



**Powys Local Development Plan  
Conclusions Paper**

Outlining Additional Work Undertaken Following LDP  
Exploratory Meeting May 2016

**September 2016**

## Conclusions Paper

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## 1. Introduction

This document provides an overview of the additional work that has been undertaken to the evidence base supporting the LDP, in response to, or as a result of the Inspector's Letters (5<sup>th</sup> April and 6<sup>th</sup> and 25<sup>th</sup> May 2016) and the Exploratory Meeting held on May 10<sup>th</sup> 2016. As such it:

- Summarises the outcomes or results of the additional work;
- Identifies the amendments to the LDP that have become necessary as a consequence of the additional work and provides a summary of those changes; and
- Identifies the impact that those changes have had upon the strategic framework and delivery of the LDP itself.

All changes to the LDP that are considered necessary as a result of the additional work are to be included as proposed Further Focussed Changes (FFCs) which will be subject to public consultation in Oct and November 2016.

(NB: All numbers contained within square parentheses - [...], are the LDP Core Document Reference Numbers (either LDP or EB) to enable the document concerned to be identified in the LDP Evidence Base on the LDP website: <http://www.powys.gov.uk/en/planning-building-control/local-development-plan> ).

## **2. Viability Topic Paper (Sept 2016) [EB43] and the Powys Viability Assessment Update (August 2016) [EB13].**

2.1. The residential element of the Local Development Plan and Community Infrastructure Levy Viability Assessment (2014) has been updated and reviewed by the District Valuer Services (DVS) (August 2016). The Council has taken the results and conclusions of the DVS forward as the *Viability Assessment Update (August 2016)* [EB13] and, therefore, to inform the Council's case in relation to the viability and deliverability of the Plan.

2.2 The update has involved a review of the site typologies that are tested in the study in order to reflect the changes to the allocated sites since the first version of the Plan, as well as a review of the viability assumptions applied in the first study, and a review of the cost implications of policy requirements within the Further Focussed Changes (FFCs) to the LDP. The viability assessment is a high level study based on a series of assumptions applied to a set of modelled site typologies and acknowledges the differences in house price values between the four sub-market areas identified in Powys.

2.3. The *Viability Assessment Update (2016)* indicates that most of the housing land supply identified by the LDP, including allocations, commitments and windfall development, can be brought forward during the Plan period, and is not expected to be constrained by viability issues. Development on sites of five or more in the Central and Severn Valley sub-market areas continues to be viable.

2.4. In terms of the key changes to the viability results compared to the original *Viability Assessment (2014)*, the improved results for development in the North sub-market area means that development in this area is deemed to be viable according to the *Viability Assessment Update (2016)*. Development on brownfield sites is also found to be generally viable due to the approach taken which does not account for abnormal costs as these are site specific and therefore cannot be captured in a high level assessment such as this.

2.5. In areas where the viability evidence suggests that viability may be more challenging, namely in the South-West sub-market area and on small sites of three or less units, the Council is confident that development can still come forward as is evident from past delivery, general development interest and site specific developer intentions, and site specific deliverability evidence for allocations. The DVS has also referred to site specific factors that cannot be captured in a high level study, which may explain why individual developments would be viable in this area. These factors include increases in house price values, quicker build out periods, lower build costs and lower profit margin expectations.

2.6 The Council is also proposing to monitor future changes to assumptions related to viability in order to identify any changes that may be relevant to the delivery of the Plan and in order to inform any future review of viability and of the Plan.

### Implications for the Plan and Strategy

2.7 Based on the conclusions drawn from the viability evidence and other evidence relating to housing deliverability, it can be concluded that development viability will

not have significant or negative implications for the overall housing delivery of the Plan or on its Strategy.

2.8 Whilst the potential implications of the non-delivery of development in the South West and on small sites have been considered, this is not a likely scenario, due to the other evidence referred to by the Council, which provides confidence that development can be brought forward in the South West and on small sites.

2.9 Based on evidence of past completions, generally supportive future planning policies and certain relevant viability factors, small sites will continue to be a reliable and deliverable source of housing during the remainder of the Plan period.

Further details are found within: *Viability Topic Paper (Sept 2016)* [EB43], and the *Powys Viability Assessment Update (August 2016)* [EB13].

### 3. Affordable Housing Topic Paper (Sept 2016) [EB21]

3.1. The review undertaken of the proposed policy requirements, as informed by the *Viability Assessment Update (2016)* [EB13], has concluded that it would be challenging from a viability perspective to seek affordable housing contributions in the South West sub-market area. The application of a site specific target of 0% in the South West, as to be proposed by the FFCs, October 2016, represents a change in the Council's approach towards affordable housing requirements in this area. This will have a localised impact on affordable housing delivery in this sub-market area.

