



# **Powys Local Development Plan**

## **Housing Provision 4 Overview**

**Powys County Council  
September 2016**

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## **Executive Summary**

The Planning Inspector appointed to test the soundness of the Powys Local Development Plan has raised concerns about the evidence supporting housing provision in the Powys Local Development Plan (LDP) and how this could mean that housing delivery over the LDP period lacks sufficient focus to accord with the strategy of the Plan.

This Position Statement draws together the updated evidence presented in four papers published in September 2016 which reassess the Dwelling Requirement Figure, the housing provision on committed sites with extant planning permissions, and the contribution of new housing allocations and non-allocated windfall sites across Powys. The paper considers this evidence against LDP and Council corporate strategies to promote longer term sustainable growth in the most appropriate locations.

To meet the dwelling requirement of 4,500 new houses, provision is made for 5,596 houses including an overprovision of a 24% contingency. Although units completed and under construction and existing commitments have been set and cannot be influenced, 84% of housing provision is directed towards the most sustainable settlements of Towns and Large Villages which reinforces the spatial strategy of the LDP. As in the adopted Unitary Development Plan, national and Plan policies will still enable some appropriate development in rural areas in support of affordable housing needs and to assist rural enterprises.

The review of evidence shows that the alignment of land provision for new housing development against the LDP strategy and objectives is well-defined and focussed to enable growth in the most sustainable locations, whilst policies also support rural communities and thus ensure the wellbeing of “strong communities in the green heart of Wales”, the Council’s overall strategic vision.

## **1. Introduction**

1.0.1 This Position Statement has been published to summarise, support and provide clarity with regards to the Powys housing provision in relation to housing needs and the focus of housing development in the Powys Local Development Plan (LDP). It responds to issues raised by the Planning Inspector in relation to the soundness of the Powys LDP and summarises new sources of information and updated evidence published since the submission of the Local Development Plan in January 2016.

1.0.2 This Position Statement should be read in conjunction with the following papers published in September 2016:

- Dwelling Requirement Figure (September 2016) [EB35];
- Housing Provision 1 - Commitments (September 2016) [EB42];
- Housing Provision 2 - Allocations (September 2016) [EB42];
- Housing Provision 3 - Windfall Allowance (September 2016) [EB42].

These papers in combination provide the evidence that sufficient land is available to meet the dwelling requirements identified within the previously published Population and Housing Addendum (January 2016 - [EB35]) and that the Plan is sound and can deliver on its housing growth objectives.

1.0.3 New housing will be directed to the most sustainable settlements in Powys where the greatest range of facilities and services are available to the population and where appropriate development will strengthen those communities in accordance with wider Council objectives and the Strategy of the local Development Plan. However, some dwellings will be possible in rural areas when it can be demonstrated that there is a requirement for affordable housing or to meet the needs of agriculture or rural enterprises.

1.0.4 In making provision for housing land it is good practice for local authorities to allocate more land than the housing land requirement to allow for choice and to provide a contingency against the inherent risk that some sites will fail to deliver their housing quantum by 2026. The amount of over provision is not prescribed in national planning guidance.

## **2. Housing Provision to Meet the Dwelling Requirement**

2.0.1 As identified within the Dwelling Requirement Figure (September 2016 – [EB35]) paper, the preferred population and household growth scenario would require land to meet a housing requirement of 4,500 dwellings or 300 units per annum.

2.0.2 The housing provision calculation has been updated to take into account new evidence of delivery since the previous papers were prepared and through a review of the four components of housing provision, these being:

- 1) Dwelling Completions;
- 2) Land which already has planning permission (housing commitments sites of five and more units – HC / HLB);
- 3) Land proposed for new housing in the LDP period (housing allocations – HA);
- 4) Windfalls – future projections (all sites of less than five units and other large unallocated housing sites arising during the Plan period).

