

WALES PLANNING RESEARCH PROGRAMME 2001/02

Research Report: 'Second and Holiday Homes and the Land Use Planning System' – Welsh Assembly Government response to the recommendations

Introduction

1. This research project was undertaken as part of the Wales Planning Research Programme 2001/02. The Wales Planning Research Programme has been established to support evidence-based policy making that is distinctive and directly relates to the needs of Wales.

2. The context for this research is the Assembly Government's policy to assist the development of thriving sustainable rural communities in a strong rural economy. This includes ensuring a sufficient supply of affordable housing and providing choice in meeting local needs.

3. The Land Use Planning Forum, set up by the Assembly in January 2000, recommended in its report in July 2000 that research should be undertaken on the land use implications of second homes in rural areas to inform the future review of planning policy. 'Better Homes for People in Wales – A National Housing Strategy for Wales' also raised the need for research into the effectiveness of the land use planning system in providing affordable housing for local people.

4. In response to the recent review of planning policy ('Draft Planning Policy Wales', February 2001) consultees indicated that some changes to policy in this area were required. These changes have been incorporated in 'Planning Policy Wales' (March 2002) and answer a number of the issues raised during the research.

5. The aim of the research was:

- to establish the number and location of second and holiday homes in rural communities, particularly those in National Parks, and to make recommendations about how data collection systems could be improved; and
- to establish their effect on the local housing market and the availability of affordable housing for sale and for rent in meeting local needs.

6. The first stage of the project included an examination of the policy context at the national and local levels by identifying issues raised in national planning policy, affordable housing policy and other strategies, all unitary development plans, housing strategy and operational plans, and housing needs assessment surveys. The research also included interviews with stakeholders and other potentially interested organisations and more detailed case studies of five areas which were selected to reflect the different circumstances and issues relating to second and holiday homes in Wales.

7. The research was carried out by the Bartlett School of Planning, University College London (Dr Mark Tewdwr-Jones, Dr Nick Gallent and Alan Mace) in association with:

- The Institute of Geography and Earth Sciences, University of Wales Aberystwyth (Dr Bill Edwards);

- Professor Gwyndaf Williams, Professor of Urban Planning and Development at the Department of Planning and Landscape, University of Manchester (operating for this project as an independent consultant); and
- with advice from Dr Dylan Phillips, Senior Lecturer in the School of Welsh at Trinity College Carmarthen, in relation to cultural and linguistic issues as they affect the present land use planning system and housing choice in local communities.

8. This report sets out the response of the Welsh Assembly Government to the research team's recommendations. The research must also be considered in the light of a more comprehensive programme that the Assembly Government is undertaking, covering the full complexity of issues involved in understanding how to maintain (and create) viable rural communities. This associated programme of research covers a wide range of topics, many outside the land use planning field, including the following:

- 'Sustainable Settlements' – due to be carried out under the Wales Planning Research Programme 2002/03;
- 'Age-balanced Communities' – this research is currently underway, managed by the Rural Policy Division;
- 'Winning Mid Wales – A Strategy for Achievement' – a joint project with the Mid Wales Partnership;
- 'Language Impact Studies' – consideration is being given to joining with local planning authorities and the Welsh Language Board in this collaborative research;
- 'Rural Housing Market Study' – proposed for the 2003/04 Housing Research Programme.

9. This evolving programme may in time require adjustments to planning policy or guidance. In future the Assembly Government may issue further planning guidance to local planning authorities to assist them in sustaining communities through their development plans. In the meantime, the Assembly Government will continue to work with the local planning authorities who are most affected by second and holiday homes to assist in the implementation of current policy and guidance and also with the relevant Technical Advisory Groups in reviewing the guidance.

10. The recent consultation on 'Planning: delivering for Wales' aimed to ensure that the planning system becomes clearer, more certain and increasingly responsive to the needs of our society. The government will soon be responding to those who commented and indicating a way forward, which has potential implications for some of the research recommendations.

