

**Powys Local Development Plan  
2011 - 2026**

**LDP Topic Paper  
Phasing & Delivery of New Housing  
Provision**

**January 2016**



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## **1. Introduction**

1.1 Technical Advice Note 1 (TAN1) Joint Housing Land Availability Studies (2015) places a requirement on local planning authorities to demonstrate a five year housing land supply on adoption of a Local Development Plan (LDP) (Paragraph 3.2) and to maintain a five year continuous supply of readily available housing land. Whilst TAN1 indicates that local planning authorities should not undertake the JHLAS process at the LDP Examination, it is appropriate for evidence based assumptions about housing land availability to be included within the LDP.

1.2 The purpose of this updated Topic Paper is to set out the likely delivery of new housing for each year of the Plan period 2011-2026 and to demonstrate that the Council will satisfy the requirement for a five year housing land supply on adoption of the LDP which is anticipated in the late 2016.

1.3 Following adoption of the LDP, the assessment of housing land supply within the authority area will be undertaken through the production of annual Joint Housing Land Availability Studies in accordance with TAN1. The information contained in these reports will assist in the monitoring of the LDP in respect of housing delivery.

1.4 In response to the requirements of TAN1 and the need to demonstrate a five year housing land supply on adoption of the LDP and following the consideration of representations made on the revised Deposit Draft Local Development Plan (2015), the LDP dwelling requirement has been amended by the proposed Focussed Changes to 4500 dwellings over the Plan period. Further information is provided in the Council's Population and Housing Background Topic Paper (2015) and the Addendum to that paper (January 2016). This updated Topic Paper draws on new evidence and sets out the revised housing land supply and trajectory against this dwelling requirement. (Note: This Topic Paper therefore replaces the Housing & Delivery of New Housing Provision, June 2015 paper).

## **2. Housing Land Supply Trajectory Methodology**

2.1 The LDP housing provision comprises a number of distinct categories of housing site including new allocations and landbank sites, but also gives allowances for windfall and small sites. For the purposes of defining the housing trajectory, the predicted contributions from windfall sites and the phased development of new housing allocations identified in the LDP are considered in the methodology.

2.2 The methodology applied for calculating the housing land supply trajectory for the Plan period follows the residual calculation methodology identified in TAN1. This involves comparing the amount of land that is considered to be genuinely available for any given five year period with the amount of land that is needed for that period of time in the context of the remaining housing requirement identified within the LDP.

2.3 Baseline data for housing completions has been published within the Joint Housing Land Availability Studies (JHLAS) since April 2011. This date is coincident with both the start of the Plan period and with the Local Planning Authority's monitoring of planning consents, small sites (less than five dwelling units) and windfall sites.

2.4 In calculating housing land supply, the residual calculation in TAN1 includes an allowance for identified windfall development to be included when calculating the five year supply. In projecting future windfall developments, realistic assumptions have been made as to the rate at which windfall sites are likely to come forward over the Plan period, anticipating that windfalls are likely to provide a consistent annual contribution similar to past trends.

### **3. Review and Update of Phasing and Delivery**

3.1 Planning Policy Wales (PPW) and TAN1 make clear that on adoption of the Plan a five year supply must be readily and genuinely available. In response to representations on the revised Draft Deposit Plan 2015 and to update the evidence base, a review has been carried out to establish whether a five year supply of land is realistically available and deliverable i.e., are sites identified within the Plan likely to be developed within a) the next five years or b) within the Plan period.

3.2 This review seeks to inform the phasing and delivery of new housing up to 2026. This assessment has then provided the basis for the land supply calculations and in undertaking this exercise it demonstrated that the requirement to maintain a five year land supply will be achieved throughout the remaining years of the LDP Plan period.

3.3 It is clear that the housing market in Powys has slowed considerably over recent years as reflected in relatively low completion rates in the first four years of the Plan period. To meet the LDP housing requirement of 4500 dwellings identified in the Population and Housing Topic Paper Addendum (January 2016) completions would need to be at an average of 300 dwellings per annum over the 15 years of the LDP. Completion rates during the first four years of the LDP through JHLAS and Monitoring have been significantly less than this target which has warranted an investigation into the viability and deliverability of the sites included in the LDP.

3.4 The review has been conducted in two stages in order to ascertain the delivery of sites allocated by the LDP and to establish whether the LDP will achieve a five year supply of housing land.

**Stage 1** - This included information gathering and an assessment of all sites allocated in Appendix 1 of the LDP (as amended by the proposed Focussed Changes, January 2016).

