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Llywodraeth Cymru
Welsh Government

Welsh Government
Consultation – summary of responses

Delivery of housing through the planning system

Revisions to Planning Policy Wales and associated advice and guidance

March 2020

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Summary of responses

1. Introduction

- 1.1 The Welsh Government carried out a six-week consultation on proposed revisions to *Planning Policy Wales* and associated advice and guidance related to the delivery of housing through the planning system, from 9 October to 20 November 2019.
- 1.2 High quality new homes in the right locations are essential in Wales to meet the need for housing. The planning system, through the Local Development Plan (LDP) process, must identify the land needed to allow for building the new homes which local planning authorities have established as being required. However, there has been an under-delivery of the sites allocated in LDPs to meet the housing requirements.
- 1.3 The consultation proposals were put forward in response to a ‘call for evidence’ carried out in July 2018 which formed the first part of a Welsh Government review of housing delivery through the planning system. This review was undertaken in response to the under-delivery of the housing requirements set out in adopted LDPs and the concerns of local planning authorities and communities about speculative planning applications for housing developments on sites which are not allocated in LDPs.
- 1.4 Since the ‘call for evidence’ closed, a new edition of *Planning Policy Wales* has been published and a new edition of the complete *Development Plans Manual* has issued for consultation. Together these documents have addressed many of the issues raised by the ‘call for evidence’, with the overall aim of improving the delivery of the housing requirements in LDPs, based on the three principles set out in the ‘call for evidence’:
 - Planning decisions must be based on an up-to-date development plan – the plan-led approach to development management;
 - Housing requirements should be based on evidence and all sites identified to meet the requirement must demonstrate that they are deliverable;
 - Monitoring arrangements and any associated actions must reinforce the plan-led approach to development management.
- 1.5 Edition 10 of *Planning Policy Wales* has introduced more rigour and challenge into the plan-making process for allocating sites for housing to ensure that these sites are in the right locations, are sustainable and deliverable. This means that there needs to be more evidence on site delivery and viability, infrastructure requirements and place-making principles early in the LDP preparation process. *Planning Policy Wales*

also requires the inclusion in LDPs of housing trajectories setting out when specific sites are intended to be delivered across the plan period.

1.6 The aim of this consultation was to address the remaining issues raised by the ‘call for evidence’; essentially that the policy framework for ensuring housing delivery and the related monitoring mechanism (through Joint Housing Land Availability Studies) were not sufficiently aligned with the LDP process and therefore not providing an effective means of ensuring and monitoring housing delivery. The consultation proposed:

- To remove the requirement in *Planning Policy Wales* for local authorities to specifically provide a five-year supply of land for housing;
- To consequently revoke Technical Advice Note 1 (TAN 1) which sets out the mechanism for monitoring the five-year housing land supply through the Joint Housing Land Availability Study (JHLAS) process;
- To replace the monitoring of housing land supply by the monitoring of housing delivery based on the LDP housing trajectory, to be reported through the LDP Annual Monitoring Reports (AMRs);
- Further amendments to the *Development Plans Manual* to provide additional guidance on the process of monitoring against the housing trajectory.

2. Publicity

2.1 Details of the consultation were published on the Welsh Government’s website throughout its duration. The Heads of Planning at the 25 local planning authorities were notified of the consultation by an e-mail from the Welsh Government’s Chief Planner. The Home Builders Federation and the Planning Inspectorate Wales were also notified along with all the other consultees on the Planning Directorate’s ‘List of Consultees’.

3. The responses

3.1 A total of 89 responses were received. The largest group was businesses (29 – largely housing developers and planning consultants) representing 33% of respondents. Responses were also received from 18 local planning authorities representing 20% of respondents and from 28 individuals responding in a private capacity (31% of respondents). Other responses came from Town and Community Councils, professional bodies and from the voluntary sector. A list of all the respondents by category is set out in the Appendix.

