



Llywodraeth Cymru  
Welsh Government

REPORT, DOCUMENT

# Affordable Housing Taskforce: report and recommendations

Recommendations to support the provision of more homes for social rent.

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# Context

In October 2024 Lee Waters MS was tasked by the Cabinet Secretary for Housing and Local Government, Jayne Bryant MS, and the Minister for Delivery, Julie James MS, to convene an **Affordable Housing Taskforce** (<https://www.gov.wales/written-statement-support-affordable-homes-delivery>) and report in April 2025. The Terms of Reference focused on two complementary strands:

- Strand 1 - Immediate Focus on Short-Term Challenges to unblock sites in the 20k programme that are at risk of delay and explore opportunities to utilise viable public sector sites for meanwhile use.
- Strand 2 - Making system changes to streamline the delivery of more homes for social rent.

He brought together a small group of experts with practical experience of different aspects of the delivery landscape. They worked alongside the lead civil servants responsible for delivery in this area. The list of membership is in the annex.

# Introduction

Some 3,000 children in Wales currently live in B&Bs and other temporary accommodation and are waiting for a proper home to live in - along with more than 11,000 adults. There are encouraging signs that number has recently started to fall, but it remains much too high. In total there are 140,000 people on a waiting list for a home they can afford. This represents a Housing Emergency.

The challenges of recent years – particularly COVID-19, inflation and the rising cost of living – have had their impact on housebuilding too. Building homes has become harder at a time when we need it to become easier.

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The majority of ‘affordable homes’ are provided by the major housebuilders as part of commercial developments. But the market alone will not deliver a solution. In fact, across the UK the supply of affordable housing — a broad category that includes schemes such as shared ownership as well as social rent properties provided by councils and housing associations at government-capped rents — has fallen, largely because of high interest rates and rising construction costs.

This is not a problem that is unique to Wales – or indeed the UK. Figures on housing starts suggest supply will decline in the coming years amid a wider housebuilding slowdown and growing financial pressures on housing associations. We need to respond.

There is no ‘magic bullet’ solution. The terms of reference set for the taskforce encouraged us to unlock developments that were not progressing fast enough through the approvals process, and to identify a series of opportunities for ‘Meanwhile’ use of land for modular housing to address the immediate need for homes for those in temporary accommodation. We did not find evidence of any quick fixes but there are a wide range of practical changes that can be made to speed up delivery of affordable housing by both the market and non-market routes.

There is no denying that austerity cuts to Councils, and public bodies that are statutory consultees on planning applications, has constrained the capacity and capability of the local authorities to respond to demands. At all points the system is under strain and is suffering from a lack of capacity, and this is exacerbated by the fragmentation within the system.

The changes we propose will help to increase efficiency and increase the capacity to deliver.

During the Covid crisis public services showed an extraordinary ability to mobilise to meet people’s needs and we need a similar determined focus to

respond to our Housing Emergency.

It is clear through the work of the taskforce that individuals make a difference. Leadership at all levels is crucial, and effectively prioritising affordable housing, and delivering it, will only be possible with committed leaders that can draw all parties together and forge consensus.

As well as addressing short and medium-term challenges there are also systemic issues that need to be confronted.

The planning system has had much reform in Wales but the issue of land-supply needs further change. Since the abolition of the Land Authority for Wales, and the disapplication of TAN1, there is no mechanism for the development of a land supply pipeline. There needs to be far greater coordination within the public sector to identify land, and a partnership with the private sector to develop land they have an interest in together.

The biggest change we recommend is that land identified as suitable for housing in the Local Development Plan should have a presumption towards development. Too many hurdles are placed in the way of development and there needs to be a shift toward a 'Permission in Principle' once it has been agreed land is suitable for housing at the LDP stage. This will require a change to primary legislation and will not happen quickly.

In the meantime, we have sought to identify pragmatic recommendations that can make a meaningful difference to our response to the crisis, and that have been tested with those who will be charged with making them work.

Lee Waters MS  
Chair, Affordable Housing Taskforce  
17 April 2025

# Recommendations

## Local leadership

In recognition of the housing emergency existing applications for affordable homes need to be placed at the top of the pile. There needs to be clear whole-authority leadership and accountability for progressing applications through the system quickly.

