



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cynaliadwyedd
The Sustainability Committee**

**Dydd Mercher, 14 Gorffennaf 2010
Wednesday, 14 July 2010**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

| | |
|--------------------|--|
| Lorraine Barrett | Llafur Labour |
| Angela Burns | Ceidwadwyr Cymreig Welsh Conservatives |
| Lynne Neagle | Llafur (yn dirprwyo ar ran Irene James) Labour (substitute for Irene James) |
| Rhodri Glyn Thomas | Plaid Cymru The Party of Wales |
| Joyce Watson | Llafur Labour |
| Brynle Williams | Ceidwadwyr Cymreig Welsh Conservatives |
| Kirsty Williams | Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor) Welsh Liberal Democrats (Committee Chair) |
| Leanne Wood | Plaid Cymru The Party of Wales |

Eraill yn bresennol
Others in attendance

| | |
|-------------------|---|
| Nikki Cole | Pennaeth Datblygu, Cymdeithas Tai Wales and West Head of Development, Wales and West Housing Association |
| Keith Edwards | Sefydliad Tai Siartredig Cymru Chartered Institute of Housing Cymru |
| Neil Harris | Cynghorydd Arbenigol Expert Adviser |
| Victoria Hiscocks | Sefydliad Tai Siartredig Cymru Chartered Institute of Housing Cymru |
| Shane Perkins | Prif Weithredwr, Cymdeithas Dai Canolbarth Cymru Chief Executive, Mid-Wales Housing Association |
| Richard Price | Ffederasiwn Adeiladwyr Cartrefi Home Builders Federation |
| Andrew Sutton | Cymdeithas Frenhinol Penseiri yng Nghymru Royal Society of Architects in Wales |
| Dafydd Tomos | Cymdeithas Frenhinol Penseiri yng Nghymru Royal Society of Architects in Wales |

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

| | |
|---------------------|-------------------------------|
| Dr Virginia Hawkins | Clerc Clerk |
| Meriel Singleton | Dirprwy Glerc Deputy Clerk |

Dechreuodd y cyfarfod am 9.10 a.m.
The meeting began at 9.10 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **Kirsty Williams:** Good morning, everyone, and welcome to this meeting of the Sustainability Committee—the last one before the summer recess. I will first remind everyone of some housekeeping issues. In the event of a fire alarm you should leave the room, escorted by the ushers. All mobile phones, pagers and BlackBerrys are to be switched off. As always, the Assembly works through the media of English and Welsh, and headsets are available for simultaneous translation or amplification. Interpretation is on channel 1, and the live feed is on channel 0. There is no need to touch the microphones—they operate automatically. I have received apologies from Karen Sinclair and Irene James. I understand Lynne Neagle is substituting, so I am sure that she will join us a little later.

9.11 a.m.

Ymchwiliad i Bolisiâu Cynllunio: Sesiwn Dystiolaeth Inquiry into Planning: Evidence Session

[2] **Kirsty Williams:** We will take further evidence for the committee's inquiry into planning in Wales. This is the fourth session on this particular inquiry, and today the focus is on how planning and affordable housing policies are working together. It is a great pleasure to introduce our first set of witnesses this morning. From Community Housing Cymru we have Nikki Cole and Shane Perkins—welcome to you. From the Chartered Institute of Housing Cymru, it is nice to see Keith Edwards, an old friend of mine, and Victoria Hiscocks. Welcome to you.

[3] We are grateful for the written evidence that you submitted, and we have a long list of questions for you. If you would like to briefly make some opening comments, we will then turn to questions; or, if you are happy to do so, we can go straight into questions.

[4] **Mr Perkins:** I know that you are busy today, so I would like to say, on behalf of Community Housing Cymru, that we are grateful for the opportunity to give evidence. We have put forward a paper, and I must apologise for the poor grammar, I am afraid—I think that you have been sent one of the earlier drafts, and, if I may, I will forward to you a corrected version for the sake of neatness. Other than that, I am happy to accept questions.

[5] **Mr Edwards:** Briefly, in the same vein as Shane, I have a couple of observations, Chair. Since we submitted the evidence a few things have transpired that we thought we would put into the pot. One is the First Minister's announcement yesterday that legislation on housing will form part of the legislative programme of the Assembly in its remaining months. Secondly, the Assembly Government last week published social research showing the underlying housing need in Wales, which estimated that we would need something like 284,000 new homes over the next 20 years—an average of about 14,000 a year. That came out after we submitted our evidence, so I just wanted to put that on the record.

[6] **Kirsty Williams:** We will now kick off with questions. First, to both organisations: are national and local planning policies effective in helping to deliver the Welsh Assembly Government's affordable housing targets? Perhaps we could start with Shane and Nikki.

[7] **Ms Cole:** The national policies are clear. We find that the problem is in how they are seen at a local level. Housing and affordable housing are often quite low on the local agenda, and we then face challenges in how we get that message across to our local authority partners. I work across quite a few local authority areas, and it is surprising how different the emphasis placed on affordable housing is from south to north Wales. The other issue that is coming

across to me more and more is the lack of understanding of exactly what affordable housing means. TAN 2 sets a definition that is quite clear, in my opinion. However, it is interpreted in different ways by different planning officers and housing strategy officers in local authorities. We face a constant challenge on that. The national policy is clear—6,500 new homes, for instance—but how we deliver that is the big challenge. Our blockage at the moment is at that local level. I do not know whether you want to add to that, Shane.

[8] **Mr Perkins:** No—I think that you succinctly answered the question, Nikki.

[9] **Mr Edwards:** I think that we will agree a lot with CHC, as we usually do on these issues. The policy is not particularly a problem, in fairness to the Assembly Government. The issue really is its implementation at a local level. We would particularly like to see how we can build effective links with housing and planning departments at a local level, how we can share some good practice, and how we can upskill people so that they are able to interpret the guidance and the policy in a practical way.

[10] **Leanne Wood:** May I just ask for clarification? You say that the problem is at a local level. Would you say that the problem is with officers in planning departments, or is it a political problem?

[11] **Ms Cole:** My experience has been that, once we get through the bureaucracy at the officer level, a very rounded planning report may go to the planning committee. However, once it gets to the planning committee, that is when an issue may arise.

[12] **Leanne Wood:** So, it is political.

[13] **Ms Cole:** Quite often it is the political that stops or impacts on the delivery of the affordable housing requirements.

[14] **Leanne Wood:** Is that in relation to councillors responding to objections from people in their local community because they do not want so-called council houses near them? Is that the main problem?

[15] **Ms Cole:** That is a problem, and what tends to happen at a political level is that a planning application, whether it is an application for 100 per cent affordable housing that we may be putting forward, or for affordable housing as part of a section 106 application, gets deferred for site inspections or site visits, and then it gets deferred again, or it gets refused, even though it is known that it will be overturned on appeal. The impact of that for us, especially if there is a grant attached to that, is that we could lose the grant. It could delay the project for so long that it is no longer viable to continue with it. There is a general lack of understanding of what affordable housing is, and how we contribute not just to affordable housing delivery, but community sustainability. The problems are in that general area. Maybe there is still work for us to do as organisations to improve the image of affordable housing and get that message across about our purpose, and what we do.

[16] **Brynle Williams:** You have answered this in part. It appears to me that there is a political dimension here. My personal experience—and I do not know whether you would agree with this—is also that planning officers and planning committees are either not technically advised, or they are advised, but the will is not there. How do we get over that? The problem is that it is about education. Leanne has drawn attention to the fact that this can be political, and that is very much the case. I know of instances where developers have put pressure on councils to locate affordable housing elsewhere. That is not what we need; we need it integrated totally with the community, and, again, I am sorry to perhaps be offensive, but the problem is—and I hope you agree—the lack of knowledge and experience at the lower decision-making levels. The experience is there higher up; the problem is getting it on the

ground.

[17] **Rhodri Glyn Thomas:** You have referred to good and bad practice in Wales. Can you give us an idea of the difference? Are we talking about most authorities having good practice, and a minority bad practice? Is it the other way around? How different is the situation on the ground, in terms of what is delivered in local authority areas?

[18] **Mr Perkins:** It is a mixed bag, really. You could not say that the majority is either good or poor. It depends on the local authority and the level of resources that it is putting into the planning process. One of the major concerns going forward, given the inevitable cutbacks that local government will face, is where this will sit within the priorities of the local authority, and where funding for the education and training of planning officers—or just resourcing the numbers of planning officers—will sit within that hierarchy of priorities.

9.20 a.m.

[19] The current situation is that there is a very mixed bag, but the future is quite worrying for us. The potential for cutbacks in planning departments at a strategic and a building control level presents a dim future in relation to addressing the problems that the committee is looking at.

[20] **Ms Hiscocks:** I would support what Shane is saying. The evidence that we have collected suggests that there is an issue to do with skills when it comes to planning officers. There is an increasing amount of legislation, guidance, policy and bureaucracy that they need to be able to navigate, and that is often of a technical nature. So, there are issues about how training is kept up-to-date and how that process is navigated.

[21] On good practice, there is significant variation across Wales, but from speaking to people we have found that it is to do with the culture of local authorities. Some are prepared to take a development-team approach, whereby from an early stage they get all the key players around the table and have a very open and transparent process for dealing with planning policy. That has been evidenced by timely results and a more effective way of working.

[22] **Mr Edwards:** To go back to Brynle's point, there is an onus on us as the professional body that works in housing to make sure that we are working with people at a local level to upskill them. We have done a lot of joint work with Roisin Wilmot, who is an adviser to the committee for the Royal Town Planning Institute. So, we recognise that we have a responsibility to make sure that people are upskilled and that they have the necessary capacity to do this work.

[23] **Kirsty Williams:** To recap, you all agree that there is clarity and consistency with regard to the national policy, but that we need to focus on the issue of the implementation on the ground. Lorraine has the next question.