2.0.3 Dwelling units are delivered on both large and small sites. Large sites in Powys are those identified as having five or more dwellings and are, or will be following adoption of the LDP, recorded individually in the Joint Housing Land Supply (JHLAS) study which is published annually. Small sites are developments of less than five dwellings including self-build, net gains from conversions of a single dwelling into two or more units and conversions of non-residential buildings such as shops and barns into residences. The units being delivered on large sites are recorded in the annual JHLAS study on a site by site basis. The dwelling supply from small site completions is also recorded annually in the JHLAS study but as a single figure, as these sites contribute to the housing provision as windfalls and are not individually allocated in adopted development plans.

### **2.1 Dwelling Completions**

2.1.1 This is the number of dwelling units completed on large and small sites since the 2011 start date of the Plan period as identified in the annual JHLAS report as on the base date of the Plan. (JHLAS 2015 [EB05]).

### **2.2 Housing Commitments (HC / HLB)**

2.2.1 These are large sites which already have planning permission arising from either housing allocations in previous adopted plans or as windfall sites. Commitments are identified in the annual JHLAS report, which are agreed between the Council, the Welsh Government and house builders. Commitments which align with the policies of the LDP are shown as HC sites in the Plan inset maps, Appendix 1 and Policy H1A of the proposed LDP Further Focussed Changes. Commitments which are considered to fall outside the policies and proposals of the LDP have been identified separately as Housing Landbank (HLB) sites as proposed in the LDP's Further Focussed Changes. Further site detail on all the large sites contributing to the Powys housing supply / land bank is contained in the annual JHLAS study reports.

2.2.2 Some of the dwelling units on housing commitment sites will be under construction as identified in JHLAS, whilst other units will not have been started. With a Plan start date

of 1 April 2011, some housing commitment sites will have been completely built out or will be built out during the period in which the LDP moves forward to adoption.

2.2.3 The housing provision calculation applies a non-delivery allowance to account for the risk factor that a proportion of committed dwelling units may not be constructed within the Plan period. As housing commitment sites have been determined through the Unitary Development Plan (UDP) framework, the non-delivery allowance applied is evidenced from the non-delivery of units on allocated sites in the UDP period. The calculation of this non-delivery allowance is described in the Housing Provision 1 - Commitments (September 2016 – [EB42]) paper and is applied to the total of committed but not started dwelling units as at 1 April 2015 which is the base date used for all housing provision calculations.

### **2.3 Housing Allocations (HA)**

2.3.1 These are the new Local Development Plan allocations which have the capacity for five dwelling units or greater and are shown as HA on the Plan inset maps, in Appendix 1 and in Policy H1A of the proposed LDP Further Focussed Changes. These are sites identified from the Candidate Site process undertaken in 2011, sites awaiting the signing of Section 106 agreements and Alternative Sites subsequently included in the Plan. Also, some sites were included as they were partially undeveloped sites carried forward from the previous adopted plan. Explanation of the distribution of housing allocations and determination of the anticipated dwelling units on these sites is in the Housing Provision 2 -Allocations (September 2016 – [EB42]) paper.

### **2.4 Windfall Sites**

2.4.1 “Windfall sites” are defined as sites that gain planning permission but which were not allocated for housing at the time the application was submitted. They may be large sites of five dwellings or more or small sites, and can be distributed in settlements with defined development boundaries or small rural settlements and open countryside.

2.4.2 In determining housing provision from windfall sites, the evidence underpinning the LDP analyses windfall completions (rather than windfall permissions). Windfalls include new build developments, conversions or redevelopment opportunities, which can make a significant contribution to the overall amount of housing provision. By definition, it is impossible to provide a precise indication of the number and location of homes on windfall sites that are likely to be developed. Therefore the housing provision calculation uses projected figures for future windfall based on the evidence and trends of previous completions on these sites with due consideration to the likely ramifications of LDP policy changes upon this source of housing supply. Further details of the location and nature of windfalls and windfall sites is provided in the Housing Provision 3 - Windfall Allowance (September 2016 – [EB42]) paper.