Policy-compliant planning applications that are consistent with national policy should be progressed. This needs to be clearly communicated across all Council departments to all relevant officers by Chief Executives, and to Cabinet Portfolio holders and all elected members by group leaders.

1. Local Authorities need to prioritise applications for new affordable homes in recognition of the housing emergency.
2. Each project should be allocated a senior officer to provide Council-wide project management and to coordinate decisions across the local authority. They should be publicly listed as a single point of contact and be responsible for the progress of a scheme – and empowered to make decisions when there are trade-offs to be made within a project.
3. The senior responsible officer should communicate clearly with the applicant, key external stakeholders and delivery partners. They should regularly convene multidisciplinary ‘development team’ meetings with all the decision-makers and focus on resolving issues that are delaying progress. For example, this will include highways, landscape, SAB, urban and landscape design, ecology, geo-technical officers, who need to sign off key site-wide layout and designs, as well as key contacts in Natural Resources Wales, Dŵr Cymru Welsh Water, Cadw and National Parks as necessary. All local authorities should have one Principle Urban Design officer that inputs into the process. Social landlords

should engage with the Design Commission for Wales at an early stage in the development

4. Developers must seek pre-application planning advice from the Local Planning Authority on all 'major' proposals. The Local Planning Authority should offer a multi-disciplinary team meeting and provide clear and timely advice on what is expected of applicants, differentiating between essential changes/requests to make the scheme acceptable and desirable changes/requests to make the scheme better, and highlighting known or likely issues. Other than in exceptional circumstances where issues arise that could not reasonably have been known at pre-application stage, the advice given should be adhered to. Communication should be clear and all parties should work on a 'no surprises' basis.

## System leadership

Councils across Wales are divided into those that have kept ownership of their social housing stock and those where it has been transferred to Registered Social Landlords – (RSLs). The taskforce heard of examples of diverging priorities between Councils that don't have control of the social homes with the RSLs operating in their area.

5. Local Authorities and Housing Associations need to ensure they have strong relationships and work together as partners to deliver against local need – this should include regular communication, closer collaboration and joint planning.

Developers told the taskforce they were being asked to deliver against competing priorities. The pressure of increasing housing supply competes with time and resources with the imperative of improving the quality of existing social housing. The requirement to progress to the next set of standards for social housing, Welsh Housing Quality Standard (WHQS) 2023, presents an

opportunity cost which should be recognised.

Several stakeholders pointed out that working towards WHQS2023 for existing housing limits the investment available for new developments and questioned whether in a housing emergency this should be the priority. This is a policy tension that Ministers will be considering and any trade-off should be acknowledged.

There is similar concern in the sector about the potential consequences of the ongoing legal action surrounding the requirement to provide a valid Electrical Installation Condition Report (EICR), as required by the Renting Homes (Wales) Act 2016. Until the legal action is resolved, it will continue to create significant uncertainty for all parties and may be resulting in greater caution on future investments.

The panel also heard evidence that not all social landlords have an appetite to develop an ambitious pipeline of new homes.

6. The Welsh Government needs to effectively communicate their direction – acknowledging trade-offs and prioritising clearly. As part of this the Welsh Government should convene regional summits, including all public and private delivery partners, to showcase the available funding, case studies to share good practice, and provide workshops for potential projects.

7. There is ongoing value to ‘check and challenge’. Responsible Council Cabinet Members should meet twice-yearly with Welsh Government Ministers to raise and address any emerging issues with progress on the delivery of affordable housing.

8. Community Housing Cymru and the Welsh Local Government Association (WLGA) need to play a greater role in challenging all RSLs and stock-holding local authorities to bring forward an ambitious pipeline of new schemes.



## Streamlining the process

The taskforce heard repeated complaints about the planning system which turned out to be far more complex on closer inspection. Many problems experienced by developers reflect the fact that the system is overloaded, there is inconsistency, and a lack of specialist expertise and experience which can slow down the process, as well as creating unnecessary expense which in-turn disincentivises construction.

