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## Draft National Development Framework: Implications for Housing

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The Welsh Government published its Draft National Development Framework (NDF) for consultation on 7 August 2019, with responses due by 1 November 2019. The emerging NDF is a spatial plan for addressing key national priorities in Wales through the planning system from 2020 to 2040. It will replace the Wales Spatial Plan (2008). Strategic Development Plans (SDPs) and Local Development Plans (LDPs) will be required to be in conformity with the NDF.

### Spatial Distribution of Development

Three National Growth Areas are identified: Cardiff, Newport and the Valleys; Swansea Bay and Llanelli; and Wrexham and Deeside. The draft NDF sets out the requirement for SDPs to come forward in each of these areas, which should shape and be shaped by other regional strategies, including Economic Development Plans, and City and Growth Deals. However, it fails to recognise that these strategies call for aspirational economic growth that cannot be achieved by planning for past development trends.

The emerging strategy rejects the development of new towns on greenfield land in favour of focusing development on existing settlements with good active travel and public transport connectivity.

### South East Wales Region

In the South East Wales region, Cardiff is recognised as an internationally competitive city and a core city on the UK stage. However, the document states that Cardiff is nearing capacity due to geographical constraints and so does not support strategic housing growth in the city. Without explicitly stating it the draft framework appears to be diverting strategic growth away from Cardiff, which given its role as the economic driver of the region is a fundamental concern.

Instead, the draft NDF identifies Newport as the focus for strategic housing and economic development, with emphasis placed on brownfield regeneration. However, the high level of existing brownfield allocations together with flood risk and ecological designations around Newport seemingly limits opportunity for significant new allocations. Further analysis is required but Newport potentially suffers from similar limitations to growth to those in Cardiff.

Furthermore, the draft NDF requires that the SDP designate as green belt land to the north of the M4 from the Severn Crossings to North Cardiff. The designation of such a large area, which includes a significant portion of Monmouthshire, would impede growth in an area of high demand strategically located between Newport and Bristol. It is noted that this is expressed as a requirement, yet there does not appear to be an evidence base to support such a major long-term policy decision.

The document recognises the interdependence of the wider region and Cardiff and underlines the need for connectivity. It states that the Metro will generate opportunities on land in close proximity to existing and committed stations.

### Public Land

There is a focus on release of public land, particularly within town and city centres, for development and redevelopment, including for mixed use and affordable housing. The release of additional land is to be welcomed, particularly if land values are adjusted to enable delivery on sites that are currently unviable. However, it is also important that the use of public land is in addition to the identification of other, potentially more appropriate, sites.

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## (Affordable) Housing Delivery

There is a clear focus on affordable housing but no acknowledgement of the need to increase the supply of market homes. The draft NDF does not set a national housing target but it references the central estimate of need from the 2018-based Estimates of Housing Need: 8,300 additional homes per annum from 2018/19 to 2022/23.

The estimates are based on the 2014-based household projections, which carry forward recession-based trends. They fall far short of actual housing need in Wales and do not reflect committed strategies for economic growth and regeneration. It is therefore vital that the estimates are applied only as a starting point and that housing policy supports prosperity and well-being through alignment with economic aspirations such as those within the Cardiff City Deal.

It is proposed that SDP and LDP affordable housing targets are based on the Welsh Government estimates and local assessments. Nationally, the central estimate states that 47% of all new homes are needed as affordable (3,900 units), with the remaining 53% as market homes (4,400 units). This split takes no account of deliverability and is constrained by the low overall need figure.

It is important to understand that the affordable housing element of the central estimate represents a full assessment of need, which takes into account factors such as anticipated changes in household incomes; this approach also assumes that all existing unmet need will be met within five years. By contrast, the market housing element is simply a projection of past trends and does not consider any wider factors; it therefore does not seek to provide a full assessment of need. It is therefore not appropriate to compare the results of these two elements of the estimates. The Welsh Government has made it clear that the estimates do not constitute housing targets, so the overall level of need has not yet been identified. An indication of tenure split should instead be based upon a full assessment of both affordable and market needs, taking account of demographic, social and economic factors.

A requirement for 47% affordable housing would not be feasible and would instead undermine the ability of the market to drive increased housing delivery. Affordable housing policy should take account of viability and deliverability as a proportion of overall housing requirements and should seek to boost the provision of affordable homes through increasing overall supply. This would have the added benefit of improving affordability of open market housing.

The draft NDF recognises that delivery of affordable housing outside of the section 106 approach will also be needed in order to boost supply. It states that the Welsh Government will support delivery by providers including local authorities and by managing the allocation of funding. However, it does not state that funding will be increased and does not indicate how this would be distributed. It is therefore unclear if and how this will assist in increasing supply.

## Housing and the Economy

There is a need for the planning system to support the Welsh economy, which remains vulnerable, especially when compared to the other parts of the UK. However, there is a striking absence of any strategic economic policies in the draft NDF.

The document neglects to make the link between housing and the economy in terms of the need to attract and retain a workforce of sufficient size. The translation of the Estimates of Housing Need into housing requirements would result in a smaller workforce and higher dependency ratios. In the context of the rapidly ageing population, this could restrict economic growth and jeopardise the maintenance of services and amenities for older people.