

Environment, Planning and Countryside Committee

Planning aspects associated with the provision of affordable housing and sustainable communities in the countryside

February 2004

Foreword

Affordable housing, or the lack of it, is one of the most frequent topics of conversation in rural Wales. The rapid and huge increase in house prices, especially along the coastline and in areas of natural beauty has effectively locked many low-income people out of the housing market. Those seeking a home find the situation difficult if not impossible. Because of these trends there is a real danger that our rural communities will become unsustainable. This is the background to this inquiry.

I should sound a note of caution here. The committee's remit was confined to the role of the planning system in supporting the provision of affordable housing. A number of other matters relating to housing belong to another Assembly portfolio and have been referred to the relevant committee.

The main conclusions are that planning authorities need greater flexibility to develop policies that respond to the local housing market, within a national framework developed by the Assembly. We also felt that the options already available to Planning Authorities to develop these policies should be clarified. Where there is acute pressure on the housing market the committee also recommends the development of policies for new build housing that favour local people, where that need is proven by thorough rigorous assessments.

Some local authorities in England have already adopted innovative policies in this field and their testimony was crucial. I would wish to thank all those bodies who presented evidence to the committee and also the Regional Committees who collected evidence on our behalf. It was a very productive arrangement. My thanks also to the research department and the secretariat for their thorough work and guidance.

I do hope that the government will respond positively to the recommendations made, in view of the overwhelming evidence placed before us. The planning regime must be more proactive in meeting local needs and our recommendations are a way of achieving this within changes being made to the planning framework in Wales.

ALUN FFRED JONES AM

Chair, Environment, Planning and Countryside Committee
February 2004

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Summary of recommendations

The Committee recommends that:

Roles and responsibilities

- The Welsh Assembly Government develops an all-Wales framework for defining ‘affordability’, to include a suite of options that Local Planning Authorities can select from to define ‘affordability’ within their development plans and section 106 agreements. *Para. 4.5*
- The Welsh Assembly Government supports planning authorities in encouraging flexibility for different affordable housing planning policies to be developed for different parts of local planning authority areas, to respond to local need. That local planning authorities define ‘local area’ within their development plans, and evidence ‘need’ through Local Housing Needs Assessments and other mechanisms undertaken at local level. *Para. 4.6*
- Local planning authorities involve local communities and other stakeholders in identifying local need and developing policies to meet those needs. Local communities should also have a key role in helping to identify potential landowners and sites for the development of affordable housing in their areas. *Para. 4.7*

Planning Mechanisms

- The Welsh Assembly Government allows flexibility for local planning authorities to innovate within a national planning framework and support them in introducing experimental policies within the framework, and clarify the options, and powers, available to local planning authorities to develop those policies. Specifically this should include:
 - I. the use of ‘locals only’ policies;
 - II. the use of Section 106 agreements;
 - III. the use of exceptions sites for affordable housing, which should be permitted, where need is evidenced in surveys such as Local Housing Needs Assessment;
 - IV. the use of targets or quotas for affordable housing, which the Welsh Assembly Government should enable local planning authorities to impose on developers. Use of targets and quotas should be included in development plans. *Para. 4.9*
- The Welsh Assembly Government revises Technical Advice Note 2 (Planning and Affordable Housing) to take account of the recommendation above. *Para. 4.9*
- The Welsh Assembly Government clarifies the use of ‘locals only’ policies for new housing that is not necessarily classed as affordable and, where there is acute pressure on the housing market, supports local planning

authorities in developing such policies, clearly linked to local need as evidenced in Local Housing Needs Assessments and other surveys and data as evidence of need. Such policies would need to be subject to legal scrutiny, on a case by case basis, to ensure that they were not in conflict with Human Rights or other anti-discrimination legislation. *Para. 4.10*

- The Welsh Assembly Government and local planning authorities regularly monitor the effectiveness of planning mechanisms in supporting the provision of affordable housing and revise policies and guidance in the light of the results. *Para. 4.11*
- Mechanisms for the sharing of good practice amongst local planning authorities in England and Wales should be established. *Para. 4.12*
- The Welsh Assembly Government considers making funding available for the evaluation of planning mechanisms and sharing of best practice. *Para. 4.12*

Information and data

- Whilst recognising that this recommendation falls partly within the Social Justice and Regeneration portfolio, the Committee recommends that Local Housing Needs Assessments should be undertaken by all Local Authorities, using a consistent methodology and updated regularly. Local Housing Needs Assessments should be undertaken at ‘local’ level, as defined within the development plan. Local Housing Needs Assessments and development plans should identify suitable sites for affordable housing provision. *Para. 4.14*
- Additional surveys and research data (based on accepted methodologies) should be accepted alongside Housing Needs Assessments as proof of local need. *Para. 4.14*
- Completed Local Housing Needs Assessments or additional surveys and research data (based on accepted methodologies) should be a pre-requisite of preparing any amendments to housing policies in existing Unitary Development Plans and new Local Development Plans (which will replace Unitary Development Plans under the provisions of the *Planning and Compulsory Purchase Bill*.) *Para. 4.14*

The Welsh Language

- The Welsh Assembly Government clarifies, by reference to TAN 20 (The Welsh Language – Unitary Development Plans and Planning Control):
 - I. How the linguistic impact of developments should be assessed, along the lines of environmental impact assessments;
 - II. How planning policy in relation to the Welsh language should be put into practice. *Para. 4.15*

Sustainable development

- The Welsh Assembly Government seeks primary legislative changes (if required) to make sustainable building techniques a material consideration for planning purposes. *Para. 4.16*
- The Welsh Assembly Government develops a policy on low impact development and issue guidelines to planning authorities indicating how this type of development can be accommodated by the planning system. *Para. 4.16*

Availability of land

- The Welsh Assembly Government examines the scope for supporting the purchase of private land for affordable housing. *Para. 4.18*
- The Welsh Assembly Government encourage public authorities to allocate publicly owned land for affordable housing and clarifies the position regarding 'best price' for the sale of publicly owned land for affordable housing. *Para. 4.18*

Resources

- The Welsh Assembly Government discusses with the UK Government the use of receipts from fiscal and funding policies, e.g. VAT, Council Tax and Capital Gains Tax, to support the provision of affordable housing. *Para. 4.19*

Introduction

Affordability of housing in the UK

1.1 Issues associated with the affordability of housing apply across the UK. The recently published interim report of the UK Government commissioned Barker Review of Housing Supply said:

“Higher house prices create affordability problems. An increasing number of people cannot afford to buy houses. In 2002, only 37 per cent of new households could afford to buy a property, compared to 46 per cent in the late 1980s. Declining affordability also has wider consequences, restricting labour market flexibility, hampering the delivery of public services and leading to longer commuting times affecting individuals’ quality of life and environment.”¹

1.2 Recent studies into the issues surrounding the affordability of housing in rural areas have identified the following issues:

- **Affordability gap** – that housing in rural areas is often less affordable for local people than housing in urban areas. For example, the Countryside Agency used a newly developed mortgage index to highlight the fact that in seven out of eight English regions, homes in rural areas are less affordable than in urban ones². The Joseph Rowntree Foundation assessed the affordability of housing in relation to income levels across England³ and found that affordable housing problems were as acute in some rural areas as they were in London - four of the top ten least affordable local authorities were rural areas in the south west of England.
- **Role of the planning system** – that the planning system appears to be geared towards supporting the needs of urban communities, rather than rural communities. For example, the Royal Town Planning Institute and the Chartered Institute of Housing⁴ identified barriers to providing new affordable housing in rural areas in England through the planning system. They concluded that mechanisms such as planning obligations were only feasible in areas where the housing market was already being developed, which were primarily urban. Planning policies often discouraged development in areas that were not accessible by public transport, such as some remote rural areas. They highlighted the need for smaller, affordable and intermediately priced housing to be built in rural areas rather than the executive style housing currently favoured by developers.

¹ *Review of Housing Supply – Securing our Future Housing Needs, Interim Report – Analysis*, Kate Barker, December 2003. Quote from page 7 of Executive Summary, para. 7, fourth bullet.

² *State of the Countryside 2002*, Countryside Agency.

³ *Affordability differences by area for working households buying their homes*, May 2003, Joseph Rowntree Foundation Ref 573.

⁴ *Planning for Housing – The Potential for Sustainable Communities*, The Royal Town Planning Institute and the Chartered Institute of Housing, June 2003.

Affordability of housing in Wales

1.3 The debate about the issues surrounding affordable local housing in Wales is not a new one. A recent article has identified three phases in the recent history of planning and housing in rural Wales.

- I. Prior to 1980 when the out migration of local people from rural areas and the steady in-migration of new, more affluent residents from outside Wales was identified as a potential threat to Welsh culture in the 1970s.
- II. 1980 to the mid-1990s when the Right to Buy scheme put pressure on the supply of social housing in rural areas and intensified the debate over the priority that should be given to local need and affordability.
- III. The current phase, which can be seen as a period focussing on regeneration which has continued with the creation of the National Assembly. It is characterised by continuing pressure to prioritise local needs⁵.

1.4 This current phase is also characterised by rapidly increasing house prices, outstripping the rise in earnings.

Planning and affordable housing

1.5 The role of the planning system in supporting the provision of affordable housing is mainly through regulating the development of new housing. In terms of new affordable housing, this includes both low cost market housing and social housing for shared ownership and rental, i.e. housing developed by Registered Social Landlords (including Housing Associations).