To address the uneven capacity across local authorities, and to minimise the inconsistencies – and the need for time-consuming negotiation for developers working across local authority areas – there should be greater use of standardised clauses and agreements by developers and Councils.

This should include:

9. Standardised agreements for infrastructure delivery to current technical standards, which are agreed to by applicants. This should include S278/S38 Highway agreements (in accordance with Manual for Streets); SAB (SuDS Approval Body) adoption agreements and how SAB conditions are documented to ensure consistency and save time.
10. Developers have told the taskforce that there needs to be transparency on how commuted sums are calculated. Local Planning Authorities should publish Supplementary Planning Guidance setting out their requirements and rationale.
11. A standard methodology for viability appraisals does exist through the RICS / Hutchinson Burrows model. However, there are contentious elements to how this is applied in the case of the benchmark land value and the build costs. The models need to be further refined to apply to Welsh circumstances and the Welsh Government should convene a working group to gain agreement.

Issuing Section 106 agreements to make contributions as part of a development takes too long and can significantly hold up progress. There are also

inconsistent approaches which can be counterproductive, for example the taskforce heard of some local authorities insisting on S106 for housing association applications which were already for 100% affordable housing. A standard approach to S106 draft clauses would encourage consistency and save time and resources for all parties involved. The use of s106 agreements in respect of housing association or council affordable schemes should be limited to matters such as securing contributions to education, the provision of leisure and play facilities etc., rather than delivery of the affordable housing itself.

12. There should be a template approach agreed for Section 106 agreements, including affordable homes clauses. This will be a standard template for all planning authorities, including National Parks, as well as social landlords and private developers. A time limit should be set for an agreement to be reached.

A failure by statutory consultees to provide decisions within a timely period can also impede progress. Consultees should indicate if they do not intend to respond to an application at an early stage. Where a Statutory Consultee does not respond Councils should be encouraged to make a decision in the absence of a consultee's reply.

13. The Local Planning Authority is a decision-making body and does not need to wait for a statutory consultee where it has not responded in the statutory timeframe. Local Planning Authorities need to take a managed risk approach to determine applications, weighing up the risk of a legal challenge if their decision has not waited for advice from a statutory consultee. Planning conditions should be discharged by Local Authorities within 8 weeks.

SuDS Approval Body (SAB) applications, which are required by law in Wales for any construction plan adding 100 square metres or more, cannot be signed off until legal documentation and detailed plans for SAB approvals are agreed prior to the drawdown of Welsh Government grants and the start of work. The panel has heard that in effect a viable scheme with full technical details needs to be submitted in advance of planning. This needs to change.

LPAs should encourage developers to submit SAB applications to run alongside planning applications and they should ensure that the SAB and planning officers work together to ensure both consents can be issued at the same time without delay to either. The use of conditions should be kept to a minimum and should not be used to cover details already submitted with the application.

14. Discharge of SAB conditions should be dealt with alongside other technical conditions at the appropriate point in the process - not up-front.

15. Recognising that the SAB process remains relatively new and continues to evolve, the Welsh Government and WLGA should provide a review of best practice and develop a list of ten “Dos and Don’ts” for the SAB application process.

All parties agree that local authorities do not have the capacity and expertise they need across all areas. The Royal Town Planning Institute (RPTI) are currently assessing on behalf of the Welsh Government where skills gaps exist. This evidence will be used to inform solutions, which should include a need for Councils to share resources to fill the gaps in capacity and expertise. The example of minerals and waste, where one lead authority pools resource to act in the service of others, is a precedent to follow, and joint working should be the norm rather than the exception.

16. Welsh Government and Local Authorities must identify areas where skills and capacity gaps can be alleviated by collaboration. Where there is agreement to collaborate funding should support this. The arrangements need to be reviewed after a set period to test their effectiveness.

Greater use of delegated powers by Planning Officers should be made on smaller developments to reduce the number of applications routinely expected to be subject to a full hearing by a Council Planning committee. Councillors will always retain the right to call-in applications, but the default assumption is that schemes not considered to be major developments will be dealt with using

delegated powers.

17. The threshold for major development in Wales should be raised to 50 dwellings, in-line with Scotland and Northern Ireland. The Welsh Government have powers to intervene and should use them to create a national scheme of delegation if this proves ineffective. Work should begin with the WLGA to develop one.