### **2.5 Data sources**

2.5.1 The data sources and previously published information which inform the total housing provision figure for the LDP are summarised in Table 1.

**Table 1: Data Sources Informing Housing Provision**

<b>Source</b>	<b>Data Source</b>	<b>Examination Document Reference</b>
Population and Household Growth	Population & Housing Addendum (Jan 2016) Dwelling Requirement Figure (Sept 2016)	EB35 EB35
Dwelling Requirement Figure	Population & Housing Addendum (Jan 2016) Dwelling Requirement Figure (Sept 2016)	EB35 EB35
Housing Completions	Annual JHLAS study Report (2015)	EB05
Housing Commitments	Annual JHLAS study Report (2015) Housing Provision 1 - Commitments (Sept 2016)	EB05 EB42
Housing Allocations	Candidate Site Survey Status Report (2015) Housing Provision 2 - Allocations (Sept 2016) Viability Assessment Update (August 2016) Viability Topic Paper (Sept 2016)	LDP04 LDP42 EB13 EB43
Windfalls	Housing Provision 3 - Windfall Allowance (Sept 2016)	EB42

2.5.2 The combined contribution of these sources as calculated on the base date of the Plan of 1 April 2015 is summarised overleaf in Table 2.

**Table 2: The Combined Contribution of Housing Provision to the Powys Local Development Plan**

		Towns	Large Village	Small Village	Rural / Other	Totals
<b>A</b>	Total Completions 01/04/2011 – 31/03/2015 – Small and Large Sites	233	154	43	192	622
<b>B</b>	Housing Commitment Large Sites - Units Under Construction	119	37	5	1	162
<b>C</b>	Housing Commitment Large Sites – Units Not Started	564	327	103	23	1,017
<b>D</b>	Housing Commitment Large Sites – Units Not Started assessed against risk of non-delivery (row C minus non-delivery allowance)	338	196	62	14	610
<b>E</b>	New Housing Allocations	2,091	901	N/A	N/A	2,992
<b>F</b>	Projected units on Large Windfall Sites (11 years remaining)	145	123	19	40	327
<b>G</b>	Projected units on Small Windfall Sites (11 years remaining)	207	163	69	444	883
<b>H</b>	<b>Total Housing Provision (Rows A, B, D, E, F and G)</b>	<b>3,133</b>	<b>1,574</b>	<b>198</b>	<b>691</b>	<b>5,596</b>

**A large site is defined as five residential units or more**

A) Completions – dwellings built since the start of the Plan Period (1/4/11 to 31/03/15)

B) Commitments (residential units) under construction (as at 31/03/15). Note that Row B does not include under construction units on small sites as these are picked up in the windfall projection for small site completions in Row G.

C) Commitments (residential units) having valid planning permission but not started (as at 31/03/15). (Row C does not include small sites not started because their contribution is included within the projected windfall completions in Row G).

D) Row C minus a 40% non-delivery allowance based on historic non-delivery within the UDP era.

E) New Allocations from housing site allocations (HA sites) in Towns and Large Villages. This excludes sites with planning permission (HC sites) i.e. commitments (as at 31/03/15).

F and G) Windfall projections for 11 remaining years of the plan period, based on an assessment of completions on non-allocated UDP sites over the 9 year period 1/4/2006 – 31/03/15.

2.5.3 The results from the updated housing provision analysis as presented in Table 2 have been incorporated into the Plan as proposed within the LDP's Further Focussed Changes.

## **2.6 Contingency Allowance within the LDP**

2.6.1 In planning to deliver the dwelling requirement, the LDP includes a contingency allowance for sites that may not be developed in the Plan period and also to provide the greatest choice for the development industry. This contingency allowance has therefore been added to enable a provision of housing above the Dwelling Requirement Figure. As shown in Table 2, the plan makes provision for **5,596 dwellings** in order to meet the dwelling requirement of **4,500 dwellings (300 p.a.)**. This is an overall contingency allowance of an additional 1,096 dwellings or **24%** above the Dwelling Requirement Figure.