1.6 Against the background of the perceived problems associated with affordable housing delivery highlighted above, the new Environment, Planning and Countryside Committee committed to holding an inquiry into the planning aspects associated with the provision of affordable local housing in rural Wales as its first policy review.

Terms of reference

1.7 The terms of reference for the inquiry were:

"To consider the effectiveness of current planning policies in supporting the provision of affordable housing and sustainable communities in the countryside and to make recommendations for development of policy in this area".

⁵ Wales – WJ Edwards in: *Housing in the European Countryside – rural pressure and policy in Western Europe* – edited by N Gallent, M Shucksmith and M Tewdwr-Jones 2003.

Definitions

1.8 For the purposes of the inquiry, the following definitions were adopted:

- "Affordable housing" - the Committee noted the definition contained in Technical Advice Note (Wales) (TAN) 2⁶, as including *"both low cost market and subsidised housing"*;
- "Sustainable communities" - whilst the Committee considered that it was for individual local planning authorities to define, it agreed the following broad definition: *"taking into account economic, environmental, social and cultural circumstances, sustaining a balanced and mixed population that will allow a community to thrive"*.

1.9 This report summarises the stages of the inquiry and outlines the recommendations made by the Committee.

1.10 **Section 2** of this report sets out the legislative and **policy background** and outlines the opportunities available to local planning authorities to provide affordable local housing.

1.11 A consideration of **planning in practice** in Wales follows in **Section 3**, where the Committee identified a gap between policy and practice. This section also notes the conclusions of research undertaken in England into the failures of the planning system to deliver adequate levels of affordable housing, as well as some innovative policies developed to meet local affordable housing need.

1.12 **Section 4** summarises **the issues raised** about the effectiveness of current planning policies in Wales in supporting the provision of affordable housing and sustainable communities in the countryside. **Consideration** is given to the need to strengthen planning policies in Wales to deliver affordable housing in rural areas, within the existing legislative framework, including the Planning and Compulsory Purchase Bill currently before Parliament, and **recommendations** are made.

⁶ *Planning Guidance (Wales) Technical Advice Note (Wales) 2 – Planning and Affordable Housing*, Welsh Office, November 1996.

Policy background

The planning system in England and Wales

2.1 The *Town and Country Planning Act 1990*⁷ (the Act) forms the basis of the planning system in England and Wales. It gives Local Planning Authorities (Unitary and National Park Authorities in Wales) a framework within which to develop their Unitary Development Plans (UDPs)⁸ and take development control decisions.

2.2 All powers relating to the provision of affordable housing under the Act have been devolved to the Assembly⁹.

2.3 New planning legislation, the *Planning and Compulsory Purchase Bill*¹⁰, which will supplement the Act, is currently before Parliament. The Welsh Assembly Government has worked closely with the UK Government in developing the Bill, which contains a section dealing with Wales-only planning issues.

Planning guidance in Wales

2.4 Within the framework of the Act, and subsequent legislation amending parts of it, the Welsh Assembly Government has produced its own detailed planning policy, *Planning Policy Wales*¹¹ outlining its vision for planning in Wales. *Planning Policy Wales* is supported by a series of Technical Advice Notes. Procedural advice is given in National Assembly for Wales / Welsh Office circulars.

Opportunities for affordable local housing

2.5 Section 9.1.1 of *Planning Policy Wales* describes the Assembly's housing objectives as:

“The Assembly Government’s vision for housing is for everyone in Wales to have the opportunity to live in good quality, affordable housing, to be able to choose where they live and decide whether buying or renting is best for them and their families. The objectives are to provide:

- *homes that are in good condition, in safe neighbourhoods and sustainable communities; and*

⁷ *Town and Country Planning Act 1990*, 1990 c. 8, ISBN 0105408905.

⁸ A UDP is a plan issued, after widespread consultation, by the Local Planning Authority setting out their plans and policies for the development of their area over the coming 10 years. It covers such areas as the environment, transport, economic development and housing.

⁹ The *National Assembly for Wales (Transfer of Functions) Order 1999 (SI 672/1999)*.

¹⁰ A copy of the full text of the Bill can be found at: <http://www.parliament.the-stationery-office.co.uk/pa/cm200304/cmbills/006/2004006.htm>

¹¹ *Planning Policy Wales*, Welsh Assembly Government, March 2002, ISBN 0 7504 2854 6.

- *greater choice for people over the type of housing and the location they live in, recognising the needs of all, including those in need of affordable or special needs housing in both urban and rural areas.”*

2.6 There are several options open to local planning authorities in Wales to enable affordable housing to be built within their plan area. These are described below.

Affordable housing policies within the development plan

2.7 The current guidance to planning authorities in Wales on affordable housing is set out in TAN 2. The TAN stems from the UK Government’s Housing White Paper *Our Future Homes: Opportunity, Choice, Responsibility*¹² published in 1995.

2.8 The TAN advises that:

“Planning authorities should set out in development plan policies their housing requirements for the plan period. Particular sites should be identified for housing. The major component of this allocation will relate to the provision of housing to meet general demand. Although much of this provision is likely to meet local needs, land allocated in development plans as housing land should be available to all applicants and not allocated specifically to meet the needs of particular sections of the community. The exception to this relates only to affordable housing.”

2.9 Planning authorities should identify the number of affordable homes which are required in their development plan and set indicative targets for their construction either in terms of numbers or as a percentage of homes on each site. In rural areas, the use of exceptions sites¹³ is advocated for affordable local housing.

The use of Planning Conditions and Planning Obligations

2.10 In both urban and rural areas, TAN 2 recommends the use of conditions and planning obligations to ensure that housing built as affordable is occupied, either initially, or in perpetuity by people falling within local categories of need.

2.11 The Planning Portal¹⁴ has been set up by the UK and Welsh Assembly Governments to provide online help and advice on planning matters for the general public. It defines the ways in which planners can regulate the supply of affordable housing as:

¹² *Our Future Homes: Opportunity, Choice, Responsibility*, the Government’s Housing Policies for England and Wales, Department of the Environment and Welsh Office, June 1995.

¹³ An exceptions site is usually located within or adjoining an existing village and would not normally be included as an area for development.

¹⁴ The Planning Portal, <http://www.planningportal.gov.uk>

“Conditions - stipulations attached to a planning permission to limit or direct the manner in which a development is carried out.

Planning Obligations and Agreements - legal agreements between a planning authority and a developer, or offered unilaterally by a developer, ensuring that certain extra works related to a development are undertaken, usually under Section 106 of the Town and Country Planning Act 1990.

Planning Gain - the principle of a developer agreeing to provide additional benefits or safeguards, often for the benefit of the community, usually in the form of related development supplied at the developer's expense.”

2.12 **Planning conditions** - these allow a planning authority to specify the percentage or number of houses that should be classed as affordable in any new development. In Wales, although planning authorities can set indicative targets for affordable housing (see para. 2.9 above), they cannot ‘impose’ the requirement to build a percentage of affordable houses on a site, but only ‘seek to negotiate’ with the developer.

2.13 **Section 106 Agreements** - the *Town and Country Planning Act 1990* allows local planning authorities to enter into agreements to restrict or regulate the development or use of land, either permanently or for a specified duration. These powers enable local planning authorities to place restrictions on affordable housing to ensure that it is kept as such in perpetuity.

2.14 **Planning Gain** - in the case of developments of a number of dwellings, a planning authority may use planning obligations effectively to require on-site provision of a proportion of affordable housing, or to obtain land or payments from a developer which can be used for affordable housing where this is not contained within the development for which planning permission is being sought. The UK Government has recently introduced a new clause in the *Planning and Compulsory Purchase Bill* which will enable local planning authorities to seek a payment from a developer in return for permission to develop a site, without entering into often long and protracted negotiations. local planning authorities will still have the option to operate and negotiate planning obligations, where developers do not opt to make a planning contribution.

The use of Exceptions Policies

2.15 In rural areas, there may be little scope for allocating land for housing within existing settlement ‘envelopes’¹⁵. TAN2 advocates the use of exceptions policies to provide affordable housing in rural areas. Exceptions policies allow a planning authority to allow for development on infill sites or small amounts of land close to a rural settlement boundary as development land in their development plan. The plan will stipulate that applications to

¹⁵ A settlement envelope is usually used in rural areas to limit the spread of rural settlements beyond their existing boundaries.

develop these sites will only be approved if they are for affordable housing to meet local needs.

Withdrawal of General Permitted Development Rights

2.16 The *Town and Country Planning (General Permitted Development) Order 1995*¹⁶, Article 3, grants planning permission for specified classes of development, including the enlargement, improvement or other alteration of a dwelling house. The Order includes criteria for extensions, dormer windows, the changing of rooflines and the erection of outside buildings amongst other alterations. Although a planning application is not normally required for items scheduled under the Order, a Local Planning Authority can, by the use of planning conditions, withdraw these rights. This withdrawal of general permitted development rights for affordable housing can be used to ensure that a building built as affordable housing is not substantially altered thereby increasing its value.

'Locals only' policies

2.17 In January 2003, Sue Essex, then Welsh Minister for Environment, wrote to all Welsh planning authorities clarifying the provision of affordable housing under the planning system¹⁷. The letter reinforced the advice and policies contained in *Planning Policy Wales* and TAN2, emphasising the need for housing designated for local use only to be affordable. The letter also highlighted the possibility of housing being allocated for local use only, but not necessarily classed as affordable. This would, however, be seen as a divergence from national planning guidelines and would have to be:

“... justified by local circumstances and be evidence-based. In developing their Unitary Development Plans authorities should draw upon whatever evidence they deem appropriate to make their case, in terms of land supply, social and environmental needs, etc.”