11. Finally, the Assembly Government also sees a potential role for the Wales Spatial Plan in helping address the issues raised by the geographic pattern of small settlements, particularly those in National Parks.

Recommendations and responses

The research team's recommendations, which are contained in Chapter 7 of the final report, are set out below. The context for each recommendation (summarised from the report) is also set out, followed in *italics* by the Assembly Government's response.

RECOMMENDATION 1 - The identification and provision of policies for sustainable communities

We recommend that local planning authorities identify particular communities in their Development Plans where it is proven that the combined impacts caused by such matters as a defined and unmet housing need, a lack of economic diversification, linguistic and cultural sensitivity, and external housing pressure, are undermining the sustainability of these communities.

Context: Based on the view that some communities across Wales require an enhanced status within the planning system as a consequence of the combination of issues that impact upon their well-being. Further, that these communities could benefit from exclusive provision of local needs housing and be the focus of capital receipt investment from council house sales and the ring-fencing of a proportion of council tax revenue.

Response: *The general approach suggested matches Assembly Government policies on sustainable communities and dovetails with the principles embodied in the Assembly Government documents 'Planning Policy Wales' (2002), 'Preparing Community Strategies' (2001) and 'Unitary Development Plans Wales' (2001). In addition, Technical Advice Note 1 provides guidance on Joint Housing Land Availability Studies, the purpose of which is to monitor the availability of land for general housing provision. This is essentially a recommendation for local planning authorities to take forward in developing their Unitary Development Plans (UDPs).*

The Assembly Government accepts that further work needs to be undertaken with local planning authorities to help define the characteristics of sustainable communities. A research project on 'Sustainable Settlements' has been included in the Wales Planning Research Programme (WPRP). The aim of the project is to provide advice and best practice guidance to local planning authorities on the land use characteristics of sustainable settlements. Consideration is being given to widening the scope of the project to include factors such as social composition via affordable housing policies, modes of travel, employment, etc.

It is the responsibility of local planning authorities to provide evidence of housing need. The Assembly Government document 'Local Housing Needs Assessments: A Good Practice Guide' (1999) provides guidance. Supplementary guidance on the assessment of housing demands is due to be published by the Assembly Government later this year.

On housing issues specifically, usable capital receipts can be used for any capital purpose under the current system. The Assembly Government recognises that there are genuine concerns about the current system. Accordingly, it proposed in 'Freedom and Responsibility', issued in March this year, that housing capital receipts should only be used for housing capital purposes.

Regarding Council Tax revenue, non-hypothesation of local authority funding, whether from the Assembly or from receipts, is a fundamental part of the Partnership Agreement between the Assembly and the Welsh Local Government Association / Welsh local authorities. Local authorities have asked for flexibility, and been given it. There is a clear agreement with local government that in return for greater freedom - and responsibility - to determine their own expenditure on different services, they must deliver on key outcomes in areas that are top priorities for the Assembly, including affordable housing. There is no specific policy or legislation in place to ring-fence council tax revenue, or any other element of local authority funding (excepting specific grant schemes).

RECOMMENDATION 2 - Greater Use of Planning Gain, including setting Planning Gain Targets

We recommend that planning gain requirements for affordable housing within specific communities must be transparent and open and known in advance of negotiations with developers. We additionally recommend that planning gain targets be stipulated within development plans.

Context: The process of local authorities bargaining for affordable housing units as part of planning gain for new development sites needs to be encouraged to a far greater extent. The options that are available to local planning authorities to ameliorate the effects of second and holiday homes on the ability of local people to access affordable housing are under-used.

Response: *The Assembly Government has already accepted the need for planning obligations to be transparent and contained in UDPs (see 'Planning Policy Wales' paragraph 4.7.1). The matter was considered further in the recent consultation on planning obligations undertaken from 1 February to 29 April 2002 and will be taken into account in revising current guidance and best practice for local planning authorities. Local planning authorities' under-use of the tools available to them to secure affordable housing for local people will be addressed and will be considered as part of the Assembly Government's current review of planning obligations and review of Technical Advice Note 2 on affordable housing. Consideration is also being given to the introduction of secondary legislation for the inclusion of details of 'planning gain' on the Planning Register.*

RECOMMENDATION 3 - Pooling Gains from Planning

Policies should be placed in development plans, aimed at pooling developers' contributions (commuted sums from larger sites within towns) and targeting them at sustainable communities.

