

REPORT OF PLANNING OFFICER (PARK DIRECTION)

**SUBJECT: THREE NATIONAL PARK AUTHORITIES RESPONSE TO THE
WELSH GOVERNMENT'S CONSULTATION ON DRAFT TECHNICAL ADVICE
NOTE 1: JOINT HOUSING LAND AVAILABILITY STUDIES**

Purpose of Report

The purpose of this report is to seek Members approval for the attached response to the Welsh Government on their consultation to the revised draft Technical Advice Note 1 which deals with Joint Housing Land Availability Studies. The closing date for submission is 10th October 2014.

Background

The Welsh Government has published revised guidance on the preparation of Land Availability Studies which are undertaken every year by all planning authorities in Wales. The purpose of the studies is to help ensure that adequate land for housing development is available. Authorities are required to maintain a 5-year supply of readily developable land for housing. When supply falls below this figure it is an important material consideration taken into account by Planning Inspectors when determining appeals. The land supply is comprised of land with planning permission for 5 or more dwellings and also land allocated for residential development within an adopted Development Plan. The small sites contribution is calculated based on average annual completion rates over the last 5 years.

The main changes proposed are:

- Highlighting the need for the studies to be based on adopted Local Development Plans;
- Proposing a shorter preparation time for the studies – 6 months compared with the current 12 months;
- Clarifying which housing sites can be included within the study;
- Changing the site categorisation to provide better clarification about the status of sites
- Making stronger links between the Study, Local Development Plans and Annual Monitoring Reports

Response to the Consultation

The response to the consultation has been prepared by the Brecon Beacons National Park Authority with input from this Authority and Snowdonia National Park Authority.

Broadly the 3 Authorities support the revisions to TAN1. Whilst a closer alignment with the Local Development Plan Annual Monitoring Report process is welcomed, it would be unfair to require an early review of the development plan if the land supply falls short of the 5-year requirement in the yearly years of the Plan period.

All three authorities welcome a change to the categorisation of sites. Sites are categorised according to when they are forecast to be developed. The response also highlights the problem of land-banking by developers and landowner decisions not to develop allocated land which artificially lowers the land-supply but which is beyond the control of the authorities (see response to question 4 of the attached draft response).

Whilst agreeing with the need for a standard methodology for calculating land supply, linked to the housing requirement set out in the Local Development Plan (the residual method) which can demonstrate how well the Plan is performing and also allows comparison between planning authorities, all three Authorities are keen to support a second calculation based on recent past completion rates which also takes account of market trends (see draft response to question 6, attached).

Recommendation

Members are asked to approve the attached consultation response on the revised draft Technical Advice Note 1.

Background Documents

Draft Technical Advice Note (TAN)1: Joint Housing Land Availability Studies: July 2014

<http://wales.gov.uk/consultations/planning/draft-technical-advice-note-1/?lang=en>

Pembrokeshire Coast National Park Local Development Plan Adopted September 2010

<http://www.pembrokeshirecoast.org.uk/default.asp?PID=178>

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Consultation Response to Draft TAN1

Q1 Purpose / Context (sections 2 and 3)

Do you agree that the Joint Housing Land Availability Study (JHLAS) and Local Development Plan Annual Monitoring Report (AMR) processes should be more closely aligned?

Q1 Response:

The Authorities agree that there needs to be better synchronisation between the AMR and JHLAS process. The shorter timetable proposed would provide more meaningful monitoring of the land allocations within the LDP through better alignment of the two monitoring programmes.

However, we are concerned that the advice appears to suggest that a Review of the Plan should be considered before the new LDP sites have had a proper chance to contribute. The need for an LPA to consider a review of the Plan where an AMR indicates a supply of less than five years seems excessive, particularly in the instance of the first AMR which in most cases will be relatively shortly after adoption of the LDP. New LDP sites will have had little time to positively contribute to the land supply, given the lead time to prepare plans, carry out the necessary studies, submit a planning application, negotiate a legal agreement (if required), commence site works and commence actual construction.

Q2 Study preparation (section 4.1)

To enable the most up-to-date JHLAS to feed into the AMR it is proposed to shorten the timetable for its preparation to six months.

Do you agree that it is feasible to prepare a JHLAS in this revised timeframe?

Q2 Response:

Whereas all the National Park Authority areas are satisfied that it will be feasible to prepare a JHLAS study within the new revised timetable, we are aware that the same cannot be said for other Authority areas in Wales where there may be a much greater number of sites and/or disputed sites requiring consideration. We also express concerns regarding the feasibility of reducing the preparation period for external consultation bodies, who have a duty to comment on all JHLAS in Wales, and whose comments we are reliant upon to produce Studies in a timely manner.

Additionally we question the feasibility of achieving the reduced timetable for production when the Authority may be reliant upon the Planning Inspectorate to resolve disputes

Q3 Sites for inclusion (section 4.3)

Do you agree that sites subject to section 106 agreements should be included in the 5 year housing land supply (subject to their removal if the agreement remains unsigned after 1 year)?

Q3 Response:

This change is welcomed by the National Parks of Wales. Indeed we would suggest that the 12 month period for review should be extended, especially where the Authority can provide clear evidence of the progress being made to complete the S106 agreement.

Q4 Site categorisation (section 4.4)

Greater delineation has been introduced into the site categorisation to give more precise information about why a site has not been included in the 5 year housing land supply. The former 2* category (sites affected by low market demand) has been removed as a result.

Do you agree that these changes will assist in the understanding of a local planning authority's housing land supply?