4. Summary of responses by question

4.1 This section summarises responses to the 3 consultation questions and any further comments that were made by respondents.

Question 1: Planning Policy Wales – Policy on housing trajectories

It is proposed that the policy of maintaining a five-year housing land supply is replaced by the use of LDP housing trajectories to monitor housing delivery, with the consequential revocation of TAN 1 and amendments to the Development Plans Manual. To what extent do you agree or disagree that LDP housing trajectories as part of the AMR process provide an effective means of monitoring the delivery of LDP housing requirements?

Respondent by type	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion	No response
Business	0	1	0	3	25	0	0
Local Authority / Local Planning Authority	2	9	3	1	0	0	3
Government agency / Other public sector	1	2	2	0	0	1	0
Professional body / Interest group	1	1	1	0	1	0	1
Voluntary sector	0	1	0	1	1	0	0
Responding in a private capacity	1	3	1	1	22	0	0
Total	5	17	7	6	49	1	4
Percentage	6%	19%	8%	7%	55%	1%	4%

4.2 A majority of the respondents (62%) disagreed with the proposal that LDP housing trajectories would provide an effective means of monitoring the delivery of LDP housing requirements. However, there was a disparity between the types of respondent with 97% of the business sector along with 82% of those individuals responding in a private capacity opposed to the proposal. By contrast, 65% of local planning authorities agreed with the proposal.

4.3 The business sector argued that the monitoring of LDP housing trajectories would not be an adequate replacement for the monitoring of housing land supply via the JHLAS process. In particular, businesses considered that this approach was backward

looking rather than forward looking and would result in reduced housing delivery. Businesses were generally of the view that the underlying cause of the lack of housing delivery was insufficient scrutiny of the sites allocated through the LDP process, resulting in the inclusion of undeliverable sites. Those local planning authorities that agreed with the proposal considered that it would reinforce the planned system and that the monitoring of housing trajectories would clearly illustrate housing delivery against the LDP strategy which would have undergone public examination. In addition, respondents from the voluntary sector considered that monitoring housing delivery against a housing trajectory would provide a more accurate and easier to understand process for communities.

- 4.4 Some respondents from a number of sectors expressed concern that the proposal would cause difficulties for those local planning authorities that adopted their LDP prior to the requirement for a housing trajectory to be prepared. A number of these respondents suggested that an amended JHLAS process based on an annualised LDP housing requirement should be retained for an interim period for those authorities without a housing trajectory. Other respondents argued that the JHLAS process should be reviewed rather than being removed completely.
- 4.5 The issue of addressing under-delivery against the trajectory was raised by many respondents. The business sector argued that the four year plan review process was not an adequate means of addressing under-delivery as it took too long to complete and a much more responsive mechanism was needed. Respondents from both the business sector and from planning authorities considered that some form of 'delivery test' or 'trigger' would be needed, based on a variance from the trajectory – figures of 5% or 10% below the trajectory were suggested. Some planning authorities considered that Welsh Government guidance would be needed about assessing planning applications where the trajectory is not being achieved, in particular for appeals. Planning authorities also considered that 'under-delivery' should endure over a specified number of consecutive years before a plan review was triggered and that the reasons for the lack of delivery should be taken into account. Some businesses considered that significant weight should be afforded to a significant shortfall in delivery against the housing trajectory where the planning authority had failed to take reasonable steps to rectify the situation through their LDP AMR.
- 4.6 Respondents from most sectors raised the issue of the involvement of the development industry in the process of reviewing housing delivery, considering that it was important for this aspect of the JHLAS process to be retained. It was considered that liaison with the housing industry should form part of an annual review of the housing trajectories through the AMR process.

Question 2: Development Plans Manual (Chapter 5) – Preparing a housing trajectory

To reflect the changes proposed to Planning Policy Wales, changes are required to Chapter 5 of the Development Plans Manual (Preparing an LDP – Core Issues). To what extent do you agree or disagree that the guidance on how to prepare a housing trajectory is clear?

