

CONSULTATION RESPONSE



Sustainability Committee Inquiry into the Planning System

18/06/2010

A greater emphasis within National Policy on the need to increase the provision of housing in general, rather than a continued reliance on 'affordable housing' to solve Wales' housing crisis

We believe there is a specific challenge to solve the housing problems we face in Wales that have been exacerbated as a result of the recent recession. At our last estimation, there was a shortfall of nearly 40,000 homes in Wales before the recession hit and we are currently building fewer homes now than at any time since the Second World War. Therefore, if we are to begin to tackle the housing problems we experience in Wales, we believe national government policy needs to tackle the chronic under provision of homes we have experienced in Wales over the last few decades, and make a fresh policy commitment to increase the provision of new homes in the decades going forward.

In terms of the new Housing Strategy, a key objective of the Strategy is to *"Provide more housing of the right type and offer more choice"*. However, there is nothing within the Strategy commitments to make a commitment to increase the number of homes being built in Wales overall. Instead, the focus seems to relate solely to increasing the amount of affordable housing, which we believe circumvents the root of the problem.

The latest population projections show a marked increase in the population of Wales, particularly South Wales and therefore it is clear that we need to take the necessary steps to begin to address the housing problems we face. To merely have a commitment to provide affordable housing, does nothing to solve the severe shortage of homes we have in Wales. Neither does it attempt to tackle the requirement for homes we will need in the future. We agree that the requirement for affordable housing is great and needs to be addressed, however, we believe the real solution lies with providing more homes for everyone, and not just those that qualify for affordable housing. We also believe that without a strong and competitive private housing sector, the delivery of affordable housing would be adversely affected. We believe that by increasing supply in the housing market, you not only help to

solve the problem of rising house prices, you also increase the opportunity to deliver more affordable homes via the planning system. Therefore, in order to address the housing affordability problems faced by Wales at present, we believe a holistic approach is required that places the delivery of market housing on an equal policy footing to that of the delivery of affordable homes and recognises the contribution the private sector makes to affordable solutions.

The requirement to increase the total number of homes in Wales needs to be enshrined within national policy, which can then be enforced at a local authority level. We believe National Guidance needs to recognise the acute problems we face with housing provision in Wales and needs to make a firm commitment to increase the numbers of all types and tenures of homes. This, we believe, is the only way we will begin to tackle the housing shortage properly and start to deliver on the commitment to provide more homes, of the right type for everyone in Wales. Through the LDP system in Wales, we are already witnessing local authorities trying to allocate lower housing numbers than those predicted within the population and household projections and therefore at present, it seems the problem will only get worse. National Guidance therefore needs to take a strong leadership role and provide local authorities with robust guidance to state that increasing the number of homes we build in Wales is a national priority and should be reflected within each LDP strategy.

We believe this issue requires strong and positive intervention from the Assembly Government, in order to ensure the delivery of homes gets a priority place on the policy agenda.

Cumulative cost burden of regulatory requirements

With each review of the planning system, it seems that the requirement for planning obligations has increased. The new requirements for sustainable buildings and the assembly government's commitment to increase affordable housing are two prime examples of this, which have added to the growing list of requirements from local authorities and their LDP's.

However, the lack of consideration for viability within policy on planning obligations often results in land values not being able to support the full range of planning requirements. Even though it might not be the case that one single policy has a negative effect on viability, the accumulative requirements of other planning obligations policies might be enough to render a development unviable unless a proper analysis of the impact of each policy is undertaken.

Delivery of planning obligations through Section 106

In relation to affordable housing, national guidance is clear that viability needs to be a key consideration in policy setting, however this is not translated into other policy areas. That being said, there are still local authorities that are producing affordable housing policies with set percentages that will clearly have a major impact on viability and deliverability. The warning sign - if a development fails to come forward, there will not be any affordable housing delivered, despite what percentage is given within the policy.