## Short-term measures

The taskforce was asked to look at affordable housing-led schemes already progressing through the planning and consenting system that are at significant risk of delay. We have tested work already being carried out by officials with local authorities and registered social landlords to identify reasons for high risk of delayed delivery on schemes scheduled to deliver this term of government. Whilst there is no single intervention that can expedite the situation, that is not to say that steps cannot be taken to meaningfully address our housing shortage in the short term.

The panel concluded that short-term progress can be best achieved through stronger leadership and better coordination to move applications through the process quickly, focussing on bringing existing empty properties back into use, as well as funding local authorities and housing associations to buy houses on sale on the open market, and off-plan from developers.

A key issue we identified was the veracity of the data on the progress schemes were making. Local Authorities must provide clear and timely data, particularly on milestones, completions, unit numbers and risks. They must work with housing associations to do this, recognising that the Homes and Places Portal that the Welsh Government uses to collect data on projects is a live system.

18. Social Landlords must ensure that data on development programmes are

maintained regularly and accurately on the portal and this should be a condition for payment. This will ensure the effective and speedy flow of funding, and will identify problems and support required earlier in the process so that decisions can be prioritised.

There are some 22,000 houses that have been empty for more than six months in Wales. The Welsh Government are currently reviewing the efficacy of current funds and approaches to bringing empty properties back into use.

Success has been achieved from targeting interventions and marshalling resources, including at a regional level, to bring empty buildings back into beneficial use including Compulsory Purchase Orders and Enforced Sales - which is an expedited process.

Some Councils have a dedicated empty property team, whereas others are constrained by the lack of trained Empty Housing Officers who have the skills and enforcement powers needed to bring empties back into use.

The taskforce heard support for changing the definition of an empty property for the Empty Homes Grant to six months – bringing more properties into scope and allowing work to begin sooner.

19. Local Authorities should have at least one dedicated empty homes officer.

20. The Welsh Government should produce clear guidance on the ways that Local Authorities can proceed with empty properties, and should explore the potential for using genealogy services to expedite acquisitions of identified empty properties.

A number of existing social homes are unoccupied and considered ‘void’ because they need significant repair or upgrading before they can be brought back into use. Housing associations sometimes take the view that the cost of works makes the investment unviable. This may be exacerbated by the requirement to achieve WHQS2023, and by the competition for skilled trades to

carry out the work. Without alternative investment, these properties are typically sold and lost to the social housing stock available.

Funding has been provided by the Welsh Government in recent years through the TACP (Transitional Accommodation Capital Programme) to bring this type of void property back in to use. This is a welcome development and should be continued. A property that is unoccupied, requires major works and will otherwise be sold has functionally stopped being part of our social housing stock; funding its repair is the same as adding homes through acquisitions and should be treated as such.

21. Social housing considered 'void' and which requires significant investment to be occupied again should be considered in the same way as acquisitions and funded by TACP. Rather than risk being sold off as uneconomic or left as long-term voids they should be brought back into use as a matter of priority and counted as part of the Welsh Government's 20,000 additional homes for social rent target – this will ensure funding is outcomes-led and that the target reflects best policy.

A further unintended consequence of the target that we heard about was the challenge of alleviating overcrowding. A focus on cost-efficient new home building from some social landlords exacerbates the shortage of larger homes for social rent. The panel heard evidence that this issue disproportionately impacts Black, Asian and Minority Ethnic people and communities, and because there is a shortage of larger houses for affordable rent, larger families often face uncomfortable conditions in houses that are too small for their needs.

Loft conversions can provide a pragmatic way to alleviate overcrowding but they do not contribute to the 20,000 target. Loft conversions are nonetheless eligible for funding however this is not widely understood. Whilst we recognise there will sometimes be an opportunity cost the panel feels the focus should be on outcomes and loft conversion encouraged where appropriate. As these will often not require planning permission this will provide respite relatively quickly.

22. Social landlords should identify opportunities to include loft conversions in their programmes.

Developers have told the taskforce that opportunities to add to the stock of social homes from purchasing existing private housing, or regenerating empty properties, is restricted by the ability to meet the WHQS2023. Flats above shops in town centres in particular can present challenges for work to be carried out, and ongoing access arrangements can pose practical problems.

