

Powys Local Development Plan

2011-2026

Population and Housing Topic Paper

ADDENDUM

January 2016



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1. Introduction

1.1 The Deposit Population and Housing Background Paper (May 2015) for the revised Deposit Draft LDP explains the context of how the overall LDP housing number of the Local Development Plan was derived and goes into detail about the use of the Welsh Government population and household projections for 2008 and 2011.

1.2 The purpose of this addendum to that background paper is to explain why the focussed changes to the revised Deposit Draft LDP propose that the LDP housing requirement number be set at a lower level. The main reason for this proposed change is to reflect the current reality of house building in Powys so as to ensure that target build rates are realistic and achievable over the remaining Plan period (2016-2026). Whilst the focussed changes propose to lower the housing requirement figure the Plan still retains approximately the same overall housing provision figure that is presented in the revised Deposit Draft LDP that consists of site allocations and commitments etc.

1.3 The housing provision figures shows what could be built in the Powys LDP area, if all sites with planning permission and all allocated sites were actually developed in full alongside windfall dwellings coming steadily forward each year in line with past windfall build rates - in reality it is recognised that not all these permissions will be implemented in the Plan period (some are longstanding, for example having technical/environmental constraints, or are in areas of low demand, or are apparently land-banked with only technical starts which keep the planning permission alive but do not give rise to true prospects of delivery before 2026). With this in mind, the provision figure is best viewed as a contingency figure set against the Council's duty to meet the housing requirement figure which the Plan's Strategy depends upon.

1.4 In contrast to some of the uncertainty surrounding a proportion of the existing land bank, the new land allocations (HA sites) have been based on robust analysis and selection of deliverable sites which are expected to be built by the end of the Plan period. The Council has ensured that new housing land allocations are made in the most sustainable locations, have been tested for SA/SEA and which can deliver on the Plan's growth and spatial strategy aims. The monitoring of housing land supply through the JHLAS study is essential and the JHLAS categorises sites within four categories so as to ascertain the likelihood of delivery within the next five years. Only Category 1 and 2 sites are considered to be genuinely available and counted in the calculation for the five year supply (meaning the less realistic sites, for reasons such as those cited above, are sifted out until their development becomes evidenced as likely).

1.5 One of the reasons for making this change at this stage is due to the issuing in January 2015 of the Welsh Government's Technical Advice Note 1 (TAN 1) - Joint Housing Land Availability Studies (JHLAS). PPW (paragraph 9.2.3) places a requirement on local planning authorities to ensure a five year supply of readily developable housing land. TAN 1 provides the guidance on the preparation of JHLAS which is the mechanism used to demonstrate the 5 year supply. TAN1 (paragraph 3.2) requires that Local Planning Authorities demonstrate that there is a five-year housing land supply at the time the plan is adopted and thereafter a 5 year supply must be maintained. The method of calculation, known as the residual methodology, is set by TAN 1 and cannot be altered.

1.6 Upon review, the Council considers that the revised Deposit Draft Plan housing requirement of 5519 is an unrealistic target in terms of the build rate per annum needed to achieve it. That target equates to an average of 368/dwellings per annum, evidence from JHLAS shows that over the last 10 years, the annual build rate has reached 425 at best (2006-07) and 98 at worst (2011/12). A poor performance in the early years of the Local Development Plan period (start date 1.04.2011) against its annual target build rate means that there is “catch-up” pressure on the remaining Plan period. Whilst a delivery trajectory was produced at the Second Deposit Stage, demonstrating the requirement of a five year supply from adoption, the trajectory included predictions for a consistent build rate of over 400 dwellings per annum from 2016 and reaching above 600/dwellings in some latter years of the Plan period. It is accepted that this notional build rate is not representative of what is likely to happen over the next 10 years. This issue has been identified by the Welsh Government in their response to the Deposit LDP.