Q4 Response:

The Three Parks welcome the deletion of the 2 category which has been superfluous to study production for many years, despite varying market conditions.*

Likewise the inclusion of category 4 is generally seen as a positive addition to meaningful study production, however we would like to draw the Welsh Government's attention to the issue facing many rural authority areas, where there is much less certainty that allocated sites will be developed, especially as many landowners are predisposed to hold their sites until such a time as the market improves and/or policy framework becomes more favourable. Whilst the response through the LDP process should be to remove the housing allocation, this is not always an appropriate reaction especially where –

- *There are a large number of landowners taking this approach*
- *Where a single landowner is responsible for strategic/large sites that are critical within the land supply figures; and*
- *In each case environmental, infrastructure or physical constraints limit alternative land being brought forward as a replacement.*

This approach could undermine the importance of the Sustainability Appraisal objectives in the interest of achieving a fixed land supply. It is feasible to consider this focus on de-allocation leading to a scenario where a site which

scores less well, or even poorly, in the SA/SEA taking precedence over more sustainably acceptable sites or lead to poor planning of the area.

It is recognised that landowner/developer decisions can impact on land not being available for development. However it would seem unduly unfair to Local Authorities for sites which might be in the hands of a house builder to be excluded from the land supply simply because the builder does not wish to develop the site immediately, or over the study period. The exclusion of these sites from the 5 year supply could (under the proposal suggested) result in the LDP being reviewed and new sites allocated (which could be acquired by the same builder). It could therefore be argued that the proposals might encourage land banking by builders, as this could result in more land being made available. It is suggested that more clarity is provided with regards to the application of category 4 and that there is flexibility for the LPA to set out in the AMR how they intend to address the issue through appropriate negotiation in the first instance. It is acknowledged that if the scenario prevails over a period of time then the site is reviewed through the usual AMR process.

Q5 Calculating housing land supply (section 5)

It is proposed that only local planning authorities with an adopted LDP (or an adopted Unitary Development Plan that is still within the plan period) will be able to undertake a JHLAS calculation (using the residual methodology) and thus be able to demonstrate that they have a 5 year housing land supply.

Do you agree with this approach, which is aimed both at ensuring that an authority's land supply is based on identified housing requirements and at incentivising the preparation and adoption of LDPs?

Q5 Response

The Welsh National Parks agree that this is an appropriate action on the part of the Welsh Government, would issue caution that there could be potential situations where an LPA without an adopted LDP or up to date UDP could forgo JHLAS in favour of LDP production. There are concerns that this could impact on the LPAs ability to appropriately management development within their area.

Q6 Calculating housing land supply (section 5)

It is proposed that the residual methodology based on an adopted LDP or UDP will be the only methodology allowed for calculating housing land supply. Do you agree with this approach?

Q6 Response:

It is acknowledged that there should be a uniform calculation standard across JHLA studies. It is also agreed there are benefits to the residual method as this benchmark for its inherent links to the policies of the LDP. It is however suggested that there should be scope within the study to provide commentary on the results of the residual calculation where it is considered that they are

skewed by lower or higher than average completions over the study period. The residual method lacks a degree of realism linked to real world markets, it depends on a steady release of land which does not account for landowner/developer reactions linked to the general housing market (rather than the policies of the LDP directly). The residual calculation works best when actual build rates have broadly been as anticipated in the development plan. However if there has been significant deviation between actual build rates, and those contained in the LDP (which are primarily based on WG projections) this distorts the residual calculation and can produce unrealistic and having regard to market conditions unachievable results. The Minister acknowledged, in his letter of the 10th April 2014 to LPAs that recent completions have been lower than anticipated in previous WG projections and this is an obvious reflection of recent past economic conditions resulting from the global economic crisis. Any further release of land, either via an appeal scenario, or via a review of the LDP is likely to do little to help achieve a 5 year supply, given the marketing and house building capacity constraints. Therefore, if assessment is to properly take account of current market needs then there should be provision to take into consideration the findings of a 'past completion rate' analysis as a comparative and contextualising measure. It is considered that this, taken in combination with the residual figure, would enable an Authority to understand how the LDP measures against market conditions.

Q7 Housing supply figure (section 6)

Where an LPA has an undersupply of housing land (i.e. less than 5 years) it is proposed that the action to be taken would no longer be set out in the JHLAS report, but would be addressed in the AMR in order to link it directly with LDP monitoring.

Do you agree with this approach?

Q7 Response:

It is agreed that the AMR is a more appropriate tool to address any land supply issue identified through the JHLAS report, however we would state caution, requesting that there should be scope to monitor any negative situation. Given the rapid fluctuation of land supply linked to external markets, it is inappropriate to issue plan review based on one JHLAS.

Q8 JHLAS process (section 7.3)

Do you agree that where the inclusion of sites is disputed by members of the Study Group, a Study Group meeting must be held?

Q8 Response:

It is considered that this should not be included in any future guidance. The Welsh National Parks, feel that this is an unnecessary addition to the process. This should remain an optional phase based upon the study group's discretion. In many instances the scale of the dispute will be such that email correspondence between the group will suffice to reach a satisfactory

conclusion. Holding a meeting in every case is likely to impact on the proposed 6 month timetable.

Further to the above, if the Study Group Meeting is introduced as mandatory, there must be commitment from the Welsh Government to chair the meeting to aid resolution over disputes, otherwise it is questioned what the benefit is over and above written correspondence.

Any other comments

None.