

Lesley Griffiths AC/AM
Ysgrifennydd y Cabinet dros yr Amgylchedd a Materion Gwledig
Cabinet Secretary for Environment and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: TAN1/2016

Janet Finch-Saunders AM
National Assembly for Wales
Cardiff Bay
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CF99 1NA

Janet.Finch-Saunders@Assembly.Wales

November 2016

Dear Janet

In a recent Written Assembly Question (WAQ71110) you asked whether I would disclose the correspondence since January 2015 between my department and Local Authorities in relation to Technical Advice Note 1, *Joint Housing Land Availability Studies* (TAN 1). As I promised in my response, the relevant correspondence is attached. A copy of this letter and the attached correspondence will be placed on the Welsh Government's website at the following link:

<http://gov.wales/topics/planning/policy/ministerial-speeches-and-announcements/?lang=en>.

Lesley Griffiths AC/AM

Ysgrifennydd y Cabinet dros yr Amgylchedd a Materion Gwledig
Cabinet Secretary for Environment and Rural Affairs

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Our ref: A95923025

To: Chief Planning Officers in Wales
(cc PINS and HBF)

Date 19 January 2015

Dear Colleague,

Revised Technical Advice Note (TAN) 1: Joint Housing Land Availability Studies (JHLAS)

The Welsh Government considers that an adequate supply of housing land is one of the headline measures for monitoring the performance of local planning authorities. It is against this background that the revision of Technical Advice Note 1 (TAN 1) has been undertaken.

This letter provides advance notice of the changes which have been made to TAN 1. The changes follow the review of the TAN and the proposals included in last year's consultation paper.

TAN 1 remains the main source of guidance for Joint Housing Land Availability Studies (JHLAS) and the review has resulted in a number of significant changes. Given that the revised TAN will be used for the 2015 JHLA process, I would like to outline two key changes that local planning authorities (LPAs) need to be aware of:

Calculating housing land supply – Housing land supply needs to be soundly based on meeting identified housing requirements. Consequently only LPAs with an adopted Local Development Plan (LDP) (or an adopted Unitary Development Plan (UDP) that is still within the plan period) will be able to undertake a JHLAS calculation and thus be able to demonstrate that they have a five-year housing land supply.

In line with this, the residual methodology based on the housing requirements in an adopted LDP (or adopted UDP) will be the only methodology allowed for calculating housing land supply. The use of the past build rates methodology, which was based on the past performance of the building industry, will not be accepted.

Notwithstanding the above, it is essential that LPAs that are preparing their LDPs should continue to carry out an objective assessment of their housing land supply on



an annual basis, although this will not be subject to the normal JHLAS process or carry the same weight for planning purposes as a formal study.

It should also be noted that, where an LPA has adopted its LDP after the JHLAS base date of 1st April, I would expect that through the LDP examination that the LPA would have evidenced how its Plan meets the national policy requirement of maintaining a 5 year supply of developable housing land. Consequently, once a plan is adopted I would expect the land supply figure evidenced for the LDP, which has been the subject of examination, to be the land supply figure until the JHLAS process commences in the following April.

Study preparation – As part of aligning the JHLAS and LDP monitoring processes, the period for completing the studies is reduced from 12 months to 8 months. This is to ensure that the most up-to-date housing land supply figure can be included in LDP Annual Monitoring Reports (AMRs), which must be submitted to the Welsh Government by 31st October each year following LDP adoption.

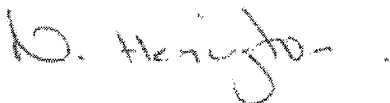
Although the Welsh Government advocates that LPAs should maintain the evidence base for JHLAS throughout the year, the TAN explicitly allows an additional 3 months at the start of the JHLA process for 'evidence gathering' (i.e. 1 January to 31 March). This will cover desk based site specific survey work such as contacting developers and landowners for information on their future development intentions. This will allow partial completion of the site proformas and schedules prior to 1st April ready for the site visits to be conducted.