1.7 Whilst the Council believes that new allocations for housing land made in the LDP will add fresh impetus to the market, especially in those towns where prime sites are in short supply as the end of the Unitary Development Plan framework nears, the Council has concluded that that target housing requirement must reduce sufficiently for the Council is to meet the test of PPW/TAN1 in respect of having and maintaining a five year supply of housing land from adoption. More information on this calculation can be found in the Phasing & Delivery of New Housing Provision paper (January 2016). In response to the requirements of TAN 1 and following consideration of representations made on the revised Deposit Draft Local Development Plan, particularly those by the Welsh Government, the LDP dwelling requirement has been amended by the proposed Focussed Changes. This is in order to realign the figure with the findings of a review of evidence undertaken which indicates that development growth in Powys is not happening at a rate that would meet the original delivery trajectory and subsequently result in the Council being unable in practice to demonstrate a 5 year land supply.

2. Deposit Local Development Plan (June 2015)

2.1 The Population and Housing Background Paper (May 2015) explains the difference between the 2008 and 2011 population and household projections issued by Welsh Government and also the reasons why the Council decided to use the 2011 Principal population and household projection as a starting point to derive the LDP housing requirement.

2.2 The 2011 Principal household projection equates to a dwelling number of 4087 which over the 15 year period of the LDP is 272 dwellings per annum. The housing requirement had been increased in the revised Deposit Draft to 5519 to take account of, amongst other factors, the letter sent by the Welsh Government Minister, Carl Sargeant, to all local planning authorities in Wales requesting caution in the use of the 2011 Principal projection due to it being based on a five year period that coincided with a period of economic recession and consequently the forecasted dwelling numbers in the projections were considered to be too low.

2.3 A housing requirement figure falling between the Principal and the 10 year migration projections was therefore, considered to be appropriate. The compromise figure was proposed as the household numbers forecast in the 10 year migration were not considered to be feasible when compared to figures in the latest mid- year estimates (MYE) for 2013, particularly in relation to the

low net migration levels. The 2013 mid-year estimates showed only a net migration of +22, whilst the 2014 figures, published since the revised Deposit Draft, show an increase to +176 (2014 MYE). These MYE figures contrast to the 2011 Principal population projection which forecast a net gain in Powys of 492 people per annum and the 10 year migration variant showing a net gain of + 828 per annum. These projections look unrealistic based against recent Mid Year Estimates of Population and Households. Based on the last two mid-year estimates it is not considered that the 10 year net migration figure will be reached within the Plan period and therefore a housing requirement based on the 10 year migration variant would not be achievable.

3. New Guidance Requirement - Technical Advice Note 1 (TAN1)

3.1 The Welsh Government issued Technical Advice Note 1 (TAN1) – Joint Housing Land Availability Studies in early 2015 which requires that local planning authorities on the adoption of their LDP need to demonstrate a five year land supply that is readily and genuinely available. This means that the overall housing number in the LDP needs to be set at a figure that can be realistically achieved because if it is not, the implications are that the Council will not be able to demonstrate a five year land supply.

3.2 The methodology applied for calculating the land supply trajectory for the LDP period follows the residual calculation identified within TAN 1. This involves comparing the amount of land that is considered to be genuinely available for any given 5 year period with that amount of land that is needed for that period of time for the remaining housing requirement identified within the LDP.

3.3 The implications of not having a five year land supply is that it signals that a local planning authority does not have a sufficient supply of land readily available for development. The main consequence of this happening is that developers can then apply for planning permission for housing on a site not allocated in the LDP and use the argument that there is not a five year land supply to justify the need for their site to be developed. The granting of planning permission on such sites contributes to uncertainty in the planning system and furthermore because the shortfall of supply carries considerable weight as a material consideration when determining a planning applications (TAN1, para 6.2) it may lead to decisions which undermine, rather than enforce the aims and objectives of the statutory development plan.

4. Review of evidence for the overall LDP housing requirement

4.1 A review has therefore, been undertaken to establish whether a viably developable five year supply of land is realistically available and deliverable i.e. is likely to be developed within a) the next five years, or b) within the Plan period.

4.2 The review included looking at the following information:

- i. The most recent demographic information released by Welsh Government
- ii. The past completions rates in recent years
- iii. The responses to a developer intentions questionnaire, sent to those with an interest in LDP sites including landowners, developers and agents.

