

Sustainability Committee

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Inquiry into planning into Wales: Evidence from Community Housing Cymru

Community Housing Cymru welcomes the opportunity to submit its response to the National Assembly for Wales Inquiry into Planning. Community Housing Cymru exists to enable housing associations and community mutuals to work effectively and flourish in Wales. Our members own over 120,000 properties throughout Wales and our charitable objectives are to:

Promote the voluntary housing sector in Wales

Promote the relief of financial hardship through the sector's provision of low cost social housing.

Provide services, education, training, information, advice and support to providers of such housing in Wales.

Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

The delivery of affordable housing through the planning system has an important role in underpinning and enabling wider economic development. This paper provides the sectors response to the questions raised by the inquiry.

Do land-use planning policies at both a national and local level adequately reflect the key Welsh Government priorities?

The provision of affordable housing is recognized as an important objective at both National and Local levels of Welsh Government and the tools are in place for this to be reflected within land-use planning policies, for instance the designation of "exception sites". However, where that priority sits within the local planning process is frequently unclear, with other planning gain being accepted in preference to affordable housing time and again. The reasons for this can be both passive and deliberate.

Passive reasons include under-resourcing of the planning function including the frequent lack of qualification of staff, but also the lack of negotiating skills in relation to often better resourced large scale developers. For instance in Mid-Wales Tesco's is developing 4 stores in some of the major towns, and **NO** affordable housing has been secured. Another passive factor is institutional discrimination against affordable housing, in that planning officers and members often agree with a developer that a scheme is "too nice" to include affordable housing.

Deliberate reasons relate directly to where affordable housing sits in the hierarchy of corporate objectives, and achieving affordable housing via the planning system can be less important than Estates Departments securing best price for a Council owned site, or Highways Departments securing a road improvement.

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

They can but often do not for the reasons identified above. Clearly the tools exist, but the planning system is perhaps being asked to deliver too much especially in times of economic slow down and contracting house values which reduce the likelihood of capturing planning gain. It would be helpful for each Local Authority to provide a simple set of priorities it is seeking to address, and in that way, where affordability sits in the planning system would be helpful.

There also persist conflicts between National Policy and Local Planning objectives which can drive up cost beyond viability, particularly for small rural schemes. For instance; W.A.G. design requirements on sustainability conflicting with local planning policy on the use of materials. Within the BBNP the use of single glazed windows has recently been insisted upon.

There also remains confusion over what is meant by "affordable" housing in a planning context. Whilst Tan 2 sought to establish an objective definition there remains confusion between the need for affordable rented housing and discounted (LCHO) properties for sale at sub market prices. This is further complicated by the use of S106 agreements to promote a number of planning objectives particularly securing properties for "local" people who may or may not also require affordable homes.

Regardless of the economic climate speculative developers tend to regard LCHO properties as acceptable on a development while rented housing, which may be in most need, is seen as negative. The consequence has been for the planning system to provide a bias toward LCHO and often not address the true need for good quality rented housing.

Planning officers are being asked too much of and do not always have the appropriate skills to adequately deal with the changing face of planning whether it be in respect of Affordable housing or sustainable development. They have had crash courses on what Code / Breeam means, but when they condition Code 4 or Breeam excellent they have no idea what that actually means. When it comes to Affordable housing as pointed out above the definition is interpreted differently across the principality. The current climate will require planning officers to be able to assess site viabilities and understand the economics of development and it is unlikely there are many planners out there with a second degree in economics, or RICS.

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?

Existing policies are not effective in reconciling conflicts. Whilst there is an ability to allocate 100% affordable housing sites through the LDP process, is this the correct approach? There is a risk we could create the ghettos of affordable housing that were developed during the 1970's and 80's rather than create environments of sustainable communities providing a range of tenure options including open market.

Local planning authorities decide on the priorities for the site and do not always have regard to national policies. We generally find that the planning officers produce a balanced report for planning committee after all pre planning negotiations have taken place, however planning committee consists of elected members with limited training and applications can sometimes be refused to make a political point or deferred for site meeting after site meeting. This "prejudice" against some forms of affordable housing is an important consideration for the Committee when considering the extent to which local opinion should influence planning decisions. Whilst it is important that local opinion is considered, giving significant weight to that opinion will make the development of any affordable housing by an RSL more difficult, but for certain "less popular" but no less important vulnerable groups, the provision of housing will be come impossible. What community council would support the provision of a housing scheme for drug rehabilitation in their area?

The affordable housing delivery statements tell us an aspiration target but in this current climate may prove to be undeliverable.