2.18 The next section moves on to consider the use of these planning mechanisms in practice.

¹⁶ *Town and Country Planning (General Permitted Development) Order 1995*, Statutory Instrument 1995 No. 418.

¹⁷ Letter from the Minister for Environment to all local planning authorities in Wales re: the Application of Planning Policy relating to Housing, 30 January 2003, copy on the National Assembly for Wales website at

<http://www.wales.gov.uk/subiplanning/content/planningpolicy/housing-policy-e.htm>.

Reproduced at Annex 2.

Planning in Practice

The gap between policy and practice

3.1 The previous section set out the opportunities given in planning policy and guidance for the provision of affordable housing. However, the information received by the Committee has indicated that there is a gap between policy and practice, which is perceived to exacerbate rather than ameliorate the difficulties associated with the provision of affordable housing.

3.2 The recently published *Review of Housing Supply* cites regulation through the planning system as one of the constraints on the supply of housing. It says of planning:

“The present planning framework is not always able to balance appropriately the true social costs and benefits of development”

and

“The planning system is complex, timescales are often unacceptably long and the requirements of planning can be used to prevent development.”

3.3 In 2002, the UK Government conducted a study into how the planning system could deliver affordable housing in England¹⁸. They concluded that the main reasons for the failures of the planning system to deliver adequate levels of affordable housing were:

- Local authorities were not consistent throughout the country in defining affordable housing. Local authorities also need to provide a clear definition and link between income levels in their areas and property costs;
- Local authorities were not necessarily following Government better practice advice in the compilation of their Housing Needs Assessments. There was also little use made of inter-authority assessments when it was clear that a number of local authorities were all participants in a single housing market;
- There was a need for local authorities to adopt a clear and corporate approach to the negotiation of Section 106 agreements. Many agreements are protracted and therefore inhibit the delivery of affordable housing;
- There were few examples of effective monitoring of the delivery of affordable housing, but there was consensus that local authorities should achieve this aim. Ideally local authorities should be in a position to provide accurate figures of affordable housing provision and account for any payments that have been provided in lieu of on-site provision;

¹⁸ *Delivering Affordable Housing Through Planning Policy*, Office of the Deputy Prime Minister, March 2002.

- There was a problem of additional costs in providing affordable housing in rural locations. This frequently involved higher development costs and additional time taken in the negotiation and delivery of sites.

3.4 In a recent study on the effect of second and holiday homes on the housing market in Wales¹⁹, the twenty two Local Authorities and three National Park Authorities were asked about their policies for affordable housing. Twenty two out of the twenty five Planning Authorities reported having a policy which sought to secure affordable housing. Eleven of the twenty two, however, reported little or no use of the policies.

3.5 Despite the guidance in TAN 2, indicating that policies for affordable housing should be included in Unitary Development Plans, a recent study by the Institute of Welsh Affairs²⁰ indicated that many local planning authorities indicated concern about their ability to meet local housing needs through this mechanism.

Current planning practice in Wales

3.6 The following planning mechanisms are in use, or under consideration:

Exceptions, quotas and Section 106 agreements

3.7 Many planning authorities have chosen to include policies for affordable local housing which allow building on exceptions sites, suggest a percentage quota of affordable housing on large developments and/or use Section 106 of the *Town and Country Planning Act 1990* to impose residency restrictions on new housing.

3.8 The Institute of Welsh Affairs study showed that Section 106 agreements were used largely within high cost markets in conjunction with the Social Housing Grant²¹ to provide houses for rent and so their use was often affected by the level of Social Housing Grant available.

3.9 Exception policies have provided a limited number of affordable housing units (in conjunction with Section 106 agreements). Between 1991 and 2000, the policies had resulted in 161 units in Wales, half for social housing and a third for Shared Ownership Schemes²². Only two local planning authorities had developed more than one exceptions site²³.

¹⁹ *Second and Holiday Homes and the Land Use Planning System Research Report – prepared for the Welsh Assembly Government*, Tewdwr-Jones, Gallent and Mace, Bartlett School of Planning, University College London, December 2002.

²⁰ *A Source of Contention – Affordable Housing in Wales*, Eilidh Johnson, Institute of Welsh Affairs, 2003.

²¹ Social Housing Grant is payable, under section 18 of the Housing Act 1996, to Registered Social Landlords in respect of expenditure incurred by them in connection with their housing activities.

²² Shared Ownership is a part own, part rent scheme. It has been replaced by Homebuy and is no longer available for new purchasers. Existing Shared Owners are unaffected.

²³ *Affordable rural housing: making exceptions*. J Watkins - Welsh Housing Quarterly 44 2001

'Locals only' policies

3.10 Policies that allow for housing to meet local need only are accepted as an integral part of the mechanisms for securing affordable housing. Several planning authorities in Wales (mostly those covering National Parks and other protected areas), however, have attempted to include policies imposing strict regulations for planning permission to only be granted for housing which meets proven local need (for *all* new housing, not just affordable housing). The majority of the plans seek to use policies which allow for no new development within their area apart from exceptions sites used for housing for 'proven local need'. Almost all the plans have been produced in the last three years and are still at the consultation stage. The Welsh Assembly Government's main objections to 'locals only' policies appear to centre on a lack of evidence-based justification from the local planning authorities concerned (see para. 2.17 above). There are also questions whether or not the policies represent a breach of human rights.

Current planning practice in England

3.11 The Committee heard from three English Local Planning Authorities about the policies and mechanisms they are using to attempt to bridge the gap between policy and practice in the delivery of affordable local housing.

Peak District National Park Authority

3.12 The Peak District National Park Authority has been using a policy that restricts new development to exceptions sites and provides affordable housing for local people since 1988, and so some appraisal of their effectiveness has been possible.

3.13 During the time that this policy has been in place, 265 homes with the occupancy restriction have been built. There have been 77 private dwellings built, with a further 31 outstanding, and 139 houses completed as part of social schemes, with a further 18 outstanding²⁴.

3.14 The policy has resulted in houses with a local occupancy condition costing between 30 to 50% less than they would on the open market. There has been wide support for the policy amongst those living and working in the park although developers have been less enthusiastic. The local occupancy criteria are cascaded to include a wider area if a dwelling is not sold within a specific time period. The main issues raised by the scheme so far are:

- a. Dwellings which were affordable when they were built several years ago and carry occupancy conditions, are no longer considered as affordable as house prices have risen so sharply in the

²⁴ *The Local Occupancy Condition: Briefing Paper*, Jonathan Avis, Council for National Parks, 2003.

intervening years. This has led to challenges of the occupancy conditions on the grounds that the dwelling is no longer affordable.

b. The lower re-sale value of affordable houses has angered those people wishing to sell properties carrying occupancy conditions, as they are often buying their next house on the open market.

c. There are proposed challenges to the policy on human rights grounds.

3.15 The Peak District National Park Planning Authority is currently working on proposals to better define affordability and to 'build in' affordability to local occupancy schemes²⁵.

North Devon District Council

3.16 North Devon District Council²⁶ has also proposed 'locals only' policies in its Revised Deposit Local Plan. Although development within named settlements is not restricted, any development outside these settlements is restricted to local need only (not only affordable housing).

3.17 The plan requires an element of affordable housing to be built both on allocated and windfall sites within named settlements whilst any rural development will be on exceptions sites only.

3.18 Definitions of the terms 'affordable', 'local' and 'in need' are included in the plan and these will form the basis of the assessment of any applications made for housing outside named settlements.

3.19 A rural housing advisor is being employed in the North Devon District Council area and they are helping to identify local need and potential sites for affordable local housing.

South Shropshire District Council

3.20 South Shropshire District Council has adopted an approach, which, as far as is known, is unique amongst local planning authorities in England and Wales. Its Revised Deposit Draft Replacement Plan (public inquiry starting January 2004) restricts development for market housing to land within six named settlements. All other development outside those settlements will be on exception sites for local needs affordable housing.

3.21 Any housing which is built as local needs affordable housing will be subject to a 'golden share' Section 106 agreement. Under these agreements, 1% ownership of the property is retained by the District Council. This policy

²⁵ *The Local Occupancy Condition: Briefing Paper* - Jonathan Avis, Council for National Parks, 2003 – section based on conversation with Mary Carr, Development Control section, Peak District National Park Authority.

²⁶ In England, a two tier system of local government still exists. The Committee received information on Local Plan policies from the three English planning authorities.

seeks to ensure that the property is retained for local affordable needs housing in perpetuity as ownership or rental cannot be transferred without the agreement of the Council.

3.22 South Shropshire has also included definitions of the terms 'affordable', 'local' and 'in need' in the plan.

Other mechanisms for securing affordable local housing in rural areas

3.23 In England, around forty Rural Housing Enablers have been established with initial funding from the Countryside Agency to help local communities meet their affordable housing needs. Their main roles are to:

- help to identify and raise awareness of rural housing needs by supporting and providing advice to rural communities and district councils who are undertaking needs surveys;
- assist in the identification of sites suitable for affordable housing development;
- liaise with all the organisations who have a role to play in the provision of affordable housing in rural areas;
- act as independent broker to help overcome the obstacles which hinder the provision of rural affordable housing;
- provide advice to housing and planning authorities to help develop strategic policies essential for bringing sites forward and securing funding; and
- supply information to the Housing Corporation to assist them plan, manage and deliver its Rural Programme.