4.3 The house building industry in Powys comprises only a small number of local builders. The activity of the national (volume) house builders in Powys has been very limited in recent years due to the nature of the housing market in this predominantly rural County with a lack of substantive opportunities of the scale that would attract the attention of the larger companies.

4.4 A restricted pool of potential house buyers resulting from the current population trends and low economic activity/productivity in Powys and as well as the limited availability of credit and confidence also impacts upon demand and movement within the housing market, therefore causing a reduction of new households forming.

i. Latest Population Information

4.5 The Population and Housing Background Paper (May 2015) to the revised Deposit Draft LDP considered both sets of population and household projections issued by the Welsh Government in 2008 and 2011. It was considered that the 2011 Principal household projection should be used by the Council as a starting point for the LDP housing requirement rather than the 10 year migration variant. The Principal population projections were based on a five year migration trend that coincided with the economic recession and therefore the Welsh Government advised LPAs to be cautious when using them. Consequently, Welsh Government issued a variant set of projections which was based on a 10 year migration trend that included the economically buoyant years before the recession began in 2007/08 and therefore, compensating for the effect of those years on the forecast number of households (converted to dwellings) over the LDP period.

4.6 The revised Deposit Draft LDP (2015) took account of the basis of the Principal projections (based on a five year migration trend) by setting the dwelling requirement at 5519, higher than the Principal projection starting point figure of 4087 dwellings. The Council does not consider the population forecasts predicted by the 10 year migration level based on a significantly higher net migration level (+ 828) than that predicted in the Principal projection (+492) were feasible, particularly with more recent figures on migration contained within the 2013 MYE showing that net -migration to be very low at only +22. The position taken by the Council is that the 2011 Principal household projection be used as the starting point to base its housing target on and is supported by the latest population information provided by the Welsh Government which show a declining population in Powys as is shown in the Table 1.

a. 2014 Mid- Year Estimates (2015)

4.7 The most recent mid- year estimates show that Powys population had fallen by 30 between 2013 and 2014 (see Table 1):

Table 1: 2014 MYE (2015)

Mid-Year Estimates	Numbers
Estimated Population 2013	132,705
Estimated Population 2014	132,675
Births	1189
Deaths	1416
Births minus – deaths	-227
Internal migration inflow	5309
Internal migration outflow	5133
Internal migration net	176
International migration inflow	340
International migration outflow	304
International migration net	36
Other	-15
Population Change	-30

4.8 The MYE shows net internal migration to be 176 and net international migration at 36 for 2014 a total of 212. The 2011 Principal projection predicted an annual net migration of +492 during the LDP period and the 10 year migration predicted net migration at + 828.

b. Population Projections for National Parks in Wales (2013)

4.9 The very latest population statistics coming from Welsh Government are in the form of a set of population projections for National Parks in Wales (2013). This set of statistics also deals with what are termed as residual areas which are those areas that are adjacent to the boundary of each of the three national parks. The projections show that Powys County which includes BBNPA within it has a

projected population decrease of 3% between 2013 and 2028 which includes a fall in the number of under-16s.

Household size

4.10 This is considered to have had a notable impact on the latest Welsh Government projections as acknowledged by Welsh Government in their policy clarification letter (Ref CL-01-14, dated 10/4/2014) to local planning authorities. For example, in relation to household size the Welsh Government 2008 based projections forecast household size to decrease from 2.23 in 2011 to 2.07 in 2026 but the latest 2011 based projections indicate that household sizes start at 2.24 in 2011 and only decrease to 2.13 in 2026. Therefore, the 2011 based projections indicate an overall higher household size, which would then predict a lower number of required households for the Plan period.

Household Estimates

The Welsh Government have recently released the Mid- Year Estimates (MYE) for Powys (including the Brecon Beacons National Park Area) for 2014 in relation to households which totalled 58,966, up by nearly 200 from the previous year which had 58753 households.