**Stage 2** – Using the information obtained from the first stage, a further analysis of site delivery has been undertaken in order to calculate the housing trajectory and five year supply.

#### **Stage 1 - Site Assessment**

3.5 A review of all housing sites allocated in the LDP has been undertaken, to determine matters that may affect the timing of their delivery. This included:

- A comparison against the site viability typologies, using the results of the Community and Infrastructure Levy Viability Assessment 2014. Further detail is provided in Annex 1 to this paper.
- A developer questionnaire sent to LDP site owners/developers/agents in October 2015 to elicit constraint information on development and future intentions about site deliverability. Further detail is provided in Annex 2 to this paper.
- A consideration of the investment plans of statutory infrastructure providers.

3.6 The spreadsheet contained in Appendix 1 of this paper includes the detailed information that has been collected about the individual sites (HC and HA, allocated in Appendix 1 of the LDP) including the information retrieved from the questionnaire.

3.7 Of the questionnaires sent out, 42 (34% of the total) were returned. From these, the following discrete concerns on developing a site were raised:

- 22% have potential legal constraints such as section 106 agreements, land registry issues, access/rights of way issues, over-age and agricultural tenancies but none of these legal issues were considered insurmountable.
- 20% of owners intend to or want to develop the site themselves. 45% of respondents want to sell the site whilst 35% would sell or develop. 2% are undecided but the high percentage of those wanting to sell reflects the difficulties of a weak land/housing market that the area is currently experiencing. (Note: percentages have been rounded up).
- 29% of respondents did not provide a proposed development trajectory which reflects the degree of uncertainty surrounding the local housing market. The majority of respondents, however, anticipate a schedule of development commencing within the next five year period of the Plan leading through to the latter part of the Plan. Some respondents anticipate starts in the next two years but the majority see 2018 onwards as a key period for the development of their sites.
- 87% intend to seek planning permission before 2020 (this date was used as it allows five years for development to commence before the end of the Plan period).

3.8 In addition, from the questionnaires that were returned five recurring issues/themes emerged:

1. It would be more financially viable if planning permission were granted for entire sites rather than parts of sites.
2. The associated costs of the affordable housing requirement makes development unattractive.
3. No market interest.
4. The timescale and problems associated with bureaucracy, for example, Section 106s.
5. New constraints emerging since planning permission granted, for example, changes to building regulations such as sprinkler requirements.

3.9 Despite these recurring themes, the high percentage of owners/developers seeking to apply for planning permission before 2020 reflects a positive attitude to deliverability.

### **Stage 2 – Housing Delivery Trajectory**

3.10 Using the information obtained from the first stage, an analysis of site delivery has been undertaken in order to establish a housing delivery trajectory for the LDP. This differs from the feedback presented in Appendix 1 as it incorporates consideration of:

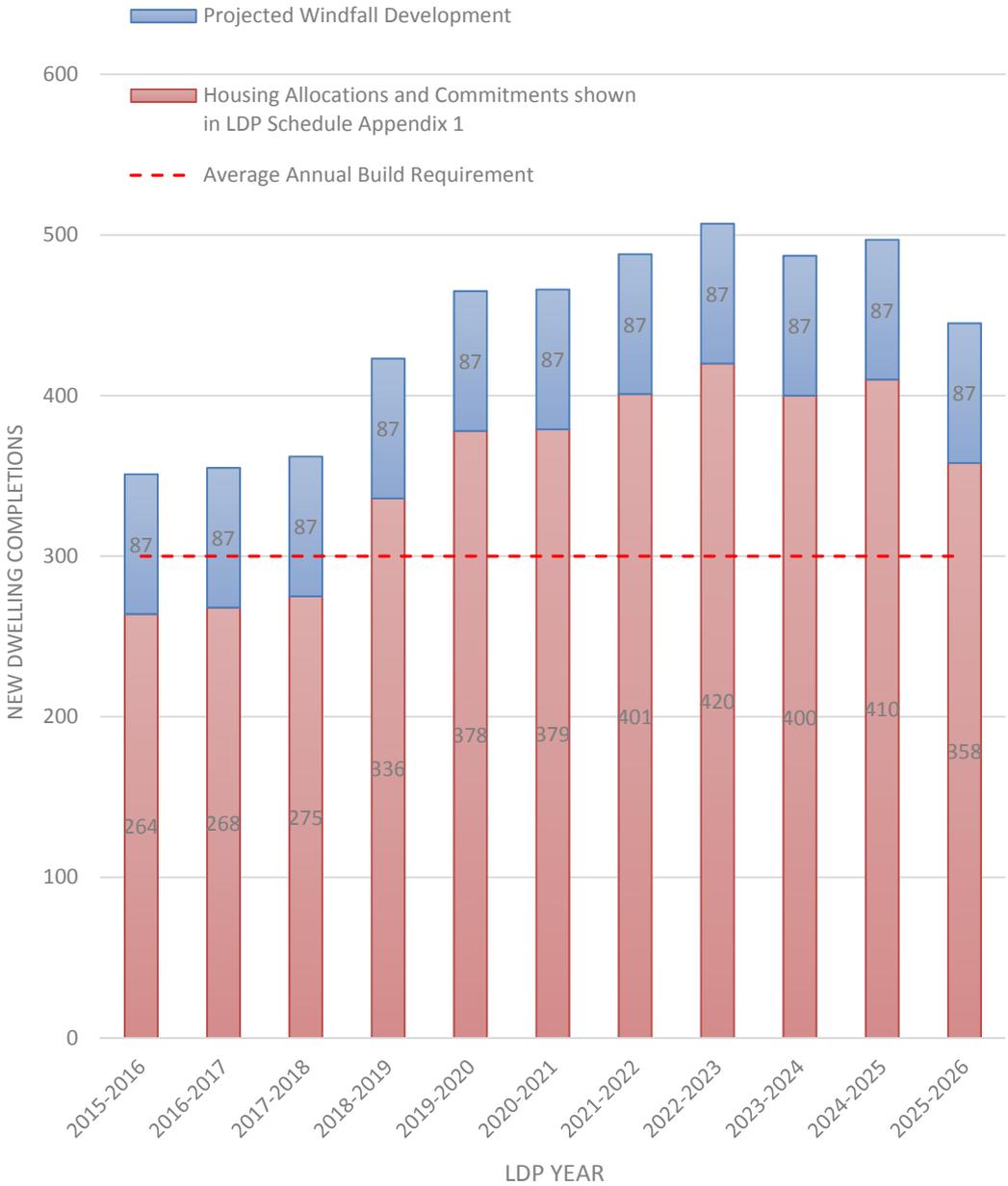
- viability in the four housing market areas of Powys (see Annex 1);
- the most recent population and household information and projections (see Population and Housing Topic Paper Addendum, January 2016); and
- recognition that development is unlikely to proceed at the pace in the short-term envisaged by some site owners / developers.

3.11 As a result of considering these additional factors, the trajectory is re-balanced as presented in Appendix 2 with rates of annual completion in excess of 400 anticipated in the latter part of the Plan period. This should reflect the improving economic climate across Powys and is a justifiable assumption informing the calculation of the housing land supply within this Topic Paper.

### 4. Housing Provision Trajectory

4.1 The projected annual housing development trajectory from housing allocations, commitments and windfall sites for the period 1<sup>st</sup> April 2015 to 1<sup>st</sup> April 2026 is shown in Figure 1. This is based on the Stage 2 trajectory (Appendix 2 of this Topic Paper) and the contribution from windfall sites. An overview of the projected timescales of new housing development within the trajectory is provided in Section 5 of this Topic Paper. This sets out the forecasted short, medium and long term housing land supply.

**Figure 1 – Powys County Council LDP Housing Provision Trajectory 2015 - 2026**



## **5. Housing Land Supply - Trajectory 2011-2026**

5.1 Table 1 (page 11) provides a summary of the housing land supply forecast annually throughout the Plan period, with the annual land supply expressed in years as set out in Figure 2.

5.2 Table 2 (page 12) shows how the total land availability (Column G of Table 1) was calculated using the housing figures contained in the site schedule in Appendix 2.

### **Housing Land Supply 2011-2016**

5.3 The annual JHLAS undertaken for the first four years of the Plan period have recorded the level of new housing provision and as such are a statement of fact. However, the land supply for these years was calculated using the past build methodology, advocated within the now superseded TAN1 (2006). In order to provide a consistent and comparable housing and supply trajectory across the LDP period, the Council has set out the land supply for the period 2011-2014 using the residual method prescribed in TAN1 (2015) and described above.

5.4 In calculating the housing land supply, TAN1 includes an allowance for windfall development as described. From JHLAS and annual monitoring, the Council has calculated that windfall developments will contribute some 1305 dwellings (87 p.a. x 15 years) over the Plan period which is explained in more detail in the Council's Population and Housing Background Paper (2015) and the Addendum (2016) to it. Over the remaining 11 years of the Plan period the Council consider that this annual windfall development should be maintained, contributing a projected 960 dwellings.