3.24 One Rural Housing Enabler is currently working in Wales, covering East Breconshire and North Monmouthshire.

3.25 In Scotland, local land trusts have been established in the Highland and Islands Enterprise Area to enable local communities to buy and develop land for local housing need. The Scottish Land Fund (part of the New Opportunities Fund) has made £10 million available to Highland and Islands Enterprise to help to fund the work of the trusts.

3.26 The next section goes on to summarise the specific issues raised on the effectiveness of current planning policies in supporting the provision of affordable housing.

Discussion and recommendations

Information presented to the inquiry

4.1 The Committee heard directly from the Minister for Environment, Planning and Countryside and his officials, representatives of local planning and housing authorities and the academic community. The debate was widened through information presented to the North Wales, South West Wales and Mid Wales regional committees from representatives of local planning and housing authorities, housing associations, surveyors and estate agents, community groups and members of the public.

4.2 A full list of the **information presented to the inquiry** can be found at **Annex 1**.

Role of the planning system

4.3 It is widely acknowledged, as can be seen from the research summarised in Section 1, that there is a need to provide affordable housing for local people. During the inquiry, the Committee found that there was a will amongst planning authorities, housing associations and other organisations to address and resolve the issues associated with the provision of affordable housing. It was clear, however, that the planning system plays only one part in solving the problems of affordable local housing. Other social and economic issues need to be addressed to arrive at a holistic solution to the provision of affordable housing.

Effectiveness of current planning policies

Roles and responsibilities

4.4 Contributors to the inquiry described a situation in which local planning authorities wanted to innovate in order to develop planning policies to meet local needs, but felt that these would not be supported by the Welsh Assembly Government. However, the Minister and his officials said that they encouraged local planning authorities to propose solutions to local issues, provided that they were developed in accordance with national planning policy guidance. The Committee considers that there should be scope for local planning authorities to innovate within a national planning framework developed by the Welsh Assembly Government.

4.5 The Committee also found that, despite there being consensus on the need to develop affordable housing to meet local need, working definitions of 'affordable' and 'local' were lacking, or inconsistent. The Committee considers that there is a need to develop an all-Wales framework for defining 'affordability', which could include a suite of options that local planning authorities could select from to define 'affordability' within their development plans. Summarised in **Annex 2** are **definitions** of 'affordable', 'local' and 'need' contained in the development plans of some local planning authorities in England and Wales.

The Committee recommends that:

- **The Welsh Assembly Government develop an all-Wales framework for defining ‘affordability’, to include a suite of options that local planning authorities can select from to define ‘affordability’ within their development plans and section 106 agreements.**

4.6 It was acknowledged that within Wales there are a variety of different situations and needs both at local authority and ‘local’ levels, but the planning system does not appear to have the flexibility to accommodate them. Currently Unitary Development Plans focus on policies that would apply across a whole local authority area. The Committee considers that local planning authorities should have the flexibility to develop local policies for different areas within a local authority area.

The Committee recommends that:

- **The Welsh Assembly Government supports planning authorities in encouraging flexibility for different affordable housing planning policies to be developed for different parts of local planning authority areas, to respond to local need. That local planning authorities define ‘local area’ within their development plans, and evidence ‘need’ through Local Housing Needs Assessments and other mechanisms undertaken at local level.**

4.7 Many contributors reported a lack of community involvement in identifying local affordable housing needs, and also limited involvement of Housing Associations and other stakeholders in the development planning process. The Committee is aware that there are a few formal mechanisms by which planning, housing and other local government departments can work together with other groups such as Housing Associations and developers to address the issues of affordable housing.

The Committee recommends that:

- **Local planning authorities involve local communities and other stakeholders in identifying local need and developing policies to meet those needs. Local communities should also have a key role in helping to identify potential landowners and sites for the development of affordable housing in their areas.**

Planning Mechanisms

4.8 Contributors to the inquiry pointed to a lack of clarity in planning policy, Technical Advice Notes and advice to individual planning authorities on options within the planning system for supporting the provision of affordable housing. The Committee also found there to be a gap between policy and practice, as set out in Section 3 above.

4.9 At **Annex 3** is a tabular **summary of the planning mechanisms** available or being used to address some of the issues raised. They include: use of locals only policies, Section 106 agreements, exceptions policies, quotas for affordable housing²⁷, use of existing buildings and sites, sustainable housing, and change of use class. The Committee recommends that Technical Advice Note 2 (Planning and Affordable Housing) be revised to clarify these options that are available to local planning authorities.

The Committee recommends that:

- **The Welsh Assembly Government allows flexibility for local planning authorities to innovate within a national planning framework and support them in introducing experimental policies within the framework, and clarify the options, and powers, available to local planning authorities to develop those policies. Specifically this should include:**
 - I. **the use of ‘locals only’ policies;**
 - II. **the use of Section 106 agreements;**
 - III. **the use of exceptions sites for affordable housing, which should be permitted, where need is evidenced in surveys such as Local Housing Needs Assessment;**
 - IV. **the use of targets or quotas for affordable housing, which the Welsh Assembly Government should enable local planning authorities to impose on developers. Use of targets and quotas should be included in development plans.**

- **The Welsh Assembly Government revises Technical Advice Note 2 (Planning and Affordable Housing) to take account of the recommendation above.**

4.10 The use of ‘locals only’ policies above relates to provision of affordable housing to meet local need. Both *Planning Policy Wales* and TAN 2 explicitly support policies for the provision of local needs affordable housing. During its inquiry the Committee heard from local planning authorities that had adopted, or were seeking to adopt, ‘locals only’ policies for the development of *all* new housing within given areas. In her January 2003 letter to local planning authorities, the then Minister for Environment highlighted the possibility of housing being allocated for local use only, but not necessarily for affordable housing. The Committee considers that in areas where there is acute pressure on the housing market it would be appropriate for local planning authorities to develop ‘locals only’ policies for all new housing, clearly linked to local need as evidenced in Local Housing Needs Assessments and other surveys and data compiled as evidence of need. Such policies would need to

²⁷ *Planning Policy Wales* enables local planning authorities to negotiate quotas with developers, but a uniform quota cannot be imposed on development regardless of market or site conditions. Power to impose quotas on sites rather than ‘seek to negotiate’ could be introduced by means of a Ministerial Planning Statement, which would be consulted upon.

be subject to legal scrutiny to ensure that they were not in conflict with Human Rights of other anti-discrimination legislation.

The Committee recommends that:

- **The Welsh Assembly Government clarifies the use of ‘locals only’ policies for new housing that is not necessarily classed as affordable and, where there is acute pressure on the housing market, supports local planning authorities in developing such policies, clearly linked to local need as evidence in Local Housing Assessments and other surveys and data as evidence of need. Such policies would need to be subject to legal scrutiny, on a case by case basis, to ensure that they were not in conflict with Human Rights or other anti-discrimination legislation.**

4.11 With regard to specific planning mechanisms, the Committee heard that exceptions sites and Section 106 agreements, as currently used, were proving inadequate to meet local affordable housing need. Contributors also referred to difficulties associated with ensuring the continuity of affordable housing (housing affordable ‘in perpetuity’) when property ownership or tenancy changed.

The Committee recommends that:

- **The Welsh Assembly Government and local planning authorities, regularly monitor the effectiveness of planning mechanisms in supporting the provision of affordable housing and revise policies and guidance in the light of the results.**

4.12 The Committee also found that there was a lack of information about developments in other local authorities both in England and Wales, what has been tried and which policies were and were not effective.

The Committee recommends that:

- **Mechanisms for the sharing of good practice amongst local planning authorities in England and Wales should be established.**
- **The Welsh Assembly Government consider making funding available for the evaluation of planning mechanisms and sharing of best practice.**

Information and data

4.13 There is a lack of evidence (apart from anecdotal) in some areas about the true nature and extent of the affordable housing problem in many areas of Wales. The Welsh Assembly Government has encouraged Local Authorities to undertake Local Housing Needs Assessments via grant funding and supplementary guidance to Local Housing Strategy guidance. Of the twenty two local housing authorities in Wales, eleven have completed Local Housing

Needs Assessments, four are in progress, the remaining seven have not requested funding, but may have recently undertaken, or be undertaking assessments autonomously. The **status of Local Housing Needs Assessments** in Wales as at December 2003 is summarised in **Annex 4**.

4.14 Although many Local Housing Needs Assessments have been completed, there was a strong feeling among contributors that they do not always provide sufficient information on local housing need. The Committee considers there to be a need to develop a consistent methodology for Local Housing Needs Assessments, which should be completed and updated regularly and used as the basis for housing policies in any new or revised development plans.

The Committee recommends that:

- **Whilst recognising that this recommendation falls partly within the Social Justice and Regeneration portfolio, the Committee recommends that Local Housing Needs Assessments should be undertaken by all local authorities, using a consistent methodology and updated regularly. Local Housing Needs Assessments should be undertaken at ‘local’ level, as defined within the development plan. Local Housing Needs Assessments and development plans should identify suitable sites for affordable housing provision.**
- **Additional surveys and research data (based on accepted methodologies) should be accepted alongside Housing Needs Assessments as proof of local need.**
- **Completed Local Housing Needs Assessments or additional surveys and research data (based on accepted methodologies) should be a pre-requisite of preparing any amendments to housing policies in existing Unitary Development Plans and new Local Development Plans (which will replace Unitary Development Plans under the provisions of the *Planning and Compulsory Purchase Bill*.)**

The Welsh Language

4.15 A point made strongly at the regional committee meetings was the need for communities to be balanced, if they were to be sustainable. Many contributors referred to the possibility of ‘ghettoisation’ of affordable housing, if mixed developments were not planned. This issue was seen as being of particular relevance to the sustainability of the Welsh language in many communities. One Local Planning Authority also commented that there was a lack of methodology for assessing the impacts of developments on the Welsh language.