Affordable housing is generally funded through a combination of public subsidy channelled through the Welsh Assembly Government, private borrowing against housing association assets, and private subsidy from land values captured through S106 planning obligations. The WAG has stated that public funding to help deliver affordable housing will be limited going forward, which will be exacerbated even further by the cuts that will inevitably be faced by all WAG departments over the next few years. Therefore, in order to deliver affordable housing through conventional means, it is reasonable to assume that private subsidy from land values captured through S106 agreements, would need to form a substantial part of the funding. We must therefore implicitly assume that the increased subsidy out of land values through S106 agreements, and any consequent impact on development viabilities, will not reduce the supply of financially viable residential land.

The HBF's very rough indicative estimate, based on discussions with industry experts, is that the Affordable Housing land subsidy might typically cost about £25,000 per plot averaged across a larger housing site, or £875,000 per hectare at today's average density of 35 dwellings per hectare (dph)¹. Industry experts suggest this is probably a conservative estimate. When considered alongside requirements of other planning obligations and necessary works that are needed to allow developments to be realised, it is reasonable to assume that the continued reliance on land values to support the delivery of affordable housing would not represent a sound policy approach.

In terms of other planning obligations, it is fair to state that there are certain planning obligations that cannot be compromised i.e. Highways and education etc. It is also fair to state that there are certain requirements of a development that are necessary to allow the development to proceed. An example of such a requirement is the need for remediation works in order to overcome any abnormal site constraints, particularly when considering development of brownfield land. In this context, in relation to the physical delivery of the site, it is reasonable to assume that there are 'essential' and 'non essential' categories of planning obligations, despite the acceptance that some planning requirements in the 'non essential' category are intrinsically important. In light of this, more often than not, and particularly in the current climate, there will be a need to renegotiate the planning requirements that are not 'essential' to enable the development to proceed. That is, where there is an overwhelming requirement for transport improvements and the site has significant constraints, these issues will need to be addressed in order for the site to actually be developed. The same urgency in terms of planning requirements cannot be attributed to requirements for affordable housing and sustainable buildings, despite their requirement being equally as important in many cases, in order to create a sustainable development.

¹ This estimate assumes an average house price of £160,000, an average value paid by a housing association (based on average ACG banding by area and house type, without grant funding) of £80,000, and an average Affordable Housing requirement of 30%, giving a "subsidy" of £880,000 per hectare at 35 dph, or £25,000 per plot averaged across a 35-unit development. Some local authorities are now demanding higher figures (e.g. 40% in Caerphilly and Cardiff).

In this context of the above, a significant problem arises. At present the requirement for affordable housing and adherence to the Code for Sustainable Homes are considered to be a 'ministerial priority' by the Assembly Government, which provides a stern message to local authorities in terms of their importance. In addition to this, at recent local development plan examinations, the Assembly Government has reinforced this requirement for local authorities to prioritise the delivery of affordable housing, which, when coupled with the raft of 'essential and non essential' planning obligations, can seriously hinder the viability of developments. Therefore, we believe it is essential that, particularly in the current climate, we send a clear message to local authorities what the priority focus should be in terms of housing and planning obligations. Clearly, we cannot continue to place a priority on all planning obligations and expect them to be delivered through the planning system and section 106. It is also clear that we have an ever increasing housing shortage, which means it is essential we not only continue to build homes for the people of Wales, but we increase the volume of homes over and above the levels experienced in the past. As such, we believe the priority focus should be firstly in the provision of homes and delivery of housing sites and then a hierarchy should be set out of what the Welsh Assembly Government believes to be important in terms of planning obligations, with a clear mandate to ensure the issue of viability is fully considered within policy setting.

