



Submission of written evidence to the National Assembly for Wales' Sustainability Committee

Inquiry into Planning in Wales

A response by the Chartered Institute of Housing (CIH) Cymru

July 2010

The Chartered Institute of Housing is the only professional organisation representing all those working in housing. Its purpose is to maximise the contribution that housing professionals make to the well being of communities.

In Wales, we aim to provide a professional and impartial voice for housing across all sectors to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions.

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CIH Cymru – Key Messages

- CIH Cymru is ***your organisation*** whether you're a front line worker, active tenant board member or senior manager – we all have a critical role to play in delivering housing solutions.
- ***One housing system*** – our members in local authorities, RSLs, the private sector and Government recognise that no one sector can deliver on its own.
- Because we are cross sector we can both ***support*** the housing community and ***challenge*** it to improve.
- We are passionately committed to ***learning and development*** for all who work in housing
- We promote ***housing led regeneration*** as a crucial way of bringing sustainable economic, environmental, social and health improvements
- It's important we don't just deal with today's problems but that we ***future proof*** everything we do

Background

The Chartered Institute of Housing (CIH) Cymru is committed to working with our members, the Welsh Assembly Government and all our other partners to deliver safe, warm and affordable homes for all. We welcome the opportunity to provide evidence to the National Assembly for Wales' Sustainability Committee on the Inquiry into Planning in Wales.

In putting together this written submission CIH Cymru has undertaken extensive consultation with our members and the wider housing sector, including representatives from the local authority sector, registered social landlords, the third sector and a range of private sector organisations including private house builders. This paper aims to consolidate the views obtained during individual meetings with key partners, written evidence that was submitted to us directly from members, and a specific consultation event organised by CIH Cymru at the beginning of July. We have attempted to reflect as many of the views and issues raised although we acknowledge that the

breadth of this subject and the range of discussions that it generated have made it impossible for us to reflect every individual view point.

CIH Cymru recognises that this inquiry has a wide remit in considering the way in which national and local planning policies help to deliver Welsh Assembly Government priorities. As a national housing organisation, our evidence will focus on the way in which the planning system can help to deliver housing priorities, although we will make the links to other policy areas where appropriate. CIH Cymru would strongly make the case that housing development, including the delivery of affordable housing, has the potential to drive forward and deliver on a range of other policy areas, including social and economic regeneration, sustainable development and addressing the climate change agenda, and should therefore be of a central consideration in relation to planning policy at a national and local level.

Do land use planning policies at a local and national level adequately reflect key Welsh Assembly Government policies?

CIH Cymru acknowledges that well thought out and effective planning policy is essential to the achievement of the Welsh Assembly Government's priorities.

The One Wales Agreement sets down a number of housing aspirations, including:

- Increasing the number of affordable houses by at least 6500 over the next four years
- Ensuring 21st century housing
- Providing local authorities with the ability to secure 100% affordable housing on development sites to meet local needs in areas of high housing pressure
- Ensuring there is enough housing to meet people's needs in all communities.

The planning system is a key tool in helping to deliver these housing aspirations. However it is important to note that planning policies can only promote and facilitate development – actual delivery of priorities (housing and otherwise) is dependent on a positive commitment by a wide range of stakeholders and also on a range of other factors such as the financing and lending climate, availability of public funding, confidence within a local housing market and corresponding private sector activity.

The housing system in context

It is important to note the impact that the economic downturn has had over the last few years on the ability to deliver affordable housing through the planning system. This is significant because much policy is predicated on a more viable market than exists now. There is a feeling that we are waiting for things to return 'to normal' and that the opportunities that would have been provided by S106 and developer contributions in a more buoyant market will re-emerge. Whilst it is vital that local planning authorities are in a position to maximise the benefits that can be delivered through the planning system, both currently and in more prosperous times, CIH Cymru would encourage the need to look at more innovative delivery models and mechanisms that are not predicated on 'boom and bust' market conditions but which offer the opportunity to develop a more long-term sustainable housing market that is fit for purpose in the long-term. We are aware that the planning system will have an important role to play in this and we look forward to working with planning colleagues at both a national and local level in developing innovative housing solutions.

Implementation of planning policy at the local level

The plan preparation process at local level involves local authorities in deciding how most national planning policies apply to local circumstances. Localised

policies are expected to be more detailed and tailored towards responding to locally identified priorities, should reflect those set out in the Community Strategy and be supported by a corporate commitment to delivering local strategic aims.