The Committee recommends that:

- **The Welsh Assembly Government clarifies, by reference to TAN 20 (The Welsh Language – Unitary Development Plans and Planning Control):**
 - I. How the linguistic impact of developments should be assessed, along the lines of environmental impact assessments;**
 - III. How planning policy in relation to the Welsh language should be put into practice.**

Sustainable development

4.16 Although policies are in place to assist with the affordability of purchase price, little support is available to ensure the affordability of running costs of affordable housing. Several contributors identified that housing built using sustainable technology and energy efficiency techniques (e.g. solar panels, wall and roof insulation, water recycling systems) were, for the most part, more energy efficient and therefore had cheaper running costs. In view of the Assembly's duty towards sustainable development, the Committee is surprised that the use of sustainable building techniques is not currently a material consideration within the planning system. The Committee also considers that there should be a review of planning policies relating to low impact developments²⁸.

The Committee recommends that:

- **The Welsh Assembly Government seeks primary legislative changes (if required) to make sustainable building techniques a material consideration for planning purposes.**
- **The Welsh Assembly Government develops a policy on low impact development and issue guidelines to planning authorities indicating how this type of development can be accommodated by the planning system.**

Availability of land

4.17 Contributors told the Committee that a major barrier to the development of affordable housing was the high price of development land. The Committee also heard that there was a lack of guidance or compulsion for developers to build on land with planning permission. This could lead to land being bought

²⁸ Low impact development has been defined in the Pembrokeshire Draft Joint Unitary development Plan as: "... development which through its low negative environmental impact either enhances or does not significantly diminish environmental quality. Low impact developments are likely to be small scale, unobtrusive, made from predominantly local materials, protect wildlife and enhance biodiversity, consume a low level of non-renewable resources and generate little traffic."

and sold with increasing 'hope value', which may only be released for development when property prices are high.

4.18 The Committee also heard that some public authorities were keen to give up some of their land for the development of affordable housing, but were unclear whether this would meet the requirements of best value in sale of public land. The Committee considers there to be scope for using publicly owned land for affordable housing and seek clarification on this issue.

The Committee recommends that:

- **The Welsh Assembly Government examines the scope for supporting the purchase of private land for affordable housing.**
- **The Welsh Assembly Government encourages public authorities to allocate publicly owned land for affordable housing and clarify the position regarding 'best price' for the sale of publicly owned land for affordable housing.**

Resources

4.19 Several contributors pointed to the potential of using various fiscal and funding policies to support the provision of affordable housing. Examples suggested were decreasing the VAT payable on sustainable building materials for affordable housing, increasing Council Tax for second or holiday homes, and granting exemption from Capital Gains Tax for landowners who provide land for affordable housing.

The Committee recommends that:

- **The Welsh Assembly Government discusses with the UK Government the use of receipts from fiscal and funding policies, e.g. VAT, Council Tax and Capital Gains Tax, to support the provision of affordable housing.**

Effectiveness of housing and other policies

4.20 Summarised below are more general issues, which cannot be addressed solely through the planning system, indicating the need to address the range of policies associated with the provision of affordable housing. These issues have been drawn to the attention of the Social Justice and Regeneration Committee.

Meeting housing need

4.21 It has been noted above that, in general, local authorities in Wales have very limited evidence of the need for affordable housing. However, contributors to this inquiry perceived a lack of affordable housing in some areas, and considered the main causes to be:

- A reduction in social housing stock due to the Right to Buy Scheme²⁹;
- A net increase in new households forming each year coupled with a decrease in new house completions;
- Economic disadvantage in rural areas – low wages coupled with high property prices;
- ‘Hot spots’ created by retirees and commuters moving into desirable areas.

4.22 Priorities for the use of Social Housing Grant in meeting local housing need are for local authorities to determine in conjunction with Registered Social Landlords. However, Housing Associations said they were unable to satisfy demand for several reasons:

- Lack of funding to buy suitable sites;
- Despite an underspend of £1.6m in Social Housing Grant in rural areas during 2002-03, doubt was cast at the adequacy of levels of grant, and mechanisms for fully utilising the grant;
- Changes in legislation, which give Housing Associations the responsibility for housing ‘more vulnerable and needy’ sections of society (e.g. homeless and special needs). Although anticipated expenditure by Registered Social Landlords on housing for the more ‘needy’ only comprises a small part of the total Social Housing Grants programme, these schemes attract a higher level of grant funding, and may comprise a larger proportion of the actual expenditure on new build;
- High cost of building in the countryside;
- Some contributors pointed to unrealistic Acceptable Cost Guidelines levels for affordable housing. However, the Housing Directorate regularly reviews the Acceptable Cost Guidelines to ensure that they reflect current housing costs. The last increase was in July 2003. The Housing Directorate has also stated that it would consider higher grant levels in rural areas on a case by case basis.

Low Cost Home Ownership

4.23 The Housing Directorate has issued detailed guidance on Low Cost Home Ownership (e.g. Homebuy³⁰, Right to Buy and Right to Acquire³¹).

²⁹ The Right to Buy Scheme enables secure tenants of local authorities and some Registered Social Landlords to buy their homes at a discount on market value of between 32% and 60% for houses (and 44% and 70% for flats), subject to an overall maximum discount of £16,000. The Right to Buy does not apply to certain types of property and restrictions to subsequent sales apply in designated rural areas.

³⁰ The Homebuy scheme is operated by Registered Social Landlords (RSLs), but is only available where a local authority decides that it is a priority for the use of Social Housing

Guidance on Social Housing Grant is currently being revised. However, several contributors pointed to a lack of co-ordination and guidance in funding for the various schemes aimed at assisting house purchase and construction.

4.24 The Homebuy Scheme was not perceived to work in many rural areas, as the price thresholds were said to be too low. However, increased price thresholds may not be the complete answer, as many low paid people may not be able to purchase a home if their incomes are insufficient to meet the mortgage repayments, even with a 50% Homebuy loan.

4.25 House building costs were reported to be higher in rural areas for a number of reasons: the lack of affordable building land; fewer economies of scale; and services may be more costly to connect.

Rented housing

4.26 Contributors commented that the rental sector was just as important as the purchase sector, but felt there was a limited rental sector in rural areas. It was also felt that social housing was becoming stigmatised, which led to an increased demand for home ownership. However, local authorities are responsible for deciding priorities for use of grant funding and developing Local Housing strategies that respond to local needs.

4.27 Contributors felt that little consideration was given to the use of existing housing stock, especially the refurbishment of unfit, empty or derelict properties, especially those in private ownership. However, the Housing Directorate has issued guidance allowing flexibility on cost limits and standards (of space, etc.) concerning the refurbishment of existing housing for rent. The Housing Directorate has also consulted on introducing 'flexible tenure' for RSL housing whereby an RSL could choose to sell any rented property to the tenant on Homebuy terms.

Grant. It is intended to assist people, who would otherwise require social housing, to buy their own home. An RSL can provide an equity loan for an agreed percentage (usually 30% but up to 50% in some areas) of the purchase price. The purchaser funds the balance through a conventional mortgage and savings. No interest is paid on the loan, but when the loan is repaid the amount repayable will be the same agreed percentage of the value of the property at that time.

³¹ The Right to Acquire gives qualifying tenants of Registered Social Landlords a right to purchase their homes if they were provided using Social Housing Grant, or transferred from a local authority after April 1997. A flat rate discount of 25% of the market value is given, subject to an overall maximum of £16,000. The Right to Acquire does not apply to certain types of property and does not apply in designated rural areas.

Information presented to the inquiry

The following is a list of those presenting information to the inquiry. Papers referenced can be accessed from the relevant committee pages of the National Assembly website at

<http://www.wales.gov.uk/keypubassemcommittees/index.htm>

Environment, Planning and Countryside Committee

16 July 2003¹

- Carwyn Jones AM, Minister for Environment, Planning and Countryside
- Dr Mark Tewdwr-Jones, Bartlett School of Planning, University College London

Environment, Planning and Countryside Committee

25 September 2003, visit to Powys County Council, Welshpool and site visits

- Councillor G. T. Evans, Chairman of Montgomeryshire Planning Committee
- Councillor G. Gwillim, Board Portfolio Member, Planning Policy
- Gareth W. Thomas, Head of Planning Services
- Nick Smith, Planning Policy & Conservation Manager
- Ian Fraser, Housing Strategy & Operations Manager
- David Thomlinson, Rural Housing Strategy Development Officer

North Wales Regional Committee

3 October 2003, Pwllheli²

- Wyn Hobson and Seimon Glyn, Cymuned
- Walis George, Cymdeithas Tai Clwyd
- John Glyn Jones, Cymdeithas Tai Eryri
- Keith Edwards and Gwynne Jones, Chartered Institute of Housing Wales
- Peter Ogden, Snowdonia National Park Authority
- Members of the public
- Committee Members

South West Wales Regional Committee

3 October, St Davids³

- Simon Brookes and Gwilym ab Ioan, Cymuned
- Stephen Hurr, Pembrokeshire County Council
- Peter Maggs, Pembrokeshire Housing Association
- Edward Perkins, Chartered Surveyor, Haverfordwest
- Nic Wheeler, Pembrokeshire Coast National Park Authority
- Members of the public

¹ see paper EPC(2)-03-03(p1a) and (p1b).