The final version of TAN 1 and the Consultation Response Report will be published on the Welsh Government website (<http://wales.gov.uk/topics/planning/policy/tans/?lang=en>) in the next few weeks; however I attach an interim (English-only) copy of the final document to assist your 2015 JHLAS preparation.

If you have any queries regarding TAN 1 please contact Nick Lloyd (email: nicholas.lloyd2@wales.gsi.gov.uk; tel. 029 2082 6802) or Paul Robinson (e-mail: paul.robinson@wales.gsi.gov.uk; tel. 029 2082 3290).

Thank you in advance for your co-operation.

Yours sincerely



Neil Hemington
Chief Planner
Planning Directorate
Department for Natural Resources



Our ref: A11075064

Mr Graham Boase
Head of Planning and Public Protection
Denbighshire County Council
Caledfryn
Smithfield Road
Denbigh
Denbighshire LL16 3RJ

18 June 2015

Dear Mr Boase,

Thank you for your letter dated 19 May about the revised TAN 1 and Denbighshire's housing land supply position.

The Minister for Natural Resources has been clear that housing land supply needs to be soundly based on meeting the housing requirements identified in a local planning authority's development plan. This was a key principle underlying the recent review of TAN 1, as emphasised in my letter of 19 January, and reflects the position that has been set out in *Planning Policy Wales* (PPW) since its advent in 2002. The past build rates methodology, being based on the past performance of the house-building industry rather than the housing provision established in development plans, did not provide a measure of delivery against a plan's housing need-based targets. The past build rates methodology was used largely by authorities without an adopted development plan and with the improving picture regarding plan adoption, was no longer considered to be an appropriate means of calculating housing land supply as it is a reflection on the past performance of the house-building industry rather than being based on future planned change in an area. However, I recognise that economic conditions and their affect on the performance of the house-building industry, can form part of the reason for an authority failing to achieve a five-year housing land supply and this may therefore be cited as such in an Annual Monitoring Report (AMR).

Regarding the Welsh Government's household projections, as set out in PPW these are a starting point for assessing housing requirements and this has been the situation since 2002. Local authorities should consider the appropriateness of the




projections for their area, based upon all sources of local evidence and taking account of the full range of economic and other proposals in their development plan. The housing provision established in an LDP should therefore not only take account of the household projections and locally identified housing requirements, but also be supportive of the authority's overall strategy and growth aspirations as expressed in the LDP. The Minister's letter of 10 April 2014 to which you refer, emphasised this point.

You also refer to the low housing completion rates in Denbighshire and the resultant effect on your housing trajectory and on achieving your LDP housing delivery target. These are issues that you will need to address in your AMR, taking account of economic conditions. The proactive work that you mention you are undertaking to bring forward sites, along with a flexible approach to negotiations with developers, should assist in this process. This approach should also help to reduce the number of applications on unallocated sites, which nevertheless would still need to comply with LDP and national policies and should therefore only be allowed if sustainable.

In summary, the change to the sole use of the residual methodology is intended to reinforce the link between housing land supply and the housing requirements of an area as expressed by local planning authorities in their LDPs. The arguments that you put forward regarding the implications of this change were fully considered as part of the recent review, including by the Technical Advisory Group in advance of the public consultation. We therefore currently have no plans for a further review of TAN 1, but as for all planning policy and guidance, will continue to keep the situation under review.

Yours sincerely,



Neil Hemington
Chief Planner
Planning Directorate
Department for Natural Resources

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref LB/lje S15/57475
Ein cyf/Our ref CS/01694/15

Councillor Lis Burnett

lburnett@valeofglamorgan.go.uk

 November 2015

Dear Councillor Burnett, 

Thank you for your letter dated 1st October regarding Technical Advice Note (TAN) 1: Joint Housing Land Availability Studies (JHLAs) which follows our meeting on the 24 June.

I have been clear that housing land supply needs to be soundly based on meeting the housing requirements identified in a local planning authority's (LPA's) development plan. This was a key principle underlying the review of TAN 1 and reflects the position that has been set out in Planning Policy Wales (PPW) since 2002.

