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Powys Local Development Plan

Overview of the Housing Provision

Position Statement

September 2016

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Executive Summary

The Planning Inspector appointed to test the soundness of the Powys Local Development Plan has raised concerns the evidence supporting housing provision in the Powys Local Development Plan and that this may not have sufficient focus in accordance with the strategy of the Plan.

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

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

The alignment of land provision for new housing development against the LDP strategy and objectives is well-defined and focussed to enable growth in the most sustainable locations, but acknowledges policies will also support rural communities and thus ensure the wellbeing of “strong communities in the green heart of Wales”.

1. Introduction

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

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

- [Explanation of the Dwelling Requirement Figure Paper;](#)
- [Explanation of the Housing Commitments paper;](#)
- [Explanation of Housing Allocations Position Statement;](#)
- [Explanation and Review of the Windfall Allowance paper.](#)

These papers in combination provide the evidence that sufficient land is available to meet the dwelling requirements identified within the previously published Population and Housing Addendum ([EB35] - January 2016).

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

1.0.4 In making provision for housing land it is good practice for local authorities to allocate more land than the housing land requirement to allow for choice and flexibility. The amount of over provision is not prescribed in national planning guidance.

2. Housing Provision to Meet the Dwelling Requirement

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

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

- 1) Dwelling Completions
- 2) Land which already has planning permission (housing commitments – HC / HLB)
- 3) New large housing sites (housing allocations – HA)
- 4) Windfalls

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

2.1 Dwelling Completions

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

2.2 Housing Commitments (HC / HLB)

2.2.1 These are large sites which already have planning permission arising from housing allocations in previous adopted plans. Commitments are identified in the annual JHLAS report, which are agreed between the Council, the Welsh Government and house builders. Commitments which support the policies of the LDP are shown as HC sites in the Plan inset maps, Appendix 1 and Policy H1A of the proposed LDP Further Focussed Changes. Those sites which have a valid consent, but which are unlikely to be permitted once the LDP is adopted have been identified as Housing Landbank (HLB) sites as proposed in the LDP's Further Focussed Changes. Further information on these sources are contained in the annual JHLAS study reports.

2.2.2 Some of the dwelling units on housing commitment sites will be under construction as identified in JHLAS, whilst other units will not have been started. The housing provision calculation anticipates a non-delivery discount to account for a proportion of those committed dwelling units which will not be constructed within the Plan period. The calculation of this discount is described in the [Explanation of the Housing Commitments Paper September 2016 \(REF\)](#) and is applied to the total of committed dwelling units as 1 April 2015 which is the base date used for all housing provision

2.3 Housing Allocations (HA)

2.3.1 These are the new Local Development Plan allocations arising from the Candidate Site process undertaken in 2011 and are sites which have the capacity for five dwelling units or greater and are shown as HA on the Plan inset maps, in Appendix 1 and in Policy H1A of the proposed LDP Further Focused Changes. Some of these sites may be recorded in JHLAS as they may be partially undeveloped sites carried forward from the previous adopted plan or sites which have gained consent subsequent to the base date of the Plan. Explanation of the distribution of housing allocations and determination of the anticipated dwelling units on these sites is in the [Explanation of Housing Allocations Position Statement \(September 2016 – Ref\)](#).

2.4 Windfall Sites

2.4.1 “Windfall sites” are defined as sites that have been developed but were not allocated for housing at the time the application was submitted in any previous Powys adopted plan. They may be large sites of five dwellings or more or small sites, and can be distributed in settlements with defined development boundaries or small rural settlements and open countryside.

2.4.2 Windfalls include new build developments, conversions or redevelopment opportunities, which can make a significant contribution to the overall amount of housing provision. By their definition, they are impossible to provide a precise indication of the number and location of homes on windfall sites that are likely to be developed. Therefore the windfall projection in the housing provision total is a best estimate of their number that will be provided based upon previous completions. Further details of the location and nature of windfalls and windfall sites is provided in the [Explanation and Review of the Windfall Allowance paper \(September 2016 \(Ref\)\)](#).

2.5 Data sources

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

Table 1: Data Sources Informing Housing Provision

Source	Data Source	Examination Document Reference
Population and Household Growth	Population & Housing Addendum (Jan 2016) Exp. Of the Dwelling Requirement Figure Paper (Sept 2016)	EB35 REF
Dwelling Requirement Figure	Population & Housing Addendum (Jan 2016) Exp. Of the Dwelling Requirement Figure Paper (Sept 2016)	EB35 REF
Housing Completions	Annual JHLAS study Report (2015)	EB05
Housing Commitments	Annual JHLAS study Report (2015) Explanation of the Housing Commitments Paper (Sept 2016)	EB05 REF
Housing Allocations	Candidate Site Survey Status Report (2015) Exp. of Housing Allocations Position Statement (Sept 2016) Viability Review Study (August 2016)	LDP04 REF REF

	Viability Topic Paper (Sept 2016)	REF
Windfalls	PCC Housing Land Supply Annual Monitoring Exp. & Review of the Windfall Allowance Paper (Sept 2016)	REF REF

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

Table 2: The Combined contribution of Housing to the Powys Local Development Plan

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

A large site is defined as five residential units or more

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

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

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

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

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

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

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

2.6 Flexibility Allowance within the LDP

2.6.1 In planning to deliver the dwelling requirement, the LDP includes a flexibility allowance for sites that may not be developed in the Plan period. An additional contingency has therefore been added. As shown in Table 2, the plan makes provision for **5,596 dwellings** in order to meet the dwelling requirement of **4,500 dwellings (300 p.a.)**. This is a contingency allowance of an additional 1096 dwellings or **24%** above the dwelling requirement figure.

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

2.6.3 The Powys housing market has no major volume housebuilder operating in the County and as a result housing delivery is largely reliant upon small and individual developers. As a result, in Powys housing sites tend to be small and allocations are owned by owners with many different interests, expectations etc., and it is considered expedient to over provide to ensure delivery of the dwelling requirement.

2.6.4 The appropriateness of the revised over provision presented in Para. 2.6.1 can be demonstrated by analysis of the annual JHLAS report published in August 2016. From JHLAS 2016, the delivery of housing during the lifetime of Powys Unitary Development Plan can be analysed against that Plan's dwelling requirement. The total housing requirement during the UDP Plan period was 6135 units of which 4323 have been delivered, or 70% of the total. This indicates that there was 30% over provision within that Plan. However, the LDP candidate site process means that there is greater confidence in the sites in the LDP being delivered by their promoters within the Plan period and therefore a 24% over provision is considered appropriate.

2.6.5 Monitoring of the delivery of housing and the over provision will be monitored following adoption of the Local Development Plan.

3. Focus of Housing Provision

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

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

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

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

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

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

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

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

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

4. Alignment and Implications for LDP Strategy

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

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

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

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

(N.B: author’s italics)

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

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

4.1 LDP Growth Strategy

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

4.2 LDP Spatial Strategy

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

5. Conclusions

5.0.1 The Powys Local Development Plan identifies that to meet the dwelling requirement figure of 4,500 within the Plan period, the Plan 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.

5.0.2 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% flexibility allowance as a contingency should not all anticipated deliverable sites come forward within the Plan period to enable the dwelling requirement figure to be met.

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

5.0.4 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.