² see papers NWR(2)-02-03(p1), (p2), (p3) and NWR(2)-03 (r1).

³ See SWWR(2)-02-03(mins).

- Committee Members

Environment, Planning and Countryside Committee

8 October 2003⁴

- Iwan Trefor Jones and Aled Davies, Cyngor Gwynedd
- Nic Wheeler, Pembrokeshire Coast National Park Authority

Mid Wales Regional Committee

10 October 2003, Llandrindod Wells⁵

- David Thomlinson, Powys County Council
- Eric Bowles, Brecon Beacons National Park Authority
- Huw Lewis and Aled Davies, Cymdeithas yr Iaith Gymraeg
- Shane Perkins, Mid Wales Housing Association
- Charles Raw-Rees, Jim Raw-Rees and Company, Estate Agents
- Members of the public
- Committee Members

Environment, Planning and Countryside Committee

5 November 2003⁶

- John Bull, Peak District National Park
- Graham Biggs, South Shropshire District Council
- Craig Dryden and Barbara Venn, North Devon District Council

⁴ see paper EPC(2)-04-03(p1a) and (p1b).

⁵ see papers MWR(2)-02-03(p1), (p2), (p3) and MWR(2)-02-03(mins).

⁶ see background papers to EPC(2)-05-03.

Annex 2

Examples of definitions of ‘Affordability’, ‘Local’, ‘Need’ and guidance on the use of ‘Locals only’ policies

The following definitions of ‘affordability’, ‘local’ and ‘need’ have been used by Local Planning Authorities in their development plans. Guidance on use of ‘locals only’ policies in Wales is contained in a letter from the former Minister for Environment, Sue Essex AM, dated January 2003.

‘Affordability’

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
<p><u>Sale</u>: Sold at a price that does not exceed three times the average annual household income for North Devon</p> <p><u>Rent</u>: The rent of these properties should not exceed the levels recommended by the Housing Corporation.</p>	<p><u>Freehold Purchase</u>: The proportion of the householder’s (including spouse or partner) income (gross wage/salary less income tax and NI) used to meet the mortgage, rent or rent/mortgage should not exceed 30%.</p> <p><u>Social, Private Sector Rented and Equity Share</u>: If the householder (including spouse or partner) would be paying more than 30% of their net disposable income (see above) on rent, after taking housing benefit entitlement into account, the</p>	<p>Affordability should be considered at a local level. The Structure Plan describes affordable housing as being suitable for those families that are in need and cannot afford to purchase on the open market. The most affordable housing is likely to be modest housing on limited plots subject to the occupancy condition. Detached houses with large gardens are unlikely to remain affordable in perpetuity. A new house is likely to be more affordable if the land has been acquired</p>	<p>The affordable housing provided may be either low cost market housing or subsidised housing (irrespective of tenure, ownership whether exclusive or shared, or financial arrangements) that will be available to people who cannot afford to occupy houses (private or rented) generally available on the open market. In the case of low cost market</p>	<p>The indicator most often used in defining affordability is the relationship between household income and the rent or price of the property which suits that person’s need. Affordable rents equate to approximately 15 per cent of average household income and affordable house prices equate to two and a half to three times the average household</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
	<p>rent would be deemed to be not affordable.</p> <p>Some size criteria are also applied.</p>	<p>at a discounted value or by way of a gift.</p> <p>Some size criteria are also applied.</p>	<p>housing the price will need to be discounted below the market rate for the equivalent house type.</p>	<p>income. For a household income of £20,000 this equates to an ability to pay £57 per week for a rented property or £50,000 to £60,000 to purchase a property. For those on incomes lower than this, the type and range of properties which are available will be even more limited.</p> <p>The average household income in the Park in April 2002 was £21,000 per annum or £400 gross per week, (80 per cent of the UK average)¹⁴. In addition approximately 30 per cent of households have an income of less than £10,000 per annum, or £200 per week. Households with incomes at this level</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				<p>are unlikely to be able to buy a property, and even rented property may be beyond their means without financial support.</p> <p>Given the nature of local incomes, affordable housing needs to be for sale at a price not exceeding £50,000, or available for rent at less than £50 per week. Although the price of property within the Park varies significantly, house price surveys in March 2003 indicate that less than 9 per cent of houses for sale at that date were priced at less than £50,000. It is therefore very clear that most of the property for sale is not genuinely affordable to those on</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				the lowest rates of pay and can only be rented if these individuals receive additional financial support.

‘Local’

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
<p>A local connection will usually apply to a person or household:-</p> <ol style="list-style-type: none"> 1. Who currently lives in the relevant locality and have done so for a continuous period of at least five years; and/or 2. Who work in the relevant locality; and/or 3. Who have moved away but have strong established and continuous links with the relevant locality by reason of birth or long term family connections. 	<p>Place of residence or employment:</p> <ul style="list-style-type: none"> ◆ In the same Parish as the proposed scheme; ◆ Within 2 miles as the crow flies of the boundary of the Parish in which the scheme is proposed; ◆ Within 5 miles as the crow flies of the site of the proposed scheme; <p>In any other location within a radius of seven and a half miles as the crow flies of the proposed housing scheme considered to be local by the local Parish/Town/Council/Meeting</p>	<p>(i) a person (and his or her dependants) who has a minimum period of 10 years' permanent residence in the parish or an adjoining parish and is currently living in accommodation which is overcrowded or otherwise unsatisfactory; <u>or</u> (ii) a person (and his or her dependants) who has a minimum period of 10 years permanent residence in the parish or an adjoining parish and is forming a household for the first time; <u>or</u> (iii) a person not now resident in the parish but with a proven need and a strong local connection with the parish, including a period of residence of 10 years or more within the last 20 years; <u>or</u> (iv) a person who has an essential need to live close to another person who has a</p>	<p>A 'local' person will be:</p> <ul style="list-style-type: none"> - A person who has immediately preceding the submission of the planning application occupied a permanent residence for a minimum of three years in the Sustainable Community; and/or - A person who has a strong local connection with the Sustainable Community. <p>Examples of what could be regarded as a 'local connection' could include family associations, previous periods of residency and /or employment within the Sustainable Community.</p>	<p>In addition to being in Genuine Need, proposed occupiers of new residential or converted properties must satisfy the definition of a local person as it relates to the type of settlement in which the new dwelling or conversion is located. A definition of a local person in respect of each of the types of settlement is as follows: -</p> <p>Small Villages</p> <ul style="list-style-type: none"> • A person is local if he or she has lived or worked in full time permanent employment for a minimum and continuous period of 10 years within the Community Council area in which the development is proposed. <p>Towns and Villages</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
		<p>minimum of 10 years' residence in the parish, the essential need arising from age or infirmity;</p> <p><u>or</u></p> <p>(v) a person who has an essential functional need to live close to his or her work in the parish, or an adjoining parish within the National Park.</p>		<ul style="list-style-type: none"> • A person is local if he or she has lived or worked in full time permanent employment for a minimum and continuous period of 10 years within the Community Council area in which the development is proposed or in a Community Council area which is immediately adjoining to that area. <p>Local Centres</p> <ul style="list-style-type: none"> • A person is local if he or she has lived or worked in full time permanent employment for a minimum and continuous period of 10 years within the former administrative area of Meirionnydd District Council or any Community

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				<p>Council area which is immediately adjoining this area.</p> <p>In each case where any relevant Community Council area is split by the Park boundary then the whole of the Community Council area outside the Park falls within the eligible area.</p> <p>An applicant will also be eligible to build or occupy a new house granted or convert an existing property under this Policy if they can prove a Special Need to do so. Three categories of Special Need are defined below.</p> <p>A close association with the area where they wish to live.</p> <p>Proposed occupiers, who are not currently living or working in the area, must be able to demonstrate a legitimate and strong connection with the area within which the</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				<p>development is proposed or located, through either having lived or worked for a minimum and continuous period of 10 years sometime in the past within the qualifying area.</p> <p>Qualifying areas in respect of this criterion will depend on the status of the settlement within which the development is proposed. These qualifying areas are as defined in paragraph 1.4 above.</p> <p>Employment reasons</p> <p>Proposed occupiers, who are not currently living or working in the area and moving to the area to take up a full time, permanent employment will be eligible occupy any house granted under this policy within the Community Council area in which their employment is based or in any adjoining Community Council area. In addition they must be able to demonstrate</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				<p>that no suitable houses are for sale or rent in the area that would meet their needs. Individuals taking up part time or seasonal employment will not be eligible.</p> <p>Where any relevant Community Council area is split by the Park boundary then the whole of that Community Council area falls within the eligible area.</p> <p>Family reasons</p> <p>Proposed occupiers, who are not currently living or working in the area will qualify to return to a settlement where they wish to occupy a house granted under this policy if they can demonstrate they are required to:</p> <ul style="list-style-type: none"> • care for an infirm and close relative who has been resident in that Community Council area for a period of no less than 10

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				<p>continuous years and that there is no scope for the extension or alteration to the home currently occupied by the relative, or</p> <ul style="list-style-type: none"> • Be cared for by someone who has been resident in the community for a period of no less than 10 continuous years and where there is no scope for extension or alteration to the home currently occupied by that relative. <p>In both circumstances the applicant will only be able to build or occupy a house or convert a property in the Settlement or Community area within which the relative currently lives. Where any relevant Community Council area is split by the Park</p>

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				boundary then the whole of that Community Council area outside the Park falls within the eligible area.