3.2. The Council considers that by placing higher expectations on large private developments that are expected to be delivered in the most viable areas of the Plan area (in the Central, Severn Valley and North sub-market areas), this will maximise affordable housing delivery in those areas. The Council also recognises that in current circumstances, as of August 2016, the delivery of affordable housing on private developments does not appear to be realistic in the less viable sub-market area of the South West. Where the viability evidence indicates that it is not possible to rely on private developments to deliver affordable housing, publicly funded affordable housing developments, including those by Registered Social Landlords, can still come forward in this area.

3.3. The viability evidence, together with the results of the testing of notional contributions that could be sought by applying lower thresholds, indicates that it is appropriate to retain the site capacity threshold for requiring affordable housing contributions at 5 units or more.

3.4. The proposed changes to the policy requirements in respect of affordable housing on proposed allocations and windfalls, along with the application of a non-delivery allowance to committed sites, results in a reduced affordable housing target of 949 units (63 units per annum). This equates to 21% of the LDP dwelling requirement of 4,500 dwellings and 17% of the total housing provision number of 5,596. This target continues to fall below the need identified in the *Local Housing Market Assessment Update (2014)* [EB08] of 153 per annum, however the Council acknowledges the need to ensure that the affordable housing target is realistic and deliverable.

3.5 Other likely sources of affordable housing provision not accounted for within the target, will also help to meet the needs of Powys and in the South West and include the following:

- The likely contribution of exception schemes for 100% affordable housing supported by Social Housing Grant assistance.
- Where commuted sums are gained for part units on schemes in more viable areas, these can be used to support the delivery of affordable housing schemes in the County.
- According to the *Local Housing Market Assessment Update (2014)* [EB08] there is an oversupply of social rented housing in the Ystradgynlais Local Housing Market Assessment Area, and therefore this need is already being met by existing housing stock.
- The Council is also developing plans to once again become a provider of social / Council housing.

3.6 The conclusions of the *Viability Assessment Update (2016)* [EB13] are reflected in the affordable housing target, affordable housing contributions and proposed annual monitoring framework specified in the proposed Further Focussed Changes to the Plan (October 2016) and the relevant changes are detailed in Appendix 4 of the *Affordable Housing Topic Paper Update (Sept 2016)* [EB21].

#### Implications for the Plan and Strategy

3.7 The change in the Council's approach towards affordable housing requirements in the South West, whilst having a localised impact on affordable housing delivery on private developments in this area, will not have a significant impact upon the overall delivery of affordable housing through the Plan or on the overall strategy of the Plan. The LDP policy approach towards affordable housing delivery is realistic and is based on evidence relating to development viability. The proposed monitoring related to viability and affordable housing will enable the affordable housing strategy to respond to any future changes in viability.

Further details are contained within: *Affordable Housing Topic Paper Update Sept 2016* [EB21].

#### **4. The Dwelling Requirement Figure (DRF) [EB35] (Sept 2016)**

4.1 The DRF has changed a number of times during the preparation of the LDP. The Council has always sought to derive a DRF that was considered realistically deliverable hence the use of the 2008 lower variant projection rather than the Principal projection at the Pre-Deposit (Preferred Strategy) stage in 2012. Despite the changing DRF the overall strategy of the Plan, based on the sustainable settlement hierarchy, has remained the same.

4.2 In the immediate aftermath of the recession the economy grew at a slow pace in Powys, however, there have been recent signs of an upturn in the housing market. The Council considers that the 'pick-up' in the market since 2014 confirms that the deviation above the Principal household projection of the Dwelling Requirement Figure of 4,087 units to 4,500 is justified. This is having taken into account local demographic factors including the most recent Mid Year Estimates (2016) showing an upward trend in net migration. The number of dwellings delivered has also increased in recent years, the most recent having 315 units completed in 2015.

4.3 It is considered that the dwelling requirement figure of 4,500 will help achieve the aspirational aims and objectives contained within the Council's various corporate strategies being achieved including the provision of affordable housing, as well as the Council's socio-economic aspirations set out under the Plan's Strategy, LDP Objective 1 and Strategic (SP), Housing (H) and Economic Development (E) Policies.

#### Implications for the Plan and Strategy

4.4 Despite the changes to the Dwelling Requirement Figure during the LDP preparation process, the settlement strategy of the LDP has fundamentally remained the same since the Pre-Deposit (Preferred Strategy) with the focus of new development being on the towns and larger villages. The development management policies contained in the LDP will seek to ensure only limited growth in the smaller villages and the rural areas be permitted in order to retain a sustainable settlement hierarchy strategy.

4.5 Furthermore, the Council considers that dropping the Dwelling Requirement Figure to the baseline of the national household projections (4,087 dwellings) would be counter-productive to the LDP and its strategic aims. To plan for fewer new homes across Powys at this stage would not only be un-aspirational, it would also mean the loss of proposed new housing land allocations. These are really the only part of the housing provision which can be influenced by the LDP, and they are the very sites presenting the best scope for housing delivery being located in the most sustainable settlements of Towns and Large Villages and having been thoroughly assessed, consulted upon and selected through previous plan preparation stages.