Context: Small villages rarely benefit from the gains extracted from new development as development in such locations is seldom significant enough to generate a useful contribution.

Response: *The Assembly Government supports, in principle, the concept of pooling and directing developers' contributions towards sustainable communities. This recommendation will be considered as part of the review of planning obligations mentioned above in response to Recommendation 2.*

RECOMMENDATION 4 – Specific Affordable Housing Sites to be Allocated Within Development Plans

Local authorities should be encouraged to designate affordable housing sites within their development plans for very exceptional circumstances, where a combination of social, economic and cultural factors give rise to a unique set of problems for specific localities.

Context: As ‘sustainable communities’ will be areas of proven need, it would be appropriate to ensure that affordable housing is actively promoted within these communities.

Response: Local planning authorities can already make such designations. The aim, as set out in ‘Planning Policy Wales’ (para. 9.2.14), is that “new housing development in both rural and urban areas should incorporate a reasonable mix and balance of house types and size to cater for a range of housing needs.” This is to encourage the development of inclusive, sustainable communities. This approach was supported by most of the respondents to the consultation on planning obligations referred to above.

This issue will also be considered as part of the wider programme of research referred to in the ‘Introduction’ to this paper. In particular, it could be considered as part of the project on ‘Sustainable Settlements’ and also relates to the revision of Technical Advice Note 2 on affordable housing and the revision of Technical Advice Note 1 on Joint Housing Land Availability Studies. (The review of the Technical Advice Notes (TANs) will be carried out with the involvement of Technical Advisory Groups (TAGs), consisting of ‘expert’ representatives from local government and from the business and voluntary sectors.)

RECOMMENDATION 5 – Re-examination of the Rural Exceptions Policy

We recommend that the rural exceptions policy be re-examined by the Welsh Assembly Government to overcome the perceived financial and land barriers to development by housing associations. This re-examination might also include in what circumstances registered social landlords can be supported in the event of their inability to let property.

Context: The ‘rural exceptions’ approach has only provided small amounts of additional affordable housing and measures therefore need to be taken to remove the impediments to developing such sites.

Response: The Assembly Government considers that the use of rural exception sites (ie. sites not included in a UDP) is a special provision which may be used when essential to help ensure the viability of the local community. As such, it is not intended to provide anything other than “small amounts” of affordable housing. Guidance on the provision of rural exception sites is set out in ‘Planning Policy Wales’ (para. 9.2.19) and this makes clear that an “up to date local housing needs assessment survey, or other recent, reliable and robust evidence” is required to support such policies.

The Assembly Government already provides additional funding for Registered Social Landlord (RSL) schemes which have unavoidable abnormal costs, where there is no

other means of meeting priority needs. With regard to the possibility of RSLs being unwilling to develop sites in villages in case they find themselves with a vacant property in the future, this is unlikely to happen where there is proven need and the reluctance is more likely to stem from problems inherent in the use of Section 106 Agreements. This aspect is being examined as part of the review of planning obligations referred to above.

RECOMMENDATION 6 – Meeting and Managing Second and Holiday Home Demand

We recommend that local authorities should encourage the development of new-build second and holiday homes targeted in less sensitive areas. They might also consider allowing the conversion of derelict homes, unsuited to local needs, for this same purpose.

Context: Developing a realistic and sensible strategy for dealing with second and holiday home demand to ensure that it is more effectively managed and steered away from the most sensitive communities.

