

Sustainability Committee

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Inquiry into Planning: Evidence from the Royal Institution of Chartered Surveyors Wales

The Royal Institution of Chartered Surveyors Wales (RICS Wales) welcomes the opportunity to submit its response to the National Assembly for Wales Inquiry into Planning, concentrating on the effectiveness of national and local planning policies in helping to deliver key Welsh government priorities.

RICS Wales is the principal body representing professionals employed in the land, property and construction sector and represents some 4000 members. As part of our Royal Charter we have a commitment to provide advice to the Government of the day and in doing so we have an obligation to bear in mind the public interest as well as the interest of members. RICS Wales has members involved in all stages of land and property development including valuation and acquisition, development appraisal, planning and compulsory purchase, construction procurement, project management, building surveying and asset management.

Introduction

Planning has a central and highly influential role. It is vital that planning decisions reflect economic, environmental and social implications and strike the right balance between them. Land use planning systems play a vital role in ensuring that sensible property development takes place. Without a system of planning there would be uncontrolled and undesirable urban spread and the unnecessary destruction of natural resources. An effective planning system can also help a country meet its infrastructure needs by establishing when and where major infrastructure needs to be built through a national infrastructure plan.

Planning systems must operate efficiently and not act as a brake on the development process. Unnecessary targets and too much bureaucracy can act as delays in the system as well as adding to the cost. An ideal planning system promotes sensible development without being overly bureaucratic.

In preparing this paper we are conscious that town and country planning matters are devolved to the Welsh Assembly Government and the thrust of policy direction is mainly to be found within the 'One Wales' document, 'a progressive agenda for the government of Wales' and from this document we have selected a number of key statements.

Enable businesses to flourish and expand (p.13)

Continue key regeneration programmes in the Head of the Valleys and Mon a Menai (p.14)

Improve skills levels (p.15)

Increase the supply of affordable houses by at least 6,500 over the next 4 years (p.16)

Ensuring 21st century housing (p.16)

Provide local authorities with the ability to secure 100% affordable housing on development sites to meet local needs in areas of high housing pressure (p.17)

Ensure there is enough housing to meet people's needs in all communities (p.17)

Better transport links, both road and rail (p.18)

We will establish integrated and cross cutting initiatives aimed at economic development and regeneration, particularly in areas of high deprivation (p.28)

Wales will play the fullest possible part in reducing CO2 emissions (p.30)

And to achieve annual carbon reductions equivalent emission reduction of 3% per annum by 2011 in areas of devolved competence (p.31)

From these statements we distil WAG priorities to be a drive to improve housing, reduce carbon emissions and support the environment together with regeneration in our most deprived communities, improved transport and raising of skills.

Before responding to your individual questions the difficulties of the economy over the last two and a half years must be referenced. The near collapse of the banking system has resulted in a transition from a situation where finance appeared to be freely available to one where those institutions who fund property have adopted an ultra cautious approach. This has had an inevitable impact on commercial property and made the housing mortgage market markedly more difficult. This change cannot be emphasised enough because much policy is predicated on a much more viable market than exists now and the situation is not likely to ease in the short term at least. The policies adopted by the new coalition government in Westminster in response to the current economic circumstances are likely to impact on the capacity of local authorities to deliver planning services.

Do land use planning policies at both a national and local level adequately reflect key WAG priorities?

Do planning policies help to deliver priorities such as affordable housing, economic regeneration and more energy from renewable sources?

Partially, the Assembly has laid great emphasis on affordable housing and sustainability. In these areas there has been a measure of success but in both these priorities there are wider issues to address.

RICS Wales supports the concept of affordable housing as defined in Technical Advice Note 2 (TAN 2). However, notwithstanding the efforts of housing associations to build low cost houses for rent, the concept relies on the ability of the private market to secure an adequate housing supply to meet demand and prevent a surge in house prices that are out of line with growth in personal incomes.

The Assembly is to be commended on the progress it has made towards its target of achieving 6500 homes. Much of this has been achieved via the housing associations with the support of additional social housing and strategic capital infrastructure grant. On the basis of the last published figures 4235 affordable homes had been built of which 1156 units were delivered through planning obligations.

However, housing and all its implications for social and economic needs has many dimensions. It is very important we know and understand housing needs. The Essex Review (Affordable housing in Wales: 2008) referred to a lack of an up to date and robust assessment of future housing requirements for Wales. There is a housing need in Wales both for those who cannot afford to purchase a home right through to a demand for family homes in our towns and cities.