Further details are contained within: *Dwelling Requirement Figure (Sept 2016)* [EB35].

## **5. Housing Land Supply (HLS) Provision Papers [EB42d] (Sept 2016)**

5.1 The Powys Local Development Plan, as amended by the proposed FFCs [LDP42], identifies that to meet the dwelling requirement figure of 4,500 within the Plan period, the Plan needs to make provision for 5,596 dwellings which will be distributed across a combination of completed dwelling units, committed sites, allocated sites and windfall sites.

5.2 The Plan identifies the housing units which have been built or are anticipated to be delivered for the Plan period up to 2026 together with the number of dwelling units for which provision is made on new allocated sites. This total provision recognises the need for a 24% contingency allowance should not all anticipated deliverable sites come forward within the Plan period to enable the dwelling requirement figure to be met.

5.3 There is a clear focus of housing provision directed to the largest settlements in the settlement hierarchy in accordance with the principles of sustainable development and the spatial strategy of the Local Development Plan. The base date used for all of the Housing Provision figures is 1<sup>st</sup> April 2015.

5.4 LDP and National policies will enable some rural exception sites for housing which contribute to the rural economy and these have been included in the projection of windfall provision beyond the above base date.

Further details are contained within: *Housing Provision 4 - Overview (Sept 2016)* [EB42d]

### **5.5 Housing Provision 1 – Commitments (Sept 2016) [EB42a]**

5.5.1 This paper explains the numbers of housing units that could be delivered realistically from committed housing (HC) sites in the Plan period.

5.5.2 The Council recognises that not all commitments with planning permission are likely to come forward during the Plan period, and therefore it has been decided to apply a non-delivery allowance to commitments not started, in order to reflect this. The non-delivery allowance is based on analysis of the performance of UDP sites over the UDP plan period. By applying a 40% non-delivery allowance, the realistic number of units expected to be delivered on commitments by 2026 is 610 units.

5.5.3 In the Inspector's Letter to the Council following the Exploratory Meeting (25<sup>th</sup> May 2016) clarification was sought on ten specific Housing Commitment sites. The deliverability of these sites is examined in detail in Appendix 1 of *Housing Provision 1 - Commitments (September 2016)* [EB42a].

5.5.4 It is noted that two of the ten sites have already been completed, construction has started on another site, and a technical start has been made on a further site. Whilst the development of 7 of the sites has previously been delayed, there are signs that their development will progress as the market improves, with developers actively seeking to resolve any outstanding constraints and intending to develop their sites. The physical and financial constraints identified are capable of being resolved, and in some cases, have already been resolved.

A summary of the changes proposed by the FFCs to the Key Housing Provision Figures is presented in Appendix 1 of this paper.

### Implications for the Plan and Strategy

5.5.5 The non-delivery allowance applied to commitments not started is considered to be the correct approach in order for the LDP to meet the dwelling requirement identified.

Further details are contained within: *Housing Provision 1 – Commitments (Sept 2016)* [EB42a]

## **5.6 Housing Provision 2 - Allocations [EB42b] (Sept 2016)**

5.6.1 Initially sites were taken forward as housing allocations having been submitted by site proposers through the Candidate Site process. All these allocations, and the later alternatives brought forward as Focussed Changes, were assessed to identify those sites with the fewest constraints located in the most sustainable settlements across the County.

5.6.2 The number and size of housing allocations and the number of housing units within them (2,992) indicate a clear focus for the Powys Local Development Plan in that new allocations for housing development of more than five units are directed towards designated Towns in the first instance (2,091 units, 70% of allocations) followed by Large Villages (901 units, 30% of allocations), these being the most sustainable settlements with the greatest range of infrastructure and services.

5.6.3 The *Viability Assessment Update* (2016) indicates that 84% of the housing units across three of the four sub-market areas within the Plan are viable and delivery can be achieved within the Plan period. Viability is however challenging in the South West Sub-market Area.

5.6.4 The Council is confident that the site allocations in the South West will come forward in the LDP period. This is indicated by the activities of the sites owners or promoters (as detailed in Annex 1 of the *Housing Provision 2 - Allocations (Sept 2016)* [EB42b], to enable the developments of their respective sites. This activity and the evidence of past delivery justifies the continued allocation of these sites in the Local Development Plan in support of wider LDP and Council objectives.

5.6.5 Increases to the densities of housing allocations have been made as a result of evidence from development being achieved 'on the ground', as applied by the *Viability Assessment Update* (2016).

5.6.6 In the Inspector's Letter to the Council following the Exploratory Meeting (25<sup>th</sup> May 2016) a question was raised about the deliverability of 11 specific Housing Allocations. These are examined in detail in Annex 1 of the *Housing Provision 2 - Allocations (Sept 2016)* [EB42b]. Many of these sites are found to benefit from improved viability or in other cases evidence is presented of developer and or owner interest, intent, and action to develop.