Some eleven years since the Local Development Plan (LDP) system was introduced by the Planning and Compulsory Purchase Act we now have 16 LDPs adopted in Wales. The changes which I have made to TAN 1 complement the LDP system and performance of LPAs. I attach great weight to having an adopted LDP in place at the earliest opportunity and indeed it is one of the key indicators of local planning authority performance. The LDP is an essential part of the policy framework to provide a firm basis for rational and consistent planning decisions and I am pleased that the Vale of Glamorgan LDP has been submitted for examination.

Where a LPA is unable to undertake a Joint Housing Land Availability Study (JHLAS), because it does not have an adopted LDP, or the land supply is below the five-year requirement the need to increase supply should be given considerable weight as a material consideration when dealing with planning applications. However this is subject to the development otherwise complying with development plan and national planning policies, as set out in paragraph 6.2 of the TAN. Therefore the principles of sustainable development which forms the basis of the Welsh Government's planning policy remains and it is my view that this position is not undermined by the revised TAN.

Yours sincerely,



Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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Ein cyf/Our ref CS/01731/15

Cllr Joel Stephen James
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23rd November 2015

Dear Cllr James,

Thank you for your letter dated 6 November, expressing concerns about the low land supply figure for Rhondda Cynon Taf County Borough Council as indicated in the Joint Housing Land Availability Study 2015 and the resultant speculative planning applications for residential development and requesting that the three planning applications for residential development mentioned in your letter are called in for the Welsh Ministers own determination.

The Welsh Government has a very clear policy on calling in planning applications. It considers that local planning authorities, as elected bodies, should be left to make decisions about development proposals wherever possible. The Welsh Ministers do not, in practice, call in many planning applications and will only do so where the proposal raises issues of more than local importance.

Every call-in request is considered on its own merits but our policy sets out six examples of issues which might persuade the Welsh Ministers to call in a planning application. These are applications that:

- a may conflict with national planning policies;
- b could have wide effects beyond the immediate locality;
- c may give rise to substantial controversy beyond the immediate locality;
- d are likely to significantly affect sites of scientific, nature conservation or historic interest, or areas of landscape importance;
- e could raise issues of national security; or
- f could raise novel planning issues.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Consideration of a call-in request will be confined to whether or not the planning issues associated with the application would make it more appropriate for Welsh Ministers to determine it. In considering a call-in request the merits of the proposed development are not taken into account. Your requests are under active consideration and you will be advised of the decisions in due course.

You should also be aware that a call-in request, including personal information, may be the subject of a freedom of information request by an organisation or another member of the public. When responding to such requests we may be required to release information, including personal information. Our response to such requests will be in accordance with the guidelines provided by the Welsh Government Code of Practice on Access to Information. The Code is published on the Internet at www.information.wales.gov.uk.

You have also raised concerns about the 'residual method' in determining housing targets and the rationale behind the production of Local Development Plans (LDP's). Planning Policy Wales (PPW) states that local planning authorities must ensure that sufficient land is genuinely available to provide a 5 year supply of land for housing. The method for calculating a 5 year supply is set out in Technical Advice Note (TAN)1 : Joint Housing Land Availability Studies which follows the residual method. The mechanism for monitoring whether a local authority has a 5 year supply is set out in the monitoring section of a LDP. LDP's are an integral and important part of the planning system, providing certainty and clarity for local communities and key stakeholders. Following adoption of a LDP, each local authority is required to collate evidence to address monitoring indicators in their Annual Monitoring Report (AMR). Rhondda Cynon Taff have an adopted LDP in place, have published four Annual Monitoring Reports and now need to consider how they will address the lack of a 5 year supply of genuinely available housing land. As the LDP was adopted over 4 years ago, the authority should commence a full review of the LDP in accordance with Regulation 41 of the Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 as amended 2015.

Yours sincerely,



Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

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Welsh Government

Ein cyf/Our ref CS/00106/16

Cllr David Smith

sharon.evans@denbighshire.gov.uk

 January 2016

Dear Cllr David Smith,

Thank you for your letter of 12 January about the methodology for calculating housing land supply under Technical Advice Note 1, *Joint Housing Land Availability Studies* (TAN 1), and related matters.