‘Need’

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
<p>Currently occupying accommodation that is unsuitable for their requirements and with an income too low to either buy or rent a dwelling more appropriate to meeting their needs e.g.</p> <ul style="list-style-type: none"> ◆ Existing residents who have lived in the Locality for a continuous period of at least Five years and are in need of separate Accommodation (e.g.: members of existing Households who marry, divorce or Separate or set up a new household and People leaving tied accommodation on Retirement); ◆ Existing residents who have lived in the Locality for a continuous period of at least Five years and whose present Accommodation has become either Substandard 	<p>Someone is in local housing need where they:</p> <ul style="list-style-type: none"> ◆ Can demonstrate a need to be housed locally <u>and</u> ◆ Lack their own housing or live in housing which is inadequate or unsuitable to meet their existing and future requirements whether because of its tenure, size, type, design, location, condition, security or cost; <u>or</u> ◆ Are living in social housing but wish to own their own home and can afford to do so but not at open market prices; ◆ Are unlikely to be able to meet their needs in the existing local housing market without some assistance; <u>and</u> ◆ Meet the following <u>criteria</u>: <ul style="list-style-type: none"> ▪ They must constitute a separately defined 	<p>The distinction between demand and need should be recognised. The number of people actually <u>needing</u> a newly built or converted home in the National Park has been shown to be far fewer when community assessments have been made in a particular area including a proper definition of need.</p> <p>For an individual, proof of need is likely to be a clear indication that the person is unable to afford a house on the open market, is living in unsatisfactory conditions such as an overcrowded or unfit house and requires alternative accommodation. The person may be wishing to set up home for the first time. Where relevant, financial evidence will be expected together with information from the housing officer, doctors or social</p>	<p>In addition to being a local person a prospective occupier of a new dwelling must also qualify as being in 'need', through:</p> <ul style="list-style-type: none"> - Living in accommodation which is overcrowded, or otherwise unsatisfactory; and/or - Forming a household for the first time. <p>The term 'otherwise unsatisfactory' could include circumstances where the property is no longer capable of meeting the needs of the occupants (e.g. it is too large).</p> <p>It is also recognised that a person may not be 'local', or in 'need', as set out above but still qualify for a new dwelling on the following basis:</p> <p>That he/she has permanent employment within the Sustainable Community; and/or</p> <p>That he/she has an essential</p>	<p>Applicants wishing to build or occupy a new house, or convert an existing building, must be able to prove to the Authority that: -</p> <ul style="list-style-type: none"> • a genuine need currently exists to build a new house, or to convert a building to residential purposes; and that • no suitable house is available for sale or rent in the area which meets this immediate need. <p>If the proposed occupier currently owns a house, he / she must be able to justify that:</p> <ul style="list-style-type: none"> • their existing property does not meet their new need, • their existing property is not

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
<p>or unsuited to their Circumstances because of, for example, Age, impairment, medical condition or to Meet the needs of a growing family;</p> <ul style="list-style-type: none"> ◆ Key workers including those who provide an important service and need to live closer to the local community; and <p>People who have moved away but have Strong established and continuous links With the locality by reason of birth or Family.</p>	<p>household;</p> <ul style="list-style-type: none"> ▪ Their present accommodation must be shown to be inadequate by virtue of its location or condition, or that it is overcrowded or shared with another household; ▪ The members of the household must together have insufficient income to purchase a house on the open market in the parish in which the proposed dwelling is to be situated; <p>At least one member of the household must have strong local connections</p>	<p>workers in support of the person's need</p> <p>A community's need may be identified by a district or parish council, a village organisation, a group of villagers or a private developer wishing to provide affordable housing in a village. Need would be proven through a housing needs survey, normally carried out by the district council in association with the parish council</p>	<p>need to live close to another person who has a minimum of 3 years residence in the Sustainable Community, the essential need arising from age or infirmity.</p>	<p>capable of being extended to meet their new need,</p> <ul style="list-style-type: none"> • their existing property is unfit or unsuitable for their continued use, • they are establishing a new household. <p>If the proposed occupier and their family do not currently own a house, but wish to build or occupy a new house or convert an existing building, he or she must be able to demonstrate that they qualify because of:</p> <ul style="list-style-type: none"> • a change in personal circumstances (for example, bereavement, separation, or divorce), • their existing rented accommodation is no

North Devon District Council	South Shropshire District Council	Peak District National Park Authority	Pembrokeshire County Council and National Park Authority	Snowdonia National Park Authority
				longer available or suitable, <ul style="list-style-type: none"> • they are establishing a new household.

Sources:

Deposit - Joint Unitary Development Plan for Pembrokeshire – February 2002
 Eryri Unitary Development Plan 2001-2016 - Deposit Version - October 2003
 First deposit Local Plan North Devon County Council - November 2001
 Draft Affordable Housing Code of Practice North Devon County Council
 Affordable housing for South Shropshire's people South Shropshire District Council
 Best Value Practice Note No. 51 – Affordable Housing South Shropshire District Council
 Peak District National Park Local Plan Adopted Version Peak District National Park Authority - March 2001
 Local Occupancy Condition: Briefing Paper Jonathon Avis, Council for National Parks 2003

Sue Essex AM

Gweinidog dros yr Amgylchedd
Minister for Environment

Our ref: A-PAA-34-09-041

To: Local Authority Cabinet Members responsible for Planning,
Chairs of Planning Committees,
Chief Executives of LAs and NPAs,
Chief Planning Officers

30 January 2003

Dear Colleague,

APPLICATION OF PLANNING POLICY RELATING TO HOUSING

I am writing to draw your attention to some recent research on 'Second and Holiday Homes and the Land Use Planning System' and attach a copy of the report and the Welsh Assembly Government's response to its recommendations. [Both documents are available on the Assembly's website (www.wales.gov.uk) and further hard copies can also be obtained by contacting the Planning Division, Branch 2A (tel. 029 2082 3869).]

2. The research is part of a series of projects directed towards the development of evidence-based policies to help sustain communities throughout Wales into the future.

3. An important aim of the second homes research was to address the problems which are apparent in certain areas of meeting the housing needs of local people. The researchers found that second homes are actually declining in number overall but have a contributory impact in a few "hotspots" across the country.

4. To avoid confusion, it is important to understand the distinction between the provision of **affordable housing to meet local need** (whether for sale or rent) in accordance with *Planning Policy Wales* and the development of UDP policies restricting new housing to meet the needs of '**locals only**'.

5. One of the main research findings is that some authorities were making little or no use of the existing powers available to them to provide affordable housing through the planning system. To address this, I am clarifying in this letter how local authorities can use their current powers to address **local needs housing**.

6. The Assembly Government's housing planning policy is set out in *Planning Policy Wales* (March 2002), supported by TAN 1 'Joint Housing Land Availability Studies' and TAN 2 'Planning and Affordable Housing'. This provides the national context for development plans and decision-making. Development plan policies should be integrated with other policies of the authority, be evidence-based and provide an open and fair means of assessing development proposals.

7. The policy makes a distinction between imposing occupancy and resale conditions on housing that is intended **as affordable housing to meet local needs** (whether for sale or rent) and housing that is intended for the **general market**. Some sites will be a mixture of general market housing and affordable housing. Land allocated in Unitary Development Plans as housing land should be available to all applicants. Local planning authorities should frame development plan policies to meet the particular circumstances of their area, but if these policies diverge from national policy they will need to justify this variation. Policies should be designed to deliver a sustainable settlement pattern, and should be monitored to show the impact of the policies. If local needs are not being met currently, appropriate policies will be required to secure sufficient allocations, to be secured for future local need by the use of planning conditions and/or obligations. Particular care is needed to explain where policies of restraint in one part of the area are to be compensated for in another.

8. Policies that attempt to restrict general needs housing provision for '**locals only**' are contrary to guidance in *Planning Policy Wales*. Although, as I mentioned in paragraph 7 above, should local planning authorities want to diverge from national policy, on this or any other matter, such policies must be justified by local circumstances and be evidence-based. In developing their Unitary Development Plans authorities should draw upon whatever evidence they deem appropriate to make their case, in terms of land supply, social and environmental needs, etc.

9. It is vital for planning and housing colleagues to work closely together to ensure that their local housing strategies integrate with the relevant provisions of their UDPs. They need to determine local housing needs and demands across the whole housing system to inform their plans. I commend the new guidance issued last month by the Housing Directorate, 'Local Housing Market Assessment', which complements the guidance issued in 1999, 'Local Housing Needs Assessment: a good practice guide'. The new guidance focuses on the assessment of private housing markets and the broader housing system.

10. There has been considerable debate about the merits of various planning approaches for maintaining the vitality of Welsh communities. The second homes research has provided some answers. However, the research programme by the Assembly covers a number of wider policy topics and is designed to help us develop a co-ordinated approach to securing the best for the future of these places. While this work continues, it is important that there is clarity about the appropriate ways to use the planning system.