The Welsh Government feel there is already flexibility in how the standards are applied and provide funding to bring properties up to standard. However, it is clear to us that these are competing and incompatible views.

23. The Welsh Government need to work productively with the sector to develop a shared understanding on Standards. Officials should meet social landlords and developers regularly to consider proposals on a case-by-case basis recognising the urgent need for more homes. The findings from the case-by-case reviews should be communicated to all social landlords, and where needed translated into revised standards to address recurring themes for conversion of existing buildings. This would then provide certainty to social landlords and prevent the Welsh Government from potentially becoming a bottleneck by having to review a significant number of schemes.

If developers feel that applications of the standards is blocking meaningful development opportunities this should be raised in the twice-yearly meetings with the Cabinet Secretary proposed earlier.

## Medium-term measures

It is vital that we deliver the homes that people need in places where there are good connections to public transport, active travel and local services. The emphasis on good quality placemaking and the strategic approach in Future Wales must not be lost.



The Welsh Government should review how the Strategic Development Plan (SDP) and Local Development Plan (LDP) preparation and monitoring processes can be speeded up and strengthened to ensure an adequate and deliverable supply of land for mixed-use development with relevant access to amenities and services alongside housing-led regeneration in the places it is needed most.

Additionally, there is unrealised potential to use spare public land for housing. The taskforce has found that despite a feeling that there is under-used land in every local authority and health board none are proactively being offered up for development.

The Welsh Government has begun recording all land in public ownership through the Electronic Property Information Mapping Service (e-PIMS) central database. However, this has stalled and needs funding.

24. E-PIMS needs to be made functional and maintained to serve as a live database to help inform decision-making.

The Welsh Government needs to understand the incentives that need to be offered, as well as helping provide capacity to coordinate its development; they should meet with senior leaders to overcome barriers.

25. The Welsh Government needs to develop a pipeline of suitable available land with Local Authorities, Health Boards, TfW and other custodians of public land such as the Ministry of Defence. The Land Division should proactively identify land that may be brought forward for development. A register of unused land needs to be maintained and used to inform strategic planning.

Carmarthenshire and Swansea Councils have directly procured developments to build homes for rent on local authority-owned land. This good practice should be scaled.



26. Land owned by the public sector should be made available at a discount if it is used for a significant number of social homes.

There is great potential on a short-term basis to host temporary high-quality modular homes to reduce the use of temporary accommodation. Examples of this so-called 'Meanwhile Use' in Cardiff's Grangetown and Llantwit Major show how new housing capacity can be quickly mobilised using powers of Permitted Development Rights.

As well as identifying sites for multiple units of 'Meanwhile' temporary houses, social landlords should look for opportunities for smaller 'infill' sites on or close to existing housing developments where spare land can be used to create homes. Such 'pepper potting' where affordable housing units are strategically dispersed throughout a community, rather than concentrating them in large, segregated estates, aims to create diverse and socially cohesive neighbourhoods.

The potential for small or 'infill' or 'pepperpot' sites that can be quickly delivered on existing housing sites and communities should not be ignored, and funding could incentivise developments that deliver quickly. This applies beyond Meanwhile use too.

Lessons learned exercises by the authorities have identified the need for coordination and cooperation on issues such as procurement, legal and site preparation. Local authorities, health boards and Welsh Government departments have been slow to identify additional candidate sites. Using under-utilised land to help alleviate temporary housing needs would help local authorities manage significant financial pressure from meeting B&B costs as well as provide a decent home for more people. It appears to the taskforce that the lack of progress in bringing forward more 'Meanwhile' schemes is due to combination of capacity constraints, a perception amongst authorities that the process can be complex and difficult, and a nervousness about the reaction of local communities.

27. The Welsh Government and the WLGA should work together with partners to establish a floating delivery team that will support the legal and procurement foundations of bringing sites forward for temporary high-quality housing.

28. Permitted Development Rights currently only allow developments to exist for one year without full planning approval. The panel believes this should be extended to seven years given the complexity of site development.