CIH Cymru recognises that Local Planning Authorities and their partners should be able to determine their priorities in relation to particular policy areas. We are aware that there may be some conflict between national and local priorities but there are mechanisms in place to resolve this throughout the plan development process. However, one key concern that came out of our consultation with members on this issue related to the way in which national policy is interpreted and applied at a local level. We received a strong message that there is significant variation across Wales in the way that the planning system operates, which is a challenge for those partners such as house builders and RSLs who work with more than one Local Authority to navigate. In our view there is a difference between setting local strategic priorities and the varying interpretation and application of policy. We would suggest that this is training / guidance issue rather than a problem with the planning policy framework and have suggested ways for addressing this under the final question in this paper.

Complexity

Interpretation and application of policy at a local level is also affected by the sheer amount and complexity of planning policy. The view of many CIH members is that the level of complexity of policy has impacts for all stakeholders in the planning system and key statutory bodies (flood risk and environmental policy were cited as examples). Planning professionals are under increasing pressure in terms of capacity and resources to manage this and those wishing to develop are finding the evidential burden increasingly burdensome, both financially and in relation to the time taken to make

decisions. This is not felt to be conducive to responding to housing need or delivering sustainable communities.

Regional working

CIH Cymru notes that this inquiry focuses on the national / local planning system. In considering the relationship between local and national planning policy there is arguably a regional dimension which should also be taken in to consideration. The Assembly Government has a statutory duty to prepare a Wales Spatial Plan, which integrates national policy. Jointly with Local Authorities, it also oversees the preparation of regional strategies covering different parts of Wales. The Spatial Plan and the regional strategies cover a wide range of topics extending beyond land use planning; however there seems to be little clarity around the role and status of the Wales Spatial Plan and the relationship with LDPs.

In Wales, local planning authorities work together on key issues such as housing, in recognition that housing markets transcend local authority boundaries. LDP guidance recommends working together but there is no statutory requirement on the form and output of that work, so at present it very much relies on cooperation and commitment at officer level to engage in regional working. CIH Cymru would recommend that this inquiry give some further consideration to the current mechanism for regional planning and the role that this might play in future.

Are they effective in reconciling potential conflicts between different policy areas e.g. landscape quality / housing provision / economic development and sustainable development?

Local Development Plans should in theory be effective in reconciling potential conflicts as policies contained in these plans will be evidence based and

formulated on what has been perceived by the majority as the most important policy areas for the locality in question. (However acknowledgement must be given to the fact that even with policies formulated on the basis of the identified priorities as agreed by majority, there will still be an unsatisfied minority).

It should also be borne in mind that decisions on planning applications are subject to the statutory test, which states that decisions should be made in accordance with the development plan, unless there are material planning considerations that indicate otherwise. Therefore it is open to the decision maker to depart from the development plan.

In reality there are often a significant number of competing priorities that have to be managed and negotiated at a local level. Planning guidance cannot foresee every circumstance or give advice on how to resolve every conflict, and CIH Cymru recognises the role that planning professionals, working alongside elected members have in balancing conflicting policies in that arise in local circumstances. Some CIH Cymru members have suggested that transparency could be encouraged and improved on a local level with regards local priorities by means of a Formal Mission Statement by a Local Authority clearly identifying and justifying agreed localised priorities in order of strategic importance to the Authority in question.

Affordable Housing

From an affordable housing perspective, housing often finds itself competing with other policy areas (education, highways etc) in relation to developer contributions, and negotiating these settlements can be a lengthy and drawn out process. Feedback from those who are involved in these negotiations have suggested that a transparent 'Development Team' approach is the most successful, where all key stakeholders are brought around a table to discuss their individual requirements and decide the most appropriate way forward. Anecdotal evidence suggests that local authorities who take this approach are

having successful and timely results and have a much more positive relationship with their internal and external partners. However, not every local planning authority is working strategically in this way, and therefore CIH Cymru would recommend that the Welsh Assembly Government promotes the Development Team approach as an example of good practice and encourages all planning authorities to consider working this way.