[24] **Lorraine Barrett:** This is a question for both parties. What could be done to ensure that planning policies and decisions reflect the interests of those who are in greatest need of housing? We have just talked about it, and we all think that those who are in greatest need of housing are those who are put in council housing, to put it in blunt terms—we do not necessarily think about affordable housing. That is what most people have in their minds. What do we need to do with the planning policies to change them? How would we change the decisions or the way in which they are reached?

[25] **Mr Perkins:** We have touched on that, as you rightly said. There needs to be a much more open and flexible approach to planning approvals, which, as Keith said, gathers all the

parties together to have an open discussion about what is required. That allows you to address some of the issues that were mentioned earlier about pushing the units into one corner and their looking different somehow. That is a particular problem on mixed estates. It is fairly easy to identify the properties that have been developed by a housing association, because they are often bigger and have facilities such as solar panels, which the private market is not readily embracing. So, there needs to be a more open approach to looking at the planning needs on the site, and there need to be clearer decisions as to what the local priorities are. There is a hierarchy of priorities for planning in the local authority, and where affordable or council housing sits is questionable. It is a question of ensuring that there is flexibility, but mainly that there is clarity and openness about those discussions. Although we are representing our own organisations today, another important issue is ensuring that members of the public who are putting in single planning applications for different aspects understand why some of the decisions on larger and more complex schemes have been made, and why they might differ slightly from the decisions that are being imposed upon them. So, openness is important.

[26] **Mr Edwards:** I support everything that Shane has said. Let us be clear about this: the people whose voices need to be heard in these discussions are often not heard. It is easy to organise campaigns against social housing, and articulate middle-class professionals are adept at doing that. It is less easy to articulate the views of people who are in need of housing, who are perhaps not as organised or as articulate in knowing where to go to create publicity. That is a fundamental issue.

[27] **Ms Hiscocks:** Linked to that is the issue of what evidence base is taken into account in relation to planning. Obviously, people have done local housing market assessments, which are used to inform decisions, but there is a raft of other evidence that might be useful in reflecting those in the greatest housing need, particularly in rural areas where rural housing enablers have done really good work on local housing need surveys and local assessments. It is important that that sort of information and that evidence base are seen as valuable in making such decisions.

[28] **Ms Cole:** The big issue that is coming through in many local authorities is that existing planning policies are way out of date and that there is no easy mechanism for those policies to be updated without going through the new LDP process. The local development plan process has stalled in many areas; it has become a little bit unwieldy. Take Cardiff as an example. It does not have a unitary development plan, and I think that its local plan goes back to 1997 or even earlier, so it does not reflect current housing requirements. To get any existing planning policy changed with the old planning system is tortuous; the system is unwieldy. Housebuilders will object to it because of the time it takes and because it is not in their interest. So, it is hoped that, once it gets moving, the LDP process will provide that flexible approach. However, my fear is that we are still a good four to six years off that becoming the norm across Wales.

[29] **Kirsty Williams:** So you have identified the problem that, at the local level, policy is often out of date and unable to respond to current circumstances. The LDP is a potential solution five or six years down the line, but, obviously, families and individuals cannot wait that long. So what is the solution?

[30] **Ms Cole:** Exactly. That is a good question. Once they have started their LDP process, some local authorities are putting together new supplementary planning guidance to help to change the affordable housing requirements for sites. However, that has to go through a consultation process, during which there could be many objections from the public in particular and from housebuilders. That could delay the implementation, so we could still be talking about another 12 months from the start of that process. The way I see it, there are constant barriers. We need a bit more flexibility with regard to how affordable housing is

looked at and the targets and thresholds. At the moment, because of the economic situation, many housebuilders will probably welcome our involvement on some sites. However, we are then stymied because there is not the funding to help to deliver them. I am afraid that I do not have the answers on policy and how it can be changed given how it is currently set out. That is really something for the planners to answer.

[31] **Kirsty Williams:** I think that this is particularly relevant to the issues that Joyce wanted to pursue.

[32] **Joyce Watson:** It is, yes. You have said that the LDPs are out of date or in progress and that it is a long and tortuous process. You also mentioned the hierarchy of needs in the section 106 agreements. I represent Mid and West Wales, and I have come across some excellent policies in operation in rural areas and towns and, quite frankly, some really dreadful ones. One that astounded me was a section 106 agreement in which there was an agreement on the part of the authority not to build any affordable housing on a site of about 30 or 40 houses in what could then be described as an urban area, but to save the affordable housing to be built somewhere else as part of the whole package for the given LDP area. Is that something that you have come across? I made very strong representations on this at the time, because we all know what it is saying, which is that, 'This is an exclusive development and, because it is exclusive, those of you who cannot afford to be here can stay out; we are not going to accommodate you, even though we know we should. We will build the affordable housing elsewhere'. The public understands that and the underlying message that goes with it. So, when the application is made elsewhere, lo and behold, people are ready to say 'Well, if it was not good enough to put over there, we are certainly not going to have it over here', before they even understand anything about it. So, to get back to the question, how frequently do you come across that practice, which I queried and discovered is perfectly legal?

9.30 a.m.

[33] **Ms Cole:** We come across that quite frequently; it often comes down to local politics. The other example that I can cite involves local authority land. The local authority is after the best price rather than best value for the whole community. As a result, the required affordable housing gets pushed into another area. Under the LDP process, it is possible to have sites that are 100 per cent dedicated to affordable housing. I am concerned, therefore, that some local authorities may create the ghettos that we had back in the 1970s. We are now desperately trying to change the tenure mixes to make communities more sustainable.

[34] **Kirsty Williams:** Joyce, would you like to pick up on the issue of affordable housing delivery statements? It seems particularly relevant here.

[35] **Joyce Watson:** Yes, I might as well carry on with that. How effective has the interim measure of preparing affordable housing delivery statements been in delivering affordable housing? [*Laughter.*] Not at all, by the looks of things.

[36] **Mr Perkins:** It is a valuable exercise, as it makes people focus on what is required. My experience is that affordable housing delivery statements largely report what registered social landlords do. There is very little evidence that other types of truly affordable housing are being provided. Furthermore, in some authorities, it is difficult for planning departments to identify which affordable housing is being provided, if any, through the planning system. While they might monitor the consents that have been given through section 106 agreements, there is no clear mechanism in some local authorities for monitoring when developments have started, let alone when they have finished. The authorities are usually aware when a site has commenced work, but that does not necessarily mean that affordable housing is being provided in the manner intended. So, our experience is that the statements focus the minds of

officers on the issue, but that they do not reflect particularly valuable evidence.

[37] I would like to pick up on the previous question, relating to the use of deferred or potential commitments on other sites. I would not subscribe—and I do not think CHC would either—to the use of that mechanism in many circumstances. However, I would like to voice a cautionary note: there are examples where it would make sense. If a site of particularly high value is being developed, you would probably get significantly more affordable housing if it was built elsewhere in the area, rather than on the high-value site. I just wanted to make the point that there are exceptions, as always.

[38] **Kirsty Williams:** Keith and Victoria, would you like to pick up on the issue of affordable housing delivery statements and their effectiveness?

[39] **Ms Hiscocks:** I want to make a point on the previous question, relating to the siting of affordable housing with market housing. I want to make reference to the concept of flexible and neutral tenure, which is a concept that both the CHC and the CIH have advocated over the last couple of years. This concept allows people to move between different tenure options. It is not a panacea that works in all circumstances, but it does offer a way to get around some issues relating to mixing market and social housing. I wanted to highlight that point.

[40] **Kirsty Williams:** While we are on the issue of local planning policy, I will ask Rhodri to pick up the next question before we go back to some of the wider strategic issues.

[41] **Rhodri Glyn Thomas:** From what you have told us in your evidence, it seems that you are largely happy with national policy, but that you regard local delivery as a problem. Surely, there should be a process of Government review, in terms of how local authorities are performing on the delivery of affordable housing. Is that kind of system in place, or is there a need for one?

[42] **Mr Edwards:** Since the Essex review, and following the evidence on housing need published last week, we have a much better idea of what affordable housing needs are. However, it would be stretching it to say that we have a national system in place that is adequately monitored. Sue Essex identified the need for a robust evidence base, which is currently lacking, as a prerequisite of a housing system that is fit for purpose. I think that we are getting there but, to be truthful, that does not exist at the moment.

[43] **Rhodri Glyn Thomas:** It is all very well to identify a need, but it is very different to fulfil it.

[44] **Mr Edwards:** Absolutely; from our perspective, there is a definite role for local leadership here. It is about setting clear priorities and being able to run with them: to run a transparent process but to get the right balance between needs, and consult people who are used to getting their voices heard. There is almost a jumping-off point where you then have to show strong local leadership. Experience is again patchy throughout Wales at present.

[45] **Rhodri Glyn Thomas:** The role of this committee is to prepare a report, with recommendations to Government. Without my putting words in your mouth, are you telling us that one of the recommendations should be about delivery post the Essex report?

[46] **Mr Edwards:** Yes, absolutely. We have the evidential base, the determination of the housing sector to work together, and good relationships between professional institutions—the Royal Town Planning Institute and the Chartered Institute of Housing. Therefore, strong guidance from the Assembly and a requirement on local authorities to progress this would be very useful.

[47] **Kirsty Williams:** That is a clear set of recommendations that we could consider making to the Government. Lorraine, are you happy that your points have been raised?

[48] **Lorraine Barrett:** Yes, I think so.

[49] **Kirsty Williams:** We will therefore turn to Leanne to ask about the clarity that needs to come from central Government.

[50] **Leanne Wood:** In your evidence, you say that there is confusion between the need for affordable rented housing and discounted properties for sale. Can you further explain the difference between them?

