

Summary

The state's management of areas of national interest –
a barrier to housing construction (RiR 2013:21)



The state's management of areas of national interest – a barrier to housing construction

Audit background

There is a shortage of housing in many parts of Sweden. The housing shortage is particularly severe in the metropolitan areas and almost two thirds of the country's population lives in municipalities with housing shortages. New housing construction in Sweden has been low since the mid-nineties. Several key actors have pointed out that the state's management of areas of national interests makes it difficult for municipalities to plan for housing.

National interests ("riksintressen") are areas that the state has identified as particularly important and worthy of protection. Areas of national interest can include airports or areas with significant natural or cultural environments such as lakes or historic buildings. There are several thousand areas of national interest in the country. Common to all areas of national interest is that they are to be protected from "significant damage". The term significant damage relates to such actions that can have a lasting negative impact on the national interests or that temporarily can have a major negative impact on them.

The planning and building process often involves a complex interplay between a range of stakeholders and different interests. It is the municipalities that are responsible for creating conditions for decent housing for all citizens. When the municipalities plan to build new homes, they need to take into account the national interests. The County Administrative Board represents the state's interests in the planning of residential construction. The County Administrative Board shall, among other things, support the municipalities and ensure that areas of national interest are not significantly damaged in municipal plans. The areas of national interest are pointed out by sector authorities, and it is the sector authorities that supply the county administrative boards with documentation on their respective national interests. This documentation describing the national interest's value serves as the basis for the municipalities' and county administrative boards' management of the national interests in the planning process. The responsibility for coordinating the sector authorities' documentation on national interests falls to yet another actor, the Swedish National Board of Housing, Building and Planning.

Motive: The departure point for this performance audit is the housing shortage facing citizens in several parts of the country. The audit examines how citizens' housing needs are looked after in the management of national interests in the planning process. There is no overview of how the county administrative boards and the municipalities, in practice, manage the national interests in the process of planning for housing.



DATE: 03-12-2013

Objective: The objective of the audit is to examine whether the state's management of national interests in the planning process prevents or makes it difficult for the municipalities to provide new housing for the citizens. With the state's management of national interests in the planning process we mean the County Administrative Board's task to provide the municipalities with support regarding how national interests are to be looked after, for example through providing municipalities with compiled documentation on the national interest, and to ensure that national interests are not significantly damaged.

Implementation: To find out how the municipalities perceive the County Administrative Board's and other governmental agencies' management of national interests in relation to housing construction, the Swedish National Audit Office sent out a survey to municipalities with housing shortage. A questionnaire was also submitted to the county administrative boards. Furthermore, in four regions we studied cases where national interests have been in conflict with residential construction, and interviewed representatives from municipalities and county administrative boards. We also interviewed representatives from the Ministry of Health and Social Affairs, the Ministry of the Environment, the National Board of Housing, Building and Planning, and the sector authorities whose national interests are the most likely to coincide with plans for residential construction. Since it is very difficult to obtain reliable estimates of the number of homes that have not been built due to the state's management of national interests, we have not performed such an estimate within the framework of the audit.

Audit findings

The National Audit Office's audit shows that the state's management of national interests in many cases hinders and makes it more difficult for municipalities with housing shortages to plan the construction of new homes. In over 60 percent of the municipalities with housing shortages and a need for new construction, the state's management of national interests has prevented residential construction at least once in the last three years. Long and uncertain processes discourage municipalities and developers from planning housing construction adjacent to national interests. It is difficult to establish how many homes that have been hindered by the state's management of national interests, because national interests can hinder housing even before the planning process has begun. The National Audit Office's audit suggests that it is mainly national interests concerning cultural heritage protection, communications and nature conservation which prevent housing plans in municipalities with housing shortages that want to build new homes.

The county administrative boards' management of national interests makes it difficult for municipalities to plan housing

The National Audit Office finds that the support provided by the county administrative boards to the municipalities to manage national interests during the planning process for new housing is



DATE: 03-12-2013

inadequate. The county administrative boards are responsible for ensuring that municipalities have all the necessary supporting documentation for the planning of housing, and shall also determine the value of the sector authorities' national interest claims. The supporting documentation is often lacking in this respect. A majority of municipalities with housing shortages finds that the national interest documentation provided by the County Administrative Board is not a useful tool in the planning of housing. The municipalities believe that the County Administrative Board to a greater degree focuses on compiling and handing over the documentation rather than on processing the material and providing advice to the municipalities on how to deal with national interests in the general municipal plan.

The National Audit Office's audit shows that the county administrative boards fail to provide clear instructions to the municipalities about what approach they should adopt in terms of the national interests. Approximately half of the municipalities consider the county administrative boards' assessments of significant damage to national interests unpredictable in the municipal plans. The uncertainty regarding the assessments of significant damage implies that municipalities and developers sometimes do not dare take a chance on starting a planning process if they believe that there is a risk that the County Administrative Board will stop the plan.

Because of outdated and unclear documentation from the county administrative boards, the municipalities need to clarify the value of national interests in order to adapt the housing plans to the national interest and relate the plan to what it is that may not be subjected to significant damage. It becomes the municipalities that bear the consequences of imprecise documentation, and developers and municipalities must spend time and resources on investigating national interests.