5.5 On this basis, the trajectory shows that the housing land supply increases from a base land supply of 4.1 years at April 2011 to a 7.1 year supply at 1<sup>st</sup> April 2017 (the first full year following adoption of the LDP).

### **Medium Term Housing Land Supply (2016 -2021)**

5.6 The land supply assessment table (table 1) provides a calculation of the likely land supply for each year up to the end of 2021 at which point there will be five years of the Plan period remaining. This indicates that at 1<sup>st</sup> April 2017, the first full year following adoption of the LDP, the housing land supply is anticipated to be 7.1 years steadily rising over the Plan period up to 2021.

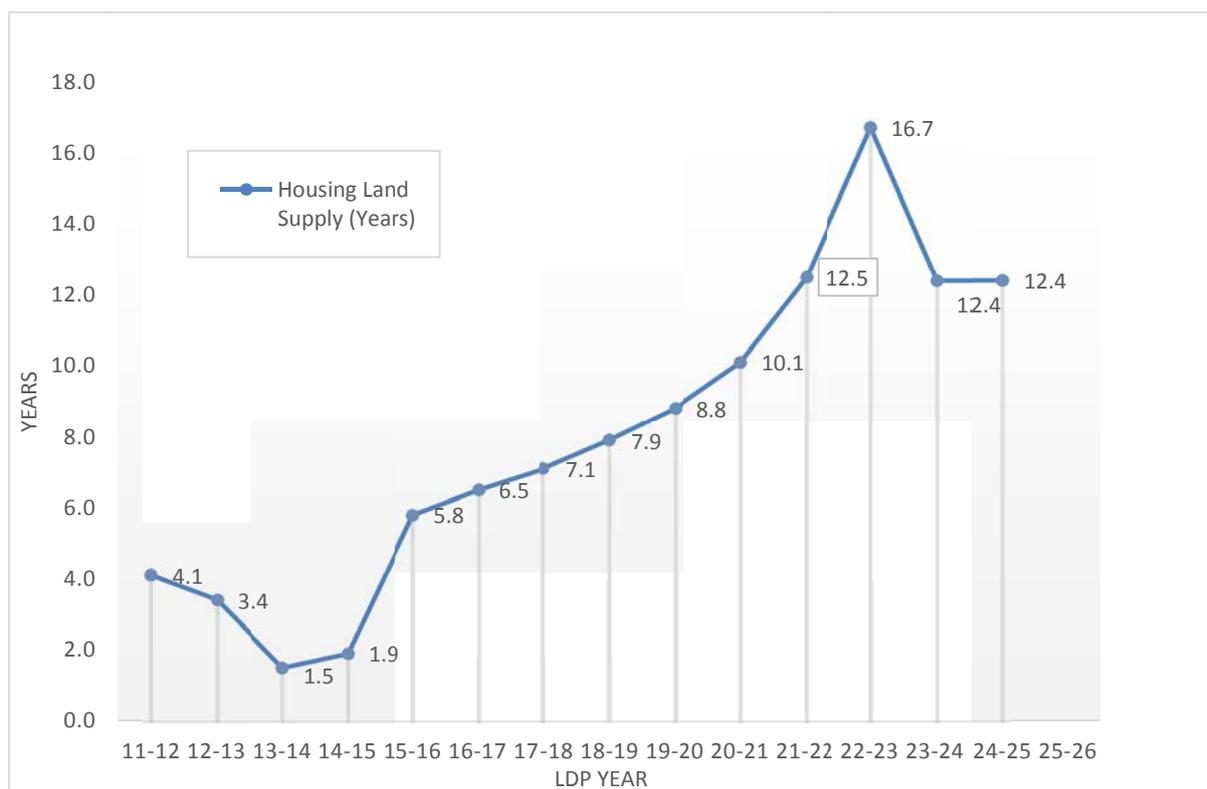
### **Long Term Housing Land Supply (2021 – 2026)**

5.7 As of 1<sup>st</sup> April 2021, the housing land supply is estimated to be 10.1 years. At 2022, however, there are less than five years of the Plan period remaining and to enable the Council to calculate the required five year housing land supply at this point requires a dwelling allowance to be calculated for each year beyond the Plan period. In such cases TAN 1

(paragraph 5.2) requires the annual housing requirement of the LDP to be extrapolated to give an estimate of the land required for the proceeding five year period.