In order to highlight the problem to hand, it might be helpful to draw on our recent experiences at LDP Examinations. Take for example the recent RCT Examination on affordable housing. At the session, the Council had produced a viability study to justify their affordable housing percentage. However, after close scrutiny of this evidence, it was clear that the percentages proposed were in fact not justified, but were proposed nonetheless. In this respect, one major flaw within the evidence base was the assumption that the cost of 'other planning obligations' (those obligations that would be required in addition to affordable housing) amounted to a value of £5000 per plot. However, after studying the Planning Obligations SPG written by the Council and costing the raft of planning obligations the Council would require on developments, along with the WAG's requirements for sustainable buildings, the actual cost of the obligations amounted to a value in excess of £40,000 per plot. As you might imagine, this would have a significant impact on the viability of any development. Apply this to a standard housing site of 35 dwellings per hectare, and the cost would amount to in excess of £1.4 million, before any requirement for affordable housing or potential remediation works have been accounted for.

In light of the above, it is clear that we need a strong leadership approach from the Welsh Assembly Government to prioritise the delivery of homes, as well as the delivery of planning obligations. If we are to ensure planning obligations are secured through the planning system, it is essential that the development providing the vehicle for delivering those obligations is viable and deliverable. Without housing development, we will not deliver any planning obligations and more importantly, we will continue to exacerbate the acute housing problems we experience in Wales. This we believe needs to be fully recognised within national policy and local policy.

Code for Sustainable Homes and the costs associated with provision.

In terms of sustainable building, our members are acutely aware of the need to ensure their homes are energy efficient and are built on the principles of sustainable development. However, it is proving very difficult to pin down the cost of achieving different levels of the Code for Sustainable Homes. This issue has been intensified by the Welsh Assembly adopting a policy approach for all new developments to achieve Code for Sustainable Homes Level 3 plus 6 credits, without undertaking proper analysis of the costs associated with achieving this standard.

The issue of cost in terms of sustainable building has been at the forefront of UK Government research. In this context, the UK Zero Carbon Hub has undertaken work in order to establish the costs to achieving higher energy standards in new homes, and their latest results indicate that in order to achieve the various levels of the Code for Sustainable Homes (for the energy element alone), the average costs could be as follows:-

- Code Level 3 = £6000 per plot
- Code Level 4 = £10,000 per plot
- Code Level 5 = £25,000 per plot plus

In the context of these figures, it is important to note that the UK Zero Carbon Hub costs are only related to achieving the energy requirements of different Code levels. The costs of achieving additional requirements of the Code for Sustainable Homes could potentially cost considerably more than this. e.g. Achieving the provisions of SUR1 surface water requirements, where our members have estimated that it can cost up to 50%-100% more to achieve these credits. In light of this, to achieve Code for Sustainable Homes Level 4 could cost between £15,000 and £20,000 per plot.

To put this into context with National Guidance, taking the above evidence into account, this would put the requirement somewhere between Code level 3 and Code level 4, which would mean an average cost of between £6000 and £10000 extra per plot, for the energy requirements alone. In light of this, to achieve the WAG's sustainable building standard, again for energy alone, this would mean an average of approximately £8,000 extra per plot. As mentioned above, our members state that to achieve the other mandatory credits under the code, SUR1 being the most onerous, could increase the cost by between 50% and 100%. Therefore, to take it at its lowest value, to achieve the WAG's sustainable buildings target could cost an extra £12,000 per plot (average cost).

Let us also not forget that the WAG's ambition is to achieve zero carbon by 2011, which if related to Code Level 5 could cost well in excess of £30,000 per dwelling.

Whatever the final cost, it is clear that it will have to come out of land values. At present there is absolutely no evidence to suggest that people are willing to pay an increased premium for more sustainable homes and there is also no evidence to suggest that lenders will look more favourably on homes meeting certain sustainability standards and offer discounts on mortgages etc. Therefore, the capital cost of provision is not subsidised by increase revenue from sales.

In light of the above, we believe it is unfortunate that the preparatory work on the costs of achieving the new sustainable buildings target was not undertaken before the target was adopted. We agree that making new homes more sustainable for the future is extremely important, however, if the policy restricts the delivery of homes due to the costs involved, applying it in order to create new sustainable homes would seem a rather futile exercise. For these reasons, until we understand fully what the cost implications are, we believe there must be flexibility introduced within the policy, with a clear mandate to local authorities to ensure this flexible approach is applied when the policy is imposed. In view of the housing problems we face in Wales, and taking account of the current economic climate, we believe it is essential that the policy does not have an adverse impact on the delivery of new homes. If we create policies to make new homes more energy efficient, surely a significant remit of that policy should be to enable those homes to be built, which means viability and deliverability must be central to the application and implementation of the policy.