A summary of the changes to the LDP's Key Housing Provision Figures is presented in Appendix 1.

## Implications for the Plan and Strategy

5.6.7 The review of housing allocations has indicated that the allocated housing sites are the most deliverable sites located in the most appropriate, sustainable locations. Although there are recognised viability challenges in the South West, delivery can be enabled by local factors to enhance viability at a site specific level. No allocations have been identified for removal from the Plan and no new allocated sites have been proposed for inclusion in the FFCs, October 2016.

5.6.8 Housing allocations remain directed to the settlements with the greatest range of services and facilities in accordance with the sustainable settlement hierarchy. The increase in dwelling units (since the Focussed Change Schedule to Deposit Plan, January 2016), as a result of applying the density adjustments to align with the Viability Assessment Update (2016), has further improved the focus of the Plan with the majority of the additional units being directed to Towns.

Further details are contained within: *Housing Provision 2 - Allocations Sept 2016*, [EB42b]

### **5.7 Housing Provision 3 - Windfall Allowance (Sept 2016) [EB42c]**

5.7.1 A review of the contribution from residential windfall completions to the housing provision figure has been undertaken, details of which are found in *Housing Provision 3 - Windfall Allowance (Sept 2016)* [EB42c]. The Windfall Allowance paper serves to recalculate the projected residential windfall allowance (as published in the Focussed Changes Schedule to the Deposit Plan (Jan 2016)) by analysing housing completions on large and small windfall sites over the preceding nine year trend period. This trend period includes the data for the four years since the start of the plan period (01/04/2011 to 31/03/2015), which was used to calculate the projected windfall allowance figure published in the Focussed Change Schedule, plus the previous five years (01/04/2006 to 31/03/2011) giving a total trend period of nine years (01/04/2006 to 31/03/2015).

5.7.2 A nine year trend period has been used because the JHLAS for 2004, 2005 and 2006 was conducted as one study (01/04/2004 – 01/04/2006). Within this study the windfall completion rates recorded were at an all-time high of 231 residential units per year, this is a build rate that has not been repeated since and due to the age of the study it is not possible to check the data for accuracy. This means the confidence in the data recorded within the study, which consists of a three year average, is low. Whilst it is felt that the 231 units should be included within the trend year period for one of the nine years the Council does not feel confident that it would be the right decision to extend the trend period a further year encompassing two years of the 2004 to 2006 study.

5.7.3 As part of the detailed analysis on historic windfall completions an assessment was undertaken to determine whether windfall rates are likely to continue under the LDP at the same rate as they have taken place under the Unitary Development Plan (UDP). The results found that due to fundamental changes to where individual settlements sit within the settlement hierarchy and the policies associated with each

tier of the hierarchy itself, that there is likely to be a decline in windfall completions. To reflect this an adjustment (discount) to the data obtained from the nine year trend period has been applied.

5.7.4 Using a nine year trend period, with a discount to represent the windfall completions that are unlikely to take place under LDP policy, resulted in the windfall allowance being recalculated as 110 residential units per annum. This is an increase to the 87 residential units published in the Focussed Changes Schedule (2016).

5.7.5 Increasing the windfall allowance to 110 residential units results in a total windfall provision (in both large and small sites) of 1,210 residential units for the eleven years remaining of the Plan period (01/04/2015 – 31/03/2026). This is an increase from the 960 residential units published in the *Focussed Changes Schedule (Jan 2016)*.

5.7.6 Whilst this increase has required an amendment to the housing provision figure in the LDP, it is considered to be a more representative allowance. Upon adoption of the LDP the paper shows that the new LDP settlement hierarchy will result in some increased restrictions on windfall development in line with the move to a more sustainable development pattern, but it is clear that windfalls are expected to continue making a significant contribution to housing provision in Powys.

A summary of the Key Housing Provision Figures is presented in Appendix 1.

#### Implications for the Plan and Strategy

5.7.7 Whilst the headline numbers for windfalls has changed, these changes will not have a negative impact upon the Plan or Strategy. In fact these changes may serve to reinforce the settlement hierarchy and thus provide further strengthening to the Plan.

Further details are contained within: *Housing Provision 3 - Windfall Allowance Sept 2016* [EB42c].

### **5.8 Housing Provision 4 – Overview, Contingency Allowance (Sept 2016) [EB42d]**

5.8.1 In planning to deliver the dwelling requirement, the LDP includes a contingency allowance for sites that may not be developed in the Plan period. The Plan, as amended by the proposed FFCs Oct 2016, makes provision for 5,596 dwellings in order to meet the dwelling requirement of 4,500 dwellings (300 p.a.). This is a contingency allowance of an additional 1,096 dwellings or 24% above the dwelling requirement figure.

A summary of the Key Housing Provision Figures is presented in Appendix 1.

