site thresholds as set out in the draft TAN. It was generally considered that this would provide clarity for developers, a means of monitoring supply and a more successful means of delivering affordable housing. There were some reservations from the Business sector about the process of setting the thresholds, in particular the need to take account of the economics of provision, and that they could be set as low as sites for three dwellings. The particular concern on the latter point was the effect that this would have on small developers, on the supply of smaller sites and therefore on overall housing provision.

### **Allocating sites for housing**

The TAN proposes that in some cases the identification of sites solely for affordable housing could help to secure the objective of balanced and sustainable communities, based on criteria set out in the LDP.

**Question 10.** *Do you agree that where evidence has identified a need, the identification of sites for up to 100% affordable housing may be appropriate?*

A substantial majority agreed with this proposal, considering it to be a valuable tool in delivering affordable housing. However, the Business sector was evenly split; the main concern being potential legal problems with land owners over the value of sites. Some respondents were concerned about the proposal being contrary to the principle of mixed communities, while others thought that it should be restricted to rural exception sites.

**Question 11.** *Do you agree that local planning authorities should set out the criteria for identifying such sites in the LDP? If so, do you have any suggestions for these criteria.*

As this question is closely linked to Question 10 above, a similar majority also agreed that the criteria for identifying such sites should be agreed locally and set out in the LDP. A number of respondents made useful suggestions for the criteria, which centred around local social and economic needs, with the detail based on evidence from LHAs. The Business sector was again evenly split, with those respondents who disagreed being opposed to sites for 100% affordable housing.

Rural exception sites can provide a small but important additional source of affordable housing in rural areas to meet the needs of local people. Although no change to rural exception site policy is proposed, the TAN encourages local planning authorities to take a more proactive approach to the identification of sites (both allocated and unallocated) to meet rural affordable housing needs.

**Question 12.** *Do you consider that this approach will result in increased housing provision in rural areas to meet the needs of local people and to contribute to the delivery of sustainable communities?*

**Question 13.** *If not, would it be appropriate to revise the rural exceptions policy by allowing an element of market housing on such sites, thus raising the land value and providing a greater incentive for landowners to release sites?*

A majority of respondents agreed that local authorities should take a more proactive approach to the identification of rural exception sites to meet rural affordable housing needs. However, some argued that there would still be little incentive for landowners to come forward with sites as 'hope' value would still remain. The success of Rural Housing Enablers was put forward as a positive development in this area of provision.

Regarding Question 13, a majority of respondents were opposed to allowing an element of market housing on rural exception sites. The main concern was that this would lead to an increase in land values, thus pricing out RSLs. It was also considered that this proposal was contrary to the purpose of the rural exception policy, ie. the provision of affordable housing to meet local need. However, the Business sector was in favour, considering that this would provide an incentive for landowners to come forward with sites. This view was supported by some respondents from the Local Authority and Professional Bodies / Interest Groups sectors.

### **Securing affordable housing**

Both conditions and planning obligations may be used to ensure that a development contributes to the identified need for affordable housing and that such housing is occupied by people falling within particular categories of need.

**Question 14.** *Do you agree that this remains the most appropriate way of securing the occupancy of affordable housing (except where RSLs are to be responsible for the management of the affordable housing)?*

A majority of respondents across all sectors agreed with the continued use of both conditions and planning obligations to secure affordable housing. Some respondents from the Business sector expressed a preference for the use of conditions, whereas some local authorities were of the view that planning obligations offered greater legal certainty. There was also a call for more sharing between authorities of information on the effective use of both conditions and planning obligations.

The TAN proposes a strong presumption that affordable housing provided through planning obligations will be in kind and on site.

**Question 15.** *Do you agree that this approach will assist local authorities in meeting their target for affordable housing in the locations where the need has been identified in the local housing assessment?*

A substantial majority supported this proposal, with strong support from local authorities who stressed its importance for achieving balanced and sustainable communities. The importance of retaining flexibility for off-site provision or a financial contribution, as set out in the draft TAN, was welcomed. However, within the Business sector a small majority were opposed to the proposal, calling for greater flexibility for developers.