Respondent by type	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion	No response
Business	0	1	2	7	14	1	4
Local Authority / Local Planning Authority	3	7	4	0	1	0	3
Government agency / Other public sector	0	2	1	2	0	1	0
Professional body / Interest group	1	1	1	1	0	0	1
Voluntary sector	0	1	0	1	1	0	0
Responding in a private capacity	0	6	2	17	3	0	0
Total	4	18	10	28	19	2	8
Percentage	5%	20%	11%	32%	21%	2%	9%

- 4.7 The response to the proposed guidance in the *Development Plans Manual* regarding preparing a housing trajectory was quite mixed; however a slight majority (53%) disagreed with the guidance, generally seeking more clarity about various aspects. Again, there was a disparity between the types of respondent, with 72% of the business sector disagreeing with the guidance in contrast to 56% of local planning authorities being in agreement with the guidance. 71% of those responding in a private capacity also expressed disagreement with the proposed guidance.
- 4.8 The need for more clarity on the phasing of development throughout the plan period as expressed in housing trajectories, in particular in relation to strategic sites, was raised by respondents from the business sector. Businesses were also concerned that housing trajectories would effectively become a ‘phasing policy’ which could distort the open market.
- 4.9 As indicated in 4.7 above, local planning authorities generally agreed that the proposed guidance on preparing a housing trajectory was clear and provided an

appropriate level of detail. However, a number of authorities suggested some amendments to parts of Chapter 5.

Question 3: Development Plans Manual (Chapter 8) – Monitoring housing delivery

Changes are also required to Chapter 8 of the Development Plans Manual (Monitoring, Review and Revision). To what extent do you agree or disagree that the amended Chapter 8 and the new indicators for measuring housing delivery provide an effective means of implementing the revised policy in Planning Policy Wales and the monitoring of LDPs?

Respondent by type	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion	No response
Business	0	1	0	3	24	0	1
Local Authority / Local Planning Authority	3	7	0	4	1	0	3
Government agency / Other public sector	0	2	3	0	0	1	0
Professional body / Interest group	1	0	1	0	1	0	2
Voluntary sector	0	2	0	0	1	0	0
Responding in a private capacity	0	3	1	1	23	0	0
Total	4	15	5	8	50	1	6
Percentage	4%	17%	6%	9%	56%	1%	7%

4.10 A majority of respondents (65%) did not agree with the proposed amendments to Chapter 8. However, there was again a disparity between the types of respondent, with 93% of the business sector disagreeing with the amendments to Chapter 8, along with 86% of those responding in a private capacity. By contrast, 56% of local planning authorities agreed with the amendments.

4.11 Improved clarity on various aspects of the guidance was the main issue for respondents who expressed disagreement with the revisions to Chapter 8 of the *Development Plans Manual*. Respondents who were in general agreement with the revisions also raised some issues of clarity. Particular issues that were raised by respondents were:

- The need to ensure that completions are monitored against the original housing trajectory included in the adopted LDP.
- ‘Triggers’ for under-delivery, including the appropriate level of variance from the trajectory and the point in the plan period from when they apply.
- The appropriateness of the actions proposed to address under-delivery against the trajectory.

- The process for updating the housing trajectory, including the involvement of stakeholders in this process.
- The position of those local planning authorities which do not review their LDPs in accordance with the required timeframe (i.e. in advance of the end date of their extant LDP) and therefore will not have either a trajectory in place or be undertaking annual monitoring of housing delivery through the AMR process.