#### 5.8.2 The Powys Story - The Nature of Development in the County

5.8.3 In reaching this contingency allowance consideration has been given to the nature of the development industry in Powys which tends to differ from other LDP areas in Wales. Development in the County is characterised by certain factors which, individually do not necessarily present a challenge, but taken together they create a

cumulative impact that makes the story of development in the County differ from that of other Welsh LDPs. These characteristics include:

5.8.4 The large size of County: the County occupies a quarter of the land mass of Wales with the lowest density population in Wales with much of its population living in many dispersed and small settlements, with no single centre acting as the focus for development in the whole of the LDP area.

5.8.5 These settlements are typically small in size; 59% of the population live in villages, hamlets and rural areas. The County's largest settlement has a population under 12,000.

5.8.6 With such small and dispersed settlements, no strategic sites for large scale development have been identified by the LDP. The average size of an allocation in the towns is 2.54 ha. One consequence of this is that most house building is carried out by small / medium local companies, with an almost complete absence of the larger national volume house building companies.

5.8.7 As a consequence most of the LDP development sites are individually-owned, usually by local landowners, who sometimes are developers in their own right.

5.8.8 In bringing forward such privately-financed sites, it is not uncommon to see these typically developed on a long-term, piece-meal, or 'drip-drip' basis. Sites in Powys generally take longer to build-out than recognised construction industry timeframes (i.e. BCIS timeframes). This 'drip-drip' approach also responds to a largely localised demand, the influence of sales rates, and a demand that is not heavily influenced by employment needs.

5.8.9 As well as influencing the Contingency Allowance these factors also impact upon other aspects of Housing Provision such as the Housing Trajectory.

Further details are contained within: *Housing Provision 4 – Overview, Sept 2016* [EB42d]

### Implications of Housing Provision for the Plan and Strategy

5.9. 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, as proposed by the FFCs Oct 2016, supports an overall dwelling requirement figure of 4,500 with a 24% contingency allowance to ensure that the LDP can provide a sufficient number and choice of deliverable sites which can be developed viably to help ensure the dwelling requirement is achieved.

5.10 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 considered not 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.

5.11 In terms of provision, the 24% over provision or contingency allowance identified 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 the location of anticipated commitments 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.

5.12 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.

5.13 In response to any further concerns about the suitability of what may appear as a relatively generous 24% over-supply (against the 10% generally accepted "norm" across Wales) the Council does not consider it appropriate to attempt to reduce the housing provision figure by removing housing land allocations proposed in the LDP. This is because the land allocations are well-founded and 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 to 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.

5.14 The increase in allocated dwelling units to align with the updated Viability Review has further improved the focus to these settlements, and has resulted in changes which strengthen the Strategy and thus do not undermine the Plan.

The changes to the LDP's housing provision figures as detailed above are summarised in the following table:

## Table H2 – LDP Housing Provision

(Reproduced from Composite Plan – Deposit PLUS Further Focussed Changes, October 2016 [LDP42 page 38])

		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>
	<b>% Distribution of Total</b>	<b>56%</b>	<b>28%</b>	<b>4%</b>	<b>12%</b>	<b>100%</b>

Further details are contained within: *Housing Provision 4 – Overview (Sept 2016) EB42d*

## **6. Housing Provision – Phasing and Delivery (Trajectory) [EB29] (Sept 2016)**

6.1 This document concludes that Powys County Council's LDP will have a 7.0 year housing supply at 1<sup>st</sup> April 2017. The housing trajectory anticipates the maintenance of a 5 year land supply up to the penultimate year of the Plan by which time the LDP housing requirement of 4,500 dwellings is forecast to have been provided.

Further details are contained within: *Housing Provision – Phasing and Delivery (Trajectory) (Sept 2016)* [EB29]

## **7. Gypsy and Traveller Accommodation Needs Position Statement (Sept 2016) [EB28]**

7.1 The 2016 Gypsy and Travellers Accommodation Assessment is pending approval by Welsh Government. The Council is, however, taking action on the basis of the draft findings to address the identified need.

7.2 For the Powys LDP, this on-going action has implications for:

- Machynlleth - where there is a need to provide serviced plots for five households by 2021. (No need was identified beyond 2021); and
- Welshpool - where there is a need to provide serviced plots for a further two households by 2026.

7.3 The Council will ensure that the required number of serviced plots are provided in both places as soon as is practicably feasible. By the time of the Examination hearing sessions it will be possible to provide further information and if necessary for further amendments to the LDP to be addressed via Matters Arising Changes.

### Implications for the Plan and Strategy

7.4 It is proposed that the following amendments should be made to the LDP as Further Focussed Changes, Oct 2016:

1. Policy H13 – Gypsy and Traveller Sites and Caravans, and paragraphs 4.6.39 – 4.6.41. To be amended to identify the need in Machynlleth and Welshpool and to demonstrate the Council’s commitment to addressing the identified need.
2. Appendix 1 – Settlement Allocations, P42 HA4 (Machynlleth). The number of pitches to be amended to 5 to reflect the identified needs.

