



Ein cyf/Our ref – Housing

26 March 2020

Heads of Planning,
Local Planning Authorities
(Planning Inspectorate (PINS) Wales /
Home Builders Federation (HBF))

Dear Colleague,

High quality new homes in the right locations are essential for our future wellbeing. The Welsh Government is firmly committed to a plan-led planning system and recognises the essential role of Local Development Plans (LDP) in delivering good quality homes in sustainable places. The planning system, through the LDP process, must therefore identify and monitor the land needed to allow for the building of the new homes which local planning authorities have established as being required.

In response to the housing delivery and land supply position across Wales, which included concerns expressed by local planning authorities and communities regarding speculative residential planning applications, the Welsh Government has undertaken a '*Review of the Delivery of Housing through the Planning System*'. This review included a '*Call for Evidence*' and consultation on proposed changes to Planning Policy Wales (PPW) and supporting advice / guidance.

The '*Call for Evidence*' highlighted that many adopted LDPs are failing to deliver the number of new homes required, with sites allocated for these homes either not being brought forward for development or being developed at a slower rate than anticipated. The '*Call for Evidence*' also explored the related issue of the measuring of housing land supply and its interrelationship with the monitoring of LDPs.

Detailed analysis of the responses to the '*Call for Evidence*' confirmed that the current policy framework for ensuring housing delivery and the associated monitoring mechanism are not sufficiently aligned with the LDP process. Having taken account of the changes already made to Planning Policy Wales (PPW) in Edition 10 and proposed in the June 2019 consultation draft of the revised Development Plans Manual (DPM), I consulted on further amendments to the policy for ensuring housing delivery and the guidance and advice on the associated monitoring mechanism. I have now had the opportunity to consider the responses in detail. For information, I attach the links to the *Consultation – summary of responses* reports for:

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

The draft Development Plans Manual (Edition 3):
<https://gov.wales/draft-development-plans-manual-edition-3>

Delivery of Housing through the Planning System: Revisions to Planning Policy Wales and associated advice and guidance:
<https://gov.wales/delivery-housing-through-planning-system>

After due consideration of the findings of the review and the consultation on the DPM, I am announcing the following changes to PPW and the DPM:

- Revisions to the 'Housing Delivery' section of PPW attached at Appendix 1. The changes remove the five-year housing land supply policy and replace it with a policy statement making it explicit that the housing trajectory, as set out in the adopted LDP, will be the basis for monitoring the delivery of development plan housing requirements as part of LDP Annual Monitoring Reports (AMRs).
- The revocation of Technical Advice Note (TAN) 1: Joint Housing Land Availability Studies (January 2015) in its entirety as a consequence of the policy change to PPW.
- Publication of the DPM (Edition 3) which provides additional guidance on the process of monitoring against the housing trajectory. Please refer to the attached web-link:
<https://gov.wales/development-plans-manual-edition-3-march-2020>

I consider this approach will ensure that the monitoring of housing delivery, including the response to under-delivery, is an integral part of the process of LDP preparation, monitoring and review. The DPM includes guidance on the methodology which should be used to monitor housing delivery for LDPs adopted prior to and post publication of the DPM (March 2020). The approaches are very similar in nature and are based on a housing trajectory. The Average Annual Requirement (AAR) will be used for those local planning authorities that have an adopted LDP; the Anticipated Annual Build Rate (AABR) method will be used for those authorities which adopt an LDP following publication of the revised DPM guidance.

Those two LDPs that are currently subject to examination (Wrexham County Borough Council and Pembrokeshire Coast National Park Authority) should continue to follow the AAR methodology. These are transitional arrangements as I consider that it would be unreasonable to impose the AABR trajectory approach as reworking the technical evidence / housing trajectory work would cause further delays at the LDP examination stage.

I would like to confirm that the changes to PPW and the DPM come into force today (see date of letter). TAN 1 is also revoked with immediate effect. The changes to PPW will subsequently be included in the next edition which is programmed for publication in autumn this year.

Yours sincerely,



Julie James AC/AM
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government

Appendix 1: Planning Policy Wales – revisions to policy on ‘Housing Delivery’

- New / amended text highlighted
- Paragraph 4.2.15 of Planning Policy Wales Edition 10 (December 2018) deleted

Housing Delivery

4.2.10 The supply of land to meet the housing requirement proposed in a development plan must be deliverable. To achieve this, development plans must include a supply of land which delivers the identified housing requirement figure and makes a locally appropriate additional flexibility allowance for sites not coming forward during the plan period. The ability to deliver requirements must be demonstrated through a housing trajectory. The trajectory should be prepared as part of the development plan process and form part of the plan. The trajectory will illustrate the expected rate of housing delivery for both market and affordable housing for the plan period. To be ‘deliverable’, sites must be free from planning, physical and ownership constraints and be economically viable at the point in the trajectory when they are due to come forward for development, in order to support the creation of sustainable communities.

4.2.11 Planning authorities must use the housing trajectory in their adopted development plan as the basis for monitoring the delivery of their housing requirement. Accurate information on housing delivery assessed against the trajectory is necessary to form part of the evidence base for development plan Annual Monitoring Reports (AMRs) and for subsequent plan review. Under-delivery against the trajectory may require a specific early review of the development plan. The monitoring of housing delivery for AMRs must be undertaken by planning authorities in accordance with the guidance set out in the *Development Plans Manual*.

4.2.12 Planning authorities should also identify where interventions may be required to deliver the housing supply, including for specific sites. There must be sufficient sites suitable for the full range of housing types to address the identified needs of communities, including the needs of older people and people with disabilities. In this respect, planning authorities should promote sustainable residential mixed tenure communities with ‘barrier free’ housing, for example built to Lifetime Homes28 standards to enable people to live independently and safely in their own homes for longer.

4.2.13 As part of considering housing delivery options, planning authorities should understand the contribution that all sectors of the housing market and house-builders could make to meeting their housing requirement. When allocating sites, planning authorities need to consider providing a range of sustainable and deliverable sites to allow all sectors and types of house-builder, including nationals, regionals, registered social landlords (RSLs), Small and Medium-sized Enterprises (SMEs) and the custom and self-build sector, the opportunity to contribute to delivering the proposed housing requirement.

4.2.14 To assist in broadening the housing delivery options and enable the provision of housing by RSLs, SMEs and the custom and self-build sector, planning authorities should set a locally determined target for the delivery of housing on small sites. To facilitate this, planning authorities should maintain a register of suitable sites which fall below the threshold for allocation in their development plan. Planning authorities should also work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes.

4.2.15 When promoting self-build and custom build development, planning authorities must consider all relevant policy options including the use of Local Development Orders (LDOs) and site specific design codes to simplify the planning process and enable housing development to be brought forward more quickly.