

Planning Policy Wales

Technical Advice Note

1: JOINT HOUSING LAND AVAILABILITY STUDIES



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



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This document is one of a series of Technical Advice Notes (TANs) which supplement *Planning Policy Wales* (2002) (as updated by Ministerial Interim Planning Policy Statements).

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1. Introduction

1.1 This Technical Advice Note (TAN) should be read in conjunction with *Planning Policy Wales*¹ (PPW) which sets out the land use planning policies of the Welsh Assembly Government (the Assembly Government). PPW, Ministerial Interim Planning Policy Statements (MIPPS), TANs and Circulars should be taken into account by local planning authorities in the preparation of development plans. They may be material to decisions on individual planning applications and will be taken into account by the National Assembly for Wales (the Assembly) and Planning Inspectors in the determination of called-in planning applications and appeals.

1.2 Reference documents (listed in the reference column in the margin) provide information that should be read in conjunction with this TAN.

1.3 Planning Guidance (Wales), Technical Advice Note (Wales) 1, *Joint Housing Land Availability Studies 1997*, is hereby cancelled.

2. Purpose

2.1 This note provides guidance on the preparation of Joint Housing Land Availability Studies (JHLAS). The purpose of these studies is to:

- monitor the provision of market and affordable housing²;
- provide an agreed statement of residential land availability for development planning and control purposes; and
- set out the need for action in situations where an insufficient supply is identified.

2.2 Local planning authorities must ensure that sufficient land is genuinely available to provide a **5 year supply** of land for housing. This land supply must inform the strategy contained in the development plan. Local planning authorities should also have regard to the requirement to prepare and provide timely housing land supply figures to satisfy the requirements of the Wales Programme for Improvement Core Planning Indicators³ and Local Development Plans Annual Monitoring Reports (AMR)⁴.

References

1 *Planning Policy Wales*, Welsh Assembly Government, 2002

2 The definition of affordable housing for the purposes of this TAN is contained in paragraph 5.1 of Technical Advice Note 2, *Planning and Affordable Housing*, Welsh Assembly Government, 2006. This definition must be used in the JHLA process.

3 Wales Programme for Improvement Planning Indicators: Affordable Housing; Previously Developed Land; Housing Land Supply

4 *LDP Wales* (paragraphs 4.42-4.50), Welsh Assembly Government, 2005

3. Study Group Composition

3.1 Study groups, from 1st April 2006 are co-ordinated by the Department for Enterprise, Innovation and Networks (DEIN) of the Welsh Assembly Government. Groups comprise DEIN, the local planning authority, relevant local authority departments (e.g. housing), housebuilders' representatives, statutory undertakers, infrastructure providers and other bodies as appropriate.

3.2 To reflect local housing markets and the principles set out in the Wales Spatial Plan⁵, regional Groups may be established to undertake housing land availability studies across an area wider than an individual local planning authority. Where such an approach is adopted representation must include the organisations identified in paragraph 3.1. Any regional conclusions must be disaggregated to the local planning authority level.

4. Development Plans

4.1 Local planning authorities should integrate development plan and JHLA processes. JHLA studies provide an important part of the evidence base for plan preparation. They provide information on previous house building rates and the current supply of land for housing as inputs to the Local Development Plan (LDP) strategy and policy development process. Information on past housing completions (market and affordable) and future housing land supply should be included in the AMR. Where the JHLA study, and subsequently the AMR identifies a shortfall in the housing land requirement the local planning authority should consider revising or reviewing the development plan either in whole or in part (further advice relating to situations where supply is below 5 years is contained in section 5).

5. Situations where supply is below 5 years

5.1 The results of the Joint Housing Land Availability Studies should be treated as a material consideration in determining planning applications for housing. Where the current study shows a land supply **below the 5 year requirement**, the need to increase supply should be given considerable weight when dealing with planning applications, provided that the development would otherwise comply with national planning policies. In addition, local planning authorities must take steps to increase the supply of housing land. This may include reviewing the development plan,

References

5 People, Places, Futures-The Wales Spatial Plan, Welsh Assembly Government, 2004

releasing land in its ownership, expediting planning applications or securing the provision of infrastructure for particular sites, which prospective developers may be prepared to finance in whole or in part. **The local planning authority must include a statement in the JHLA study outlining the measures it is taking to address the shortfall in housing land supply.**

6. Study Frequency

6.1 Housing land supply can change rapidly and it is therefore important that the Housing Land Availability Studies are produced on an annual basis. All studies must have a common base date of 1st April. Study Group members are expected to co-operate fully to ensure that the study is published within 12 months of its base date. This is necessary to ensure that accurate information on housing land supply and completions is available for inclusion in LDP AMR's. Study Group members should enter into an agreement with DEIN, which contains a timetable for the preparation of the JHLA study, so that resources can be deployed appropriately during the preparation of the studies.