7.5 No other amendments are possible or proposed to the LDP at this stage although they may become necessary due to the ongoing action being taken by the Council to meet the identified need. Should any further changes to the LDP be necessary by the time of the Hearing Sessions, it is recommended that these are addressed via Matters Arising Changes. There are no further impacts upon the Plan, its Strategy or the Strategic Policies.

Further details are contained within: *Gypsy and Traveller Accommodation Position Statement, Sept 2016* LDP REF NO.EB28.

## **8. Renewable Energy Assessment (REA) Update (August 2016) [EB17] and Renewable Energy Topic Paper(Sept 2016) [EB36]**

8.1 Following a Ministerial Letter in December 2015, and new Welsh and UK legislation in early 2016, the 2012 Renewable Energy Assessment has been updated. It now includes an assessment of the potential for solar electricity and includes Local Search Areas for both wind (between 0-25MW) and solar energy proposals (from 0.5MW and upwards). The updating of the REA also included a reassessment of the Energy Opportunity Plans, and this found that District Heating Networks (DHNs) could be financially viable\* in both Welshpool and Newtown, but not currently at Llanidloes.

8.2 Following the REA Update (2016), FFCs are to be proposed to the following policies of the LDP: Policies *DM15 – Design and Resources*, and *RE1 - Renewable Energy*. The *Renewable Energy Topic Paper (Sept 2016)* [EB36] explains these changes which were as follows:

### Policy DM15:

8.3 Introduction of a list of preferred options to encourage developers to consider community or district heating networks if their development exceeds a Heat Demand Density of 3MW/Km<sup>2</sup>.

### Policy RE1:

8.4 The introduction of Local Search Areas for wind energy proposals (between 0 and 25MW capacity).

8.5 The introduction of Local Search Areas for solar energy proposals (from 0.5MW and upwards).

8.6 A revised 'contribution' that the County will make to the national renewable energy targets. This contribution consists of a further 599MW to deliver 973GWh of renewable electricity and a further 29.5MW to deliver 75GWh of renewable heat

### Implications for the Plan and Strategy

8.7 The incorporation of the Local Search Areas is the subject of an FFC relating to Policy RE1 and the change in the financial viability\* of DHNs has seen a change to Policy DM15. The introduction of the LSAs will not lead to any changes to the Strategic Policies.

8.8 The REA Update (2016) has given rise to, or recommended, the changes detailed above. Whilst the 'contribution' that the County could make towards achieving the national targets for renewable energy generation was a recommendation that has been acted upon, the actual contribution itself has been reduced to reflect what is felt to be a more appropriate and realistic amount that the County should contribute. These are the only changes and so do not represent significant impacts upon the Plan or the Strategic Policies.

(\*As distinct from the 'viability' of housing)

Further details are contained within: *Renewable Energy Assessment, (Aug 2016)* [EB17] and *Renewable Energy Topic Paper, Sept 2016* [EB36].

## **9. Employment Land – Testing of Sites Approach (Sept 2016) [EB44]**

9.1 The Position Statement confirms the methods and sequential tests in accordance with national policy used to identify employment land allocations for the Plan.

9.2 Sites submitted through the call for Candidate Sites at the onset of the LDP process in 2011 as well as existing employment land sites in the current adopted Plan, whether or not they were submitted as Candidate Sites, were all considered during the assessment of potential employment land allocations in the LDP.

9.3 The testing identified 17 sites which were suitable for allocation for employment land or mixed use with an employment component totalling 45.09 hectares.

9.4 The document further demonstrates how the employment land allocations and policies in the Plan support county-wide and regional regeneration strategies and Council objectives to promote sustainable growth in appropriate locations across Powys. The policies are sufficiently flexible and allocations of employment land appropriate to thus be in full alignment with the Growth Strategy and Spatial Strategy of the Powys Local Development Plan 2011-2026.

### Implications for the Plan and Strategy

9.5 The location and planned distribution of employment land allocations proposed in the Powys LDP aligns with the LDP's Vision for Powys 2026, as set out in the proposed Further Focussed Changes.

9.6 The LDP Growth Strategy recognises there is a need to make provision for employment and business growth, even though many of Powys's enterprises are micro in scale. Allied to regeneration strategies such as the Powys Local Growth Zones and wider regional and national initiatives seeking to encourage businesses to grow, (e.g. Growing Mid Wales Partnership, Communities First), the provision of three hectares per annum within the LDP to enable business growth across a range of low, high quality and prestige sites is suitably aspirational for the lifetime of the Plan and the majority of allocated sites are existing serviced sites targeted into those areas where regeneration strategies are active. The manufacturing sector is economically important in certain parts of the county such as the Severn Valley and Ystradgynlais areas, reflecting the proximity to motorway networks, proximity to external markets, workforce skills and availability, and the history of public sector investment in these areas, and the LDP allocations and policies continue to support these areas in alignment with LDP Objective 7.