Housing need must be assessed early enough to keep up with land allocation to make the situation clear to planners, developers and land owners. According to Shelter Cymru (Key Information Issue: June 2009) there were over 80,000 households on local authority waiting lists.

We should differentiate between urban and rural housing. The paucity of affordable rural housing in Wales has been examined in some depth. TAN 6 (still to be published) will help to promote housing in the countryside but high house prices and difficulties of obtaining planning consent has led to a chronic shortage of affordable homes in some areas of Wales. The solution lies in a range of options which include Community Land Trusts, Rural Exemption sites, a loosening of planning restrictions and release of land at a discount.

Low cost home ownership schemes such as shared equity and rent to buy are to be encouraged. RICS Wales supports the recent 'Rent First' consultation paper which provides an opportunity for occupiers to rent and then use appreciation in the capital value to acquire a deposit. Given that this will only appeal to a limited section of the market, it represents a useful alternative. The private market is using shared equity schemes as a means to support first time buyers.

The Assembly has pushed forward its sustainable agenda and RICS Wales entirely supports the need to reduce carbon emissions and recognises the contribution that the built environment, which produces over 40% of total emissions, has to make in reducing emissions. More efficient housing standards, better construction techniques and the use of sustainable materials will all help.

However, it needs to be recognised that these requirements come at a cost. To achieve code level 3 implies an additional cost of £6000 per plot and code 5 anywhere between £20,000 and £30,000. Given that fixed costs continue to increase, the increased costs of sustainability can make a site unviable. This should not imply that better standards of sustainability should be abandoned but that progress be more gradual than current proposals to achieve zero carbon housing from 2011 when the rest of the UK has a target of 2016.

In addition, an over emphasis on new buildings should not disregard the existing housing stock. The real challenge for Governments is the need to retrofit the significant pre-1919 houses to be found in Wales, many of which are occupied by elderly people with limited income and unable to tackle improvements themselves. Compare this with the excellent Welsh Housing Quality Standard scheme whereby large parts of the social housing stock is being insulated and made fuel efficient together with new kitchens and bathrooms.

The planning system should be used to address the existing housing stock. During improvement works where planning permission is required planning authorities should be further encouraged to apply conditions that require the energy efficiency of the whole building to be improved through accompanying building improvements.

The industry is gradually coming to terms with the concept of low carbon buildings but one major issue that needs to be addressed, in the effective and timely delivery of Welsh Assembly Government targets and aspirations, is the skills deficit in relation to delivery. This exists in both 'trade' and professional services sectors and must be addressed with some urgency.

Are they effective in reconciling potential conflicts between different policies in areas such as renewable energy, landscape quality, housing provision, economic development and sustainable development?

Do they help to ensure that decisions on planning applications contribute to key Welsh Government priorities?

There is often a disconnect between policy and practice. In its Low Carbon Energy statement issued in March, the Assembly identified the challenge to ensure that the planning system is capable of helping to deliver aspirations efficiently and sensibly. However, this is not being borne out on the ground. Most renewable energy schemes take a long time to get consent, require a lot of information and are invariably contentious.

A consistent theme of feedback from the business community is that the planning system disregards the needs of business both in

policy and in process. There is a need for a better understanding of the economic rationale and a need at least for further guidance which emphasises the relevance of economic factors.

There is a lack of consistency in application of WAG policy from one local planning authority to another. Nowhere is this better exemplified than in requirements for affordable housing where neighbouring authorities might have entirely different requirements. In one authority the threshold will be between 10 to 20 % and in another 40%. Other authorities are more pragmatic and set their requirements on a site by site basis.

More weight should be attached to the Wales Spatial Plan as well as Planning Policy Wales. The latter has very recently been reviewed and will be helpful in understanding those changes in policy which have taken place since 2002. The Wales Spatial Plan is a good idea in practice but there is a lack of clarity both about its purpose and its status. Also there is little evidence to show how much it has been taken into account in the Local Development Plan (LDP).

The recent review of the planning application system by GVA Grimley contains at least 20 recommendations, which RICS Wales supports and if accepted these recommendations will improve the system. However, it is unfortunate that the brief is confined to process rather than wider policy issues. Policy and process are interlinked and part of the problem of the process is that it is bound up with policy and an increasing failure to look at the long term.