In negotiating affordable housing contributions there is an increasing pressure on the planning system to become involved with viability assessments and development economics, with considerable responsibilities being placed on Local Planning Authorities to consider this on an individual planning application basis. There is a line of argument that the evidential burden is placed too heavily on the LPA rather than the developer at a time when public resources are increasingly scarce; however, we are aware that this view will vary depending on which perspective one is coming from. It is important that planning professionals have the right skills and training to undertake the task that is required of them, that they actively work with housing colleagues (and others) and that they take an approach that is open and transparent throughout the process in order to facilitate sustainable development.

Rural v Urban Context

It is worth noting at this point different the challenges that are faced depending on the urban / rural context. The barriers to delivering rural housing in Wales have been examined in some depth, for example the recent JRF commission which concluded that there is a significant level of unmet housing need in rural Wales, that current and projected new affordable housing supply will not be sufficient, and a seismic upward shift in provision is required to meet this need. There is a common view that within the planning system, environmental objectives and priorities are well understood but the social and economic dimensions to sustainability are largely missing or undervalued in the decision making process. Limited provision of, and restricted access to,

affordable housing in rural Wales are threatening the social and cultural sustainability of many of its communities. The role of housing in delivering social and economic outcomes is of course also applicable in urban areas, but the wider impacts of a shortage of affordable housing are arguably exacerbated in a rural context. We are aware that there are a range of tools which aim to address this including Rural Exception sites, but there is some concern among housing professionals as to how effectively these are working in practice. Overall it is essential that the planning system recognises the interrelationship between delivering housing and delivering sustainable communities in the broadest definition.

Housing and the environmental agenda

The Welsh Assembly Government has pushed forward its environmental agenda and CIH Cymru entirely supports the need to reduce carbon emissions and recognises the contribution (27%) that housing makes to this. In relation to environmental objectives, an increasing emphasis on renewable energy, zero carbon developments and enhancements in the code for sustainable homes has created an added pressure on an already pressurised housing market and in particular the delivery of more affordable homes. Links between increasing the sustainability of domestic dwellings and the impact this will eventually have on the market has in the meantime meant that the cost of new homes has risen. The differentiation between 'cost' and 'value' must however be made as increased use of new technologies in both construction methods and equipment being installed in new homes is causing build costs to rise. Where these cannot be passed on as in enhanced 'value' developers are reluctant to absorb the cost and as a result seek to reduce the affordable element in new developments. By using development appraisal toolkits this additional cost can be assessed and a reduction in the level of affordable provision can be justified on an economic basis.

There is however the longer term view that an attempt to mainstream new technologies and techniques will inevitably lead to their acceptance and consequent reduction in cost. The benefits of economic growth in this sector will be very important in coming years, as will the environmental benefits, however the impact of this transitional period and how it is managed will be crucial.

In addition, the emphasis on new buildings should not disregard the existing housing stock – most of the housing that will be around in 50 years had already been built. The most pressing challenge will be to retrofit the older housing stock in Wales, many of which are occupied by elderly people with limited income who are unable to tackle improvements themselves. CIH Cymru would be interested in what role the planning system can play in helping to address the existing housing stock.

Do they help ensure that decisions on planning applications contribute to Welsh Assembly Government priorities?

National and local policies can **assist** in ensuring that decisions on planning applications contribute to key Welsh Government priorities, provided that those priorities have been recognised locally.

National policies and Spatial Plan documents should in theory filter through down to the Local Development Plan level and therefore localised LDP policies should be based on national and spatial priorities. If the strategic rationale behind the proposals, which are the subject of the planning applications submitted locally, are in accordance with these policies, then the associated development should be contributing towards key Welsh Government priorities.

If decisions on planning applications are to contribute to Welsh Assembly Government priorities it is essential that planning committees have a sound understanding of what these priorities are and how local strategic priorities can

help achieve these. In our consultation exercise, concerns were raised that a disproportionate number of planning applications are being appealed (after decisions were made that went against officer recommendation) and subsequently overturned. This is incredibly costly to the local authority at a time when resources are increasingly scarce. It is important that planning committees are making well-informed and balanced decisions and there may be an education and up-skilling requirement in some areas. CIH Cymru has recognised the need to raise the profile of housing among elected members, particularly in relation to the strategic housing function, and we would suggest that there may be a similar need in relation to planning.