### **Monitoring and review of affordable housing policies**

The TAN stresses the importance of monitoring the housing evidence base and the provision of affordable housing compared with the target in order to ensure that the affordable housing requirement is met.

**Question 16.** *Do you agree that this monitoring process is vital to ensuring that an authority's policies are delivering the affordable housing required to be provided via the planning system?*

All sectors agreed that monitoring of both the evidence base and of the provision of affordable housing was fundamental. Some respondents considered that an increase in the general supply of housing and/or more Social Housing Grant (SHG) might be needed in order to deliver the required affordable housing.

**Question 17.** *Also, do you agree that the LDP Annual Monitoring Report is the appropriate mechanism for responding to changes in the affordability of housing and progress against the affordable housing target?*

A majority across all sectors also agreed with the use of the Annual Monitoring Report (AMR) to respond to changes in the affordability of housing and progress against the affordable housing target. It was considered that this process would build on the developing relationships between housing and planning departments. Both the Business and Professional Bodies / Interest Groups sectors expressed some concern about how their views, and those of local people, would be taken into account in the AMR process.

## **Ministerial Interim Planning Policy Statement on 'Housing'**

The draft Ministerial Interim Planning Policy Statement (MIPPS) reflects the proposed policy changes needed to underpin the proposed revisions of TAN 1 and TAN 2 and will replace Chapter 9 of *Planning Policy Wales*. Of the total 56 respondents to the consultation, 16 respondents also made distinct comments in relation to the draft MIPPS, ranging from minor amendments to substantive policy issues. This was made up of 4 professional bodies / interest groups, 3 local authorities and 1 National Park authority, 3 businesses, 4 government agencies and one other. Overall there was significant support for many of the proposed policy changes across the local government, voluntary and business sectors.

### **Objectives**

#### **Paragraph 9.1.2**

The business sector argued for the inclusion of low cost market housing within the definition of affordable housing and local authorities suggested that clarification was needed for the definition of intermediate housing. A government agency argued for more attention in respect of flood risk and an interest group wanted the inclusion of a proviso that not all accessibility criteria can be achieved in rural areas.

### **Housing and Planning Interests**

#### **Paragraph 9.1.3**

There was support amongst all sectors for the corporate approach.

#### **Paragraph 9.1.4**

Although the involvement of housebuilders was supported across the sectors generally, one local authority suggested the MIPPS should indicate whether house builders are required to contribute to the new local housing assessments. The business sector wanted the last sentence clarified so that changes to housing requirements are only made through the Ldp process. One government agency suggested that to ensure integration of environmental issues the environment sector should be identified as a key stakeholder.

### **Development Plans and new housing provision**

#### **Paragraph 9.2.1**

Support across the sectors but the business sector wanted the removal of unmet needs as a factor to be taken into account or clarified that it is additional provision to the housing requirement forecasts.

### **Assessing housing requirements**

#### **Paragraph 9.2.2**

Opposition from some parts of the business sector to the mechanisms available for the production of regional population projections. Specifically there is strong objection to the lack of opportunity for the private sector to become involved in regional population projections. There is no opportunity to object to the figures or to examine them in public.

## **5 year supply of land**

### **Paragraph 9.2.3**

Need to clarify what is meant by 'economic development and job related opportunities not being unreasonably constrained'. The MIPPS should clarify that 'genuinely available' means that a site has been assessed as part of the LDP including Joint Housing Land Availability Studies. In the absence of an LDP all sites must be supported by appropriate evidence.

## **Local Needs Market Housing**

### **Paragraph 9.2.4**

Strongly supported and welcomed by local authorities and professional interests but opposed by business interests who regard it as unacceptable to limit market housing to local needs.

## **Settlement strategy**

### **Paragraph 9.2.5**

There was a request from the private sector that settlement strategies should not be too rigid and dictate development control decisions, they should be flexible enough to accommodate different circumstances.

## **Scope for rehabilitation, conversion, etc.**

### **Paragraph 9.2.6**

Professional interests thought that reference should also be made to disused or underused agricultural buildings.