Council Tax premiums from second homes and long-term empty properties were introduced in part to ensure that councils could respond to the impacts that large numbers of those properties have on our communities, local services and the housing stock – and to ensure that owners make a ‘fair contribution’ through the tax system. Given the rising costs of accommodation in hotspot areas, Local Authorities need to ensure that the tax raised is used for that purpose.

29. Local Authorities must publish annual reports on their council tax premiums from second homes and long-term empty properties detailing the amount raised and how it was spent. Welsh Government should set an expectation that the tax supports affordable housing solutions for local people. This can include buying houses from the open market in hotspot areas.

30. There is support amongst many Councils that control their own stock of affordable housing for earmarking the additional funding raised from second-homes tax into social housing via the Housing Revenue Account (HRA). Welsh Government and the WLGA should explore this further.

## Longer-term measures

The recommendations of this group have focussed on the short-term and pragmatic, achievable interventions. However, the process of longer-term improvements to the system must also start now if we are to avoid further crises in future, and build a sustainable and deliverable pipeline of social housing for

the nation.

The identification of land for future housing needs is a key focus of the Local Development Plan process. However, developers report that land identified and agreed as being suitable for housing in the LDP comes with no presumption for development at the local planning stage. Sponsors of land for development not only have to go through a lengthy process to get a site allocated the Local Development Plan, but often face a further lengthy test to achieve outline planning permission, and then full planning permission. An LDP allocation should mean there is no further debate about the principle of residential development and the focus should shift to detailed proposals. However, the debate at planning stage can often be focused on re-running an argument already settled at LDP stage.

As well as representing significant cost and time investment, the process consumes significant resources from local planning authorities. In a Housing Emergency this is at best sub-optimal, at worst indefensible.

The protracted process for bringing land into use for housing often means that the rate of development is lower than was anticipated when the LDP was designed. A roundtable meeting of 16 organisations convened by solicitors Hugh James recommended to the taskforce a new housing monitoring indicator that identifies a persistent shortfall in housing delivery, and a contingency mechanism should be triggered to allow alternative sites to come forward outside the LDP process where the LDP is failing against a set of agreed criteria. This needs further consideration, and could include a requirement for a minimum proportion of homes on each site to be affordable.

## Land supply

31. Land identified as suitable for housing in the Local Development Plan should have a presumption towards development. This change to enable a 'Permission in Principle' will require primary legislation and needs to be co-produced with local authorities.

The debate has focused exclusively on bringing forward land for new housing and there also needs to be a focus on making full use of the existing stock. Incentives should be provided and clearly marketed to ensure that current residents have the option to downsize where appropriate, and ensure that more people find the homes that are suitable for them.

## Long-term planning to tackle homelessness

The taskforce heard that there is insufficient join-up between assessments on housing supply needs for tackling homelessness and strategic housing planning.

32. The Welsh Government must ensure that Local Housing Market Assessments (LHMA) and Rapid Rehousing Transition Plans (RRTP) are published alongside an annual progress report to ensure funding is being allocated against the needs identified within these documents – particularly for those experiencing homelessness and living in temporary accommodation.

33. The Welsh Government must build on the learning from the Rapid Rehousing Task and Finish Group on how data on homelessness need can be best reflected in supply planning, ensuring that housing supply to address needs of local homeless populations are appropriately prioritised.

## Finance

Finance is an essential part of the housebuilding process and developments are often expensive and take years to complete. The panel heard evidence that some parts of the finance system are rarely or never used for affordable housing and may constrain resources.

Developers have highlighted that the ever-increasing up-front costs associated with gaining planning permission, which currently are not funded by most banks,

needs further consideration if SME developers are to continue to engage and grow.

34. The need for sureties to mitigate for when there is financial failure by a developer can have a significant impact on the timely delivery of affordable housing schemes and they are rarely used. These serve no useful purpose when the schemes are developed by a Registered Social Landlord and should no longer apply.

35. Similarly, Performance Bonds have been required for public sector work taken on by SMEs, but the panel have heard that these bonds are increasingly difficult and costly to obtain and may have an unhelpful impact on smaller SMEs. The Welsh Government should commission a piece of research to assess if this market failure perception is accurate and to determine next steps, including considering the viability of Welsh Government underwriting.