Response: *In principle, the Assembly Government considers that this approach should be looked at further, taking account of the complexity in local housing markets. When considering specific housing sites and their potential development local planning authorities could discuss this option with developers as a matter of best practice (as encouraged by ‘Planning Policy Wales’, para. 9.1.4). This issue could also be considered in the context of reviewing TAN 1 (‘Joint Housing Land Availability Studies’) and TAN 2 (‘Planning and Affordable Housing’), which will include the involvement of the relevant stakeholders via TAGs, as referred to above. The Assembly Government would consult on any resultant change to planning policy.*

In terms of the conversion of derelict homes unsuited to local needs, caution needs to be exercised as unsuitable, unsustainable dwellings in the countryside could be the result (‘Planning Policy Wales’, para. 7.6.11 provides guidance). In addition, Welsh Office Circular 35/95, ‘The use of conditions in planning permissions’, describes (at para. 117) circumstances in which “redundant buildings” can be used as holiday homes.

RECOMMENDATION 7 – Planning and the Welsh Language

We recommend the revision of planning policy and TAN 20 to provide more robust statements on their potential applicability, and how they might be used in association with other material planning considerations for individual planning applications.

Context: The Welsh language has been recognised as a material consideration in the planning system, both in the formulation of development plan policies and in the determination of planning applications. However, local planning authorities have rarely drawn on the Assembly Government’s planning advice in practice.

Response: *The Assembly Government has recently strengthened policy on planning and the Welsh language through the publication of ‘Planning Policy Wales’ in March 2002, with the Welsh language being recognised as a material planning consideration. It is recognised that implementation of this policy may be problematic.*

The Assembly Government is therefore currently considering an invitation to take part in a piece of collaborative research with local planning authorities and the Welsh Language Board into 'Linguistic Impact Studies'. The research brief sets out that the study will seek to identify practical tools for delivering Assembly Government policy guidance on the Welsh Language as set out in Technical Advice Note 20 ('The Welsh Language – Unitary Development Plans and Planning Control') and 'Planning Policy Wales' (2002).

The Welsh Language Board issued a Circular in July 2002 entitled 'Community Strategies and the Welsh Language'. The Circular sets out a methodology for assessing the linguistic nature of the community, undertaking community appraisals, encouraging participation, setting objectives and targets, and monitoring and evaluation.

The Assembly Government's general strategy for the Welsh language is set out in the policy statement 'Dyfodol Dwyieithog: Bilingual Future' (July 2002) and will be developed in more detail in an Action Plan for the Welsh Language to be published towards the end of 2002.

RECOMMENDATION 8 - Language Impact Assessments

In conjunction with Recommendation 7, we recommend further research to assess the feasibility of requiring local planning authorities to undertake 'Language Impact Assessments' as part of assessing planning application submissions by developers.

Context: The introduction of some form of language impact assessment procedure within the planning system was suggested by a number of organisations in Wales in order to chart the possible effects developments may have on the social and/or cultural attributes of communities.

Response: This issue would be examined as part of the collaborative research referred to above in response to Recommendation 7.

RECOMMENDATION 9 - Status of Social Considerations in Planning

We recommend that the Royal Town Planning Institute, in association with the Welsh Assembly Government and other professional organisations, provide training and advice to elected members and officers on the handling of wider social, community and cultural matters in their planning duties.

Context: There appears to be reluctance to utilise planning policy relating to the Welsh language because of uncertainty about its status within the land use planning process. Training about issues concerning social and community concerns could help to provide guidance on the possible uses of this policy.

Response: The Assembly Government's 'Planning: delivering for Wales' consultation paper incorporated proposals to encourage training for elected members and officers and there was strong support from respondents for these proposals. This recommendation is therefore already being considered as part of the current planning reform process detailed in 'Planning:Delivering for Wales'.

RECOMMENDATION 10 - Community Planning and Community Consultation

We recommend that the Welsh Assembly Government consider how the planning system can be made more responsive to community values and how individual communities can be more effectively consulted on planning related issues.

Context: Community concerns are often not sufficiently recognised or prioritised within the planning system. The introduction of Community Strategies is welcomed, but more guidance is needed to clarify their relationship with Development Plans to provide the link between social and community issues and planning.