## **Search sequence**

### **Paragraph 9.2.8**

Calls from some local authorities and some professional bodies to clarify the difference between settlement extensions and development around settlements. This could mean housing in rural villages close to towns or housing on the urban fringe.

## **Criteria for housing site selection**

### **Paragraph 9.2.9**

MIPPS needs to include reference to waste management issues

## **Previously developed land**

### **Paragraph 9.2.10**

Strong support from one professional interest body.

## **Vacant urban land**

### **Paragraph 9.2.11**

Strong support from one respondent.

### **Paragraph 9.2.13**

There is a call for the MIPPS to include a cross reference to the energy efficiency references in TAN 8.

### **Affordable housing Paragraph 9.2.14**

Strong support from professional interest group for a range of housing for all social groups. The business sector disagreed that Ipas should be able to refuse planning permission if a proposal for a site did not sufficiently contribute to creating mixed sustainable communities.

### **Targets for affordable housing Paragraph 9.2.15**

One local authority suggested that the use of housing registers should be clarified. The business sector thought it should be made clear that S106 Agreements are only one way of providing affordable housing and that other sources should be deducted before the target is included in the Idp.

### **Site thresholds and site specific targets Paragraph 9.2.16**

A Government agency suggested clarification was needed for the terms “windfall” and “unallocated sites”. The business sector were keen that Ipas should work with builders in identifying thresholds and site specific targets.

### **100% Affordable housing sites Paragraph 9.2.17**

Local authority and professional interests sectors while welcoming this proposal suggested that the term “small” should be clarified as it is open to several interpretations. The proposal was opposed by the business sector pointing out different land values were unfairly created by different designations when residential use is suitable for both market and affordable housing.

### **Negotiating with developers Paragraph 9.2.18**

The business sector suggested that certain low cost market housing should be included in the affordable housing target.

### **Accommodation needs of Gypsy families Paragraph 9.2.20**

One local authority suggested it should be made clear that the assessment relates to the new LHA guidance. One professional interest group suggested sites should only be on previously developed land in urban areas.

**Rural exception sites**  
**Paragraph 9.2.22**

Support across sectors for the continuation of sites whilst recognising difficulties

**Development control and housing**  
**Paragraph 9.3.6**

One respondent in the other category suggested that a further justification for new market dwellings in the open countryside should be introduced for young people and those on below average earnings.

## Statistical analysis of responses

### Technical Advice Note 1 - *Joint Housing Land Availability Studies*

		<b>Prof</b>	<b>Bus</b>	<b>LA</b>	<b>Gov</b>	<b>O</b>	<b>Total</b>
<b>Q1</b>	<b>Yes</b>	11	5	22	3	0	<b>41</b>
	<b>No</b>	0	0	0	0	0	<b>0</b>
	<b>None</b>	4	4	4	2	1	<b>15</b>
<b>Q2</b>	<b>Yes</b>	7	5	14	3	1	<b>30</b>
	<b>No</b>	2	0	5	1	0	<b>8</b>
	<b>None</b>	5	4	5	1	3	<b>18</b>
<b>Q3</b>	<b>Yes</b>	8	5	12	2	0	<b>27</b>
	<b>No</b>	0	0	6	2	1	<b>9</b>
	<b>None</b>	6	4	6	1	3	<b>20</b>
<b>Q4</b>	<b>Yes</b>	6	5	5	3	0	<b>19</b>
	<b>No</b>	2	0	13	1	1	<b>17</b>
	<b>None</b>	6	4	6	1	3	<b>20</b>
<b>Q5</b>	<b>Yes</b>	8	5	13	3	0	<b>29</b>
	<b>No</b>	0	1	6	0	1	<b>8</b>
	<b>None</b>	6	3	5	2	3	<b>19</b>
<b>Q6</b>	<b>Yes</b>	8	4	18	2	1	<b>33</b>
	<b>No</b>	0	0	0	0	0	<b>0</b>
	<b>None</b>	6	5	6	3	3	<b>23</b>
<b>Q7</b>	<b>Yes</b>	7	3	13	0	0	<b>23</b>
	<b>No</b>	3	3	6	3	3	<b>18</b>
	<b>None</b>	4	3	5	2	1	<b>15</b>
<b>Q8</b>	<b>Yes</b>	6	4	6	3	0	<b>19</b>
	<b>No</b>	2	2	12	1	1	<b>18</b>
	<b>None</b>	6	3	6	1	3	<b>19</b>
<b>Q9</b>	<b>Yes</b>	7	6	18	4	1	<b>36</b>
	<b>No</b>	1	0	1	0	0	<b>2</b>
	<b>None</b>	6	3	5	1	3	<b>18</b>
<b>Q10</b>	<b>Yes</b>	11	5	13	1	1	<b>31</b>
	<b>No</b>	0	2	5	2	0	<b>9</b>
	<b>None</b>	3	2	6	2	3	<b>16</b>