Cumulative impact of planning obligations – Conclusions

Many developers are currently reappraising their forward land holdings, not just because they face very much more difficult market conditions, but because on larger sites they are now having to factor in guesstimates of the cost of the forthcoming issues such as CIL and the looming cost of zero-carbon.

In terms of land values in Wales, every time the state imposes additional regulatory costs on development that cannot be recouped through higher sales values, these costs have to be borne by land values. And each time a new regulatory cost is imposed, sites at the margin of viability on the land-value distribution slip into non-viability.

Rapid increases in house prices between 1997 and 2006, coupled with a rise in densities in many areas of Wales, drove up land values and disguised the increasing regulatory cost burden. But now that sales prices have fallen, and given that house price inflation is likely to remain subdued, possibly for several years, and densities likely to fall, the impact of very large forthcoming increases in the regulatory cost burden (notably rising Affordable Housing demands, and especially zero carbon and CIL) on land values and viabilities will be impossible to hide.

Extracting land values of between £2.1 million and £2.625 million per hectare² for Affordable Housing, zero carbon and community infrastructure, even before allowing for the cost of other S106 demands, exceptional remediation costs, on-site infrastructure, rising building regulation costs and general building cost inflation, etc, when the average value of serviced land with planning permission in Wales

² The low figure (£2.1 million per hectare) assumes £25,000 per plot for Affordable Housing, £30,000 per plot for zero carbon and an average CIL of £5,000 per plot. The high figure (£2.8 million) assumes £25,000 per plot for Affordable Housing, £30,000 per plot for zero carbon and an average CIL of £20,000 per plot.

is put at about £2.53 million per hectare³, will clearly have implications to housing supply. Even at the low estimate, many potential development sites will fall below viability. And it must be stressed, these estimates only cover three areas of regulation. The multitude of other new regulations would further increase these costs.

The above demonstrates that viability needs to play a significant role in the formulation of national and local planning policy. It also shows that, without a strong leadership role from the WAG, the delivery of housing in Wales can be regulated in 25 different ways, according to the wishes and priorities of each local authority or national park. One important factor to consider is that if the regulatory burden in Wales is greater than in other areas of the UK, there is a very real risk of developers focusing their attentions away from Wales, which will have a significant impact not only on the delivery of housing and affordable housing, but also on the social and economic success of Wales as a whole. This is a very real concern, which is being voiced by our members on a more regular basis than ever before. In the context of current planning requirements and land values, we are already starting witness landowners refuse to sell land which they were willing to release before these new policy requirements were enforced. This evidence is currently being gathered and we can provide further clarity at the oral inquiry session.

In light of the above, we believe the Assembly Government should ensure that the delivery of homes is given a top priority in policy making. Viability is the cornerstone to ensuring that developments are delivered and therefore, if planning obligations are to be delivered through the planning system, viability and deliverability must be a key consideration for that system to operate effectively. It is important also to look at the economic and social implications of not delivering the right amount of homes in Wales and how regulatory burden can have an effect on the competitiveness on Wales with respect to its neighbours. As such, we believe that any attempts to move more quickly towards policy goals and aspirations than those currently being proposed in England, should ensure that the affects of this approach on the competitiveness and success of Wales as a whole are considered. This will ensure the success of the economy in Wales is not put at jeopardy by other aspirational, yet commendable policy objectives.