Conclusions on the most recent population information

4.11 Taking into account the latest population information it is considered that the 2011 Principal projection be retained as the starting point for deriving the LDP housing requirement. The latest demographic information released by WG for Powys includes the 2014 mid- year estimates (2015) and the Population Projections for National Parks in Wales (2013) that include the residual areas that are adjacent to the Parks including Powys and show that up to 2028 the population of Powys is declining and that net-migration in 2014 was low with a net increase of only +173. In contrast the latest information on the number of households in Powys (including the BBNPA area) formed in 2014 is showing an increase of nearly 200 from the number of the previous year which is a promising indicator even though the population in Powys is declining.

ii. Dwelling completions

4.12 TAN 1 with its requirement for local planning authorities to demonstrate a five year land supply when the LDP is adopted means that the housing target needs to be set at a target that can be realistically delivered. Therefore, the number needs to be based on completion performances of recent years and also the likelihood of annual completion targets shown in the housing trajectory being achieved in future years. The most accurate source from which annual completions can be derived are the annual Joint Housing Land Availability Studies (JHLAS).

Joint Housing Land Availability Studies (JHLAS)

4.13 The following table shows annual completions for the Powys LDP area according to records from JHLAS studies from 2004.

Table 2: Past Completions 1 April 2004 to 1 April 2015 (source: JHLAS)

Year	Small Site Completions (Sites of 1-4 Dwellings)	Large Site Completions (Sites of 5+ Dwellings)	Total Completions
2004/05	126	294	420
2005/06	131	294	425
2006/07	131	294	425
2007/08	126	240	366
2008/09	57	102	159
2009/10	121	132	253
2010/11	83	156	239
2011/12	83	15	98
2012/13	76	147	223
2013/14	61	123	184
2014/15	54	147	201
Total	995	1797	2993
Average Annual Completions (11 years)	99	180	272

Table 3: Average Annual completion rates using JHLAS information – longer term trends

2004/05-2009/10 (5 years)	2010/2015 (5 years)	2005 to 2015 Average (11 years)
325	189	272

4.14 The JHLAS completion figures demonstrate the impact of the economic downturn which commenced in 2007/2008 and, as a result, in the last five years between 2010 and 2015 the average number of completions was 178 and the average number of completions over the last 11 years was 272. The number of completions recorded in the latest JHLAS (2015) is 201 dwellings.

4.15 Having regard to the long term house building trends, using the housing requirement derived from the principal projection of 4087 dwellings the average number of dwellings per annum would be 272 over the plan period. The number of 4087 dwellings is calculated using the number of households of 3784 which is predicted in the 2011 Household Principal projection and converting that figure to deduce the number of dwellings by using a conversion ratio of 1.08. This conversion ratio accommodates vacancy rates, probabilities in the housing market and an element of 'hidden' households; however, it is a conjectural ratio based on Census data and its use has varied between local authorities but similar local authorities to Powys such as Conwy (in relation to its predominantly rural character) have used the same ratio of 1.08 in their LDPs.

4.16 It was considered in the Population and Housing Background Paper (May 2015) that a housing requirement of 272 dwellings per annum was too low and not considered a sufficiently aspirational level of housing for the future growth of Powys. In light of the requirements of TAN 1, the Council is required to demonstrate a five year land supply which is based on the residual methodology which can only be demonstrated if the annual dwelling target is being achieved. If it isn't being met and the residual number grows too large it means that the LPA will subsequently fail to demonstrate a 5 year land supply.

4.17 The areas of Wales where there is a significantly higher demand for housing than is the case in Powys and where volume house builders are far more active (for example Cardiff and Vale of Glamorgan), have a better chance of meeting their annual housing target and therefore demonstrating a five year land supply. Powys, as is the case with other predominantly rural authorities, continues to have a constrained level of development and the lack of activity from larger house building firms means that rural LPAs will find it challenging to achieve their annual housing target unless it is set at a level that reflects the reality of what is happening on the ground with the development industry.

Conclusion about house building completion rates

4.18 Housing completions have not surpassed 300 since 2007/2008 and therefore, the fundamental question for this Authority is if the housing target should be set at a target level that is realistically attainable and therefore help demonstrate a five year land supply or set the target at a more aspirational level as did the revised Deposit Draft LDP but consequently risk the Council not being able to demonstrate a five year land supply.