It is essential that the assessment of a local planning authority's housing land supply is directly linked to the housing requirements of an area as set out in Local Development Plans (LDPs) to enable delivery of the homes needed. The revised TAN 1 stipulates the sole use of the residual methodology as the means of calculating housing land supply to ensure that this is the case. The previous alternative methodology using past build rates was a reflection of the past performance of the building industry and therefore did not reflect an authority's future plans for meeting its housing requirements or its housing need. For this reason it was largely used by authorities without an adopted development plan. As we approach full plan coverage across Wales it is inappropriate for the past build rates methodology to be used to calculate housing land supply.

I recognise that a number of local planning authorities are experiencing difficulties in demonstrating a five-year housing land supply following LDP adoption. Our recent research into 'Stalled Sites and Section 106 Agreements' highlighted some of the issues that lie behind this situation and in particular clearly demonstrated that site viability is a significant issue, as you mention is the case in Denbighshire. The research made a number of recommendations which I am considering in detail. I am also taking forward a project to examine viability throughout the planning process, from LDP preparation to the assessment of a site at the development management stage. One of the aims of this project is to develop a shared understanding between the house building industry and local planning authorities of the importance of accurate assessments of viability at all stages of the planning process. I would encourage your authority to participate in this project. However, local planning authorities should also ensure that they identify sufficient sites in their LDP which are suitable to address the full range of housing requirements that the plan seeks to meet.

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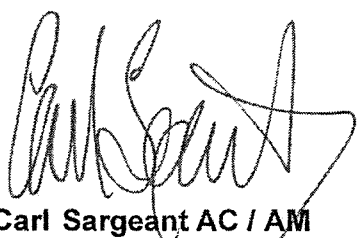
With regards to keeping an LDP up-to-date, sections 61 and 69 of the Planning and Compulsory Purchase Act 2004 and Regulation 41 of the LDP Regulations 2015 (as amended) confirm that local planning authorities are required to ensure that the evidence base to support a plan is relevant and that a full review of an LDP should be commenced no longer than four years from the date of adoption. Your LDP will trigger this four year legislative requirement in June 2017, but the timing and frequency of a plan review will depend upon the findings from the Annual Monitoring Reports (AMRs) which should provide the evidence and rationale to justify a review, if necessary. Within this four year requirement, the review of an LDP is a decision you as a local authority will have to make.

With specific regard to housing land supply, Regulation 37 of the LDP Regulations 2015 (as amended) states that local planning authorities must specify in their AMR the housing land supply as set out in the current Joint Housing Land Availability Study. *Planning Policy Wales* states that a five-year supply of housing land should be available and sites must be free, or readily freed, from planning, physical and ownership constraints, and economically feasible for development (paragraph 9.2.3). Failure to achieve a five-year housing land supply, coupled with the site viability concerns highlighted in your letter, would presumably inform your deliberations on plan review. Ensuring that sites are financially viable and can therefore count towards your five-year supply will no doubt be key to ensuring that national planning policy can be met.

Finally, with regard to the timescale to review an LDP, depending on the revision procedure to be followed, a replacement plan should build on your previous experience and be prepared in considerably less than four years. Whilst there may be a need to update certain aspects of the evidence base, it is not the same as starting from scratch. Therefore the process should be quicker and less costly than preparation of the adopted LDP.

In summary, I currently have no plans for a further review of TAN 1, but as for all planning policy and guidance, will continue to keep the situation under review.

Yours sincerely,



Carl Sargeant AC / AM
Y Gweinidog Cyfoeth-Naturiol
Minister for Natural Resources


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Minister for Natural Resources



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref CS/001111/16

Cllr. Dilwyn Roberts
Leader of Conwy County Borough Council
Bodlondeb
Conwy
LL32 8DU

 January 2016

Dear Cllr. Dilwyn Roberts,

Thank you for your letter dated 11 January regarding the early Review of the Local Development Plan (LDP) and Technical Advice Note (TAN) 1.