2.6.2 The Focussed Changes to the Plan previously identified a housing provision figure of 6,129 (January 2016), an over provision of 36%. The Welsh Government, in response to the focussed changes consultation raised concerns regarding this level of over provision, which assumed in the Plan the potential 100% delivery of all the housing commitments. As described in the Housing Provision 1 - Commitments (September 2016 – [EB42]) paper, this assumption has been reassessed based on evidence of delivery during the UDP period and an appropriate non-delivery allowance calculated. This non-delivery allowance together with revised housing allocation density figures (Housing Provision 2 – Allocations (September 2016 – [EB42]); Viability Topic Paper (September 2016 – [EB43]), in combination with a realistic consideration of the ability of the housing industry in Powys to deliver dwellings, has resulted in the revised total housing provision figure (Table 2 – Row H) to meet the Dwelling Requirement Figure in the LDP.

2.6.3 The appropriateness of the revised over provision presented in Para. 2.6.1 can be demonstrated by analysis of the annual JHLAS report published in August 2016. From JHLAS 2016, the delivery of housing during the lifetime of Powys Unitary Development Plan can be analysed against that Plan's dwelling requirement. The total housing requirement during the UDP Plan period was 6,135 units of which 4,323 have been delivered, or 70% of the total. In analysing this figure further, delivery rates from large allocated housing sites in the UDP was 62% of the units. The Council also needs to pay due regard to the fact that the UK as a whole experienced a financial recession in the mid-Plan period of the UDP which has impacted upon housing delivery. The LDP candidate site process means that there is greater confidence in the sites in the LDP being delivered by their promoters within the Plan period than was the case in the UDP and this should be reflected in the non-delivery allowance.

2.6.4 The delivery figures within the UDP period are considered to be representative of the known Powys factors which influence development patterns in the County. The County has a large geographical spread with many small- to medium-sized development sites and few major sites, a fact demonstrated by the Powys LDP not depending upon any Strategic Housing Sites. As a result housing delivery is largely reliant upon small and individual developers and landowners with many different interests, expectations etc. JHLAS evidence shows that committed sites are often commenced with a technical start to keep the planning consent alive but not developed until the medium- to long-term; other sites are subject to ongoing renewals of permissions and even sites under construction can be subject to longer than average build out periods, with some larger sites seeing only a few dwellings being completed each year. This can be attributed to both the make-

up of the development industry in Powys, where no major volume housebuilders are present, and wider housing market factors.

2.6.5 The Powys particular factors result in a contingency figure which is recognised as being above the generally accepted norm (10%) but is one which is deemed appropriate given the evidence of housing delivery in the County.

2.6.6 The greatest risk of non-delivery can be assumed in relation to the housing commitments provision (Table 2 – Row C) as the housing allocations provision has been determined in response to the LDP tests of sites being suitable, available and deliverable and hence are reliable for the provision of dwellings by 2026. With regard to all the relevant factors including the Powys planning area specifics, past performance of the industry and the opportunities afforded by a newly adopted development plan, the Council has determined that a 24% contingency allowance is appropriate.

2.6.7 The key objective of the LDP is to meet the DRF of 4,500 not to see the build out of the 5,596 overall provision figure although, should this happen, it is not considered to jeopardise the LDP Strategy as the new homes are being planned for in the most sustainable locations (or being provided where fully justified as exceptions to general housing policy) in line with the LDP Strategy. The housing provision figure proposed for the LDP does not therefore compromise the ability of the Plan to deliver focussed growth or contradict the Plan's aims and objectives.