The weighting given to public opinion is also something that needs to be considered. Public involvement tends to occur at the planning application stage rather than influencing policy, although the LDP preparation process includes community engagement and participation as key objectives. There is a lack of knowledge about how planning policy influences decision making among the general public, a fact which isn't helped by the complex and technical nature of much of this policy. In relation to housing development, whilst CIH Cymru is committed to community engagement in the decision making process, we have strong concerns about whose voice is actually being listened to. Those in greatest housing need often have the lowest level of engagement with the planning process, with disadvantaged and marginalised groups having no voice. On the contrary, those who are already adequately housed will potentially have more influence within the planning decision process.

Is the system for preparing and updating these planning policies flexible and responsive enough to cope with new and changing priorities?

At a local level, the Local Development Plan process should assist Local Planning Authorities in becoming more responsive to new and changing priorities. There is a clear expectation for Local Planning Authorities to prepare its LDP within a 4 year period. The local planning authority, once the LDP is adopted, is required to publish an annual monitoring report and a full review of the LDP must take place every 4 years – this will be a means of undertaking any changes to respond to new or changing priorities.

However, in our discussions with the housing sector, some expressed a concern that the LDP process is in fact too slow to be effective, and is affected by the sheer weight of policy and regulation. Local planning authorities across Wales are at varying stages of finalising their LDP, with some taking significantly longer than others. Moreover, four years is a long time, particularly when one considers the speed at which market and economic conditions can occur. This is especially significant in a housing context when we look back at the speed of the housing market downturn that occurred in recent years.

If local planning policy is to be responsive it is essential that the yearly review of the LDP is a robust process and not just a tick-box exercise.

What changes can we recommend to the Welsh Government to improve the current system?

Overall, the planning system is broadly right and is capable of delivering Welsh Assembly Government priorities. It is the application of the system, particularly the variations at a local level that pose some cause for concern. CIH Cymru would suggest that there should be increased debate about planning at a more strategic level jointly with those responsible for the delivery of different policy

priorities, including housing professionals. It is this enabling role of planning in delivering local strategic priorities which is often underemphasised, and in this respect we would draw some similarities with the strategic housing function.

Much of the inconsistency that we have referred to relates to the way in which good practice is shared across Wales. In our view, improving this would go some way to addressing the problem of inconsistency in approach and different application of national policy at the local level. There are lessons, expertise and good practice that should be transferred across local planning authorities, and it there is a responsibility on both the Welsh Assembly Government to play a strategic / leadership role in this but also on local planning authorities to commit to sharing and learning from the good practice of their colleagues.

The way in which the planning system interacts with housing varies across Wales. Some planning authorities work extremely effectively with their housing colleagues and take a joint approach to developing housing solutions. However, this is not the case in all areas and is very much dependent on individual personalities, and the working culture of particular organisations. It is essential that planning and housing work collaboratively and there is a responsibility on both sectors to ensure this takes place. CIH Cymru was very pleased to work with our colleagues in the RPTI to develop the Planning for Housing Network, a project which aims to provide a UK-wide forum to bring together professional planning and housing interests in order to raise awareness of the value of joint working and facilitate the sharing of information. We will continue to work to promote the network in Wales as a way to raise the profile and understanding of positive planning within the housing sector and of housing interests in the planning sector. For further information see:

<http://www.planningforhousing.org.uk/>

Proposals for planning reform in England

CIH Cymru would also be interested in what account is being taken of the current consideration of future of the planning system in England by the new Westminster Government and what impact this might have in Wales. Whilst we welcome the moves to strengthen local accountability and decision making around planning, the scale of the proposed reforms should not be understated. They come with potentially significant risks, and any transition from the current system will need to be handled carefully to protect various interests, including housing output. CIH has made the following comments in relation to the proposals, which if implemented include in effect, the replacement of much of current planning orthodoxy. As long as local authorities comply with a basic national framework of planning policies and priorities, the proposed system will give local authorities and local people much scope for producing their own local, distinctive policies and decision-making.

- Strong local political leadership will be critical to help ensure that housing that is unpopular and meets local resistance are provided for, for example, the delivery of social rented housing and housing for particular vulnerable groups;
- Therefore, will the proposed new 'basic' national framework of planning priorities and policies provide the necessary safeguards to ensure that more unpopular issues are not sidelined;
- The proposals will put new demands and pressures on local authority housing and planning teams who will require additional resources and capacity to deliver against their increased and changed responsibilities;
- The proposals raise questions about how future central government funding for homes will be best assessed and matched to the aspirations of local communities across different housing markets.