Regulation 37 of the Town and Country Planning (Local Development Plan) (Wales) (Amendment) Regulations 2015 states that each local planning authority should submit an Annual Monitoring Report (AMR) to the Welsh Ministers by 31 October each year following adoption. I received your latest AMR in October 2015. Your latest AMR, as agreed by your Council, clearly states that your authority does not consider that your LDP needs reviewing at this point in time. Whilst the recently released population and housing projections are part of the evidence base for the LDP other key factors such as the delivery of jobs, affordable homes and infrastructure also need to be considered when deciding whether to review the plan.

Planning Policy Wales (PPW) is clear that the latest population and household projections are a starting point when preparing a plan. They are not the definitive answer. When reviewing the plan you will need to consider all relevant evidence including whether the current strategy remains appropriate, if alternative sites need to be identified, the need for market and affordable homes, site viability and deliverability issues.

Ultimately, the responsibility for preparing and reviewing the LDP is for your authority. I would urge caution against embarking on a review of a plan where the AMR(s) does not indicate this is an appropriate course of action. However, the choice to review your LDP resides with you, ensuring this is supported by an appropriate range and depth of evidence, which will be tested through a public examination.

With regards to TAN 1, I have been clear that housing land supply needs to be soundly based on meeting the housing requirements identified in a local planning authority's (LPAs) development plan. This was a key principle underlying the review of TAN 1 and reflects the position that has been set out in Planning Policy Wales (PPW) since 2002.

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It is therefore essential that the assessment of a local planning authority's housing land supply is directly linked to the housing requirements of an area as set out in their LDP to enable delivery of the homes needed. The revised TAN 1 stipulates the sole use of the residual methodology as the means of calculating housing land supply in order to ensure that this is the case. The past build rates methodology was a reflection of the past performance of the building industry and therefore did not reflect an authority's future plans for meeting its housing requirements nor its housing need. For this reason it was largely used by authorities without an adopted development plan. As we approach full plan coverage across Wales it is inappropriate for the past build rates methodology to be used to calculate housing land supply.

I recognise that a number of local planning authorities are experiencing difficulties in demonstrating a five-year housing land supply following LDP adoption. Our recent research into 'Stalled Sites and Section 106 Agreements' highlighted some of the issues that lie behind this situation and in particular clearly demonstrated that site viability and quality and consistency of evidence are significant issues. The research made a number of recommendations which I am considering in detail. I am also taking forward a project to examine viability throughout the planning process, from LDP preparation to the assessment of a site at the development management stage. I would encourage your authority to participate in this project.

Yours sincerely,



Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources



Our ref: CL-02-16

To: All Chief Planning Officers

9 May 2016

Dear Colleague,

Implications for Technical Advice Note 1 resulting from recent amendments to the Use Classes Order

The revisions that were made to Technical Advice Note 1, *Joint Housing Land Availability Studies* (TAN 1), in January 2015 clarified that to be included as part of the housing land supply the 'housing' should fall within Use Class C3 of the Town and Country Planning (Use Classes) Order 1987 (the Use Classes Order). This is set out in paragraph 4.3.1 of TAN 1. However, the recent amendment to the Use Classes Order which came into force on 25 February 2016 amended Use Class C3 as a result of the introduction of a new Use Class C4 for houses in multiple occupation (HMOs) occupied by 3 to 6 unrelated people who share basic amenities.

The purpose of this letter is to clarify that as HMOs that now form Class C4 were previously included under former Class C3, the definition of 'housing' for housing land supply purposes (as expressed in paragraph 4.3.1 of TAN 1) covers both the amended Class C3 and the new Class C4.

If you require any further information on this matter, please contact either Nick Lloyd (Nicholas.Lloyd2@wales.gsi.gov.uk) or Paul Robinson (paul.robinson@wales.gsi.gov.uk) in the Planning Policy Branch of the Planning Directorate.

Yours sincerely,

Neil Hemington
Chief Planner
Planning Directorate
Department for Natural Resources