

Senedd's Local Government and Housing Committee follow up inquiry on social housing supply HBF written submission

About HBF

The Home Builders Federation represents home builders in England and Wales. HBF's members build the majority of new homes built in England and Wales each year. Its membership includes national developers and hundreds of SME builders.

Below we have provided answers to the relevant questions raised by the committee, however, the key recommendations which we urge the Welsh Government to prioritise are:

- Introduce a presumption in favour of development on Local Development Plan allocated sites
- Enforce stronger statutory deadlines for Local Development Plans
- Drive consistency across Local Planning Authorities, including standardised agreements and approaches where possible
- Urgently resolve marine nitrate and phosphate planning restrictions to unblock stalled housing schemes
- Expand construction apprenticeships and work placements

1. Answers to questions asked by the Committee

- Work underway to meet the current 20,000 target and to ensure a pipeline post-2026;

A number of organisations are involved in the delivery of affordable homes, with HBF members having contributed mainly through S106 percentage requirements imposed on private house building schemes by polices within Local Development Plans. In addition, a willingness to sell additional units to RSL's has increased the number of affordable homes



provided by the private sector. HBF notes that recent Welsh Government statistics show an increase last year in the delivery of affordable home, although the overall number of new homes across all tenures has reduced and is at the second lowest level on record. HBF would suggest that if the overall number of homes delivered in Wales was increased then this would help deliver more affordable homes as the S106 requirement for affordable homes is set as a percentage of the private homes being delivered on each site. SME private house builders also often act as contractors through partnership schemes to deliver affordable homes for RSL's.

- Progress towards implementing the recommendations of the Affordable Housing Taskforce;

The HBF attends the Welsh Government Affordable Housing Taskforce Implementation group. Following the first meeting and initial correspondence from Welsh Government officials we identified a number of recommendations which we felt we could contribute to and assist with implementing. To date progress has been slow, limited to email correspondence and a few Teams meetings individually with Welsh Government officials. We have not yet been asked to attend any working groups looking at particular recommendations. HBF are not aware of any official update on progress which has been issued by Welsh Government.

- The extent to which work to increase supply is being undermined by other policy goals;

All new homes require planning permission and building regulations approval. Any changes to these requirements or policies can often cause delay to planning applications particularly when new polices are applied retrospectively to current applications. A recent example of this was the changes to Chapter 6 of PPW11 relating to Biodiversity which were brought in with no transitional period and LPA's chose to apply the requirements to planning applications already under consideration. The other two areas of increased planning policy intervention relate to, firstly an increase in the percentage requirement for affordable homes, Monmouth revised LDP requires 50% affordable on all allocated sites. Secondly polices which overlap with Building Control and look to control the standard to which new homes are built, particularly in relation to energy efficiency, (Monmouth and the Vale of Glamorgan). Even worse this is taken forward by each LPA separately and could result in a different building standard for each LPA. HBF believes that Building Control legislation is the correct way to control how a house is built and insures consistency across the whole of Wales.



In addition, the Natural Resources Wales (NRW) announcement in July 2025 relating to marine nitrate pollution led to an immediate halt on all housing planning applications and the discharge of drainage conditions in affected areas across South West Wales. A similar situation occurred in 2021 relating to phosphate pollution in rivers. Both remain ongoing issues.

- How the Welsh Government is developing its strategic role in relation to land;

HBF are not aware of any specific work in this area and have not been asked to meet with the Welsh Government land team to discuss how this might affect members. It is not currently clear if any land brought forward by Welsh government will be available to the open market or be limited to use by Housing Associations or local Authorities for the delivery of 100% affordable homes schemes.

- The availability of finance;

Generally, finance for housing schemes is triggered by the grant of planning permission, due to the ever-growing complexity and delays within the planning system, developers particularly SME's are finding it more difficult to finance future developments. Generally, this up-front finance required to either promote the site through the plan led system or obtain planning consent cannot be funded by banks. Although we are aware that the Development Bank for Wales can in some circumstances include a repayment of some of these upfront costs once a scheme progresses with planning permission.

- Issues relating to planning;

The planning system continues to cause significant delays to the delivery of new homes. In terms of housing led schemes HBF would suggest that no meaningful changes have been made to the planning system in Wales which have sped up the process. Other sectors such as infrastructure have seen these changes. The only significant change there has been since the report is an increase in planning fees, this may in the longer-term help resolve some of the resource issues faced by LPA's but only time will tell.

A variety of issues are faced across the whole planning system and in many cases are as a result of a lack of resources/skills. The plan led system (Local development Plans and Strategic Development Plans) is the start of the process identifying (allocating) the land on which homes can/should be built. The system allows developers to promote land, providing them with a pipeline of sites. However, this is both a costly and timely process favouring larger developers. Nearly half of the LDPs in Wales are now time expired and progress on



their reviews is very slow. Progress on SDP's has been even slower with the first one covering South East Wales planned for adoption in 2032 at the earliest. Promotion of a site through an LDP is likely to take at least 5 years.

Planning applications are the next stage in the process, these require ever increasing technical information and take an increasing length of time. Following a sites allocation it can often take 3-5 years to obtain a detailed implementable planning approval with delays around S106 agreements and discharge of planning conditions following the grant of permission.

The Affordable Housing Taskforce identified, greater standardisation, particularly in relation to Section 278 and Section 38 agreements (highways infrastructure) and Section 106 obligations (planning obligations), would significantly reduce negotiation times and administrative burden for both applicants and LPAs. Helping speed up the planning process.

Linked closely to the planning system, the introduction of mandatory SuDS has also resulted in significant delays in the delivery of homes, due to lack of resources and inconsistent approach. Development cannot commence until a SuDS approval is obtained and although applications can be run concurrently it is advisable to wait for planning approval to have been granted first in order to fix the detailed layout.

Many of the issues linked to planning have been identified in other recent reports including Affordable Housing Wales Audit Report 2024, 2019 Auditor General's report into the Effectiveness of Local Planning Authorities, and the 2024 Competition and Markets Authority's Housebuilding Market Study.

- Progress on developing the workforce;

HBF are aware that some work around apprenticeships has started in Wales, but this is unlikely to deliver meaningful change in the short term. Also, the increase in planning fees in the longer term may help LPA's recruit more planners, although currently there does appear to be a shortage of planners in Wales. HBF understands that the RTPI have recently completed some work on this for Welsh Government and the findings once published will hopefully give a clearer picture of workforce issues faced in Wales.

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