Policies to influence Economic Development

We believe that in order to attract business to Wales, we need to remain competitive with England and other countries in Europe. This relies on creating a strong and stable economy, centred on a successful capital city that provides the opportunities and incentives to attract people to Wales. However, despite this, we have seen in the past, attempts by local authorities in South East Wales to restrict growth in Cardiff, in order to try and force business and investment to move into the valleys areas, which seemed to be advocated by the Wales Spatial Plan. We believe this is a very risky and unfeasible way to regenerate communities that have faced decline, as it is highly unlikely that

³ Valuation Office. *Property Market Report*, January 2008

business opportunities can be 'forced' to locate into areas that do not offer the right conditions to create a successful business venture. Rather, we believe it would be more effective to continue to build on the success of successful areas and support and create business opportunities in areas that have faced decline in order to incentivise business opportunities and investment to take hold. We believe this approach should be advocated by national guidance, particularly within the Wales Spatial Plan, which should recognise the strength of economic centres such as Cardiff and the ability of those areas to drive the economy of Wales and improve our success within the UK and Europe.

We believe it is essential to continue to build on the success of areas that have already established themselves as a focal point for inward investment, in order to bolster Wales' offer as a sought-after base for business and employers. With this ethos, we believe the success of those areas can radiate into areas that have historically lacked the ability to attract investment, in order to facilitate regeneration and instigate growth.

Other issues with National Guidance and Delivery

Affordable Housing Delivery Statements (AHDS)

In terms of Affordable Housing Delivery Statements, the supporting guidance that was released seemed to reinforce the requirement for viability to be taken into account, which was a welcomed step. However, in all cases we have seen local authorities largely ignore this guidance and adopt Affordable Housing Delivery Statements despite the fact that the statement does not give any regard to the economics of development. More worryingly, we have recently seen local authorities trying to use Affordable Housing Delivery Statements in order to side step the LDP system and adopt policies that have been dismissed as inappropriate by a Planning Inspector. An example of this can be seen with the recent release of Cardiff's Affordable Housing Delivery Statement.

At the recent Exploratory Meeting into Cardiff's LDP, whilst discussing the proposed affordable housing policy, the Planning Inspector stated that the evidence base to justify the 40% policy was neither sound or robust. He therefore stated that he had severe concerns with the soundness of the policy and its ability to deliver the stated amount of affordable housing within the LDP. As a result of this and other issues, the Inspector concluded that he had fundamental concerns with the soundness of the LDP and as such, the Council decided to abandon work on the plan and effectively start from scratch.

However, despite this and the Inspectors comments on the LDP, the Council has subsequently released its draft Affordable Housing Delivery Statement, which not only includes the same 40% policy that was proposed within the LDP, but also uses the same evidence base to justify the policy, that was roundly condemned by the Inspector as described above. Surely, it cannot be appropriate for the Council to use the AHDS system in this way?

After discussing the issue with the WAG planning and housing departments, they seemed to agree with our stance, but their response was that the AHDS should be tested at appeal. We fundamentally

disagree with this. Why should it be at the burden and expense of a developer to use the appeal process to prove that a completely inappropriate and unsound document should be withdrawn? Surely the process should be clear and robust enough to not allow this situation to present itself in the first place. Despite all of this, the document still remains in circulation and we believe this example highlights the fact that local authorities pay little regard to development viability when setting policy targets, even when those policy targets have been dismissed as being unsound by both the Assembly Government and the Planning Inspectorate.

Delivery of Affordable Housing - Homebuy Direct

In order to support the delivery of housing, including affordable housing, we believe the WAG should adopt more innovative approach, with particular reference to the affordable solutions on offer. In this respect, we believe the WAG should adopt 'Homebuy Direct' as a suitable model of affordable housing provision. It has proven to be very successful in England in delivering affordable homes and is recognised as a suitable model by lenders. It also allows the provision of SHG to extend 50% further than it normally would, due to the shared equity component being part funded by the developer and the government.

The new LDP System

The LDP system in Wales has a number of positive features. The emphasis on deliverability and flexibility offers a good foundation for creating workable policies, however it can be very tricky for authorities and objectors to justify deliverability, therefore further guidance on this would be welcomed. In addition to this, the binding Inspectors report we believe is a significant positive step in the development plan process. Not only does it provides the checks and balances that are essential to producing a fair and just plan, but it also paves the way for authorities to ensure they have fully considered all the evidence that is required in order to ensure the plan is sound and robust over the 15 year period. That being said, there are still some fundamental problems that we believe need to be addressed.