36. The Development Bank Wales must play a greater role in providing funding for social housing. There is a particular role for DBW to play in supporting SMEs. Stakeholders report difficulty engaging with the bank and a feeling that they don't understand the sector.

37. The Welsh Government should implement the change it consulted on last year and grant relief on Land Transaction Tax to Local Authorities acquiring property for social housing purposes – just as it already does for RSLs.

A mortgagee exclusion clause (MEC) is a lender carve-out to affordable housing provisions, typically in S106 agreements but also in planning documentation and other legal documentation such as transfer deeds. Were an RSL to default on its debts and were a lender to take possession of the security – an event that has never occurred in Wales – the MEC clause allows a lender to sell homes on the open market if certain steps have been followed.

MECs enable higher valuations to be obtained by RSLs with no detriment to the

local authority's affordable housing provision. The higher valuations support larger amounts of borrowing and ultimately more capacity to build affordable housing across Wales. Savills estimated that MEC restrictions were curtailing borrowing capacity in the sector by c.£166-333m, a sum which when combined with grant could fund 2,000-4,000 social rented homes.

38. A standard approach to MECs should be developed, removing the need for negotiation of this item on future planning documentation. Local authorities and Housing Associations should work together, along with partners in the construction industry, to develop one.

## Skills

The Taskforce regularly heard evidence of the importance of skills and the bottlenecks created by a shortage of them. This is reflected across the built environment professions including the design and construction workforce, as well as in technical qualifications through the planning and approvals process.

The recommendations of the Taskforce do not address the scale of the skills challenge in Wales, but without addressing that problem the practical suggestions we have made will be continuously undermined by shortages of the people we need. The Welsh Government must recognise the priority that is placed on affordable housing and the critical role skills play in that, and take a cross-government approach, for example through funding in areas such as apprenticeships.

Successfully taking forward the recommendations of the Lusher review is crucial, as is recognising the vital role that the built environment plays in the current review of green skills.

The sector can also do more to engage with young people and should take confidence from the strong pipeline that has been created and invest in the

recruitment and training of its workforce accordingly. The built environment professions should engage with schools and understand how to make those career pathways more visible within the new curriculum, particularly on areas beyond engineering such as urban and landscape design and architecture. Across the piece but on the technical side in particular, we must also ensure all our approaches make the most efficient use of the limited resources we have available – as in the collaborative recommendations we have made earlier.

There are examples of good practice across Wales that we have seen and believe could be learned from, scaled up or applied elsewhere. These included:

- The shared apprenticeship programme has been successful in supporting young adults into sustainable employment within the construction industry. Cyfle Building Skills in southwest Wales which has been highlighted as an exemplar in training young people to gain apprenticeships and achieve qualifications.
- Tŷ Gwyrddfai construction college and decarbonisation hub in Penygroes is a collaborative project between an RSL, FE and HE training a pipeline of skilled workers in low-carbon techniques.
- Adra housing association has its own in-house maintenance and construction team, Trwsio, which allows workforce planning

We recommend the following:

39. The Welsh Government should ask Regional Skills Partnership to identify how examples of good practice can be adopted in their areas.
40. The Welsh Government should ask Housing Association to identify action they can take to contribute to the development of a skills pipeline
41. The Level 2 Apprenticeship in Construction should be reinstated.

# Annex 1: membership

The membership of the Taskforce was confirmed on 28 November 2024 by the Cabinet Secretary for Housing and Local Government as follows:

Amanda Davies, Chair of Valleys to Coast

Cllr Andrea Lewis, WLGA Housing Lead

Craig Sparrow, Executive Director of Development ClwydAlyn

Mark Hand, Director of Wales, Northern Ireland and Planning Aid England at Royal Town Planning Institute

Andrew Farrow, Head of Planning at Flintshire County Council

Carole-Anne Davies, Chief Executive of Design Commission for Wales.

In addition, the Chair asked two further members to attend to support the work:

Rhea Stevens, Director of External Affairs at Community Housing Cymru

Dorian Payne, Managing Director at Castell Group

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