		<b>Prof</b>	<b>Bus</b>	<b>LA</b>	<b>Gov</b>	<b>O</b>	<b>Total</b>
<b>Q11</b>	<b>Yes</b>	8	5	17	4	1	<b>35</b>
	<b>No</b>	0	0	0	0	0	<b>0</b>
	<b>None</b>	6	4	7	1	3	<b>21</b>
<b>Q12</b>	<b>Yes</b>	3	5	4	1	1	<b>14</b>
	<b>No</b>	3	0	15	1	0	<b>19</b>
	<b>None</b>	8	5	5	2	3	<b>23</b>
<b>Q13</b>	<b>Yes</b>	8	4	15	3	1	<b>31</b>
	<b>No</b>	0	0	0	0	0	<b>0</b>
	<b>None</b>	6	5	9	2	3	<b>25</b>

**Sector:**

**Prof** – Professional Bodies / Interest Groups

**Bus** - Businesses / Planning Consultants

**LA** – Local Authority (inc. National Park Authorities)

**Gov** - Government Agencies / Other Public Sector

**O** – Other

**Technical Advice Note 2 - Planning and Affordable Housing**

		<b>Prof</b>	<b>Bus</b>	<b>LA</b>	<b>Gov</b>	<b>O</b>	<b>Total</b>
<b>Q1</b>	<b>Yes</b>	10	6	18	3	2	<b>39</b>
	<b>No</b>	0	0	1	0	0	<b>1</b>
	<b>None</b>	4	3	5	2	2	<b>16</b>
<b>Q2</b>	<b>Yes</b>	8	6	19	3	1	<b>37</b>
	<b>No</b>	2	0	0	0	0	<b>2</b>
	<b>None</b>	4	3	5	2	3	<b>17</b>
<b>Q3</b>	<b>Yes</b>	7	4	15	3	1	<b>30</b>
	<b>No</b>	1	4	4	0	0	<b>9</b>
	<b>None</b>	6	1	5	2	3	<b>17</b>
<b>Q4</b>	<b>Yes</b>	11	7	20	3	2	<b>43</b>
	<b>No</b>	0	0	0	0	0	<b>0</b>
	<b>None</b>	3	2	4	2	2	<b>13</b>
<b>Q5</b>	<b>Yes</b>	10	6	18	3	2	<b>39</b>
	<b>No</b>	0	0	2	0	0	<b>2</b>
	<b>None</b>	4	3	4	2	2	<b>15</b>
<b>Q6</b>	<b>Yes</b>	2	3	7	0	1	<b>13</b>
	<b>No</b>	2	2	10	0	0	<b>14</b>
	<b>None</b>	10	4	7	5	3	<b>29</b>
<b>Q7</b>	<b>Yes</b>	6	3	11	2	1	<b>23</b>
	<b>No</b>	2	2	9	1	1	<b>15</b>
	<b>None</b>	6	4	4	2	2	<b>18</b>
<b>Q8</b>	<b>Yes</b>	5	2	13	2	0	<b>22</b>
	<b>No</b>	1	4	2	1	1	<b>9</b>
	<b>None</b>	8	3	9	2	3	<b>25</b>
<b>Q9</b>	<b>Yes</b>	8	4	19	4	1	<b>36</b>
	<b>No</b>	0	0	2	0	0	<b>2</b>
	<b>None</b>	6	5	3	1	3	<b>18</b>
<b>Q10</b>	<b>Yes</b>	8	2	20	3	0	<b>33</b>
	<b>No</b>	0	2	1	0	1	<b>4</b>
	<b>None</b>	6	5	3	2	3	<b>19</b>
<b>Q11</b>	<b>Yes</b>	7	2	17	3	0	<b>29</b>
	<b>No</b>	1	2	1	0	1	<b>5</b>
	<b>None</b>	6	5	6	2	3	<b>22</b>