In terms of gathering evidence, this has shifted focus with the new system to a requirement for 'front loading'. In many cases this can be a very costly and risky process, particularly where expert services are required and the level of uncertainty in terms of the final decision is considerable. For the average member of the public this can also be a very arduous task and often requires the services of a professional in order to simply ensure their comments are 'duly made'.

For local authorities the process also has its difficulties. On the one hand, the Assembly Government requires the local authority to gather and meticulously analyse as much evidence as possible, but with the proviso that such tasks are completed in short and often unfeasible timescales. This also has implications on representors, as it usually requires a significant amount of work to be done in a very short period of time, whereas in most cases this is neither practicable nor appropriate. However, from recent experience it would seem that local authorities do have the freedom to submit new evidence at

any stage of the process, often right up to the night before the examination session. In addition to this, local authorities seem to be able to change policies completely, without the need for consultation, again, right up until the night before the examination session! All of these differences at least provide the local authority with a little leeway, which is not afforded to others.

Turning attention to the concept of 'soundness', this now appears to represent 'adequateness', which severely compromises the creation of an optimal plan. For example, if you are promoting a housing site, which is not allocated, it is not sufficient to prove that your site would be the more appropriate choice over the current allocation(s), because, provided the plan is still 'sound', the quality of the site is irrelevant. In effect, you have to try and prove that the whole plan is unsound without the inclusion of your site, which seems wholly excessive. This clearly has implications for large sites, but is even more difficult when it comes to promoting smaller sites. Surely a system that promotes the notion that adequate is satisfactory is not an acceptable way to ensure the most appropriate and sustainable development is secured over the lifetime of the plan? It also places site promoters at a severe disadvantage within the process and leads to sub optimal allocations being given the green light.

In terms of process, the requirement for the Deposit plan to be virtually spot-on in terms of soundness before it is submitted for examination is a significant hurdle. After submission, the scope for major changes is minimal, which can lead to local authorities attempting to use the review process as an escape route. A major contributory factor to these issues is the disparity between Preferred Strategy and Deposit. The broad strategic character of the Preferred Strategy does little to inform the reader of the detailed content of the Deposit plan, which means any requirement for fundamental changes after submission can bring the process crashing to its knees. We believe a 'draft Deposit' would definitely help, even if it does sound a little too much like the previous system!

Finally, we would like to draw attention to the claim that written representations carry equal weight to oral representations at the examination. This, we believe, is absolutely not the case. The chance to bolster arguments and respond to criticism provides the examination sessions with a clear advantage over a single written statement. In light of this, the importance of the examination session should be emphasised, with the advantages of attendance clearly set out.

Translating national planning policy on the ground

In terms of the link between National Policy and Local Planning Policy, we believe the planning system historically has been extremely slow to introduce new planning policy at a local level, due to the fact that the many local authorities have been extremely slow to adopt development plans in the past and also, for those authorities with adopted plans, because the review system within the Unitary Development Plan process was particularly weak. In light of this, the introduction of new national policy has been left to the process of Supplementary Planning Guidance, which provides the authority with an unfettered facility to introduce new policy approaches that are not scrutinised via examination in public. We have lost track of the number of occasions we have written substantial evidence objecting to SPG proposals, only to find our comments have been dismissed out of hand, without any

consideration of the issues and concerns put forward. Clearly the LDP process is more stringent on review, which might help in the long run, but it still will not stop local authorities producing and indeed adopting overly onerous SPG's, that bear no resemblance to reality – the RCT SPG mentioned above is a prime example.

The development planning process

In terms of the planning process, our members state that due to the ever increasing documentation that needs to be submitted, the constant battle over planning obligations and legislative red tape that needs to be negotiated when submitting a planning application, it very rarely takes less than 18 months before a large application is decided.