Response: *The ‘Planning: delivering for Wales’ consultation paper incorporated proposals for strengthening community involvement in planning and decision making and these proposals were supported by respondents. A ministerial statement on the way forward is due to be made.*

In addition, ‘Planning Policy Wales’ (2002) sets out (at section 2.11) local authorities’ responsibility “to prepare a community strategy to promote the economic, social and environmental well-being of its area” and in so doing “the local community, community councils and other appropriate stakeholders need to be involved in establishing objectives, priorities and responsibilities for action, and in timetabling and implementation.”

The Assembly Government’s ‘Communities First’ programme for regenerating communities should also help to raise awareness within local authorities of the benefits of involving communities in the decisions that affect them.

RECOMMENDATION 11 - Strategy and Policy Compatibility Between Housing and Planning Documents

While Housing Strategies and Operational Plans (and their replacement) are a material consideration in planning, we believe that their weight and status within planning should be enhanced. We recommend that the Welsh Assembly Government produce stronger advice to local planning authorities on the role and use of housing strategies within plan formulation and development control. Local authorities should ensure that planning and housing departments are committed to integrating HSOPs and UDPs (and their replacements).

Context: Local authorities’ development plan and housing strategy documents could be utilised to a far greater degree in addressing housing and planning issues facing rural areas, including assessment of second and holiday home numbers in pressurised communities. Giving the housing strategy documents enhanced status within planning should help to ensure that the different plans are better co-ordinated and that different department’s personnel are aware of the key housing issues within each local authority area.

Response: *The Assembly Government recognises the need for strategy and policy compatibility between local authorities’ housing and planning documents. That is why stronger guidance for local planning authorities to take account of housing strategies*

was included in 'Planning Policy Wales' (2002) (at para. 9.1.3) and the document 'Working Together: A Guide for Planners and Housing Providers' (RTPI 2001) was referenced to bring it to the attention of authorities.

In addition, the Assembly Government guidance, 'Preparing Local Housing Strategies' (2002) (Section 7), advises local authorities to ensure that strategies are not formulated in isolation where policies have cross-cutting links to other service areas. The guidance states that it is essential that the Local Housing Strategy be framed firmly within the context of an authority's Community Strategy and be mutually supportive of relevant corporate strategies and plans. In terms of the links to land-use planning and development control, the guidance is explicit in advising local authorities that close co-operation with their planning department is essential to ensure consistency and mutuality with the Unitary Development Plan. Having provided the guidance it will be for local authorities to determine their working practices and the respective emphasis they give to Housing Strategies and their Local Authority Housing Operational Plan in undertaking their land-use planning function.

RECOMMENDATION 12 – Joined Up Working on Planning and Housing Matters. Integrated Working Between Unitary Authorities, Registered Social Landlords and Other Stakeholders

Where they do not exist, we recommend that local authorities establish and coordinate a local housing forum comprising representatives of the planning and housing departments, registered social landlords, housebuilders, community groups, and other relevant actors. The purpose of these would be to ensure that all local parties are represented in discussions on local housing and planning issues and that all are more aware of each other's priorities.

Context: Many local planning authorities lack sufficient evidence to enable planning officers to negotiate affordable housing on specific sites. Housing needs assessments can address this deficit and all local authorities should undertake or commission these studies. There appears to be a lack of information exchange between relevant personnel within authorities.

Response: The Assembly Government already **promotes** integrated working between stakeholders – the guidance 'Preparing Local Housing Strategies' (2002) (Section 8) seeks to ensure that the widest possible local ownership of the Local Housing Strategy is achieved through the involvement of all key housing partners and that consultation is undertaken with all stakeholders. An extensive list of who these may be is provided and the use of 'Partnership Forums' is explicitly covered. The use of Local Housing Consultative Forums advocated by the Welsh Local Government Association is an example.

While it will be for local authorities to determine the detailed nature of their joint-working arrangements, the guidance states that, as a minimum requirement, it is expected that Local Housing Strategies show evidence of partnership working in key aspects of the document (e.g. the defined long-term housing vision, in the assessment of housing needs and demands, the setting of strategic housing objectives and target outcomes and in reviewing the Local Housing Strategy).