5. Welsh Government response

- 5.1 As set out in paragraph 1.4 above, the principles underlying the proposed changes in the consultation are intended to reinforce the plan-led system by introducing a housing delivery monitoring process which closely aligns with LDP strategies and the timing and phasing of allocated sites, and is an integral part of the process of LDP monitoring and review.
- 5.2 Housing trajectories set out the expected rate of delivery of housing sites over the plan period to achieve the LDP housing requirement. The monitoring of housing delivery against the LDP housing trajectory will involve both housing completions and a forward look at the implications for delivery over the remaining years of the plan period as expressed in the trajectory. This proposal is firmly based on the identification of a supply of land to support the LDP housing requirement and an increased level of scrutiny of the deliverability of these sites as part of the LDP preparation process, as established in Edition 10 of *Planning Policy Wales*. This should ensure that only deliverable sites are allocated in LDPs and that housing trajectories therefore represent a realistic rate of delivery for these sites.
- 5.3 It is recognised that a few local planning authorities which adopted their LDPs early will not have housing trajectories or the trajectories they prepared as part of plan preparation do not comply with the revised *Development Plans Manual* or were not updated at the end of the examination of the plan. Authorities in this position will not have fully ‘Manual compliant’ trajectories until they have completed their plan reviews. . In response, additional guidance has been included in the *Development Plans Manual* on the methodology to monitor housing delivery in LDPs adopted prior to and post publication of *the revised Manual*, as well as for authorities in the process of preparing their first LDPs. The approaches are very similar in nature, with both based on the preparation of a housing trajectory. Clarity has also been provided on the status of a housing trajectory, both in plan preparation and in AMRs to address concerns raised about this issue.
- 5.4 Regarding the preparation of housing trajectories, the *Development Plans Manual* emphasises that local planning authorities should consider issues such as lead-in times for sites, the inter-relationship between sites, potential constraints and infrastructure provision. The overall aim should be to achieve a steady flow of sites delivered across the plan period and avoiding the ‘loading’ of site delivery towards the end of the plan period.

- 5.5 To aid consideration of the issues highlighted in paragraph 5.4 when an authority is preparing a housing trajectory, new guidance has been included in the *Development Plans Manual* for the establishment of a mandatory 'Housing Stakeholder Group' to involve house-builders and other stakeholders in the plan preparation and review (AMR) process. The revised Manual provides guidance on the purpose, remit and membership of Housing Stakeholder Groups. These Groups will be important in ensuring that when trajectories are both prepared and reviewed, they accurately reflect housing completions in relation to the agreed delivery rates set out in the original LDP trajectory and take account of the timing and phasing of sites in the remaining plan period.
- 5.6 With regard to the technical aspects of calculating a housing trajectory, several respondents suggested ways to improve the clarity of the guidance in the *Development Plans Manual*. These suggestions have been taken on board and the guidance has been amended accordingly.
- 5.7 As highlighted in the analysis of the responses above, there was particular concern about the response of local planning authorities and businesses to under-delivery of housing measured against the LDP housing requirements expressed in trajectories. It is anticipated that the current prevalence of this issue will be ameliorated by the changes that have already been made to *Planning Policy Wales* to ensure that the sites allocated in LDPs are deliverable in the timeframes indicated in housing trajectories. In addition, the relevant guidance in the *Development Plans Manual* has been amended in response to specific issues of detail raised by respondents.
- 5.8 Regarding the issue of the need for a 'delivery test' or 'trigger' for taking action on variances from the housing trajectory, guidance on this issue is provided in the revised *Development Plans Manual*. As part of monitoring their LDPs it is the responsibility of local planning authorities to establish 'trigger points' for determining how policies are working and whether action is required. Local planning authorities are best placed to determine the appropriate trigger points based on the composition and timing of their housing allocations as set out in their housing trajectories. When trigger points are activated, investigation is required to understand why policies and proposals are not being implemented as intended and determine what action will be necessary. For under-delivery against the housing trajectory, LPAs must clearly set out how variances will be considered through future actions, depending on the magnitude of any variance.
- 5.9 In relation to concerns expressed about the loss of the five-year housing land supply requirement as a material consideration in planning decisions, *Planning Policy Wales* makes clear that identifying a land supply to support the delivery of the housing requirement and a focus on the delivery of the housing requirement are key aspects of the planning system. Therefore under-delivery against the LDP housing trajectory may be a material consideration when assessing planning applications for housing developments, along with all other aspects of LDP Annual Monitoring Reports.