4.19 The Council considers that demonstrating the five year supply is fundamental and therefore is reducing the LDP housing target through a Focussed Change to a more realistic and achievable level in order to meet the requirement of TAN 1. The Council considers that the LDP should have a higher housing provision number in order to provide a choice of sites for developers in Powys and takes proper account of all outstanding extant planning permissions in the LPA area.

4.20 The LDP housing requirement figure has been set at a level of 4500 dwellings over the plan period which is an annual housing target of 300 dwelling per annum. This is considered to be a realistic rate of build over the next few years as confidence will increase amongst landowners and developers once their site(s) have been allocated in an adopted LDP. The LDP housing provision figure which is the housing requirement figure plus a flexibility percentage of 36% is 6129 dwellings which equates to an annual build rate of 409 dwellings which is shown in the Housing Provision Trajectory - bar chart (Figure 1) contained in the updated Phasing & Delivery of New Housing Provision Topic Paper (January 2016).

iii. Questionnaire responses from landowners/developers/agents about their intentions

4.20 Given that there has been a low number of dwelling completions in recent years which appears to be a continuing trend, the Council decided to seek the reasons why this is occurring from the landowners' and developers' perspective. A questionnaire was therefore sent to those with an interest in sites shown in the LDP requesting information on reasons why either their sites have not progressed or to ask what their intentions are for the site over the Plan period. The questionnaire was seeking information from those with an interest in the development of the sites about the prospects of the sites being developed for housing and highlighting the apparent barriers to them either not being developed or the sites' development being delayed. The likely projected timescales for the development of the sites was also requested in the questionnaire.

4.21 A more comprehensive analysis of the responses is contained in Appendix 1 of the Phasing & Delivery of New Housing Provision Topic Paper (January 2016), however, the responses contained a number of explanations for sites not being progressed with the overarching reason given being the general lack of demand for houses in Powys meaning too few buyers of properties resulting in a low demand and, therefore, a lack of interest by developers. One other reason given in the responses for the low level of house building in Powys is the viability of site development with the affordable housing requirement in particular being cited by respondents as a barrier to sites being progressed.

5. Explanation of Housing Requirement and Housing Provision figures

5.1 The LDP contains two housing figures – namely the housing requirement and the housing provision both of which are explained below:

1. **The Housing Requirement** – The starting point for calculating the housing requirement is the latest Population and Household projection (which is the 2011 projection) plus the number of dwellings the Council considers need to be added to take into account other factors including those listed in PPW at paragraph 9.2.1 such as local housing and community strategies. It is the housing requirement figure that is used to calculate the 5 year land supply.

The Council is proposing in the Focussed Changes to the Deposit LDP to lower the dwelling requirement in order to help ensure that a five year land supply can be achieved. As it stands, the housing requirement in the revised Deposit Draft LDP would result in an annual build number that is not deemed realistic having considered the results of the review and particularly the past completion rates of recent years.

2. **The Housing Provision** - is the housing requirement plus a flexibility allowance in order to provide a contingency if, for whatever reason, some allocated or committed sites do not come forward as anticipated. The revised Deposit Draft LDP (2015) added 10% onto the requirement figure resulting in the LDP providing for 6071 dwellings. The Council is proposing in the Focussed Changes to increase the flexibility allowance to 36% and have a housing provision of 6129 dwellings in order to give a sufficient choice of development sites

located in sustainable locations (predominantly in towns and large villages) taking account the significant number of existing housing sites which have planning permission that have not been implemented. The Council has intentionally chosen not to reduce the LDP housing land allocations as a result of the reduced housing land requirement (although some site changes have been made through the Deposit Plan representations stage as detailed in the Focussed Changes). This is because new allocations are being proposed in towns and large villages which are in the top tiers of the sustainable settlement hierarchy. The retention of these sites in the LDP is considered to increase flexibility and choice and guard against the problems of committed housing sites not being delivered for whatever reason. To reduce the number of suitable allocated sites at this stage would in the Council's opinion only be counter-productive to the delivery of new housing across Powys.