RECOMMENDATION 13 – Highlighting Rural Housing Needs Within National Parks

The NPAs do not have any statutory responsibility for housing; consequently, we believe that there is a lack of sufficient housing expertise within the National Parks. This could be remedied by establishing a system of housing officer secondment from local authorities to the National Parks. This would bring clear benefits to the Park, housing authorities and housing associations.

Context: There is a danger that National Parks might be able to exercise their planning powers with little or no regard for the effects that these may have on housing in their area. Formal and regular contact between local authority housing and National Park planning officers could help to ensure a better appreciation of the outcome of planning decisions on the local communities experiencing housing need.

Response: *This is fully supported and the Assembly Government will encourage local authorities and National Park authorities to consider this proposal.*

RECOMMENDATION 14 - Improved Collection of Second and Holiday Home Data

Local authorities should establish separate procedures for collecting second homes data from households and should undertake regular meetings with estate agents within their areas to ascertain patterns of growth, migration and house prices.

Context: The lack of specific data on the number of second and holiday homes in Wales has led to the preponderance of anecdote on the negative effects effects that they have on rural communities. Second and holiday homes are nevertheless affecting specific communities across Wales and, when combined with other problems, they can have an adverse impact. There is also the need for better data on the number of affordable homes that are supplied by the private sector each year and better collection of information on the use of rural exception sites and Section 106 agreements to secure affordable housing. This information would assist local authorities to build up a clearer ongoing picture of what is happening within their authority.

Response: *One of the main aims of the research project set out in the specification was for the research team to make recommendations about how data collection systems could be improved. The need for improved collection of data had therefore already been recognised by the Assembly Government prior to the research being undertaken. However, the Assembly Government will review the mechanisms for collecting and reporting local data on second and holiday homes and make improvements where possible.*

The research report does not make specific recommendations about how local authorities should collect better information about second and holiday homes. The Assembly Government's review will, therefore, involve consultation with local authorities about the best way to secure reliable data. The process of compiling better figures will involve the Local Government Data Unit Wales (LGDWU), either in collecting data on behalf of the Assembly, or in advising local authorities about how to improve the quality of their data.

Concentrations of second and holiday homes have an impact on local neighbourhoods. Improvements to information about second and holiday homes should, therefore, involve developing local-area data as well as improving data at a local authority level.

Without prejudging the outcome of this review, the Assembly does have a general preference for information to be provided as a by-product of existing administrative information systems, rather than involving the creation of a new, separate statistical information collection system. This reduces the compliance burden on authorities; existing administrative systems will also tend to have built-in checks on the quality of the data.

The review will be helped by data from the 2001 Census about the geographical distribution of second and holiday homes. This will become available during 2003.

It is expected that the review will also be helped by other Assembly-sponsored research from Oxford University called "Feasibility Study into the Collection of Housing Related-Data at Sub-District level in Wales". This is looking at how local authorities' data systems can be developed to provide local area data. The report from this research is due around the end of this year.

The need to improve information about the number of affordable homes provided through the planning system has also been recommended by another piece of Assembly-sponsored planning research, "Review of land-use planning indicators". This research suggests making this improvement through changes to the Joint Land Availability Studies carried out by local authorities, the House Builders Federation and the Welsh Development Agency. Both sets of research suggest that linking together administrative information systems containing dwelling-related information present one way forward for finding out more about the number and location of second homes and holiday homes.

The Assembly Government's guidance 'Preparing Local Housing Strategies' (2002) advises local authorities to involve all key local housing partners in all aspects of their Local Housing Strategy. Estate agents are among those private sector interests that are suggested as important contributors to informing and assisting the process and in understanding the whole housing system. The need for Local Housing Strategies to be based upon relevant, accurate and up-to-date information is emphasised. Further detailed supplementary guidance on involving the private sector and on the comprehensive assessment of private housing markets is in preparation.