9.7 To assist sites in coming forward, some have been allocated as Mixed Use sites whereby residential development will support the provision of high quality, fit for purpose employment premises in sustainable locations, in alignment with LDP Objectives 6, 7 and 8.

9.8 *The LDP Spatial Strategy* identifies a sustainable settlement hierarchy and all allocated employment sites are directed to either the highest tier of the hierarchy (Towns – 14 sites) or the second tier sites (Large Villages – 3 sites), making provision across the county to ensure opportunities for new development are available.

9.9 As such, the allocated employment sites are located in, or adjacent to, Powys' largest settlements and thus are in accordance with the LDP strategy for *Growth in Sustainable Places*, meeting Objectives 1 and 2 of the LDP. Fifteen of the 17 sites are existing, serviced sites and/or already have employment provision within them thus making the most sustainable use of existing land in accordance national policy and with Objective 3 of the LDP.

9.10 Non-allocated sites which are supported by LDP policies enable existing employment sites and sites within, or small sites adjacent to, the settlement boundaries of Towns and Large Villages to come forward for development or be regenerated in alignment with LDP Objective 8, but the Plan is not reliant on these sites being delivered.

Further details are contained within: *Employment Land – Testing of Sites Approach Sept 2016*) [EB44]

## **10. Schedule of Further Focussed Changes (Oct 2016) [LDP41] and Composite Plan – Deposit PLUS Further Focussed Changes (Oct 2016)[LDP42]**

10.1 Changes have been made to the Plan's structure and contents in response to the Inspector's concerns (letter to Council, dated 6th May 2016) to provide a clear, consistent and more structured framework for the delivery and management of new development in Powys. These changes will be shown in the FFCs, October 2016.

10.2 To ensure clarity, it is proposed that the LDP includes separate, distinct sections for development management and topic-based policies to provide a clearer, coherent policy framework for developers, land-owners and development managers. The monitoring framework has been placed within the main body of the Plan as a separate section forming an integral part of the Plan.

10.3 Section 2.3 *Policy Context* is to be expanded to include explanations of how the LDP relates to the objectives in the **One Powys Plan 2014-2017** and to demonstrate that the LDP is consistent with the plans of neighbouring authorities.

10.4 Section 3.0 *The LDP Strategy* will be re-organised and re-structured to improve the coherence and clarity of the Plan.

10.5 In Section 3.5 a new over-arching *Strategy Statement* will be introduced in Paragraph 3.5.2 to more clearly define and explain how the individual components of the strategy, the growth, spatial and safeguarding elements, interact with and relate to each other. This will provide a clearer and logical explanation of the expectations and intent of the over-arching Strategy.

10.6 In Section 3.2, text and a table will be introduced to explain a thematic approach and the objectives will be organised under "theme" headings. The objectives and key issues and the strategic policies and objectives will be included as cross-references to improve clarity.

10.7 The two strategic policies proposed in the Schedule of Focussed Changes, January 2016 [LDP18], will be deleted and replaced with seven strategic policies. In principle, the content and meaning of these policies is not new but has been re-located from existing policies elsewhere in the Plan (as outlined in the Schedule of Focussed Changes (January 2016)) and revised in order to provide a clear, consistent over-arching Strategic Policy framework providing quantum or target specific policies.

10.8. New text will be introduced at paragraphs 3.3.19a – 3.3.21 to explain how the components of the growth strategy inform the strategic direction of the Plan.

10.9 As a result of the above changes, and in response to the Inspector's concerns, other consequential changes will be made throughout the Plan.

10.10 Policy H1 is to be amended subsequent to the introduction of new SP1 - Housing Growth.

10.11 A new housing policy, H1A, listing all housing sites will be introduced.

10.12 SP1 in LDP18 will become SP6 – Distribution of Growth across the Settlement Hierarchy.

10.13 Policy E1 and E3 will be amended subsequent to the introduction of new SP2 - Employment Growth and all employment sites listed in the policies.

10.14 A new policy, T1A, will be introduced to safeguard disused transport infrastructure.

10.15 A new policy, T2, will be introduced to safeguard the route of Newtown bypass.

10.16 A new policy, Policy DM2A - Public Open Space will be introduced (previously contained within Policy DM2).

10.17 A new policy DM15A will be introduced for Air Quality Management.

10.18 Policy DM15 – Design and Resources will be revised to incorporate:

- DM16 – Historic Environment (elements of)
- DM10 – Amenities
- DM12 – Transport requirements for new development
- DM13 - Utility Requirements for New Development
- H14 – Open space provision in housing development

#### Implications for the Plan and Strategy

10.19 The changes to be made to the content and structure of the Plan provide a clear and consistent framework for development management. Whilst the new strategic policies are not wholly new and, therefore, do not go to the heart of the Plan, they have been reviewed and do contain, for clarity and consistency, new quantum figures and targets derived from the other Plan changes outlined in this paper relating to housing and employment growth, affordable housing, retail growth and the settlement strategy.