Flexibility allowance explained

5.2 The housing requirement figure is adjusted to include a 36% flexibility allowance to provide a contingency in case some of the allocated or committed sites for whatever reason do not come forward as anticipated and also to provide flexibility providing a choice of sites in the LDP. The housing provision figure proposed in the Focussed Changes is the housing requirement figure of 4500 dwellings plus the 36% flexibility that amounts to 6129 dwellings. The flexibility allowance is intended to ensure that the LDP provides a sufficient number and choice of sites which can be developed viably to help ensure that the housing requirement is achieved. The Council accepts that at 36% the flexibility allowance is a high amount, however, the Council recognises that the housing requirement has been significantly reduced due to the requirement for a five year land supply to be demonstrated but a housing provision of 6129 would provide a range and choice of sites throughout Powys.

Conclusion following the Review of Evidence

5.3 As a result of the requirement of TAN 1 to demonstrate a five year land supply LPAs are having to review their LDP dwelling targets in order to ensure that they are achievable based on evidence of what is happening on the ground particularly in relation to the number of houses built each year over the last few years and gauging what the trend will be in the foreseeable future.

5.4 In the absence of such a review which acts as a reality check of the current situation in the County the Council is at risk of setting a dwelling requirement too high and therefore failing to demonstrate a five year land supply.

5.5 The review undertaken has highlighted a number of issues:

1. Population is in decline in Powys
2. Net migration is low and won't in the foreseeable future increase to the level that is predicted in the 10 year migration projection
3. Low economic performance
4. Questionnaire responses - limited confidence of landowners and development industry.

5.6 Therefore, as result of the review, the Council considers it appropriate to retain the position held at the revised Deposit draft stage and use the Principal projection as a starting point for deriving the LDP housing requirement.

5.7 Although some parts of Wales are experiencing a steady improvement in the economy, the situation in Powys is only recently starting to show signs of the decline halting and reversing. Therefore with the requirements of a five year land supply the Council has no choice but to be cautious on setting its housing requirement figure in order to accurately gauge the rate of completions expected in the foreseeable future. Otherwise, the LDP could set too high a housing requirement that will not be developed by the housing industry in Powys (which comprises small number of local builders) and as a result, will not be able to demonstrate a five year land supply. The Welsh Government in its representations have raised this issue in its representations to the revised Deposit draft LDP and advised the Council about the need for the LDP's housing requirement to be set at a realistic level that can be delivered or otherwise risk not being able to demonstrate five year land supply when the LDP is adopted.

6. Housing Land Calculation

6.1 The LDP housing supply will come from a number of sources including the existing land bank (sites completed in the Plan period and sites with planning permission) and windfall sites (non-allocated sites) and also a significant proportion of the supply from new housing land allocations made in the Plan.

i. Existing Land bank

6.1 The existing land bank has been closely monitored for the first 4 years of the LDP period (i.e. 2011 to 2015) to assess dwellings completed, under construction and not started which will contribute 2396 dwellings towards the housing requirement figure.

6.2 Within the overall figure of 2396 will be the dwellings on large (5 + dwellings) committed housing sites – these are shown in the LDP as Housing Commitments (HC) sites to distinguish them from new housing allocations (HA) included in the LDP.

Table 4 – Housing Landbank (Housing Commitments)

		Towns	Large Villages	Small Villages	Rural/Open Countryside*	Totals
Row A	Completions to 01.04.2015	233	154	43	192	622
Row B	Commitments – having p.p. but not started	514	389	162	361	1426
Row C	Commitments – having p.p. and under construction at monitoring date (01.04.2015)	141	71	38	98	348
Row D	Housing Land Bank (Dwellings)	888	614	243	651	<u>2396</u>
Totals (Rows A, B,C)						

ii. Predicted contribution from windfall sites

6.3 The predicted number of dwellings from future windfall opportunities has been derived from past completion information from the first 4 years of the LDP (01.042011 to 31.032015). The number of dwellings has been calculated at 349 dwellings over the five year period which is an average of 87 dwellings per year. This number of dwellings derived from windfall sites has been projected for the remainder of the Plan period (11 years) which equates to a total 957 (960) dwellings derived from windfall sites in all levels of settlement.