11. If you have any questions about this letter, please do not hesitate to contact Assembly Planning Division or Housing Directorate officials. [A copy of this letter has been posted to the Planning and Housing sections of the Assembly's web site.]

Yours

Sue Essex AM

Cc: Local Authority Directors of Housing
House Builders' Federation
Council of Mortgage Lenders
Welsh Local Government Association
CBI Wales
Federation of Master Builders
Federation of Small Businesses (Wales)
Wales TUC
ACCA Wales
Royal Institute of Chartered Surveyors
Cardiff Chamber of Commerce
Welsh Federation of Housing Associations

Planning mechanisms

Main issues coming out of the evidence	Policies proposed/used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
The use of locals only policies	<p>Ensuring all new dwellings in 'rural settlements' are for local people only. (N Devon)</p> <p>Restricting residential conversion of rural buildings to meet the needs of the community (N Devon)</p> <p>Create new local occupancy condition by implementing a positive local discrimination in favour of local and essential needs first (Pembrokeshire Coast National Park Authority)</p> <p>Housing needs survey updated every 3 years to prevent successful challenges to affordable housing policies (S Shropshire)</p>	<p>Letter from the then Minister clarifying the situation 30 January 2003 states:</p> <p>Policies that attempt to restrict general needs housing provision for 'locals only' are contrary to guidance in <i>Planning Policy Wales</i>. Although, as I mentioned in paragraph 7 above, should local planning authorities want to diverge from national policy, on this or any other matter, such policies must be justified by local circumstances and be evidence-based. In developing their Unitary Development Plans authorities should draw upon whatever evidence they deem appropriate to make their case, in terms of land supply, social and environmental needs, etc. 30 Jan 2003</p> <p>There has been opposition from the Assembly Government to a locals only policy in the draft Pembrokeshire Unitary Development Plan on the basis that evidence not provided to justify the policies.</p>	N/A
The use of locals only policies cont.	<p>There is a need for Planning Authorities to undertake surveys on a community level in order to establish local housing needs (Cyngor Gwynedd)</p> <p>Resources should be made available to planning authorities to carry out local housing needs assessments.(Pembrokeshire Coast National Park Authority)</p>		Resources to carry out local housing needs surveys to be given to planning authorities

Draft for consideration 14 January 2004

Main issues coming out of the evidence	Policies proposed/used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
The use of 106 agreements	Outlining when the modifying or removal of agricultural and holiday conditions would be acceptable. (N Devon)	Application can be made to the LPA to remove agricultural and holiday occupancy conditions. Section 106A of the <i>Town and Country Planning Act 1990</i> enables a planning authority, in agreement with the person or people affected by a planning obligation to remove or modify that obligation.	N/A
	Permitted development rights removed and the extension of small dwellings (less than 100m ²) restricted (N Devon)	Section 60 of the <i>Town and Country Planning Act 1990</i> allows planning authorities to withdraw rights under a development order giving development rights - known as Article 4 Directions.	N/A
	Section 106 agreement imposing conditions relating to future ownership/occupancy and affordability. Removes Permitted Development Rights. (S Shropshire)	See above	N/A
The use of 106 agreements cont.	'Golden share' – 1% ownership of housing built as affordable retained by the council.	Legal advice is that "The 'golden share' approach may be acceptable legally (though this is ultimately a matter for the courts), however whether it is acceptable to lenders will ultimately determine its usefulness."	N/A
	The use of 'in perpetuity' clauses (in 106 agreements) should be monitored and their effectiveness assessed regularly (Powys County Council).		Requirement on planning authorities to evaluate the effectiveness of affordable housing policies.

Draft for consideration 14 January 2004

Main issues coming out of the evidence	Policies proposed/used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
<p>Exceptions Policies</p>	<p>Allowing 'exception' schemes within or on the edge of villages and rural settlements. Criterion based approach: Rural Housing Enabling Officer (staged approach including parish surveys); Identification of potential sites (not specifically allocated); Partnership approach with Parish Councils (N Devon)</p> <p>No development outside the main towns and villages except for exceptions sites for local needs affordable housing. (S Shropshire)</p> <p>Apart from those categories of housing mentioned in paragraph 4.8 (Bakewell Town Centre, conversions and agricultural dwellings) new housing will only be allowed on exception sites. These sites are likely to be small (up to 10 dwellings) and <u>all</u> new build housing will be affordable and for local needs. (Peak District)</p>	<p><i>Planning Policy Wales</i> (Section 9.2.19) states that:</p> <p>The special provision of rural exception sites may be considered to help ensure the viability of the local community. Local planning authorities should refer to their up to date local housing needs assessment survey, or other recent, reliable and robust evidence, to support policies. Policies should make clear that the release of small housing sites, within or adjoining existing villages, for the provision of affordable housing to meet local needs, which would not otherwise be allocated in the UDP, is an exception to the policies for general housing provision and must be fully justified, setting out the type of need and the kind of development falling within the terms of the policy. Sites must meet all the other criteria against which a housing development would be judged.</p>	<p>N/A</p>
<p>Exceptions Policies cont.</p>	<p>Community Councils, housing associations and planning authorities to work together to identify local exceptions sites for affordable local needs (Pembrokeshire Housing Association)</p>	<p>Rural Housing Enabler pilot in Wales.</p>	<p>N/A</p>

Draft for consideration 14 January 2004

Main issues coming out of the evidence	Policies proposed/used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
<p>Quotas for affordable housing</p>	<p>Requiring an element of affordable housing on both 'allocated' and 'windfall' residential sites;</p> <ul style="list-style-type: none"> - main towns on sites above 0.5 ha (or 1.5 dwellings) - in Braunton on sites above 0.2 ha - in all other settlements on any site capable of providing more than 1 dwelling - Greenfield between 50 – 35% - Brownfield at least 25% <p>All allocations have site specific targets (N Devon)</p> <p>Only land in six main towns and villages allocated for market housing. If the development is for more than 15 dwellings or the site is 0.5 hectare or more, then 50% affordable housing will be required. Of the 50%, half will be for rent through an RSL.. (S Shropshire)</p>	<p><i>Planning Policy Wales</i> (Section 9.2.15) states that:</p> <p>Targets for specific sites may be set if based on evidence of need and site suitability, but a uniform quota should not be imposed on development regardless of market or site conditions. Policies must indicate that an authority will seek to negotiate with developers where it is intended to include an element of affordable housing in proposed developments</p>	<p>Power to impose quotas on sites rather than 'seek to negotiate' by strengthening <i>Planning Policy Wales</i>- by means of a Ministerial Planning Statement which would be consulted upon.</p>

Other issues	Policies used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
Use of existing buildings and sites	<p>Prioritising surplus employment sites for affordable housing (N Devon)</p> <p>Barn etc. conversions should be for economic purposes. If economic use not viable, conversion to housing must be for affordable housing (S Shropshire)</p>	<p><i>Planning Policy Wales</i> (Section 9.2.14) states that:</p> <p>Sites no longer likely to be needed for office or industrial purposes may be appropriate locations for affordable housing (as well as for general market housing).</p>	N/A

Other issues	Policies used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
Sustainable housing	<p>Low impact and sustainable lifestyles should be considered by the planning system. Sustainable building techniques are not a material consideration in the planning system. (Nick Wheeler)</p> <p>Energy efficiency and sustainability guidelines in design should be made a feature of any affordable housing design (Cyngor Gwynedd)</p>	<p><i>Planning Policy Wales</i> (Sections 2.9.1 and 2.9.2) states that:</p> <p>Good design can protect the environment and enhance its quality, help to attract business and investment, promote social inclusion and improve the quality of life. Good design should be the aim of all those involved in the development process and should be encouraged everywhere. This applies to all development proposals, at all scales, from the construction or alteration of individual buildings to larger development proposals.</p> <p>The design process should promote the efficient use of resources, including land. It should seek to maximise energy efficiency and minimise the use of non renewable resources and the generation of waste and pollution. Ways to achieve this include, for example, site selection and treatment</p>	<p>Change in (Primary?) legislation required to make low impact housing and sustainable building techniques a material consideration of planning permission.</p>

Draft for consideration 14 January 2004

Other issues	Policies used by North Devon, South Shropshire and the Peak District and recommendations from other evidence to the committee	Powers in Wales enabling similar policies	Powers needed to enable similar policies
Change of Use Class	The suitability of the Use Class order should be looked at and revised to include a specific use class for second and holiday homes (Pembrokeshire Coast National Park, Cymuned)		Change in secondary legislation to amend the <i>Town and Country Planning (Use Classes) Order 1985</i> .

Local Housing Needs Assessments – status in Wales

The Welsh Assembly Government has encouraged Local Authorities to undertake Local Housing Needs Assessments via grant funding and supplementary guidance to Local Housing Strategy guidance.

The following is the status of Local Housing Needs Assessments in Wales.

Completed (11):

Anglesey
Bridgend
Cardiff
Carmarthenshire
Conwy
Gwynedd
Monmouthshire
Neath Port Talbot
Rhondda Cynon Taff
Swansea
Torfaen

In progress (in receipt of Welsh Assembly Government funding) (4):

Caerphilly
Newport
Pembrokeshire
Powys

Have not requested Welsh Assembly Government funding, but may have recently undertaken, or be undertaking surveys autonomously (7):

Blaenau Gwent
Ceredigion
Denbighshire
Flintshire
Merthyr Tydfil
Vale of Glamorgan
Wrexham

Source: Information supplied by Housing Directorate officials, Welsh Assembly Government, December 2003.