RECOMMENDATION 15 – Publication of Second and Holiday Home Statistics by Welsh Assembly Government

Local authorities should submit their annual data sets of second and holiday home numbers to the Welsh Assembly Government who should then publish national statistics annually.

Context: Ward-level returns from local authorities would enable the Assembly Government to make annual monitoring reports available to the authorities and other interest groups and to publish the reports for the purpose of strategic spatial planning.

Response: Once a reliable system of data collection is in place (as discussed above in response to Recommendation 14) the Assembly Government will consider the most appropriate way for this information to be published. If information about second homes and holiday homes is available at Electoral Division ('Ward') level, the Assembly will consider disseminating data through the "Neighbourhood Statistics" project. The Office for National Statistics (ONS) leads this project; it is the framework for collecting and disseminating data for areas below local authority level. In Wales this project is being carried forward with the support of the Statistical Directorate within the Assembly and the LGDUW. If information is only available at local authority level then the Assembly can release data through regular statistical dissemination channels; for example, this information can be put onto the Assembly's website or published in "Welsh Housing Statistics".

RECOMMENDATION 16 – Data Dissemination

The Welsh Assembly Government should disseminate annual second and holiday home statistics to local authorities, housing agencies and other relevant organisations annually and local authorities should demonstrate how the statistics for their area are influencing development of housing, planning and environmental policies locally.

Context: As for Recommendation 15 above.

Response: This is a follow-on from recommendation 15 above and will be considered once a reliable system of data collection is in place.

RECOMMENDATION 17 - Regional Planning Statements

Given that this research has uncovered a range of local and regional problems unique to different parts of Wales, we do not believe that national solutions and policies alone are appropriate to solve problems. We consider that there is scope for issues to be addressed at a planning policy level above that of the local authorities and below all-Wales and recommend that the issues identified in this report could be addressed, as appropriate, in regional planning statements.

Context: The issues which give rise to pressurised rural communities may vary between area and between communities. Welsh regional planning statements could address wider social, cultural, economic and environmental issues that are distinctive to certain parts of Wales.

Response: The Assembly Government strongly encourages voluntary collaborative working between local planning authorities. This is made clear in 'Planning Policy Wales' (2002) (at section 3.2), which reiterates the position set out in 'Unitary Development Plans Wales' (2001). It is also a potential role of the Wales Spatial Plan to address these wider relationships at a regional level.

RECOMMENDATIONS 18 – Further research to investigate the inter-relationships between affordable housing and wider rural issues

The research to address the range of problems being experienced in rural communities and how an integrated approach by various agencies could provide common solutions to these overlapping issues.

Context: An integrated, comprehensive, targeted strategy needs to be developed across a range of relevant institutions and agencies to address the needs and problems of ‘deep’ Welsh rural communities. The research should look mainly at the continuing economic problems facing many parts of the countryside and its communities.

Response: There are a number of ongoing research and other initiatives aimed at drawing together rural issues. Proposed research under the Assembly Government’s Housing Research Programme 2003/04 into the rural housing market, aims to obtain a detailed picture of the social, economic and cultural changes taking place in rural Wales and the role of housing in this. A current Assembly Government research project, ‘Age-balanced Communities’, is examining why young people are leaving rural areas and looking at what measures can be put in place to assist those who want to stay and those who want to return.

Guidance is also provided in ‘Planning Policy Wales’ (2002) (at para. 7.3.1) which states that “local authorities should prepare an integrated rural development strategy to facilitate diversification of the rural economy”.

In addition, the Cabinet has set up a new sub-committee on rural regeneration and this issue will be an early priority for consideration.

RECOMMENDATION 19 – Training and Diversification

We recommend that the Welsh Assembly Government, local authorities, Welsh Development Agency and other agencies should consider promoting training courses to assist in economic diversification within the countryside.

Context: Relates to the wider economic situation: the negative effects that flow from a low wage, low demand economy cannot be separated from the issue of second and holiday homes. The effective management of housing supply and demand needs to be tackled in association with policies and strategies to assist with the economic rejuvenation of rural areas.