[51] **Ms Cole:** It goes back to how affordable housing is defined at a local level, and Victoria picked up on it when discussing the neutral tenure approach. Affordable housing is social rental housing or intermediate housing, and the latter could be at an intermediate rental level, such as the rent-first model that has just been produced or low-cost home ownership. Discounted housing for sale is not the same as low-cost home ownership, as it is a percentage off an open-market value. If you have a house worth £200,000 with a discount of £30,000, how many people in the affordable housing arena can afford £170,000 to buy that property, given the deposit that will be required and everything else? That is where the confusion comes in. It goes back to my point about old policies. If that is what is written in those policies, that is what officers are looking at. If they want to look at doing something with a particular site, they will say, 'Let us do some discount for sale', and it will happen.

[52] Once a house has been sold, if it is then resold, the perpetuity is lost. We struggle continually to maintain our social housing stock because of the right to acquire, especially in rural areas, where there is still the right to buy and the right to acquire. We do not want to stop people from having the right to ownership, but we have to be prudent in these times. Given the evidence that is coming to us, my organisation feels that more and more people are now turning back to the rental sector. Our waiting list for low-cost home ownership has diminished, because people are asking whether they can be considered for rented accommodation instead.

[53] **Lorraine Barrett:** Going back to my first question, on those in greatest housing need, are the people who are applying for discounted properties for sale means tested? Do those homes really go to those who need them the most? As you say, those who have the greatest housing needs probably cannot afford these homes, so is it just an opportunity for someone who can afford to pay a bit more to get a cheaper house?

[54] **Ms Cole:** Yes.

[55] **Angela Burns:** Thank you for that. There are two local authorities in the area that I represent, and I have asked both of them on a number of occasions what their affordable housing strategies are, and what their definition of affordable housing is. One said that an affordable house is a property costing up to £94,000, and the other said that it is one costing up to £123,000.

9.40 a.m.

[56] **Rhodri Glyn Thomas:** Affordable for whom?

[57] **Angela Burns:** Exactly. I will let you guess which authority said what. I have also talked to the local authorities about how they retain ownership of an affordable house that is sold on. They tell me that it is almost impossible in law. I have also been to see people who

are in the legal profession. They say that there are a great many ways in which to retain affordable housing conditions. Local authorities just talk about making conditions but, as you and I know, you can overturn a condition quite easily, particularly on the third or fourth sale. I have talked to them about ideas such as the local authority always retaining a 1 per cent share in that house, because that then means that you get to monitor the sale every single time it happens. What experiences have you had about how you can successfully ensure that an affordable house stays affordable for its foreseeable future?

[58] **Ms Hiscocks:** A major barrier to that—and correct me if I am wrong—is how lenders view the situation. Depending on which mechanism you use or which particular clause you put on perpetuity, there is sometimes a reluctance on the part of lenders to give mortgages for those particular properties. That is one particular barrier, so it is really important that lending institutions get involved in the process and are aware of, and are kept up to date on, the different products and mechanisms.

[59] **Mr Perkins:** Victoria has touched on something very important, so I will come back to that point, if I may. To answer the question straight, you are absolutely right. There are a number of mechanisms by which you can retain the ‘affordability’ in perpetuity, and an obvious one is to gift the land to a housing association. That point aside, you are quite right in saying that a local authority could retain a share or an interest in the land. The point that Victoria made is extremely important in the current modern economic circumstance. Where these kinds of pre-emption clauses or ongoing commitments to affordability in perpetuity have been put in place, we have found, historically, that lenders were fairly relaxed about it. Investment in affordable housing, especially through us, was fairly okay and a fairly safe bet, as was some kind of low-cost home ownership through the market. Increasingly, they have started to look at what they are prepared to lend on, at any condition that devalues the property to a certain degree, and they have started to ask why they would lend on that property as it has a lower value and so is of higher risk. In many of the discussions that we have had with the planning departments of local authorities on reviewing their section 106 agreements, we have discussed how we could re-word it to allow lenders to have almost a get-out-of-jail-free card so that if they do have to repossess the property, the restrictions do not apply to them. You might ask why we would want to do that, as that will get around the whole point of securing affordable housing in perpetuity, but it comes down to practicality. If we cannot get the funding to build properties, there will be no properties to worry about. So, we are faced with that pragmatic situation at present.

[60] **Kirsty Williams:** I see. Did you wish to come in, Brynle? We will then go back to Leanne.

[61] **Brynle Williams:** Reference was made earlier to some good authorities and bad authorities. Is there enough diversity in affordable housing—that is, do they all have to be three-bedroomed or four-bedroomed houses? We have an excellent example of this in Llandyrnog, in north Wales, where we have one, two or three-bedroomed houses suitable for everyone held by the housing authority. Is that common practice throughout Wales or just in certain councils? That could alleviate many problems, particularly in rural areas.

[62] **Mr Perkins:** That goes back to a point made at the beginning, which was about the kind of political dimension to this. In a rural context, although it is somewhat acceptable to the local councillor and the local officers, for that matter, politically—and I use that word with a small ‘p’—to provide family housing, particularly developing a nice estate on the outskirts of a town, if you start to say that what is actually needed is one-bedroomed flats, or a bail hostel or something more controversial, the local authority members and even officers will say that they do not want that anywhere near that nice scheme on the outskirts of town. So, there is a political dimension to that.

[63] Broadly speaking, planning departments are responsive to what is needed, and they would be happy to see developed on the site whatever is required to reflect what their housing colleagues are telling them. However, it then tends to get a bit blurred by the politics.

[64] **Kirsty Williams:** I think that we will all have come across situations such as that which you are describing. Victoria, did you want to come in on this?

[65] **Ms Hiscocks:** Yes. As well as that, there is also a viability consideration, namely how many numbers you can deliver on a particular site. So, you may be able to deliver more units, but that may not necessarily reflect the need. For example, there may be a need for large family housing, but you could get four or five flats for every one family unit, so that is also a consideration.

[66] **Kirsty Williams:** Leanne, did you want to come back to issues of ambiguity in planning?

[67] **Leanne Wood:** Yes, I want to return to the question that I asked earlier about the definition of affordable housing, because I think that I heard you say that the way that that is interpreted or defined at a local level is a problem. In your evidence, you stated that there is a great need now for rental properties, but local priorities are prioritising discounted properties. You said at the beginning that you felt that technical advice note 2 was clear. Is further clarity required by defining 'affordable housing' in TAN 2, or should there be some other way of ensuring that the Government issues guidance to local authorities to define that so that everyone works to the same definition while also giving much more priority to housing for rent?

[68] **Ms Cole:** I do not think that TAN 2 needs any further clarification; it is obvious. To pick up on a point that was made earlier, there may be a need for more training and education in certain professions, from planning to housing. If we can identify those local authorities that have good practice and are putting forward more appropriate definitions and using the definitions correctly, perhaps we could ask them, for example through the housing strategy network, to work together to come up with a common approach to these situations, because that may be more appropriate. When more guidance is produced, it is just something else to put on the shelf, and people do not read it. Planning is getting more complicated: for example, there are local development plan processes, site viability issues, ecology issues, and more and more other demands. Planning officers are becoming jacks-of-all-trades and potentially masters of none. So, a more ongoing information exchange is needed.

[69] A few years ago, a group of us—including representatives from Powys County Council, housing associations, planning authorities, the Brecon Beacons National Park, as well as Powys planners—went to Staylittle outdoor education centre. There was no mobile phone signal, so everyone knew that they could not contact anyone. It was a free-for-all, and it became evident that everyone thought of social housing as small boxes to be delivered that messed everything else up. So, having a day in which to exchange thoughts and views was very productive. However, six months later, one of those officers left and someone else came in, and there is a lack of continual training and information exchange within local authorities. So, I do not think that further guidance is really the right route.

[70] **Rhodri Glyn Thomas:** I just want to ask you about a strategic approach by local authorities. I represent a constituency that is half post-industrial and half rural. If you put affordable housing in rural areas, there will be very few local services and little public transport, and we are talking about people on low incomes who do not have access to private transport. A local authority might take a haphazard approach and say that there will be a development somewhere, so why not stick some social housing there as well. Is something lacking there?

[71] **Mr Edwards:** From our perspective, the strategic approach is fundamental to this—from the Assembly Government downwards. We are currently developing something called scenario 2015, which is looking at how we can remodel the housing system to be much more flexible in future, not just with regard to flexible tenure. We know that even less public funding will be available for housing in future. Community Housing Cymru and others are developing the concepts of a Welsh housing investment trust, and we have the development of community mutuals, of stock transfer organisations using their land to build in the future, and of community land trusts. We know that the private rental sector is likely to be more important. There needs to be a strategic approach by WAG, with collaboration across local authorities, because you are right that it is not just about working within local authorities. It is a fact that housing markets do not respect local authority boundaries.

9.50 a.m.

[72] If you are in the Heads of the Valleys area, it does not matter whether you are in Rhondda Cynon Taf, Merthyr Tydfil or Caerphilly, you will have the same sorts of pressures in terms of housing needs and of meeting those needs. So, a comprehensive strategic approach, based on evidence and followed through on the local level is definitely the way forward.

[73] **Kirsty Williams:** Brynle, do you want to move on to spatial planning?

[74] **Brynle Williams:** To what extent can the Wales spatial plan play an effective role in helping to deliver affordable housing?

[75] **Kirsty Williams:** If the emphasis needs to be on strategy and cross-border areas, surely that is where the spatial plan should kick in.

[76] **Mr Edwards:** We would absolutely agree that it needs to be on that level and that housing needs to be a key factor. Again, we will not over-rehearse all of the arguments, but obviously housing has an impact on community life, community regeneration, health, education and wellbeing. So, housing should be clearly at the centre of our strategic report.

[77] **Mr Perkins:** This relates to the example given earlier to a degree, in that there is no point providing housing in an area where it might be easy to provide it, but where it is not needed. You have to look at this more strategically than that and follow the need and provide what is required. Often, the difficulty with doing that is that, to a certain degree, as Nikki mentioned, it is easier to build on a greenfield site than on a brownfield site for a whole raft of reasons. That needs to be borne in mind in the development process. It is much more complicated to develop on a brownfield site than on a greenfield site and, therefore, perhaps that should be reflected in the requirement imposed on developers in better areas—in more rural areas.

