

SME Developers - How can the Welsh Government help you to build more homes in Wales?

Update Newsletter – January 2016

Thank you for taking part in one of the SME developer workshops which we held last year in Carmarthen, Llandudno and Cardiff. The discussions at the workshop and feedback received has been reviewed by the Constructing Excellence in Wales (CEW) and Welsh Government (WG) teams, we hope this newsletter provides you with an update.

Workshop findings

At the workshops our discussions focused on: finance, land acquisition, delivery, building regulations and planning and “others”. Key messages from the workshops covered:

- *Help to Buy ; confirm it can be relied on further into the future*
- *Public land in plot sizes appropriate to SME development*
- *Reduce risks on land being released prior to sale through outline planning & surveys*
- *Refocus Finance Wales to specifically support SMEs house builders*
- *Encourage more mortgage lenders to offer on ‘affordable’ properties*
- *Provide clear, simple-to-follow guidance on existing and new regulations*
- *Provide easier access to a land register to allow SMEs to identify sites*
- *Establish communication with SME developers that fits with their working practices*
- *Continue to promote the construction sector as a career path and training in Wales*

Update on Welsh Government Progress:

Help to Buy – phase 2



In December 2015, the Welsh Government announced it is investing up to £290 million in the second phase of Help to Buy –Wales. The additional funding will continue the scheme up to 2021. This second phase builds on the success of the current £174 million scheme, which has already helped around 2,400 people buy their home, with another 650 applications in the pipeline. Announcing the scheme at St Lythans Park in Cardiff, Communities Minister, Lesley Griffiths, said:

“Today’s £290 million investment clearly demonstrates this Government’s commitment to encouraging house building and helping people achieve their goal of owning their own home. I am pleased, to date; our Help to Buy – Wales investment has given 1,784 first time buyers the help they need to get their foot on the property ladder.

“We are seeing sustained growth in Wales’ house building industry and today’s announcement will strengthen this further by increasing the supply of low-deposit mortgages available to people looking to buy a new home. This is a huge boost to the Welsh construction industry, and our economy as a whole, which will provide thousands of new jobs and training opportunities for people across Wales.”

Help to Buy - Wales will continue to provide shared equity loans of up to 20% of the price of a new build property up to the value of £300,000. This equates to loans of up to £60,000 interest free for five years and at below-market rates thereafter.

The detailed terms and conditions associated with these loans are set out in the Help to Buy – Wales Housebuilders and Developer Participation Guide and supporting documentation, available [here](#).

Stalled Sites and S106 Agreements – report issued by Minister for Natural Resources

On 22nd October 2015, the Minister for Natural Resources published the Stalled Sites and S106 research report that identifies and quantifies sites that have not been developed in Wales as a result of issues relating to Section 106 agreements.

The research has examined the reasons why sites are stalled and has made a series of recommendations. The Welsh Government is considering these recommendations in detail and will be looking to take them forward in conjunction with local planning authorities and the development industry.

The final research report is available from the Welsh Government website [here](#).

The assessment of viability through the planning process – project initiated by the Minister for Natural Resources

The Stalled Sites and S106 research has clearly demonstrated that site viability is a significant issue in its own right and is resulting in the delay and stalling of residential developments. The Minister for Natural Resources has asked officials to take forward a project to develop an understanding of the importance of accurate assessments of viability at all stages of the planning process.

The project will take a longitudinal view of viability in respect of planning, from site identification during the preparation of a Local Development Plan (LDP) to the assessment of the site at the development management stage.

The Minister has asked all stakeholders in the development process to engage fully in this project to inform recommendations, outcomes and solutions.

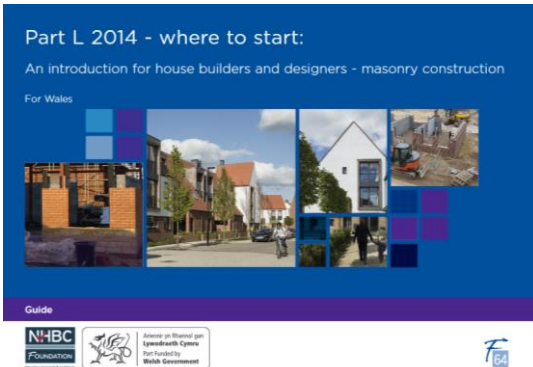
Finding the best sites.

A publicly accessible database of surplus public sector assets will shortly be available through the Welsh Government website. Work on the new 'Assets Cymru' portal is ongoing and is expected to be completed in the New Year. When the portal is ready to launch it will be publicised and Welsh Government are happy to forward all the relevant details at the time.

Welsh Government encourages local planning authorities and applicants to discuss proposals before a planning application is formally submitted. Planning Policy Wales states that, "Well-managed pre-application discussions are an important part of the planning process. They can improve the quality of applications and help reduce the time taken to deal with a formal application".

Pre-application discussions can help prospective applicants understand the application process. Discussions can identify the relevant planning policy framework against which a proposal would be assessed and specify the information that would be required to support a planning application. Early discussions offer the opportunity for informed amendments and improvements to schemes prior to the submission of a formal application.

New Guidance now available for Wales



Since our workshops in June the NHBC has since published two guides on Part L 2014 – where to start “An introduction for housing builders and designers”. One guide is on masonry construction, the second on timber-frame construction. Both guides are available [here](#)

Staying in touch

At each workshop we heard from you that reaching SME companies is tricky; you’re busy delivering work and don’t have time to spare attending workshops, contributing to consultations and so on. Suggestions made at the workshops included the creation of a LinkedIn forum for SME house builders in Wales and we’d be interested to hear your thoughts on this approach. Should you have any comments on the creation of a LinkedIn forum or in response to this newsletter, please contact the CEW team in the first instance by emailing: info@cewales.org.uk

Next Steps

As highlighted by the implementation of the groundbreaking ‘[Wellbeing of Future Generations Act](#)’ Welsh Government recognises the social, economic and environmental value of SME builders and developers working in Wales. They are very keen to work with the sector in supporting their growth and welcome feedback the CEW provides from the SME forum. Some findings identified in the workshops will require ongoing exploration and consideration and Welsh Government would like to stay engaged with you via the forum to continue the productive dialogue. Please therefore do feel able to contact the team who facilitated the workshops by emailing with your comments: info@cewales.org.uk