5.10 It is recognised that early LDPs were not always robust in terms of identifying deliverable housing allocations or housing requirements. However, as the LDP system has bedded in (since 2005) and evolved, in later plans there has been an increased emphasis on viability and delivery in plan content, evidence and policy requirements. The degree of under-delivery in the future should be significantly less than was previously the case due to the added rigour and robustness of plan preparation and the front-loading of the supporting evidence. As a result of the proposed amendments to *Planning Policy Wales* and the *Development Plans Manual*, plans should be more robust and deliver the level of housing that is intended in the majority of cases.

6. Next Steps

- 6.1 The Minister for Housing and Local Government will issue a letter setting out revisions to *Planning Policy Wales* implementing the replacement of the five-year housing land supply policy by policy on the monitoring of housing delivery against LDP housing trajectories. The letter will also consequentially cover the revocation of TAN 1 (Joint Housing Land Availability Studies) and the publication of Edition 3 of the *Development Plans Manual*.
- 6.2 Subsequently a new edition of *Planning Policy Wales* incorporating the revised policy will be published in the autumn of 2020.

Appendix – List of respondents

Business	
Emery Planning	Redrow Homes
Llanarth Estate	Sullivan Architecture
Sullivan Land and Planning	Boyer Planning
Gwyllt Ltd	On-site Plumbing Ltd
Gladman Developments	Barwood Development Securities
Newbridge Construction	Barton Willmore
Persimmon Homes West	Taylor Wimpey
Bovis Homes	Macbryde Homes
Persimmon Homes East	Savills
PER Consulting	Gwent Land Ltd
Barratt and David Wilson Homes	Kier Living Wales and South West
Bloor Homes North West	Llanmoor Homes
DPP Planning	A further 1 respondent was unidentified and a further 3 requested to remain anonymous
Total – 29	Percentage of total respondents from this category – 33%

Local Authority / Local Planning Authority	
Merthyr Tydfil Council	Ceredigion Council
3 National Park Authorities	Newport Council
Bridgend Council	Flintshire Council
Denbighshire Council	Rhondda Cynon Taf Council
Caerphilly Council	Carmarthenshire Council
Cardiff Council	Vale of Glamorgan Council
Monmouthshire Council	Gwynedd and Anglesey Councils
Conwy Council	Powys Council
Wrexham Council	A further 1 respondent requested to remain anonymous
Total – 18	Percentage of total respondents from this category – 20%

Government Agency / Other public sector	
Penarth Town Council	Public Health Wales
Bay of Colwyn Town Council	A further 2 respondents requested to remain anonymous
Llandysilio Community Council	
Total – 6	Percentage of total respondents from this category – 7%

Professional Body / Interest Group	
CLA Cymru	Royal Town Planning Institute
Institute of Civil Engineers Wales	Home Builders Federation
Law Society	
Total – 5	Percentage of total respondents from this category – 6%

Voluntary sector	
Planning Aid Wales	Pobl Group
Trevelyan Court Residents Group	
Total – 3	Percentage of total respondents from this category – 3%

Responding in a private capacity	
Mr & Mrs Flice	Paul Hammond
Maxine Erricker	Paris Collingbourne
Dave Hodges	Emily Mitchell
Mark Thomas	Christian Johnson
Michael Watkins	Jeremy White
Stephen Morgan	Paul Collins
Anna Sullivan	Zoe Abberley
Michael Booth	Peter Ballantyne
Martin Lewis	A further 10 respondents requested to remain anonymous
Mark Painter	
Total – 28	Percentage of total respondents from this category – 31%

A total of 16 respondents (18%) requested to remain anonymous.

Copies of responses are available on request from the Planning Directorate, Welsh Government (e-mail: Planning.Directoriate@gov.wales).