Response: This recommendation is considered to fall outside the remit of the research. However, the Assembly Government **agrees** that learning and skills policies contribute to rural economic development and for this reason they form a key part of its economic development strategy, ‘A Winning Wales’. These policies are elaborated in more detail in the Assembly Government’s Skills and Employment Action Plan (published February 2002) which sets out over 50 actions which are being taken to improve the levels of skilled employment across Wales. All of the action points have relevance to rural areas and to local communities that are under housing pressure. This plan is linked to the Assembly Government’s key education policy document (‘Wales - the Learning Country’) and to the delivery programmes of Education and Learning Wales (ELWa) in respect of post-16 learning.

In addition, there is already a very wide range of training provision available across Wales, through such programmes as Modern Apprenticeships and through Further Education and Higher Education courses. ELWa (through its two councils, the National Council and the Higher Education Funding Council) has responsibility for this provision. ELWa has made 'Learning Communities' one of its five goals – i.e. helping people within our communities to acquire new skills and to become active citizens.

RECOMMENDATION 20 - Extension of the Homebuy Scheme

The Homebuy scheme is the Assembly Government's latest policy to encourage affordable housing purchasing. We recommend that the Homebuy scheme is extended beyond first time buyers more flexibly than at present to other groups in the community who wish to progress in the housing market.

Context: The Homebuy Scheme assists local first time buyers to gain access to the housing market via an equity loan. The difficulties experienced by local people may, in part, be mitigated by extending the Scheme beyond first time buyers to allow local people who already own a property to move on when the needs of their family change.

Response: Existing Homebuy owners whose circumstances change (eg. additional children or a new job) are already entitled to apply for support towards purchasing a replacement property more suited to their needs. The Assembly Government publishes maximum purchase price figures for prospective Homebuy owners. The maximum purchase price varies with the size of the household. The figures are reviewed annually, most recently in July 2002 when an average increase of 10% was announced. The take-up by local authorities of the top-sliced Social Housing Grant available for rural Homebuy is uneven across Wales, with some authorities only recently making use of this funding.

A review of Homebuy is currently taking place and this will consider the operation of the scheme and possible refinements to it.

RECOMMENDATION 21 – No change to the Use Classes Order is recommended.

To require planning permission for change of use from a first home to a second home would result in fundamental problems in terms of definition and so of enforcement. For these reasons, we do not consider this to be a practical option.

Context: An amendment to the Town and Country Planning (Use Classes) Order 1987 was suggested by some of the consultees. In order for this to be implemented, local planning authorities would need to categorise all existing dwellings as one use or the other on a specific (legislative) date. This would be the base from which a decision could be made on transfer from primary to secondary use and vice versa. In terms of definition, the problem lies in defining primary and secondary use in statutory planning terms.

Response: The Assembly Government **agrees** with the researchers' view that there would be considerable practical and legal difficulties in defining and enforcing such potentially intrusive new planning controls.

RECOMMENDATION 22 – We do not recommend the use of ‘locals-only’ controls

Occupancy conditions and development plan policies restricting occupancy to local people are not recommended. These are problematic legally and in terms of definition, and are difficult to enforce.

Context: Other local planning authorities in Britain have experimented with the use of occupancy conditions attached to planning permission for new-build dwellings and conversions, restricting occupancy to local people. In addition to the legal problems and problems of definition, such a policy has the potential to reduce levels of new build (as the perceived saleability and profitability is reduced) and heap further general demand pressure on the ‘second-hand’ housing market. Hence, the policy would be regressive, further reducing the housing options available to local people by suppressing general supply.

Response: The Assembly Government recognises that this recommendation raises a problem in relation to the approaches proposed by some local planning authorities in their draft UDPs, but **agrees** with the researchers' view that this is not a practical option. However, ‘locals-only’ housing policies can be applied to the provision of affordable housing as set out in ‘Planning Policy Wales’ (paras. 9.2.14 and 9.2.15).

**Planning 2A
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