The cost of submitting planning applications has also risen dramatically, due to the plethora of detailed surveys, statements and other professional reports that are required to be included with every submission.

Through the review of the planning application process, that was recently undertaken by the WAG, our members submitted evidence to demonstrate the problems they encounter. One key example was the requirement for Design and Access Statements. In many cases, the even though the DAS was written according to National Guidance, many local authorities were refusing to validate planning applications, because the content of the Design and Access Statement did not meet the expectations of the authority and its interpretation of national guidance. In England, there is clear guidance on the validation of planning applications, where it specifically states that the quality of the Design and Access Statement must not be used as a reason not to validate the application. In this context, we believe guidance on the submission of Design and Access Statements could be strengthened, in line with the English guidance, in order to ensure planning applications are not needlessly held up within the process.

In addition to this, the example noted above in relation to Cardiff's Affordable Housing Delivery Statement provides another case in point. The document is clearly unsound and unjustified and should never have been written, let alone put forward for adoption. However, whilst this is accepted by both the Assembly Government and the Planning Inspectorate, we are still required to use the appeal process in order to remove the document from the process. This is clearly a complete waste of time on behalf of the applicant, the council and the planning inspectorate and represents a needless hurdle to negotiate within the system. If we are to speed up the planning process, then surely the process itself should not be used as a tool to withdraw unsound and inappropriate planning guidance! The planning system itself should 'hoover up' the debris, before it hits the frontline.

In terms of further evidence of how planning applications have been held up, we would refer you to the recent review of the planning application process and the evidence submitted therein. The HBF does not keep track of planning applications and therefore, we do not have any specific examples to hand. However, our members will no doubt be able to help if examples are required.

Conclusions

It is clear we have a housing crisis. In short, we believe this needs to be recognised within national guidance and a key commitment within national policy should therefore be to increase the supply of homes in Wales. We believe this commitment should extend beyond merely delivering affordable housing and should place the delivery of all types and tenures of homes on an equal footing. This should be enshrined within national planning guidance and should also be a key commitment within the new National Housing Strategy. We also believe the WAG should send a clear mandate to local authorities that increasing the supply of homes should be a paramount objective of their LDP strategies, in order ensure national policy can be clearly translated at the frontline within each area of Wales.

In terms of planning obligations, we believe the focus should be on delivery and viability. At present, it is clear that the previous reliance on land values to absorb the ever increasing requirements of planning obligations cannot continue. We need to recognise that only with a system that supports viable and deliverable development, will we achieve success in delivering planning obligations. In short, if a development is not realised, the planning obligations attached to it will also not be realised. As such, viability and deliverability should be a key priority for national and local policy in this regard.

In terms of priorities, we believe the WAG needs to send a strong message to local authorities to highlight where their priorities lie in terms of planning requirements. If the priority is for the delivery of the sustainable buildings target, this should be clearly set out for local authorities to make the correct judgement where sacrifices need to be made. However, we believe a flexible approach should be applied to the requirement of all planning obligations, which takes account of the important need to deliver more homes of the right type and in the right areas for the people of Wales. The importance of housing to the success of Wales and its social fabric must be recognised and we believe it is time to move away from the idea that housing development is merely a secondary vehicle to deliver on the policy objectives that local authorities have failed to deliver in the past.

In terms of the LDP system, we recognise it is still in its early stages, however, unless some key changes are proposed, it is difficult to envisage how the next LDP to undergo examination will not fall foul of the same obstacles. The system definitely has some key benefits, such as the binding inspectors report, but as a system that favours the objector rather than the supporter, it clearly disadvantages a great number of potential representors, particularly those that wish to promote housing sites.

Finally, we agree with a planning system that is streamlined and delivers a speedy conclusion to the submission of a planning application. However, considering the constant battle over planning obligations and the use of the system to clear the path of inappropriate and groundless planning guidance, it would seem that there is much work to be done in order to ensure the system can deliver a fast and effective service.

Thank you for taking the time to consult the HBF at this stage of the process and I look forward to working with you in the future.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Price', with a stylized flourish at the end.

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