5.8 Applying the above methodology, it is estimated that five year housing land supply will be maintained up to 2024/25 by which time the trajectory suggests that the housing requirement of 4500 dwellings will be delivered. The LDP will be monitored and reviewed 4 years after its adoption whereby the plan will if required, include additional site allocations to in order to demonstrate a 5 year housing supply in the final year of the plan, 2025/2026.

**Figure 2 – Powys County Council LDP Housing Land Supply (Years) Trajectory 2011-2026**



5.9 The way the different components of the housing provision interact will inevitably change over time. The trajectory illustrates that in the middle part of the LDP period the land bank sites will provide the majority of the new housing provision. It is estimated that from 2018, new allocations will start to make a more significant contribution and the majority of the allocated sites should be completely delivered in the last five years of the Plan period.

5.10 As there was a shortfall during the early years of the Plan period (2011- 2015) it is recognised that completion rates must exceed the annual average of 300 as shown in Figure 1. Completions rates are predicted to be over 400 dwellings per annum which would be comparable to the completion rates being experienced in the years preceding the start of the recession in 2008.

5.11 To ensure delivery of the dwelling requirement, the trajectory will be subject to continuous monitoring which will contribute to both JHLAS and the Council's Monitoring Report.

## **6. Conclusions**

6.1 The review of sites identified within the Local Development Plan has indicated that landowners/agents anticipate their sites coming forward during the Plan period. Although at present market conditions are less favourable, the consensus indicates market improvements from 2018 onwards will bring sites forward for development in the latter half of the Plan period.

6.2 The review has also encapsulated other factors that affect the timing and delivery of sites including the findings of the Viability Assessment (2014) and the future investment programmes of statutory infrastructure providers.

6.3 Having considered various factors that impact on the timing of site delivery, the updated trajectory analysis indicates that Powys County Council's LDP would have a 7.1 year housing supply at 1<sup>st</sup> April 2017, at the start of the first full year following adoption of the Plan. The housing trajectory anticipates the maintenance of a five year land supply up to the penultimate year of the Plan by which time the LDP housing requirement of 4500 dwellings is forecast to have been provided. The LDP will need to be reviewed 4 years after its adoption and if required additional site allocations will be included in order to demonstrate a 5 year housing supply in the final year of the plan.

## Tables

**Table 1: Housing Development Trajectory and Housing Land Supply 1<sup>st</sup> April 2011 – 1<sup>st</sup> April 2026 (LDP expiry date)**

LDP Year/JHLAS period	LDP housing requirement	Year end completions including windfall (87 units pa)	Total completions	LDP years remaining	Residual housing requirement	5 year requirement	Annual building requirement	Total Land Available	Total land supply in years
	a		b	c	d = (a-b)	e = (d/c) x 5	F = e/5	G	h = g/f
2011-12	(Based on UDP)	*98	98	15					*4.1
2012-13	(Based on UDP)	*223	321	14					*3.4
2013-14	(Based on UDP)	*184	505	13					*1.5
2014-15	(Based on UDP)	*201	706	12					*1.9
2015-16	4500	177(**264)	970	11	3530	1604	321	1869	5.8
2016-17	4500	268(**355)	1325	10	3175	1588	318	2071	6.5
2017-18	4500	275(**362)	1687	9	2813	1563	313	2204	7.1
2018-19	4500	336(**423)	2110	8	2390	1494	299	2349	7.9
2019-20	4500	378(**465)	2575	7	1925	1375	275	2413	8.8
2020-21	4500	379(**466)	3041	6	1459	1216	243	2445	10.1
2021-22	4500	401(**488)	3529	5	971	971	194	2424	12.5
2022-23***	4500	420(**507)	4036	4	464	580	116	1936	16.7
2023-24***	4500	400(**487)	4523	3	-23	577	115.4	1429	12.4
2024-25***	4500	410(**497)	5020	2	-520	380	76	942	12.4
2025-26****	4500	358(**445)	5465	1	-965	-365	-73	-	-

Shaded area denotes first full five year period on adoption of the Plan

\* JHLAS record of completions and 5 year land supply taken from JHLAS

\*\* Projected windfall of 87 dwellings per year added to housing allocations (HA) number – See Appendix 1 of revised Draft Deposit LDP

\*\*\* The five year requirement for the final five years of the Plan period has been calculated in accordance with TAN1- Housing Land Availability Studies (para 5.2)