		<b>Prof</b>	<b>Bus</b>	<b>LA</b>	<b>Gov</b>	<b>O</b>	<b>Total</b>
<b>Q12</b>	<b>Yes</b>	9	2	15	3	1	<b>30</b>
	<b>No</b>	0	2	4	0	0	<b>6</b>
	<b>None</b>	5	5	5	2	3	<b>20</b>
<b>Q13</b>	<b>Yes</b>	2	3	2	1	1	<b>9</b>
	<b>No</b>	7	1	13	2	0	<b>23</b>
	<b>None</b>	5	5	9	2	3	<b>24</b>
<b>Q14</b>	<b>Yes</b>	6	3	19	3	1	<b>32</b>
	<b>No</b>	1	2	0	0	0	<b>3</b>
	<b>None</b>	7	4	5	2	3	<b>21</b>
<b>Q15</b>	<b>Yes</b>	8	2	18	3	1	<b>32</b>
	<b>No</b>	0	3	1	0	0	<b>4</b>
	<b>None</b>	6	4	5	2	3	<b>20</b>
<b>Q16</b>	<b>Yes</b>	7	5	17	4	1	<b>34</b>
	<b>No</b>	0	0	0	0	0	<b>0</b>
	<b>None</b>	7	4	7	1	3	<b>22</b>
<b>Q17</b>	<b>Yes</b>	4	4	16	2	1	<b>27</b>
	<b>No</b>	1	2	2	1	0	<b>6</b>
	<b>None</b>	9	3	6	2	3	<b>23</b>

**Sector:**

**Prof** – Professional Bodies / Interest Groups

**Bus** - Businesses / Planning Consultants

**LA** – Local Authority (inc. National Park Authorities)

**Gov** - Government Agencies / Other Public Sector

**O** – Other

## List of Respondents

Bellway Homes
Blaenau Gwent CBC
Bridgend CBC
Caerphilly CBC
Cardiff CC
Carmarthenshire CC
Ceredigion CC
Chartered Institute of Housing
City & County of Swansea
Conwy CBC
Council of Mortgage Lenders
Council for National Parks
Council for the Protection of Rural Wales
Country Land & Business Association
Countryside Council for Wales
Cymdeithas Tai Eryri
Denbighshire CC
Environment Agency Wales
Farmers' Union of Wales
Flintshire CC
Friends of the Earth Cymru
GENuS Consortium
Gwerin Housing
Gwynedd CC
Home Builders Federation
Isle of Anglesey CC
Elin Jones AM
The Law Society
Level
Merthyr Initiative Group
Monmouthshire CC
National Farmers' Union Cymru
Neath, Port Talbot CBC
Newport CC
Pembrokeshire CC
Pembrokeshire Coast National Park Authority
Penllyn Estate Farm
Plaid Cymru
The Planning Bureau
Planning Inspectorate (Wales)
Powys CC
Redrow Homes
Rhondda Cynon Taf CBC
Royal Institution of Chartered Surveyors (Wales)
Royal Town Planning Institute in Wales
Snowdonia National Park Authority

	Swansea Housing Association
	Vale of Glamorgan
	Welsh Development Agency
	Welsh Federation of Housing Associations
	Welsh Language Board
	Welsh Local Government Association

**Note:** 2 confidential responses were also received.