The National Audit Office recommends that the County Administrative Boards make it a priority to re-examine and clarify national interest descriptions, including what could constitute significant damage in areas of relevance for housing construction.

The National Board of Housing, Building and Planning's coordination of sector authorities' work with national interest documentation is not well adapted

The National Audit Office considers useful descriptions of the national interests from the sector authorities to be a prerequisite for the county administrative boards to be able to provide the municipalities with comprehensive high quality documentation of the national interests. The National Board of Housing, Building and Planning is responsible for coordinating governmental authorities' work with national interests. The National Board of Housing, Building and Planning's coordination of the sector authorities' work with the documentation has been very limited, and the agency has no comprehensive overview of the country's many national interests. The supporting data provided by many of the sector authorities which the county administrative boards have to take a position on is over 30 years old, and in many cases not relevant. Several sector authorities have not updated their designated national interests and relating descriptions to any great extent since the national interest system was introduced in 1987. This audit shows that the county



DATE: 03-12-2013

administrative boards face difficulties using certain data from the sector authorities, much of which is out of date and vague. Inadequate documentation from the sector authorities makes it difficult for the County Administrative Board to support the municipalities, and to supervise and assess significant damage.

The National Audit Office notes the initiative commenced by the National Board of Housing, Building and Planning in 2012, which expresses increased ambitions with regard to the coordination work. However, there are no visible results in terms of the sector authorities' supporting documentation.

The National Audit Office recommends that the National Board of Housing, Building and Planning prioritises the task of coordinating the sector authorities' work with documentation of national interests in order to clarify the national interest descriptions and keep them updated.

The National Board of Housing, Building and Planning's guidance regarding significant damage is insufficient

The National Audit Office's audit shows that the county administrative boards' handling of the concept of significant damage involves difficulties in the planning process. The National Board of Housing, Building and Planning shall provide supervisory guidance to the county administrative boards. In the Board's supervisory guidance for the planning process, the agency has not developed instructions for the County Administrative Board in terms of assessing significant damage to national interests. The National Audit Office's audit shows that most of the county administrative boards request guidance on how to deal with national interests in terms of the consideration of significant damage. The municipalities, in turn, believe that the county administrative boards are not predictable and sometimes not consistent in their assessment of what constitutes significant damage to a national interest.

The National Audit Office recommends that the National Board of Housing, Building and Planning develops an instruction on what significant damage to national interests means in the planning process.

The Government has not taken action despite signs of significant weaknesses in the national interest system

The National Audit Office's assessment is that the Government has not taken steps to make it easier for municipalities to plan housing construction in areas adjacent to national interests so far. The National Audit Office's audit reveals that 86 per cent of municipalities with housing shortages have had to take national interests into account when wanting to build new homes in the last three years. The audit also suggests that municipalities find it difficult to adopt an approach to national interests when they develop housing plans.

The Government has repeatedly received signals that the national interest system is not functioning in accordance with the intentions. Despite signs of deficiencies in the supporting documentation



DATE: 03-12-2013

for national interests, the Government has failed to specify the responsibilities of the sector authorities in terms of describing or updating their national interests. Nor has the Government given the County Administrative Boards or the sector authorities a coherent mandate to clarify or define the national interests in order to facilitate municipal planning of, for example, residential construction.

The Government has so far not investigated how the management of national interests affects housing construction. One possible explanation for this is that there have been different views within the Government Offices regarding whether the management of national interests poses an obstacle to housing construction. In the most recent Budget Bill, however, the Government announced an overhaul of the national interest system, that intends to address how the national interest system affects housing construction. The National Audit Office encourages the Government's focus of the overhaul.

The National Audit Office recommends that the Government urgently carries out the announced overhaul of the national interest system which intends to address national interests in relation to the need for housing.

The national interest system is not adapted to a housing shortage situation

The above recommendations are designed to make it easier for municipalities to plan for housing. The recommendations aim to simplify the management of national interests in the planning process and make the process more transparent and more predictable, mainly by clarifying the descriptions of the national interests. However, clearer national interest descriptions will not necessarily lead to greater possibilities for housing construction adjacent to national interests.

The national interest system was introduced in 1987 so that the state would be able to protect particularly valuable interests of national importance when the responsibility for physical planning was handed over to the municipalities. When the system was developed, there was no major housing shortage. Today the situation is different, and there is a widespread shortage of housing, but this has not led to any amendments in the national interest system.

The modified situation in the housing market should, according to the National Audit Office, imply that the construction of housing becomes more important. It does not mean that valuable interests such as natural environment and outdoor recreation areas should not be protected, or that national interests would not be valuable to the citizens. However, to facilitate housing construction adjacent to national interests, the National Audit Office finds that there should be a proper balance between national interests and housing provision in areas with a great housing shortage.

The National Audit Office proposes that the review of the national interests announced by the Government specifically should examine how housing construction can be given greater weight in relation to national interests in times of widespread housing shortage.