10.20 This new, strengthened Strategic Policy framework will provides a more coherent, structured and effective context for the rest of the Plan and the policy framework.

Further details are contained within: *Schedule of Further Focussed Changes October 2016* [LDP41], and *Composite Plan – Deposit PLUS Further Focussed Changes October 2016* [LDP42]

## **11. Summary**

11.1 Whilst a considerable amount of new evidence has been accrued in response to the Inspector's concerns it is seen from the above that this evidence has led to only minor amendments being made to the content of the LDP. These amendments are will be incorporated into the LDP as proposed Further Focussed Changes and will be the subject of a Public Consultation in Oct and November 2016.

11.2 It is not considered that these amendments are major or go to the heart of the Plan. Indeed many of them, along with the new evidence that led to them, serve to reinforce the soundness of the LDP by providing a clearer, more consistent and definitive strategic overview that better sets the context for the rest of the Plan and policy framework in order to guide developers, land owners and development managers up to 2026.

## APPENDIX 1

### Summary Table of Changes to Key Housing Figures

<b>Key Figures</b>	<b>Schedule of Focussed Changes</b> <b>January 2016</b>	<b>Schedule of Further Focussed Changes</b> <b>October 2016</b>	<b>Status</b>
Dwelling Requirement – Units	<b>4500</b> [LDP18 Para. 3.3.14]	<b>4500</b> [LDP41 Para.3.3.14]	No change
Total Housing Provision – Units	<b>6,129</b> [LDP18 Table H2]	<b>5596</b> [LDP41 Table H2 Row H]	Changed
Contingency Allowance - %	<b>36%</b> [EB35 Update Para.5.1]	<b>24%</b> [EB42d Para.2.6.1]	Changed
Contingency Allowance – Units	<b>1629</b> [EB35 Update Para.5.2]	<b>1096</b> [EB42d Para.2.6.1]	Changed
Projected Units on Large & Small Windfall Sites (Windfall Allowance) (11 years)	<b>960</b> [LDP18 Table H2(e)]	<b>1210</b> [LDP41 Table H2 Rows F+G]	Changed
Windfall Allowance per annum – Units	<b>87</b> [EB35 Update Para. 6.3]	<b>110</b> [EB42c Para 5.2]	Changed
Affordable Housing Target – Units	<b>1257</b> [EB21 Update Para.4.1]	<b>949</b> [EB21 Update Para.6.6]	Changed
Affordable Housing Target as Percentage of Dwelling Requirement	<b>28%</b> [EB21 Update Para.4.1]	<b>21%</b> [EB21 Update Para.6.6]	Changed
Affordable Housing Target per annum – Units	<b>83</b> [EB21 Update Para. 4.1]	<b>63</b> [EB 21 Update Para.6.6]	Changed
Total Completions (Small & Large Sites) – to 31/03/2015	<b>622</b> [LDP18 Table H2(a)]	<b>622</b> [LDP41 Table H2 Row A]	No Change

Housing Commitments (Large Sites) – Units under construction	<b>348</b> [LDP18 Table H2(c)]	<b>162</b> [LDP41 Table H2 Row B]	<b>Changed *</b>
Housing Commitment (Large Sites) – Units not started	<b>1426</b> [LDP18 Table H2(b)]	<b>1017</b> [LDP41 Table H2 Row C]	Changed *
Non-delivery Allowance	<b>0%</b>	<b>40%</b> [EB42a Para.4.1]	Changed
New Housing Allocations	<b>2773</b> [LDP18 Table H2(d)]	<b>2992</b> [LDP41 Table H2 Row E]	Changed **
Affordable Housing Target (%) by Sub-market Area: North	<b>10%</b> [EB21 Update Para.3.15]	<b>10%</b> [EB21 Update Para.4.1]	No Change
Affordable Housing Target (%) by Sub-market Area: Central	<b>30%</b> [EB21 Update Para.3.15]	<b>30%</b> [EB21 Update Para.4.1]	No Change
Affordable Housing Target (%) by Sub-market Area: Severn Valley	<b>20%</b> [EB21 Update Para.3.15]	<b>20%</b> [EB21 Update Para.4.1]	No Change
Affordable Housing Target (%) by Sub-market Area: South West	<b>10%</b> [EB21 Update Para.3.15]	<b>0%</b> [EB21 Update Para.4.23-4.24]	Changed
Site Capacity Threshold for Affordable Dwellings	<b>5</b> [EB21 Update Para. 3.16]	<b>5</b> [EB21 Update Para.5.8]	Unchanged

(\* Jan 2016 figure includes large and small sites in Table H2. October 2016 is large sites only)

(\*\* Site density has been amended to reflect viability.)