Table 5: Planning Completions – Windfalls

	Town	Large Village	Village	Open Countryside	Total
Consent received in 2015	0	0	0	0	0
Consent received in 2014	0	3	0	1	4
Consent received in 2013	9	7	1	9	26
Consent received in 2012	9	1	1	17	28
Consent received in 2011	8	11	1	12	32
Consent received pre -2011	34	30	26	148	238
JHLAS	1	9	7	4	21
Totals	61	61	36	191	349
Windfall projection	168	168	99	525	960

6.4 Table 5 also shows the different levels of settlement and the number of dwellings that have been completed on windfall sites in each of them in the first 4 years of the LDP. It is of note that the rural/open countryside with 525 dwellings is expected to contribute the largest number of windfall dwellings during the LDP. This is understandable considering the large geographical size of the County coupled with the policy approach taken to exceptions housing in these tiers of the settlement hierarchy which will continue under the Local Development Plan further to the Unitary Development Plan (e.g. single rural affordable dwellings, rural workers housing, TAN 6 exceptions, rural building conversions, etc.).

6.5 Also of note is that the small villages tier at only 99 dwellings contributed a relatively small amount of dwellings via windfall sites compared to towns and large villages. Going forward into the

remainder of the LDP period it is considered that the policies contained in the LDP will restrict further development in small villages to allow only the development of infill sites. Therefore the opportunities will be limited in most small villages which will therefore continue to contribute a relatively small proportion of dwellings provided by windfall sites. This is in accordance with the hierarchical settlement growth strategy of the LDP which aims to focus the majority of development in the towns and the large villages but allowing for limited growth in small villages and rural/open countryside.

iii. New housing allocations

6.6 The revised Deposit draft LDP provides housing land allocations, referenced as HA sites, which can provide a total of 2773 dwellings. In calculating their capacity, a notional density figure of 25/dwellings per hectare has been used. Any deviations from this standard density are explained in Appendix 1 to the Plan (Settlement Allocations Table). In reality some sites may support higher density development in line with the policy to make the most efficient use of land but this is not possible to determine in detail at the strategic planning stage.

6.7 The table below shows how the Powys LDP will provide 6129 dwellings which includes a 36% flexibility allowance to meet the housing requirement of 4500.

Table 6 – Total Housing Provision (number of Dwellings)

		Towns	Large Villages	Small Villages	Rural/Open Countryside*	Totals
Row D (from Table 4)	Housing Land Bank (Dwellings)	888	614	243	651	2396
	Windfall allowance	168	168	99	525	960
	Dwellings Enabled by New Land Allocations	1993	780	n/a	n/a	2773
Total		3049	1562	342	1176	6129
As % of Total Growth		50%	25%	6%	19%	100%

6.8 As detailed in Appendix 1 (site allocations table) of the revised Deposit draft Plan (2015), as amended by the proposed Focussed Changes, January 2016, the LDP makes provision for **3937** dwellings (of which 1257 are affordable) on larger housing sites (5+ dwellings) split between the following:

- I. provision via new housing land allocations (HA sites) for 2773 dwellings and
- II. provision from commitments (HC sites)- built, under construction or awaiting construction and already having planning permission from the Unitary Development Plan (or earlier) 1164 dwellings.

7. Conclusion

7.1 The Council has determined that demonstrating the 5 year supply is fundamental and therefore is reducing the housing requirement to 4500 dwellings through a Focussed Change to a realistic and achievable level in order to meet the requirement of TAN 1. However, due to the amount of small sites (less than 5 dwellings, non-allocated) being built in Powys and the potential for other windfall development including single affordable homes and rural enterprise dwellings, the Council considers that the Plan should have a higher housing provision figure of 6129 dwellings in order to provide a range and choice of sites for developers in Powys.