[78] **Brynle Williams:** Do we have sufficient infrastructure, such as sewerage, in many of these areas?

[79] **Kirsty Williams:** When you speak, could you use the microphone, Brynle, because I cannot hear you properly?

[80] **Brynle Williams:** Sorry. I seem to have touched a nerve here. The lack of infrastructure is impeding a lot of development of affordable housing in rural areas. Is there any way that we can get around that?

[81] **Ms Cole:** It is not just in rural areas, as problems with drainage occur throughout

Wales. However, in rural areas, we are finding that harder to address. The upgrades to the existing infrastructure are not in place and the water authorities are using the code for sustainable homes as a good excuse not to accept solutions that are presented, which we know are workable. We are fighting, and I think that you will hear the same from the Home Builders Federation, that they are also fighting to get things done.

[82] Since Barratt Homes won its recent case in England against the water authority, the water authority is standing back even more instead of trying to help and come up with solutions; its back is up, so things are getting increasingly difficult. I do not know the answer to your question. We know that we have workable solutions and we present them, but it costs us more and more money to get them through. That is impeding the delivery of affordable housing, particularly in rural areas.

[83] **Mr Perkins:** Perhaps this committee could exert some influence regarding this issue through its recommendations because, as Nikki was saying, some of the statutory authorities are starting to buck the planning system. It used to be the case that if there were no objections from the statutory services during the planning process, you could quite happily go ahead on the assumption that you could connect up to the services in the area. Now, we are increasingly finding that the water authorities in particular are not responding to the statutory consultations through the planning process and are simply saying, 'no', once you have bought the land and are ready to go. There is virtually nothing that you can do about that.

[84] **Kirsty Williams:** Could I go back to the issue of the spatial plan? We can all agree that the spatial plan is important to provide that strategic approach, but does it work in practice? We can all agree to it in principle, but given that we have the spatial plan, does it work to help to deliver that strategic approach?

[85] **Ms Hiscocks:** Our feedback is that there is not much clarity on the role and status of the spatial plan in that process.

[86] **Kirsty Williams:** One of the great imponderables of my time in the Assembly has been what the spatial plan is for and whether anyone apart from Sue Essex understands what the spatial plan is for. So, there is still a great deal of confusion out there about the role of the spatial plan.

[87] **Ms Hiscocks:** Yes, and there is confusion about the way that it interlinks with national and local policies. Those links are not necessarily there, and that is part of the problem.

[88] **Angela Burns:** We have talked a lot about section 106 agreements and I am beginning to pick up from you the fact that section 106 agreements are not being used successfully in delivering affordable housing. It is up to you to argue that that statement is wrong.

[89] **Ms Cole:** Some local authorities have grasped this approach and are now delivering, but it has been late in coming. There are still many that have been unable to gear up and have effective section 106 agreements that will deliver good social housing, and social housing for rent in particular. The emphasis needs to be on the rented side. There are several section 106 agreements out there that are on shelves, ready to go, but they are worded in such a way that we, as associations, will not be able to deliver them. The clauses will be worded in a way that will mean that we cannot get private finance for the schemes or they will be of a shared ownership nature with no affordability criteria, where you have the private developers bringing in organisations such as the Muir Group in England to operate them, or there is a get-out-of-jail-free card, so if you cannot sell them in a certain time, they will go on the open market with no clawback.

[90] **Ms Hiscocks:** There is research on the way that section 106 is delivered in Wales that came out a few years ago. It is probably no secret that Wales was a little slow in getting to the table in relation to section 106, but we were starting to improve on the way that we were delivering it, getting to grips with the process and starting to have some good results. However, you have to put that in the context that, just as that was happening, the economic downturn started and that has had a massive impact on the ability to deliver via section 106 over the last couple of years. Ironically, just as we were getting to grips with the process, it was impeded by external economic factors.

[91] **Angela Burns:** What should a section 106 agreement be used for? If you were going to slap a section 106 agreement on a building development of some 20 houses, what do you think that the section 106 agreement should be used to do in that instance?

[92] **Mr Perkins:** The problem is that the section 106 agreement, useful as it is, is being used to deliver a number of policy objectives. It could be used to secure road improvements or other amenity improvements as well as affordable housing. Planners have to be clear about what their objective is in putting section 106 agreements on a scheme. At the moment, there seems to be a blanket approach—it is not one, but I will use that phrase—of saying, ‘On sites of above five units, 20 or 30 per cent of the properties should be affordable housing’. In good economic times, that is a good, clear and succinct approach to take, but now that the economic situation has altered, and I suspect that colleagues from the Home Builders Federation will back this up, we have a situation in which a blanket percentage is being requested on sites and it is undeliverable, because it makes a site unviable. There now needs to be some flexibility in the system to reflect that, to go back and consider the sites and say, ‘Actually, we’re better off having a handful of affordable housing on this site rather than blighting the site, particularly if we can secure that affordable housing without using the social housing grant from the Welsh Assembly Government, because there is not much of that around at the moment’.

[93] **Leanne Wood:** In your paper, you say that four stores are being developed in mid Wales by Tesco and that no affordable housing has been secured as a result of that. Has anything else been agreed as part of a section 106 agreement? If not, you say in your paper that the reasons for that are underresourcing and a lack of training in negotiating skills in the planning departments. Is there a recommendation for our committee there?

10.00 a.m.

[94] **Mr Perkins:** In the example that I gave, other infrastructure was secured from Tesco with varied improvement. If you have been through Newtown recently, the word improvement probably needs to be in inverted commas. There were some additional, local benefits gained, but affordable housing was not a high priority. Some of the sites were owned by the local authority, so, in the tough economic times that local authorities are facing, I guess that it took the shilling rather than a benefit in kind. I do not necessarily criticise it for doing that, as it has to make a decision based on the priorities in its area.

[95] The point that I really wanted to make, which you touched on, is that big businesses and big developers—quite rightly, because that is their business—have highly skilled negotiators who come to the planning table. In many local authorities, they simply outclass the calibre of staff that the local authority can employ. It is a simple economic fact, and I think that it goes to the point that we were discussing earlier, namely that local authority planning departments need to resource training, particularly in specialisms in certain areas, which Nikki touched on earlier.

[96] **Leanne Wood:** There is no way that a local authority planning officer can compete

with a PR expert who works for Tesco on £200,000 a year or something like that. No matter how much training you put in, that will always be difficult, unless you change the balance somehow and ensure that the multinational company is in some way forced to provide additional enhancements, be they affordable housing or anything else.

[97] **Mr Perkins:** I can see the point that you are making, but I am loath to suggest that a local authority's ability to negotiate its own priorities should be somehow subsumed. There is perhaps room to set a national priority that states that these larger scale developments should have, as a minimum, affordable housing as a priority. It should also have some clarity about where affordable housing sits against all the other priorities, both local and national, because it is not just at a local level. The Assembly has affordable housing as a high priority, but there are also green issues and other sustainability issues, such as being carbon neutral, that have to be addressed. It would be helpful to us in the social housing sector, as well as to housebuilders and other developers, to know the hierarchy of need.

[98] **Kirsty Williams:** Angela, I think that we have established the fact that there is an issue with resourcing, training and expertise in planning departments for us to look at. Let us finish off this session with Lynne Neagle's questions.

[99] **Lynne Neagle:** If you were asked to write the report for the committee, what key recommendations would you want to put in it for the Minister?

[100] **Kirsty Williams:** Shane?

[101] **Mr Perkins:** Thank you. [*Laughter.*]

[102] **Kirsty Williams:** All right, then; Keith?

[103] **Mr Edwards:** I will try to reiterate briefly what has already been said. A strong strategic lead is needed from the Assembly to ensure that there is no ambiguity for local authorities and that the strategy locally is based on co-operating across local authority areas and a flexible approach with built-in, local, flexible markets. Housing and planning need to be integrated more effectively at a local level, and good practice needs to be learned from. I accept the point that multi-million-pound conglomerate organisations will always have an advantage, but we can learn from the best practice in Wales, and we can put training programmes in place that will allow us to be more effective in our negotiations.

[104] **Kirsty Williams:** Shane, you have had two minutes to think.

[105] **Mr Perkins:** Now that I have had time to think, I would reiterate the points that Keith has made and also emphasise the need for clarity in relation to the hierarchy of national and local priorities. I would also ask for some recognition of the fact that not all of them can be delivered through the planning system all at once. Part of the problem, as I have said, is when you look at a Tesco scheme, you ask, 'What is important, improving the roads or affordable housing, or increasing the income of the local authority in these difficult times?'. I would ask for clarity on those issues.

[106] The point was made right at the beginning that we need an approach from the planning authorities that, culturally, is about facilitating these developments rather than finding ways of using the system to say 'no'. At the beginning, we touched upon the fact that a more open system allows for open discussion, side by side, between developers and local members about what the planning objectives are, particularly for very large urban sites.

[107] **Kirsty Williams:** On behalf of the committee, I thank you all for your time and attendance at committee this morning, and for your views, which were very helpful. We will

send you a transcript of this morning's meeting. If there are any corrections, please let us know. You cannot change your mind and take back what you have said, but please let us know if there are any problems. Thank you for your evidence; it is greatly appreciated. Diolch yn fawr iawn.

10.06 a.m.

Ymchwiliad i Bolisiau Cynllunio: Sesiwn Dystiolaeth Inquiry into Planning: Evidence Session

[108] **Kirsty Williams:** From the Home Builders Federation, I am very pleased to welcome Mr Richard Price. Good morning and welcome to the committee. From the Royal Society of Architects in Wales, we welcome Mr Andrew Sutton and Mr Dafydd Tomos. Welcome to the committee. We are grateful for your time this morning and the evidence that you have submitted to the committee. We have a list of questions for you, as we had for our previous guests. However, if you wish to make some brief introductory remarks about your paper, feel free to do so. Perhaps we could start with you, Mr Price.