7. Study preparation

7.1 Data collection

7.1.1 As part of the JHLA process local planning authorities must maintain accurate housing completion records which identify the number of market and affordable housing units built each year (April - March).

7.1.2 Sites included in the Joint Housing Land Availability Studies must satisfy at least one of the following conditions:

- the grant of outline or full planning permission for residential purposes; or,
- the land should be identified for residential purposes in an adopted development plan.

7.1.3 Sites subject to Section 106 agreements should only be included in the studies if they are allocated in an adopted development plan. The Group should decide upon the categorisation of such sites as outlined in paragraph 7.3.2.

7.1.4 At the commencement of each study local authorities will be invited to compile comprehensive and up-to-date lists of all sites for residential development. Normally only sites with a capacity for 10 or more dwellings will be included in the studies, but a Group

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may wish to agree a lower limit if it believes that this is more appropriate for its area. It has become the practice in rural areas to include in the studies sites of 5 or more units.

7.1.5 Sites below the 5 or 10 unit threshold, i.e. small sites, can make a significant contribution to total housing provision. The Group should therefore agree an estimate to be made for these sites. This estimate should include an allowance for sites not specifically identified at the time of the study (windfall sites). This allowance should be based on the contribution (from recorded completions) that such sites have made to housing provision in the area over the last five years.

7.1.6 For each site a standard proforma must be completed to provide the following details:

- a plan of the site (either paper or electronic);
- local planning authority reference number;
- national grid reference;
- description of the proposed development (including whether part of a mixed use scheme);
- planning status (full or outline planning approval where appropriate);
- whether sited on previously developed land (as defined by *Planning Policy Wales*);
- development constraints (including TAN 15⁶ flood zone categorisation, sewerage capacity);
- site area (hectares);
- average density (dwellings per/hectare);
- number of units (market and affordable) and the local authority's view of the number of dwellings likely to be completed within each year of the study period;
- a breakdown of the number of units completed according to their type, i.e. houses, flats or other.

A computer print out of the previous study's proformas will be provided to assist local authorities in updating.

7.2 *Study Group Meeting*

7.2.1 The Study Group meeting is central to the JHLA process. A meeting of the Study Group will be convened to

References

6 Technical Advice Note 15, *Development and Flood Risk*, Welsh Assembly Government, July 2004

consider the lists of sites prepared by the local planning authority. All information must be available at the time of the meeting. The purpose of the meeting is to:

- identify areas where the general level of demand is such that housing development is unlikely within 5 years. These areas of low demand should be defined prior to categorisation of individual sites;
- categorise sites (see section 7.3 below);
- estimate the number of dwellings (general market and affordable) likely to be completed on each site in the study period (taking into account the rate at which houses can be marketed on each site).

7.2.2 The Study Group meeting provides the forum for discussion and agreement. All parties should co-operate fully to ensure that issues and differences of opinion are resolved at the meeting. In the rare event where irreconcilable differences of opinion exist, the Assembly Government (DEIN) will have the final decision. However dissenting Group members have the right to have their views expressed in a minority report.

7.3 *Site categorisation*

7.3.1 Categorisation should be agreed at the Study Group meeting. This will provide, for each local planning authority, information on the total housing land supply and that which is genuinely available for housing development.

7.3.2 Sites (or the phases of sites where a site is to be developed in this way) should be categorised as follows:

Sites under construction: Sites or the phases of sites, which are under construction (relating only to the area where building is in progress);

Category 1: Sites or the phases of sites where development can commence immediately, and which are likely to be completed within the first year of the study period;

Category 2: Sites or the phases of sites where development cannot commence immediately, but where the constraint on development is likely to be removed in time for dwellings to be completed within 5 years;

Category 2*: Sites which are capable of being developed within the 5 year period but which lie within the areas

References

defined in paragraph 7.2.1 above, where market demand is such that development is unlikely to occur within 5 years;

Category 3: Sites or the phases of sites where either:

- 3i. development is unlikely within 5 years by virtue of major physical constraints or other constraints as may be agreed by the Group; or
- 3ii. development is unlikely to occur in the foreseeable future by virtue of major long term constraints.