Problems also occur with planning authorities who are not the housing authority. The local policies in these instances are rigid which may be rightly so, but they create problems for the delivery of affordable housing for instance, in the mortgage in possession clauses of some S106 Agreements. The clauses impact negatively on the ability of the RSL to raise private finance as it impacts on the value of the security the RSL can offer to the Banks/Building Societies. But on the other hand conflict with the planning policies aim for the properties to be affordable in perpetuity.

This offers an example of intransigence within the system which frequently can be resolved but this is at the cost of time, making the provision of valuable affordable housing delayed largely to address bureaucratic niceties rather than add value to the development process. Culturally, the planning system has a "gatekeeper" mentality which seeks to use the planning system to say NO to development rather than one which seeks to find ways in which to say YES to development in order to meet wider National and Local objectives.

In order to deliver on the affordable housing priorities at both a national and local level there needs to be a more flexible approach to changing old policies now and not wait until the LDPs have progressed. There needs to be clarification on the role of the local authority as the housing enabler and provider and the role of the housing association movement. We deliver long term affordable housing solutions and not the short fix local needs solutions.

Another issue that needs to be considered that is emerging from the LDP process are the hope value from candidate sites. There is a risk that some sites will be withdrawn from the exception site process until the candidate site process is complete. This impacts on the delivery of affordable housing in rural areas which take a considerable time to enable.

Finally, with flexibility comes the need for negotiation and a cultural shift from a defensive policy position to one of careful and skilled negotiation. It is doubtful that many working at a grass roots level within the Welsh Planning system have the skills for this role.

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

National Planning policies are clear however it is not clear whether these priorities are in a hierarchy order, and as reflected elsewhere is probably being asked too much of. There is perhaps a need for the obligations of local planning policy to reflect National objectives to be reconsidered, with the Welsh Assembly Government setting out those objectives it expects Local Planning Policy to address, and those which it is comfortable for Local Authorities to have discretion over. In setting this agenda, the opportunity must be taken to streamline the planning process, and secure meaningful savings.

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

The current planning system is inflexible. Local planning policies are invariably out of date but the current system to enable these policies to be reviewed and updated is cumbersome and generally, is not workable. The Local Development Plan (LDP) process is still ongoing and appears to have stalled in many LA regions. In theory the LDP process will enable policies to be updated to meet changing needs and demands for affordable housing, but until that time we are facing a period where affordable housing will be consistently challenged and may result in the contributions being reduced or set aside in favour of other planning gain requirements such as open space and education. It is also uncertain how the community infrastructure levies will impact on affordable housing.

Local Planning authorities operate hierarchy for planning gain and it would be interesting to establish how many place affordable housing within the top quarter. Whilst affordable may be a priority at a national and local level it is often affected by Nimbyism. This comes from the communities who we are providing for but also the local elected members.

House builders see affordable housing in times of boom as being a drain on their profit margins but in crunch they see it as a rescue package (subject to grant). We consistently have to battle with these negative views to enable any affordable housing delivery. This means that an RSL is often asked to develop the affordable housing, and whilst there are some cost advantages, it still requires Welsh Assembly Government Social Housing Grant. By comparison other schemes within the UK have seen affordable housing provided and

"gifted" to the local RSL. This variability needs to be addressed. It would better serve the Welsh Budget to have less affordable housing on a specific site, but at a nil cost of grant, than to insist on a higher number via the planning system, which then required scarce SHG, which may take many years to become available. A site by site negotiation which resulted in land for future development being gifted to a designated RSL would achieve a number of Policy objectives.

This also requires reconsideration of the obligation on developers to "start" the affordable housing element first. This is sensible in times of boom to ensure the affordable housing is provided whilst in times of downturn this will blight sites whilst scarce SHG is awaited.

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

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

Significantly simplifying the planning process, and clarifying which National Objectives must be addressed and which may be a matter for local prioritisation.

Obliging Local Planning Authorities to clearly identify what its affordable housing policy is, and where it sits in relation to other corporate objectives

Clarifying the definition of affordable housing, and distinguishing between affordable housing for discounted sale and affordable housing for rent as a legal planning definition, that allows the planning authority to insist on social rented housing where that is what is needed.

Ensuring that local opinion is valued in the planning process, but positive affirmation is not a condition of approval, as otherwise controversial schemes for vulnerable groups will be undermined, and prove almost impossible to deliver.

There needs to be a cultural shift in the planning process toward a process which seeks to facilitate development along with wider policy objective gains, which implies the need for greater flexibility and a different set of negotiating skills. Appropriate training for this shift should be considered.

A more flexible approach to the numbers (%) of affordable housing on a site needs to be considered, and the gifting of land to the value of, to an RSL should be seen as a means to permit the wider sites development.

Bureaucracy complicates systems. Surely the question now should be what the customer's demands are and how best can we achieve them rather than how many layers do we have to peel off before we get to the core requirements.

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