\*\*\*\* LDP expiry date 1<sup>st</sup> April 2026

**Table 2: Total Land Available in 5 Year Periods**

Five Year Period	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total land available (expressed in no. dwellings)	Total land available (expressed in no. dwellings + 87 per annum projected windfall figure)
2015/16 -2019/20	177(*264)	268(*355)	275(*362)	336(*423)	378(*465)							1434	1869
2016/17 -2020/21		268(*355)	275(*362)	336(*423)	378(*465)	379(*466)						1636	2071
2017/18 -2021/22			275(*362)	336(*423)	378(*465)	379(*466)	401(*488)					1769	2204
2018/19 -2022/23				336(*423)	378(*465)	379(*466)	401(*488)	420(*507)				1914	2349
2019/20 -2023/24					378(*465)	379(*466)	401(*488)	420(*507)	400(*487)			1978	2413
2020/21 -2024/25						379(*466)	401(*488)	420(*507)	400(*487)	410(*497)		2010	2445
2021/22 -2025/26							401(*488)	420(*507)	400(*487)	410(*497)	358(*445)	1989	2424

\*Plus projected annual windfall figure of 87 dwellings

## **Annex 1**

### **Site Viability - Application of the Findings of the Viability Assessment (2014)**

A1.1 The Powys Local Development Plan Community Infrastructure Levy Viability 2014 Assessment (the Assessment) examines the state and conditions of the housing market in Powys and in so doing predicts the viability of new housing sites. Based on average house prices the Assessment sub-divides the county (excluding the Brecon Beacons National Park) into four areas with common market characteristics: Rural North, Severn Valley, Central and the South West.

A1.2 The Assessment identifies categories for the type of sites that might be developed: large green field 100 units, large greenfield 70 units, medium greenfield 25 units, medium brownfield 25 units, smaller greenfield 10 units, smaller brownfield 10 units, small greenfield 5 units and small brownfield 5 units. There are further small typologies but for the purpose of assessing viability these will not be used for this review as JHLAS and the LDP are only concerned with sites over 5 units.

A1.3 These typologies were then applied to the housing market area categories to determine the financial viability of individual housing sites within the Local Development Plan (committed and allocated) in the four market areas across the County. The typologies were applied on a 'best fit' basis (i.e. rounded up or down based on the difference between the higher or lower value) and coloured green, red or amber to illustrate whether the site was financially viable to develop at the base date (2014), green being most viable and red less so. The Assessment also calculated whether the site remained viable with differing percentages of affordable housing contributions.

A1.4 The viability data shows that 79% of the Appendix 1 of the allocated LDP sites are coloured green which indicates that the majority of identified sites are currently viable financial propositions. Only 18% of the sites are red with just under 50% of those being located in the South West area and only 3% are amber. These are positive factors for the deliverability of the Powys sites during the Plan period as market conditions improve.

## Annex 2

### Stage 1 Review – Developer Questionnaire (Oct 2015)

A2.1 The Stage 1 review process issued a developer intentions questionnaire to owners/developers/agents of sites allocated in the Local Development Plan.

A2.2 The questionnaire asked the following questions:

- Are there any legal constraints on the site?
- Are there other factors affecting it such as finance, market conditions, infrastructure, and development costs, etc?
- What are the Developer intentions for the site over the Plan period? Sell, develop or intending to seek planning permission?
- The anticipated timescale of development?
- Is the Developer intending to seek planning permission before 2020?

A2.2 The spreadsheet contained in Appendix 1 of this Topic Paper includes information about the individual allocated sites (HC and HA) in the LDP based on the original 2014 Viability Assessment. The responses from the questionnaire were incorporated resulting in updates to the dataset and are highlighted in pink in Column A.

A2.3 To provide clarity when reading the Appendix 1 spreadsheet the following columns are:

• Column F shows the category for the type of site.
• Column G shows the area the site is in.
• Column H shows the deliverability status (Red, Amber, Green) in the 2014 Assessment.
• Column I shows the percentage of affordable housing that will be required for a site in that area.
• Column J shows if the site is allocated in the current Unitary Development Plan.
• Column K shows if the site is in JHLAS
• Column L details site comments in JHLAS
• Column M details comments from Question 2 in the questionnaire
• Column N details comments from Question 3 in the questionnaire.
• Column O details Dwr Cymru Welsh Water comments in Appendix 1/representation.
• Column P details site comments from the Highways Authority
• Column Q - Any other comments / information (such as that gathered from Appendix 1 of the LDP or representations)
Remaining columns - Initial indicative trajectory