2.6.8 In response to any further concerns about the suitability of the relatively generous 24% over-supply (against the 10% generally accepted "norm") the Council does not consider it appropriate to attempt to reduce the housing provision figure by removing housing land allocations currently proposed in the Local Development Plan. This is because the land allocations are well-founded based on up to date and thorough assessments of land suitability, availability and delivery and have been subject to full consultation. The loss of proposed new (HA) sites at this stage would undermine both the Candidate Sites process and the consultation process so far undertaken and ultimately counteract the benefits that can be expected to derive from allocations in a newly adopted Plan, such as their ability to provide certainty and improve confidence so as to re-invigorate the local housing market. More fundamentally the allocations have been made with regard to the growth strategy of the LDP which directs development into towns and large villages and ensures that each settlement, where appropriate for further development, receives a fair share of the identified growth commensurate to the existing settlement size, population and services on offer.

2.6.9 Monitoring of the delivery of housing will be undertaken following adoption of the Local Development Plan to ensure the Plan delivers the Dwelling Requirement Figure.

### **3. Focus of Housing Provision**

3.0.1 The LDP Strategy directs development to the most sustainable locations, which were identified as the highest tier settlements in the settlement hierarchy of the Spatial Strategy [LDP01, EB30]. As shown in Table 2 above, all new housing provision, that of the 2,992 units on allocated sites in the Plan, is directed solely to the designated Towns and Large Villages and represents 54% of the total.

3.0.2 The Plan does recognise that dwelling units will continue to be built in areas of the County outside the development boundaries of the most sustainable settlements (i.e. in small villages, rural settlements and the open countryside). Over 58% of projected total windfalls on small sites (513 units) will be located in rural areas of Powys in the lowest tier settlements of the sustainable settlement hierarchy. These developments in rural areas, also termed “**rural exception sites**” were recognised in the Housing Provision 3 - Windfall Allowance (September 2016 – [EB42]) paper and reflect the potential contribution of windfall sites through open market conversions of redundant buildings and in providing affordable housing for local needs. Affordable dwelling units would be allowed in circumstances where open market housing would not otherwise be permitted. In the Windfall Allowance study it is assumed that the number of permissions granted for “rural exception sites” will be maintained over the Plan period through the implementation of the LDP Policies related to exception sites. It is also possible, however, that such applications, particularly those for affordable housing, will rise to reflect increases in house prices and improved evidence on local housing needs.

3.0.3 **Rural Enterprise / Agricultural Worker dwellings** are another type of development that are an exception to the normal constraint against housing in the countryside. Applications for rural enterprise / agricultural worker dwellings must meet stringent tests as defined in national policy (TAN6) including the need to ensure that there is an existing functional need for a dwelling on the rural enterprise (including farms) and that the business is financially secure in the long term. It is assumed that the number of rural enterprise dwellings will remain constant based on average completions of such dwellings as identified in the Housing Provision 3 - Windfall Allowance (September 2016 – [EB42]) paper.

3.0.4 In terms of provision, the 24% over provision identified (Section 2.6) to deliver the Dwelling Requirement Figure to the most sustainable locations in accordance with the LDP strategy can only really be influenced by the housing allocations in the LDP. Units completed, under construction and location of anticipated commitments (Table 2) are already set and cannot be altered through the LDP, whilst windfalls, including those in rural areas have been projected forward based on previous completions.

3.0.5 Therefore, those components of housing provision which can be influenced by the Strategy of the LDP, i.e. the housing allocations, are entirely focussed into the most sustainable locations, with 100% of allocations directed to the highest two tiers of settlements in the hierarchy.

3.0.6 When assessing the overall housing provision of the LDP, including units completed and under construction, the existing commitments, projected windfalls on large and small sites, the distribution of new housing across the LDP settlement hierarchy is as shown in Table 3.

**Table 3: Distribution of Housing in the Local Development Plan by Settlement**

	Settlement Type	Towns	Large Villages	Small Village	Rural / Other	Totals
	% Distribution of Total Housing	56%	28%	4%	12%	100%

3.0.5 Notwithstanding those components of the housing provision already established on the base date of the Plan, Table 3 demonstrates that 84% of all housing provision is directed to the designated Towns and Large Villages in the Local Development Plan in accordance with the Plan’s strategy of development in the most sustainable locations.