[109] **Mr Price:** I was going to make some introductory remarks based on the evidence in the submission that I gave to you, but I am happy to go straight into questions if you are happy to do so.

[110] **Kirsty Williams:** Okay. Are the architects happy to go straight to questions, or do you wish to make some introductory remarks?

[111] **Mr Sutton:** We have some short introductory remarks to make, on the basis that we did not submit written documentation. First, thank you for inviting the Royal Society of Architects in Wales to give evidence at this session. As you will be aware, our members have daily experience of planning policies and processes, and work closely with planning officers throughout Wales. We know that those in the planning system work hard to deliver the best outcomes for their communities, and work towards key Welsh Government policy objectives.

[112] We would like to encourage this committee to take a broad view of the process of development. In the UK, this currently comprises two key stages—planning and building regulations. With the devolution of building regulations to Wales next year, there is a significant opportunity to consider how these may work in tandem to enable the delivery of economic, environmental and social sustainability.

[113] The awareness of building regulations highlights one of the key barriers in the planning stage—risk. Most development projects, from a house to a tower, will identify achieving planning approval as a significant project risk, and the structure of the project is geared around this. However, very few, if any, projects identify achieving building regulations compliance as a significant project risk. Risk is harmful to responsible development and hence to the prospect of sustainable development, yet this risk exists simply because the planning system has manufactured it.

[114] From Scandinavia to Spain, planning in Europe tends to play a more proactive role than that which is embedded in the system that we have inherited from England. By actively planning what developments are preferable in which locations and by engaging with the public at that stage, rather than with every individual planning application, many European planning models provide much more certainty for those that wish to develop within the framework.

[115] This European planning model equates to our local development plans having more detail, and being delivered through more specific planning policies, with spatial planning

having consideration for an area's renewable energy potential, local heat demand, acoustic and light pollution capacity, together with issues such as building scale, active facades and usage. This is, surely, the true role of spatial planning and the best way to meet national, regional and local needs.

[116] In adopting this approach, there is the potential for there to be an issue with planning resources. This burden on the planning system can be reduced through the introduction of certification by appropriate professionals in the private sector for schemes that are compliant with the local development plan. Where there are sensitive developments, such as in conservation areas, a fuller planning process would always be required. However, in those areas where development is planned, there should be the minimum of obstruction for it to proceed. For example, in Germany, schemes that are compliant with the local plan have a legal right to be built.

10.10 a.m.

[117] The model of enhanced local plans clearly requires a means of enforcement. The current process places this burden early in the design of the scheme, requiring considerable evidence at the planning stage, such as demonstrating compliance with the code for sustainable homes. With the devolution of building regulations, we believe that local authorities' development control would be better placed to monitor and enforce this compliance, as it comes at a point in the development of the design that is sufficiently advanced to allow this to be reasonably assessed.

[118] Therefore, it is our view that the goals of the Welsh Assembly Government would be well served by a holistic review, which would consider the role of planning as a proactive rather than a reactive process and building regulations as the means of checking and enforcing detail. Needless to say, we are also able to contribute examples and experience from within the current framework, and perhaps those can come forward as part of the questions and answers session.

[119] **Kirsty Williams:** I can see from Joyce's enthusiastic response that your opening remarks have caused some hares to run immediately. Before we kick off with the formal questions, Joyce, did you want to pick up on something that Mr Sutton said?

[120] **Joyce Watson:** You talked at length about the European planning model, and so my question has to be about the difference between Britain and Europe in the number of people who own a house and the number who rent. There is a much higher percentage of home ownership in Britain than in Europe, and it seems to me that it is much easier to deliver a planning model when there are very few players in the field. Are there few players in the field in Europe because the level of private ownership is much lower in Europe than it is in Britain?

[121] **Mr Sutton:** I am not able to answer categorically either way, I am afraid.

[122] **Joyce Watson:** If you could come back to us on that, that would be very useful.

[123] **Kirsty Williams:** We would be grateful if you could reflect on Joyce's question and give us your considered view. It would also be helpful if you could provide us with a copy of your opening comments, which will be useful for our Record of Proceedings and can then be circulated to Members.

[124] We shall put the European planning system to one side for the moment, and return to issues pertaining to Wales. In the view of both organisations, are national and local planning policies effective in helping to deliver the Welsh Government's priorities for affordable

homes?

[125] **Mr Price:** The short answer would be ‘no’. Drawing on what I have said in the written evidence regarding the problem with affordability in Wales—and it is important to look at that problem—the Assembly Government seems to have a view that the provision of affordable housing is the way to solve the problem of the affordability of housing in Wales. We would disagree with that. The provision of affordable housing does have a place in policy, but providing an artificial step up onto the property ladder for the minority of people who qualify for it does not solve the long-term problem of the affordability of the housing stock in Wales, and that of new housing going forward.

[126] We did a piece of research back in 2006 or 2007 that identified a backlog of need of somewhere in the region of 40,000 homes. Considering that we built fewer homes in the last decade than in any decade since the second world war, which was also true of the decade before, and the fact that there has been a recession, it is likely that the level of need has grown and is now significantly higher than 40,000. Therefore, there needs to be a commitment to building more homes in Wales in general, and to making homes more accessible and affordable for the general population, rather than concentrating constantly on the provision of affordable housing to try to solve all the problems. The key issue is how we solve the problem of affordability. Even though affordable housing has a place in national policy, I do not think that it should be used as a panacea for the problem of the affordability of housing in Wales.

[127] **Kirsty Williams:** Leanne, did you want to come in? We will then ask the architects about this point.

[128] **Leanne Wood:** I am interested in what you are saying. Do you think that the Government should promote the building of housing?

[129] **Mr Price:** I think so, yes.

[130] **Leanne Wood:** Do you think that a percentage of that should be housing that is to be rented? The previous witnesses said that the planning system is encouraging discounted housing but not rental properties within that.

[131] **Mr Price:** Affordable housing for rent?

[132] **Leanne Wood:** Yes.

[133] **Mr Price:** Basically, my view is that we should be looking at the need in each local authority. If the need is for social rented housing, we should be trying our hardest to provide that. If the need is for intermediate rental properties, we should be trying to provide them. One of the other things that I was going to mention with regard to the role of affordable housing policy is that it is intrinsically linked to viability, which is probably what you have heard throughout the evidence sessions. It is much harder to deliver social rented housing because it takes a lot more subsidy, and public subsidy has not been available to facilitate it. So, I think that the policy needs to be linked to viability, and regardless of whether the policy is used to deliver social rented units, intermediate rented units or shared equity units, we should really be looking at need in each local authority. Viability is a key issue. Regardless of the percentage in your policy, if the development does not come forward, you will not deliver any affordable housing. If you have a policy set at 30 per cent affordable housing, and that has an impact on development viability, 30 per cent of nothing is nothing, so you will not get any products, whether rented or shared equity. So, viability is a key issue.

[134] **Leanne Wood:** May I continue with this point, Chair?

[135] **Kirsty Williams:** Yes.

[136] **Leanne Wood:** What needs to be done to ensure that planning policies and decisions take account of the viability and deliverability of developments?

[137] **Mr Price:** I think that we can take a bit of guidance from what we have got from affordable housing policy. It is the only national policy on a planning obligation that has clauses—and quite robust ones—within it that require that we take account of development viability. To give you an example, the 10 local authorities in south-east Wales commissioned Three Dragons Consultancy to write a report on how best to take account of viability in affordable housing policies. We have been attending various workshops with the local authorities around Wales to discuss how we can go about doing that. We look at potential sites in local authority areas and see how much they cost to develop, including the cost of the other planning obligations, and we try to make an assumption on a suitable land value to see whether a certain proportion of affordable housing is viable. That process has its problems, one of them being the assumption of what landowners should accept for their land. That is something that we can come back to, but it is a significant issue.

[138] However, I think we can take some heart from that. We have national guidance that specifically states that viability needs to be taken into account, and there is an element of flexibility involved so that, although there is a set percentage, it is still negotiable on a site-by-site basis. That is the sort of approach we need to take with other planning policies, because they all have an impact on viability. It is just that it is affordable housing that seems to be the one that has taken up the mantra of taking account of viability.

[139] **Kirsty Williams:** Turning to the royal society, could you first go back to the question of broad principles and whether the current planning policy, nationally and locally, is fit for purpose for delivering the Welsh Assembly Government's goals in this area? You can then deal with Leanne's question about viability.

[140] **Mr Tomos:** I think that the policies themselves are probably robust and detailed. The interpretation of the policy and the flexibility are the main issues that we see. We work on housing projects in England and Wales, and we have seen different approaches to the interpretation of policy, whether it is with regard to highways issues, ecology or any of the other issues that have been loaded onto the planning system in the past five or six years. If they are looked at the wrong way they can be seen as barriers to delivering these goals within the policy. It is about ensuring that there is enough flexibility in the system from the feasibility stage where the developer talks to the planning authority and providing goals for particular sites so that people are clear what the goals are for these sites from the beginning. Under the old system, the planning committee decided most applications. Perhaps the pendulum has now swung too far the other way, towards officer and policy-led decision making; there is a balance to be struck to deliver the objectives, but perhaps the pendulum has swung too far. The planning system has become loaded with lots of other issues in the last five or six years.

10.20 a.m.

[141] **Kirsty Williams:** As you say, there are a huge number of conflicting priorities in the planning system, let alone the wider environment in which local authorities and the Welsh Assembly Government are operating. Are you satisfied that current planning policies are sufficiently clear and consistent to try to resolve some of those prioritisation issues, or could we do more to improve the situation?

[142] **Mr Sutton:** I think that there is scope for improvement. Richard mentioned that 'Planning Policy Wales' sets broad agendas, but more specific regional targets may bring

benefits in terms of clarity; prioritising those, in conjunction with the regions, may benefit delivery.