7.3.3 For sites or the phases of sites to be regarded as genuinely available within a 5 year period (i.e. sites under construction and categories 1, 2, 2*) the following criteria should apply:

- the necessary infrastructure should be available or be expected to be available within the 5 year period. Consultation with appropriate public and private statutory undertakers and infrastructure providers may be appropriate;
- the Group agree that it is financially viable to develop the site.

7.3.4 In addition, for Category 1 and 2 sites there should be a reasonable prospect of the site being sold for development where the land is not already owned by developers or a public body with its own firm plans for building. This should be based on a realistic assessment irrespective of current market conditions.

7.4 *Re-assessing site categorisation*

7.4.1 Some sites have remained in category 2 for periods well in excess of 5 years. This may in some areas distort the agreed housing land availability figure. Where sites in category 2 remain undeveloped for more than 5 years there should be a presumption to reclassify such sites into category 3i. In situations where such sites are not reclassified there should be an explanation why they remain in category 2.

7.5 *Calculating land supply*

7.5.1 Each local planning authority must undertake the necessary calculations and make comparisons between the available land and the future housing requirement. These comparisons should be made for the local planning authority as a whole. However,

References

where the Group agree, comparisons may be made on a sub-area basis provided that this approach can be fully justified by the study.

7.5.2 To meet the requirement for a 5-year land supply the quantity of land agreed to be genuinely available may be compared with the remaining housing provision in the adopted development plan - the **residual method**. In some circumstances, that calculation has indicated land shortages or surpluses, which do not exist in practice. In such cases, a comparison of available land with **past building rates** can provide a measure of the adequacy of land supply that is more relevant to the achievement of the general objectives of the development plan. Any such departure from the use of the residual method should be justified.

7.5.3 Where the residual method is used, it is expected that it will normally be appropriate to use adopted development plans to form the context for the studies. The Assembly Government therefore stresses the importance of producing up to date development plans. In cases where such adopted development plans cover only part of the period of the study, published development plan modifications may be used for land supply calculations. When there are no such development plan modifications then the average annual provision from the last 5 years of the time covered by the development plan should be extrapolated to give an estimate of the land required.

7.5.4 When older adopted development plans cover the whole period of the Joint Housing Land Availability Study, the inclusion of more up to date figures from published UDP modifications or deposited UDP/LDPs may be used if all members of the Group agree. Where a draft deposit development plan is likely to be adopted before the next study is published and includes housing sites which are unlikely to change before the plan is adopted, the sites identified in the plan can, if all members of the Group agree, be included in the study report. However, these draft development plan sites must be identified separately and the contribution that the sites might make to the land supply situation must not be incorporated into the agreed land supply calculations.

7.5.5 Where past house completion figures are used as a basis for comparison, the number of dwellings for which housing land is required in the study period will be the number of dwellings already completed in the 5 years preceding the base date of the study. In some circumstances a longer or shorter period may be appropriate. Where all the members of the Group agree, an alternative time period may be used. The reasons for adopting any alternative period should be fully explained.

References

7.6 Study Publication

7.6.1 An annual study report must be published for each local planning authority, including site assessments. The study must provide information on past completions for affordable and market housing and the adequacy of the future housing land supply. It must also include information on housing completions and the future land supply accounted for by previously developed land and flood risk sites using the TAN 15 categorisation.

7.6.2 The study must provide a total number of completions over the study period. This figure should be disaggregated to show:

- the number and proportion of market and affordable housing units;
- the number and proportion of completions on previously developed land;
- the number and proportion of completions broken down by housing type i.e. houses, flats or other;
- the number and proportion of completions on flood risk sites (defined using TAN 15 categorisation).

7.6.3 In addition the study must provide information on future land supply expressed in years and details of the methodology used to calculate it. The future land supply should be disaggregated to show:

- the amount of housing land available for development on previously developed land;
- the amount of housing land available on flood risk sites (defined using TAN 15 categorisation).

7.6.4 All significant differences of view within the Group should be included in the report. No member of the Study Group shall have a veto over publication of the report.

7.6.5 Copies of the study report should be sent to all members of the Study Group and the Welsh Assembly Government (Planning Division). It must also be published on the local planning authority and Assembly Government web sites.

References