## **4. Alignment and Implications for LDP Strategy**

4.0.1 The location and planned distribution of housing land in the Powys LDP aligns with the Vision for Powys 2026, as set out in the LDP in that the County:

“will be a place of vibrant and resilient communities providing **sustainable development and economic opportunities** set in a healthy, safe environment, whilst celebrating, protecting, enhancing and sustainably managing its natural resources, native wildlife and habitats, heritage, outstanding landscapes and distinctive characteristics.

Powys’ **towns and larger villages** will be vibrant and accessible service centres. They will be the focus for **integrating housing, economic and service development** to meet their own needs and those of their surrounding communities.

Powys’ rural areas will be a working countryside of **sustainable communities** supported by a thriving and diverse rural economy of small businesses.”

(N.B: author’s italics)

4.0.2 The allocation of new housing land contributes to the development of stronger communities in accordance with other Council policies including **One Powys** [POW04] particularly important given Powys’ size and dispersed settlement pattern.

4.0.3 In accordance with the LDP Strategy, 84% of housing land is directed to the larger higher tier settlements in the County’s settlement hierarchy and has been informed by the principle of sustainable development in support of LDP Objective 2.

### **4.1 LDP Growth Strategy**

4.1.1 **The LDP Growth Strategy** recognises there is a need to make provision for population and household growth, and the provision for 5,596 dwelling units to meet the Dwelling Requirement Figure of 4,500 across the County contributes to this sustainable growth.

### **4.2 LDP Spatial Strategy**

4.2.1 **The LDP Spatial Strategy** identifies a sustainable settlement hierarchy and the majority of housing, including all allocated housing land sites is within or directed to either the highest tier of the hierarchy (Towns – 56%) or the second tier sites (Large Villages – 28%), thus meeting Objectives 1 and 2 of the LDP to meet future need. Rural exception sites supported through LDP and national policies enhance community well-being and cohesiveness (Objective 16) and the Powys economy in alignment with Objective 6 of the LDP.

### **4.3 Impact on the Plan**

4.3.1 The review of housing provision has indicated that housing development is directed to the most appropriate, sustainable locations, these being the designated Towns and Large Villages in Powys and is therefore in alignment with the sustainable settlement hierarchy. The housing provision of 5,596 supports an overall Dwelling Requirement Figure of 4,500 with a 24% contingency to ensure that the LDP can provide a sufficient number and choice of deliverable sites which can be developed viably to ensure the dwelling requirement is achieved.

4.3.2 The increase in allocated dwelling units to align with the Viability Assessment Update (August 2016) has further improved the focus to these settlements, and has resulted in changes which strengthen the Strategy and thus do not undermine the Plan.

4.3.3 To reflect the outcomes of this paper, Further Focussed Changes are proposed to incorporate the revised housing provision figures and contingency allowance into the Plan's Housing Requirement.

## **5. Conclusions**

5.0.1 The Powys Local Development Plan identifies that to meet the Dwelling Requirement Figure of 4,500 within the Plan period, the Plan makes provision for 5,596 dwellings which will be distributed across a combination of completed dwelling units, committed sites, allocated sites and windfall sites.

5.0.2 The Plan identifies the dwelling units on committed sites which have been built or are anticipated to be delivered for the Plan period up to 2026 together with the dwelling units being planned on newly allocated sites. This total provision recognises a 24% over provision as a contingency to enable the Dwelling Requirement Figure to be met.

5.0.3 The windfall contribution consists of dwelling units either built or predicted to be built on small and large unallocated sites. LDP and National policies will enable some rural exception sites which contribute to the rural economy and these have been included in the projection of windfall provision over the remaining Plan period.

5.0.4 There is a clear focus of housing provision directed to the largest settlements in the settlement hierarchy with 84% of housing growth being directed to Towns and Large Villages in accordance with the principles of sustainable development and in support of the spatial strategy of the Local Development Plan.