[143] **Kirsty Williams:** Returning to Leanne's point about viability, I ask the Royal Society of Architects in Wales whether more needs to be done to ensure that planning policies and decisions take account of viability factors.

[144] **Mr Sutton:** Yes, that is correct. There are very few variables in private sector development, and these include land value and the end-sale price or rental return; the latter is driven by the market, and the former by what people believe they can sell for, which is, in turn driven, to some extent, by what their neighbours may have sold their properties for. The only other factor in that is the amount of money that the public purse takes from the process, whether through section 106 or through affordable-housing contributions. An understanding of that simple methodology by all planning officers would be beneficial, because planning policy is trying, as I have mentioned, to do everything; as it is doing all of these things, it is perhaps failing to deliver on all of them. The requirements of the code for sustainable homes—all of these things are coming through—will take a slice of the finite pie, and without a good understanding of that, there will be issues with being able to prioritise and make corrections.

[145] **Leanne Wood:** Is there a lack of clarity in the hierarchy of priorities?

[146] **Mr Tomos:** Yes; there is.

[147] **Mr Sutton:** Planning officers and architects would respond well to an opportunity to understand what those priorities are, because they would then be able to design schemes that suit them.

[148] **Mr Tomos:** Perhaps the problem is that decisions are not made by looking to balance all of the issues. There are certain show-stopping issues, if you like, which, while they do not shock us, suddenly run the cart off the road by raising other issues that are not to do with delivering affordable housing or with housing in general. It has been made more difficult for planning authorities to look at the overall picture on a particular development; they have been constrained, and I do not know whether this is due to not having the confidence to make decisions that go against recommendations for refusal by certain agencies. That is something that we have seen recently as a result of the planning system being loaded with all of these other issues. Decisions are not, perhaps, made on balance as much as they were before.

[149] **Kirsty Williams:** Those show-stoppers can often be caused by members of the public. One of the additional issues that planning authorities have to take on board is engagement; Leanne, do you want to take us on to that matter?

[150] **Leanne Wood:** The Chartered Institute of Housing Cymru has said that those in greatest need of housing often have the lowest level of engagement with the planning process, with disadvantaged and marginalised people having no voice. How do you think that engagement with the public can be improved?

[151] **Mr Sutton:** From an overall point of view, it comes back to our opening remark that the point at which engagement with the public occurs comes too late in the process. Each individual application is reviewed, publicly aired and considered. I have been in planning hearings where the discussion has gone on to cover hanging baskets; in my mind, that is not a planning issue. The details are then drawn out in so much detail that I think that members of the public probably feel a little disenfranchised. Because there is so much, you do not get engaged in the local development plan, which actually sneaks by under the radar more often than not. If you were to ask a member of the public, 'Have you have seen the latest local

development plan?', they probably will not have seen it. That is really the point when public engagement should be driven as much as possible, because that is the point when it defines how the town, city or village should grow and evolve to meet the needs of the local community. That is when the local community should be engaged; engaging them late on, repeatedly over and over again, to discuss whether or not the fenestration on a house is the right way around or whether it should be a taller window than it is wide is a bit like when we get spam mail—we get a little bit immune to it.

[152] **Kirsty Williams:** I call on Brynle to come back to the spatial plan.

[153] **Brynle Williams:** To what extent can the Wales spatial plan play an effective role in helping to deliver affordable housing?

[154] **Mr Price:** The Wales spatial plan delivering affordable housing—

[155] **Kirsty Williams:** Can it have a role to play in delivering social housing? Does it have a role to play?

[156] **Mr Price:** I do not see how it can, because that seems to be a planning issue. The Wales spatial plan team is quick to distance itself from the planning team. It always tells me that it is not a planning document, but that it is a 'spatial' plan. I find it difficult to pin down exactly what the Wales spatial plan does. On the one hand, it is a visionary document for Wales that has many laudable aspirations. On the other hand, it is supposed to be a document that is specifically referenced within the local development plan system. One of the 'tests of soundness' relates to adherence to the Wales spatial plan. Having sat on a number of Wales spatial plan groups, I find that it is a difficult process without a proper stick to guide it. At the moment, we have the ethos of regional working without a proper stick to ensure that those particular local authorities take account of the greater good without that being forced. I have sat on the Wales spatial plan teams and listened to the various discussions—and we all know about the arguments on the international business park and where it is supposed to go, which dragged on and on—and it is very difficult; local authorities sitting around the table categorically state that if the decision being made is not suitable for their own local authority, they will not abide by it. The Wales spatial plan has a difficult job. It can only be the woolly document that it is unless we give it more teeth or clout, and more responsibility, which also requires it to be subject to independent scrutiny and more detail on a regional basis. I do not think that it can deliver anything, not even affordable housing, and certainly not the utopia that it prescribes to give us in the next 20 years.

[157] **Kirsty Williams:** Does the royal society feel more optimistic about the spatial plan?
[*Laughter.*]

[158] **Mr Tomos:** Obviously, there are elements to it that are very positive. As a leading document, it has been useful. One of the issues is that there seems to be disjointedness between the different local planning authorities. Our perception is that, where we work, the issues are very similar in most of the north Wales and mid Wales planning authorities. They all have the same major issues in planning terms. They all kind of go away and write their own separate documents, which are based on the principles of the spatial plan. However, there seems to be quite a waste of resources there, whereas the major issues are very similar, but there is a less coherent approach at a local level to implementing the plan.

[159] **Kirsty Williams:** Joyce, you wanted to ask a question on the spatial plan.

[160] **Joyce Watson:** You have started to answer the question that was coming to mind. We have the spatial plan, which is supposed to be a national plan for delivering economic benefits among many other benefits, of which you would be a part. It seems that you are

saying that, while that is a good aspirational document, the reality on the ground is that everyone goes back to their little boundaries, whatever they might be, but they are usually local authority boundaries and there might be national park boundaries in some cases, and then they try to deliver their own individual parts to that plan. Therefore you are saying that there is no coherent view in Wales, by planners nationally, to deliver a spatial plan. So, would you say that there ought to be a central driving body to work to a national plan, or do we need to start again?

10.30 a.m.

[161] **Mr Sutton:** The answer to that depends on how extreme a mood I am in.

[162] **Joyce Watson:** Let us be radical.

[163] **Mr Sutton:** There will be some benefits to looking at the spatial plan and firming up some of its aspirations. It is, as has been mentioned, a worthy document, but it is not something that I can recall on any occasion someone quoting to a planning officer, and hence carrying the day with regard to their development or to have a development refused. It is not the sort of document that you feel that you could rely on; it could probably be quoted by both sides of the argument, with each side using different extracts. So, there would be some benefit in having a little more rigour in defining processes at a national scale. As Richard alluded to, there would clearly need to be some consideration for local deviations and differences, but, in a number of instances, there are many comparable situations that could be dealt with on a broader scale.

[164] **Mr Tomos:** On the section 106 agreements with regard to affordable housing, there are separate wordings in Powys, Ceredigion, Snowdonia, Gwynedd, Conwy and Denbighshire, and each time you have to go to the mortgage lenders to see whether they are happy to lend on that section 106 agreement. They all say broadly the same thing, but with slightly different wording. That is just an example of what tends to happen.

[165] **Kirsty Williams:** The Home Builders Federation has referred to weaknesses in regional and collaborative work on housing, and, as we have just heard from Dafydd, there can be a plethora of different definitions and wordings of documents, all hoping to achieve the same aim. How could things be improved to get more collaborative working?

[166] **Mr Price:** When we were involved in the writing of the spatial plan update, there was a lot of talk about some sort of implementation body being set up that would have separate membership. It would still be accountable to the region, but not solely accountable to particular local authorities, and it would oversee the implementation and delivery of the spatial plan. Our submission to the spatial plan team was along those lines, namely that we thought that a body should be set up to oversee implementation and delivery. I am not sure what happened to all of that, because it obviously has not been set up.

[167] The implementation and delivery of the aspirations within the spatial plan and the timing of them are key. There are instances in the Wales spatial plan where, in south-east Wales, for example, the proposal was to restrict housing growth in Cardiff and to try to force it into the Valleys areas. We disagreed with that, because we did not think that that was what the spatial plan was stating; we thought that the spatial plan was stating that we should concentrate on Cardiff and its success in becoming an internationally leading capital city, and that we should have a city region of south-east Wales. However, each local authority within that south-east Wales group stated, 'We think it means that Cardiff should have its growth restricted, and we're going to force all of the development into the Valleys areas'. There was no recognition of whether there was the population in the Valleys areas to take all that development, no recognition of where the jobs would be to service that population or whether

or not the transport infrastructure would be put in place. The timing of all of that is key. So, we told them that if they are going to deliver on all of this high-level aspirational stuff, they need a body to deliver it and oversee its implementation and to knock various people on the head when they try to go against it.

[168] **Kirsty Williams:** We now turn to ‘Planning Policy Wales’, which is another document. Brynle?

[169] **Brynle Williams:** Do you believe that policies set out in the ‘Planning Policy Wales’ adequately reflect the housing needs of communities in Wales and are effective in ensuring the provision of affordable housing?

[170] **Mr Price:** ‘Planning Policy Wales’ is robust enough to ensure that housing and affordable housing is delivered. The message within ‘Planning Policy Wales’ is that you need to take account of need and demand. I think that national planning policy needs to have a recognition that we need to build more homes in general, and not just concentrate on affordable housing. That needs to be a key priority for the Welsh Assembly Government, and it needs to be translated into national policy through ‘Planning Policy Wales’, and through into local authorities so that the strategy within their local development plans always reflects the fact that we have a housing crisis and shortage and that we need to try to build more homes to take account of that and not just concentrate on affordable housing.