For example, the report refers to the increasing burden of legislation and change. In looking at process it is almost impossible to ignore matters associated with the new Infrastructure Planning Commission, Section 106 payments, the Community Infrastructure Levy, affordable housing, sustainable building codes and BREEAM regulations. Viability and sustainable development considerations put additional pressure on the system.

A clear message emerging from the Local Authority Questionnaire (Grimley survey) is a lack of consistency between authorities and a failure to share skills and experience between Wales' 25 authorities. This point emerges in consideration of pre-application discussions, structure and administration, validation, delegation rates, gathering feedback and committee structures with varying levels of performance in all areas. It is already evident that the issue of 'shared services' is now on the local government agenda in Wales, which follows Welsh Assembly statements regarding the need to achieve greater collaboration between local authorities in Wales.

With 25 authorities, all within the remit of the Wales Assembly Government the report represents a real opportunity to pool good practice for the benefit of all and bring a greater consistency to procedure. Such a combination could also lead to longer term improvements in the preparation and quality of Local Development Plans and potentially the Wales Spatial Plan.

Is the system for preparing and updating these planning policies flexible and responsive enough to cope with new and changing priorities?

The LDP process is too slow to be effective and offers little opportunity to look at the long term. The sheer weight of policy and regulation affects the process. During the last three years there has been an upheaval in finance, a marked recognition of the need for reducing carbon emissions and fresh calls for the planning system to address housing, transport and the economy. The LDP process is an essential part of the planning system. Whilst the system appears to be working better in Wales than in England the delays in the establishment of sound flexible LDPs will contribute to the problems of land release for development.

It is not clear how the system will cope with a major renewable energy project like the Severn Barrage which has UK and European dimensions. The predicted demise of the Infrastructure Planning Commission intended to streamline such major projects will move us further away from any kind of national plan for infrastructure. This also brings into question how such decisions for major infrastructure schemes will be made in Wales leading to uncertainty for the energy industry in particular.

A further more local example is the M4 Relief Road around Newport. Ignoring the local issues and the costs, the project was debated around the immediate environment without looking at the wider Wales and UK picture. Having based plans on improvements to this vital route into Wales the planning system must now address a wider range of alternatives to cope with pressure on the road system.

Although discretionary, the Community Infrastructure Levy remains an aspiration for capturing development gain in the form of improved infrastructure. This is a further example of legislation which is founded on a very different financial climate than we have at present. With the prospect of less development and the complexity of section 106 payments there is limited prospect of counting on this as a source of revenue.

Are there examples of good practice in other countries and regions that we can learn from?

Integrating Transport and Development - the successful integration of land use and transport can play a key role in reducing many of the difficulties posed by modern urban development. (RICS Leading Edge series: 2002)

Internal Housing Space Standards in Italy and England: Comparing the conditions of regulation (February 2010)

What changes can we recommend to the Welsh Assembly Government to improve the current system?

Planning has a vital role and its status needs to be recognised. Planners are expected to work under a range of constraints and judge the pure planning considerations, the financial viability of development sites and the 'green' credentials of development. Planning has become increasingly more complex and time consuming. Important points and recommendations that the Assembly should consider to improve the current system are as follows:

1. A key theme emerging is the ability of senior practitioners who need to keep their skills up to date. Also identified is a need for training of elected members who need to understand the development process and wider strategic issues.
2. Planning at both Government and local level needs the right level of resource both to deal with the volume of applications and experienced and qualified staff to deal with complex and difficult decisions.
3. There is a real need to build capacity and expertise within the existing and future workforce that is required to deliver the quality of planning services to enable the development process to be speeded up
4. In Wales, there is great potential to share good practice and skills due to a closer working relationship between the planning authorities and the Assembly. Steps should be taken to build on this relationship and extend it to a wider group of stakeholders.
5. Delegated authority should be extended to planners on smaller schemes.
6. The database at both the national and local level should be reviewed to include provision for a national infrastructure plan.
7. The complexity of the current planning system needs to be reduced. Clarity of guidance is a consistent message from members in both the public and private sectors.

In Wales we have a unique opportunity to make changes but these changes will only be brought about by a closer relationship between all involved in the planning process, both public and private. RICS Wales is fully prepared to support further work to improve the planning system.