[171] Again on the delivery of affordable housing, in ‘Planning Policy Wales’, the technical advice notes, the various affordable housing delivery statements and the national guidance, it is all clear that you need to take account of viability in terms of the percentage that you set and we would agree with that. As my colleagues have stated, I think that the interpretation of that policy leaves a lot to be desired. An example would be that if you looked at any affordable housing delivery statement created by any local authority in Wales at the moment—and they are all on their websites—you would see that none of them take account of development viability, despite the fact that there is robust guidance for local authorities that they should take account of development viability.

[172] I will give you a weird example that I came across last week when I was in Conwy County Borough Council. It was doing its affordable housing viability assessment for its LDP policy, and you must bear in mind that it has already adopted an affordable housing delivery statement with a requirement for a minimum of 50 per cent affordable housing. We were sitting in this workshop, trying to discuss what would be a viable percentage to put in the LDP policy and we reached the conclusion that we did not know and that more work needed to be done, that we needed to assess the viability in Conwy and the different inputs and assumptions used, and that we needed to consider what the viability assessment should be, along with land values and so on. At the end, we did not know what an appropriate percentage would be in terms of viability. So, I asked the council afterwards, considering that we had all just discussed it, whether it would revoke its affordable housing delivery statement, which requires a minimum of 50 per cent affordable housing, bearing in mind that we had all agreed that we did not know what official percentage should be put in the policy. However, its answer to that was, ‘No; we will keep it and we will still require a minimum of 50 per cent affordable housing’. So, it is about the interpretation of it. Even when the authority itself admits that it does not know what the policy should be, it will still set a requirement for an unjustified policy, which is just what its members want.

[173] **Kirsty Williams:** Thank you for that example. We will return to some of the issues around local implementation with Joyce a little later. Are there any comments from the Royal Society of Architects in Wales on ‘Planning Policy Wales’?

[174] **Mr Sutton:** I have no particular comments other than to pick up on the fact that it is

the local development plans that drive forward the individual developments and we will have to see how the new document, 'Planning Policy Wales', translates through to local plans. I am sure that there are many planning officers beavering away to try to get their heads around the changes.

[175] **Mr Tomos:** I think that this comes back to the hierarchy of priorities that we were discussing previously, and to making those clear and perhaps overriding local policies where appropriate. There is also an issue there.

[176] **Mr Price:** I have promoted the fact that the local authorities should identify their priorities and that the Welsh Assembly Government should identify its priorities. Going through the process of local development plan examinations, it seems a lot more difficult politically for local authorities to identify priorities up front. Furthermore, in my submission, I said that there are required and non-required planning obligations. A development could go ahead with less affordable housing, but if you need a roundabout, for example, you cannot have half a roundabout; you need a whole one. So, you have those planning obligations that are required and the planning obligations that you can be flexible on.

[177] The difficulty is that the planning obligations that are the priorities of the Welsh Assembly Government seem to be sustainable buildings and affordable housing. Indeed, when we attend the local development plan examinations, what we hear from the Welsh Assembly Government is that affordable housing is a national priority and that we need to take account of it and do everything that we can and be aggressive in our search for affordable housing. You have a problem there because when that conflicts with what is required to bring a development forward, the priorities of the Welsh Assembly never change; it always says, 'The priority is still affordable housing and sustainable buildings', and there is no recognition of what is actually required to deliver the development. It is difficult to map out the priorities in the local development plan, but it needs to be done and we need clarity on that.

[178] **Lorraine Barrett:** On what Richard Price said about Conwy County Borough Council, I wish that the Vale of Glamorgan Council would go for a 50 per cent minimum of affordable housing and not the measly 20 per cent it is going for.

[179] **Kirsty Williams:** Yes, but Mr Price said that it was not viable.

10.40 a.m.

[180] **Lorraine Barrett:** The houses are desperately needed in Penarth, if I may say so.

[181] **Mr Tomos:** The problem in delivering those houses is to do with viability and deliverability. Percentages are irrelevant.

[182] **Lorraine Barrett:** I will just say that there are not enough. Looking at the ambiguity around affordable housing, I have a simple question. Do we need to clarify the situation on affordable housing? You have touched on this a few times today, which is helpful. Should we stop calling it affordable housing and talk about 'a percentage of discounted properties for sale', however that is managed, and 'a percentage of social rented accommodation'? Council houses are what people have in mind; they ask, 'How many council houses will there be on this new development?'.

[183] **Mr Price:** We need a broader definition of affordable housing and a broader scope of what can be delivered as affordable housing. I have heard various registered social landlords say at affordable housing viability workshops that people aspire to own their own home; they do not aspire to live in social rented housing or intermediate housing. We have a problem in Wales in that we have a massive amount of need and massive demand predicted going

forward, with house prices rising exponentially in comparison with wages. Our first priority should be to make houses more affordable and not get bogged down in the definition of affordable housing.

[184] However, the definition of affordable housing needs to be broader. It is very much linked to the TAN at the moment, which was created in 2006, which means that it is based on evidence that probably comes from 2005, which is five years out of date. For example, at the Merthyr examination, the local housing market assessment identified that the private rented sector could contribute, not to affordable housing, but it could reduce the number of people on waiting lists and therefore reduce the need for various types of affordable housing. We said that that was an interesting argument and the inspector asked the Welsh Assembly Government what it thought of that, and its response was that private rented housing is not within the TAN and it would not support that. The local authority completely abandoned the idea, which is crazy from my point of view, considering that we had a potential solution, if not to the whole problem, at least to part of it. So, we need to broaden the horizon of the definition of affordable housing and recognise that we need to deliver more affordable homes and not get bogged down in that definition.

[185] **Lorraine Barrett:** As an elected Member who was previously a councillor, I have always had far more people come to me saying, 'I'm desperate for a council house', than I have had saying to me, 'I want to buy a house'. I have had very few of those.

[186] **Leanne Wood:** You cannot deliver that; you can deliver a council house, but—

[187] **Lorraine Barrett:** I know, but the reality on the ground is that the people who come to us say that they want somewhere to live and often the only option for many of them is to rent somewhere.

[188] **Mr Price:** Absolutely, and that will only increase. If we do not deliver enough homes for the predicted population and if we do not try to bring down house prices in general, that will only increase because wages are not increasing as fast as house prices, and if we do not do something about it, they will continue to go the same way.

[189] **Lorraine Barrett:** Shall I move on to my next question?

[190] **Kirsty Williams:** I want to hear from the royal society about whether it feels that there are issues around the definition of affordable housing, whether that can cause confusion and whether we could do something about that.

[191] **Mr Sutton:** Whatever it is called—affordable housing, council housing or social housing—affordable housing will always, to some extent, carry some stigma, because it evolves to do so. People are judgmental about that. It is therefore not so much about the definition of affordable housing, but more about the goal of getting people into good-quality homes, whether they are renting that home from a council landlord, a housing association, a private landlord or buying that house outright. That is the goal, and if we can remain focused on achieving that, that will probably be the best outcome.

[192] **Leanne Wood:** How can we bring the price of houses down when it is linked into the wider market?

[193] **Mr Price:** It would be a start to provide for the predicted population. Local authority household projections have been released and those authorities that have historically suppressed their housebuilding figures are still doing that, despite the fact that household projections say that they need to provide a lot more housing. The Vale of Glamorgan is a key example of that.

[194] Looking at this from an economic point of view, if you were to increase supply in the market, you would bring the price of houses down; if we build more homes, we will gradually start to reduce the price of housing. On planning obligations and affordable housing, we are requiring a lot more subsidy from development than we ever did in the past, particularly in light of the lack of public funding going forward. So, the fewer developments you build, the less money there is to pay for things like strategic highway improvements. However, in an area where you develop more housing, you have more of those developments paying for that strategic highway improvement, thereby releasing more subsidy in the land to deliver maybe affordable housing, and bringing the price of housing down by introducing more competition into the market.

[195] I do not think that it will bring prices down to the levels that we had before, when people had mortgages of £20,000 and £30,000—not anytime soon. However, unless we try to tackle the issue, and unless we say, ‘Look, we will really try to provide for the people of Wales going forward by increasing the supply of homes and bringing the price down’, then we will just continue in the same direction.

[196] **Kirsty Williams:** Brynle has a question on cost and the regime in Wales that may add to cost. Brynle, do you want to ask both together?

[197] **Brynle Williams:** Do you believe that the sustainability agenda in Wales is adding too much of a financial burden to the industry, and if so, in which areas and at what cost? What do you believe could be done to address this?

[198] **Mr Price:** That is a good question. The issue is that we do not know what the costs are, but the policy seems to have been imposed anyway, before discussing the potential costs. Andrew and I are members of the Wales low/zero carbon hub, as it is now called, and at a UK level we have a technical director and someone charged specifically with looking at sustainable buildings. They do quite a lot of work with the UK Government on the definition of zero carbon and all the rest of it.

[199] The latest evidence that we have on cost comes from the UK zero carbon hub. It estimates that the costs of achieving different levels of the code are quite substantial, and when you input those costs into the residual land-value calculations that we do as part of the affordable housing viability work, it adds significantly to the cost of development. We need to try to understand that uncertainty, because when the issue is discussed, more often than not someone will say, ‘I do not think that it does cost that much because I have built a house over here to a certain level and it did not cost me that much’, but then someone else will say, ‘Yes, it cost me a lot more because I built this house over here, which needed this type of technology’. It will take a long time for us to understand the best way of achieving a certain standard of sustainability in new homes, and the best way of achieving code level 3 or 4. We need a significant piece of work to identify those costs—ideally, before the policy is imposed on us through national guidance.

[200] **Kirsty Williams:** I will just ask the royal society: is this a cop-out from the developers?

[201] **Mr Sutton:** I would not like to comment on whether it is a cop-out. I cannot entirely agree with Richard’s view.

[202] **Kirsty Williams:** No, I did not think that you would.

[203] **Mr Sutton:** I will agree that more work needs to be done on establishing the actual costs of delivering code housing at the various levels. I do not necessarily subscribe to the

Home Builders Federation figures. I know of the figures from the zero carbon hub, and I know from where they have been derived. One proactive measure that could be taken to address this going forward would be to look at renewable energy as part of this because that is the primary issue with the costs, whatever the actual numbers are. It is currently an obligation on each house, or each development, that they have to provide a proportion of renewable energy in order to deliver the overall targets of carbon reduction. The problem is that that means that you are getting a lot of microgeneration and similar schemes. The issue of energy generation should be separated from energy reduction. Energy reduction in buildings is rightly a problem for developers, housebuilders and architects—we should be delivering buildings that demand the least energy possible—but the source of that energy should perhaps be disconnected from the roof of that building.

[204] **Mr Tomos:** I would reiterate that. It touches on issues to do with quality as well, because by disconnecting energy generation from energy consumption in terms of the targets, we might be able to ascertain the cost more precisely, both for the building fabric and other issues.

10.50 a.m.

[205] **Kirsty Williams:** I am just coming to the end of this bit. The Home Builders Federation says that the burdens are greater in Wales. Would you agree that that is the case?

[206] **Mr Tomos:** Yes. They are currently, yes.

[207] **Mr Sutton:** The targets in ‘Planning Policy Wales’ are higher than they are in England.

[208] **Brynle Williams:** What is the relation in cost of the land value to the unit price? Is it as simple as that? Can you work it in that way, depending on the density of the build?

[209] **Mr Price:** I could not give you a specific idea of what it is as a percentage of the land value. The cost of building homes to the sustainability standards comes off the land value. It is currently difficult to recoup that from the sale of properties, because people and lenders do not attach a premium to homes that have higher sustainability credentials. The focus is still on location or the various elements of the properties, such as kitchens and those sorts of things, so it is difficult to recoup the costs.

[210] It is rather ironic if we expect houses to be at a premium for higher sustainability credentials. Do we expect people to pay more for housing that has higher sustainability credentials, and if we are, how does that help our affordable housing crisis? What about people who are on the poverty line, or in the fuel poverty band? How do they afford more fuel-efficient houses if we expect those to be more expensive than the general housing that we have? It is a question of looking to see how we can reduce the cost of achieving different levels of sustainability standards and at the best way of doing that, as Andrew said. Would that be by reducing energy consumption via the fabric of the building or by bolting on various renewable energy technologies that would be expensive to maintain and might not work in the long term?

[211] **Kirsty Williams:** Time is against us, but I will let Leanne come in because I know that she is anxious to contribute. After that, we will finalise this set of questions.

[212] **Leanne Wood:** I have a lot of sympathy for what you say, but given what we know about climate change, we have to do something, do we not? I think that this policy is an attempt to do something with new builds. I agree with what you said about energy-use reduction taking priority over energy generation, as the cost of microgeneration can be

prohibitive. Is there a more creative way? We can prioritise the energy efficiency of a build, but is there a way to be more creative about energy generation? Rather than talk about which microgeneration units can go on a particular unit of housing, could we not look at developing, say, 20 houses with energy generation for that whole block of houses rather than for individual units?

[213] **Mr Tomos:** Yes. That is an approach that we support, as it looks more holistically at the energy consumption of a group of houses. For example, wind turbines and the like are pretty ineffective at a small level on low-lying areas, but big ones are more effective.

[214] **Mr Sutton:** Wales has immense natural resources, potentially. We should map out where those resources lie and how they can be tapped most effectively, as perhaps they would be best operated by individuals or companies that are good at operating renewable energy generation technology, rather than by me, for instance, as I would not necessarily clean the photovoltaic cell on my roof every week. To do that, to produce a strategy that maximises the use of our natural resources, and then to plug that into a network to deliver for development—

[215] **Leanne Wood:** What about that mapping work?

[216] **Mr Sutton:** That mapping work sounds like planning, I think.

[217] **Kirsty Williams:** Given the time constraints, if Joyce and Rhodri Glyn are happy to do so, we could submit the remaining questions in writing to our witnesses. I think that we have touched on some of the issues to do with local implementation and flexibility. Are you happy, Joyce and Rhodri, to do that?

[218] **Joyce Watson:** I just want to ask one tiny, final question, which I had started. It is a completely different question from the ones that you refer to.

[219] **Kirsty Williams:** Okay, ask away.

[220] **Joyce Watson:** The European planning model that I asked you to come back to me on is probably based on low ownership, so this is going to be a tough question. When we talk about delivering affordable homes, do you think that our policy is completely wrong under the current system? Do you think that we ought to be radical and look at delivering more houses for people to rent than to buy, as has been mentioned? Is the public being told a lie about the great ownership of the British home in respect of affordable housing?

[221] **Mr Tomos:** Well, that is a difficult one.

[222] **Joyce Watson:** Would you like to get back to us with an answer to that?

[223] **Kirsty Williams:** Yes, I think that that is a good idea. It is an interesting and topical question but it goes beyond the scope of this inquiry. However, your views would be most welcome if you wish to send them in.

[224] **Mr Tomos:** A key difference in Europe is that there is a much bigger private rental market there, and it is traditionally delivered by the private sector not the public sector, which is the traditional model in the UK. I do not know whether that could change.

[225] **Mr Price:** Speaking on behalf of the Home Builders Federation, I think that we should concentrate on home ownership in Wales.

[226] **Kirsty Williams:** You would say that, would you not? [*Laughter.*] We received a lot of evidence in the previous session about lack of expertise and resources within local

authority planning departments. Do you share those concerns that there is a danger of a lack of resource and expertise in planning departments?

[227] **Mr Tomos:** There are a few key issues, which could be used as ‘laxatives’, if you like, to help along some of the issues that we have seen. There is an issue on minor amendments to existing applications, which are now pretty much allowed in England, but not in Wales. Those tie up a lot of planning officers’ resource and time at the moment. Design and access statements are another issue, which clogs up the system in Wales. There is a better model in England. There has been poor implementation of that process in Wales. Those are just a couple of quick wins that would help all applications.

[228] **Mr Price:** Local authorities themselves have identified a deficiency in the skills to implement such policies, have they not? The Wales low/zero carbon hub held a meeting in June 2009, at which obstacles to achieving different sustainability standards were identified. One of those was a lack of skills not only among local authority planning officers implementing the policies, but also among tradespersons and people building homes, and also the people living in the homes.

[229] A point that the Deputy Minister for housing made to me once and which I keep repeating is that we do not know how people would live in homes with higher sustainability credentials, which require different ways of living. For instance, will they be able to dry their socks on the radiators and that kind of thing?

[230] **Mr Sutton:** Going forwards, we will not have a vast amount of extra planning resource, and so the key is to use the existing resource and the existing planning officers to do what they are trained for, which is primarily to deliver a plan that works for the needs of the community. Too much time is taken by planning officers dealing with elements that are not really to do with planning, such as discussions about a small householder extension that does not really overlook anything and to which the neighbours have agreed. Why does that need to go through the full process?

[231] **Lynne Neagle:** In summing up, what key recommendations do you wish to see this committee recommend to the Minister?

[232] **Mr Sutton:** As we said in the opening statement, there is an opportunity with the devolution of building regulations to Wales for us to look at the right processes for the right stages. There should be a strategy that is led from a national level down that determines how things should be developed, planning out the process of development, and then an enforcement strategy that comes through later on, at a stage when architects, housebuilders and designers have an understanding of how they can meet the requirements set at national, regional or local level in various hierarchical plans. If they can be checked and tested at an appropriate stage, we could have a planning system that enables the right development in the right place, because that would have been prescribed proactively. With that in place, we could have a system by which development happens appropriately and as we want it, in locations where we want it to happen, in a system that is much more proactive as opposed to being passive and responsive.

11.00 a.m.

[233] **Mr Tomos:** At the moment, planning officers act more like the police than enablers. That is probably a generalisation, but that is the main issue. The other issue is that all the relevant planning authorities have much more in common than they have differences, which questions the need for all the different documents from each planning authority.

[234] **Mr Sutton:** I have never been involved in a project where planning is not deemed, on

the risk schedule, to be an item that needs to be resolved as a risk. If planning consent is for a project that is developing something that is needed for the community in that area, why is it a risk?

[235] **Mr Price:** National guidance from the Welsh Assembly Government needs to understand that we need to build more homes in Wales, make homes more affordable for the general public, and bring house prices down, make homes accessible in the places where people want to live, and allow people and their families to live in homes that are affordable. That is a given in the national housing strategy, and it should be a key aspect of the Welsh Assembly Government's policy and translated into local guidance.

[236] My final point is that planning policies need to take account of the viability of developments. They need to be deliverable and not just based on the aspiration of whatever Government is in power.

[237] **Kirsty Williams:** Thank you—

[238] **Leanne Wood:** Before you close the meeting, I just want to request further information from the researchers. Mention has been made of the European system and the idea of permitted developments, which do not have to go through this process. Could we have a note on that to see what our options are?

[239] **Kirsty Williams:** It would be very interesting to look at that, and if any issues arise from that paper from the Members' research service, I am sure that the royal society would be happy to respond to any questions that we may have.

[240] **Leanne Wood:** I would like a further paper from the researchers, if possible, on the implementation body for the spatial plan. I would like some more information to see whether we can make a recommendation on that as well.

[241] **Kirsty Williams:** I am sure that our clerking team and the researchers here will have heard that and will ensure that that is done for us.

[242] On behalf of the committee, I thank the witnesses for their attendance and for the insight and views that have been given on this issue. We are very grateful indeed. A copy of the transcript will be sent to you, and if you want to raise any issues in relation to it, please let us know. Thank you for your time.

11.02 a.m.

Cynnig Trefniadol Procedural Motion

[243] **Kirsty Williams:** I move that

the committee, in accordance with Standing Order No. 10.37, resolves to exclude the public from the remainder of the meeting to discuss matters relating to its business.

[244] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.02 a.m.
The public part of the meeting ended at 11.02 a.m.*