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# Revised 2018-2033 Local Development Plan

## Position Statement Housing Growth and Spatial Distribution



April 2024

## 1. Introduction

This Position Paper is published in conjunction with the Role and Function Paper and considers the preferred household growth option for the Revised LDP which is set out within the Population and Household Topic Paper. This paper includes evidence on the Housing element of Growth and Spatial Distribution and is an update following representations made during the Deposit Revised LDP consultation.

## 2. Background

As part of the background evidence to the 2<sup>nd</sup> Deposit Revised Local Development Plan, the Council published a Growth and Spatial Distribution Topic Paper which considered the rLDPs position in relation to its Housing Growth. It sought to provide a justification in setting out the various components of housing supply and the rationale for its spatial distribution across the County.

Following comments from Welsh Government to the 2<sup>nd</sup> Deposit rLDP, it is necessary to explore those representations relating to housing growth and provide commentary as to the Council's response. It has been necessary to do so to conform with the Development Plan Manual, Edition 3, and to provide clarity on the Council's approach leading into the examination of the Revised LDP.

## 3. Council's response to representations

### Representation 5542 – Welsh Government

***The Council has not complied with key sections of the DPM in terms of the clarity, consistency, and presentation of the components of key elements of the housing supply required, including the housing trajectory. It is unclear as to exactly what is the level of housing provision proposed in the plan. The Council need to undertake the necessary work to ascertain the scale of changes required to the policies in the plan, the evidence base and most importantly the overall housing provision. Depending on the outcome of this work, this could have procedural implications in terms of how the plan can be moved forward to examination and may impact negatively on use of the Welsh language. It may be the case that Focussed Changes are required prior to submission.***

#### Council's response:

The housing requirement set in the rLDP is 8,822 dwellings, and the housing provision is 9,704 dwellings. It is acknowledged that there was some confusion in how the information was presented in the trajectory and spatial distribution tables. Discussions have taken place with officers of the Welsh Government and the tables have been revised in line with the DPM, whilst maintaining the housing requirement and provision set in the Plan. Updated tables are presented in Appendix 1.

### Representation 5543 – Welsh Government

The DPM (5.62) specifically states that all housing components must have the same base date. This is essential to avoid confusion and issues of consistency. The Council has used a base date of 01<sup>st</sup> April 2022 for completions/under-construction category and October 2022 for the timing and phasing of large sites. **This approach does not comply with the DPM and as a result there is no accurate picture of housing in the plan, and the supporting evidence.** The Council must either roll back the housing figures and all components of supply to 01<sup>st</sup> April 2022 or move everything forward to 01<sup>st</sup> April 2023.

#### Council's response

The Housing Trajectory has been updated to the period up to 31<sup>st</sup> March 2023 and is presented in Appendix 1. All components of Housing Supply have been updated to reflect the same base date which overcomes the objection from Welsh Government.

It is expected that in the lead up to examination hearing session the Council will be able to update the housing trajectory to a base date of 31<sup>st</sup> March 2024, with consequential updates being made to the housing supply and spatial distribution tables complying with the requirements of the DPM.

### Representation 5544 – Welsh Government

PPW (4.2.10 and 4.2.11) states the housing trajectory must be prepared in accordance with the DPM. The DPM contains detailed guidance on how this should be undertaken and presented in the plan. The trajectory table in the plan and supporting graph (page 340 and 341) do not comply with the requirements of the PPW and the DPM as follows:

- Rows J to T do not comply with new 'AABR approach/formula' set out in the DPM Row L guidance (page 124-127 and Table 21). The Council has used the AAR 'old system' and has included a 5-year land supply calculation. TAN 1 was revoked and the DPM (Edition 3) was published in March 2020. **The Council must amend the trajectory to comply with the latest policy and guidance.**
- Row H – Large windfalls should be removed from the first two years of supply 01 April 2022/23 and 2023/24 (DPM 5.73) – see comments overleaf.
- The trajectory graph should not have a 'straight AAR line' for the reasons stated above. The graph should be amended in line with above comments and DPM Diagram 16.
- Row G – the anticipated completions on large sites with planning permission totals 2,675 units which is significantly different to the supporting tables in Appendix 7 and the Spatial Distribution of Housing Table (page 342 of the plan) which states this is 4,342 units. The figure of 4,342 for the land bank is also included in Tables 14 and 15 of the Housing Row K of the housing trajectory adds up to 9,704 units which is correct and consistent with the housing provision figure in Policy SP4. However, this figure is predicated on a housing land bank of 2,675 units. The background paper also states that 1,510 units previously allocated have now gained a permission since the last deposit plan raising serious questions as to the validity of the 2,675 figure. If the 4,342 were to be inserted the provision would be more than 11,000 units. **This significant discrepancy must be explained and justified. The Council must confirm what the landbank figure is.** See our comments on housing provision and Welsh Language below and overleaf.

### Council's response

The housing trajectory presented in the 2<sup>nd</sup> Deposit LDP was based on the previous DPM and has now been updated to be in line with the latest DPM, Edition 3. Following discussion with officers of the Welsh Government the tables have been revised in line with the latest DPM and overcome the concerns above.

### Large Windfall Allowance

#### Representation 5545 – Welsh Government

**(a) Consistency in terminology/definition** - The (DPM 5.62) states that each housing component should be clearly defined, robustly justified and consistent to aid clarity and avoid double counting. The definition of a windfall site is clear within the DPM – Table 18. It states that a windfall site is one that is not allocated or identified as a commitment in the plan. **The way in which windfall sites are described/defined within the Growth and Spatial Distribution Part 1 – Housing Topic Paper is extremely confusing** with completions,

landbank and windfall terminology being used in an interchangeable and inconsistent manner. For example, what is meant by anticipated and unanticipated windfall (para 2.28 – 2.30)? **The Council need to confirm that there is no double counting or inconsistencies with the landbank and the large windfall allowance.**

**(b) Inconsistencies with the large windfall allowance** - The Council concludes (Housing Topic Paper, para 2.32) that *“it is considered that there is no sufficient and compelling evidence within the windfall data to deviate away from using the average large windfall completion rate over a 15 year period. This equates to 87 dwellings per annum”*. The analysis in Table 2.21 is not disputed, and WG does not object to using the 15 year past completion rate for large windfalls which aligns with DPM guidance. However, the actual large windfall allowance applied by the Council in the housing trajectory (Appendix 7 – Row H) and in supporting Housing Paper (Table 14, Table 15) is 112 units per annum. **It is not clear where this figure has come from which is not in line with the Council’s own conclusions. If the windfall rate is adjusted back down to 87 per annum, this would result in a potential reduction of 225 homes from the total housing provision.**

**(c) Windfall deduction from first two years of supply** – The DPM (Table 18 and para 5.73) state that “large windfall sites should not be included in the first two years of supply to avoid issues of double counting”. These definitions apply at a point in time, i.e. the base date of the evidence base, and associated policies, tables and the trajectory in the plan. In this case the base date is 01<sup>st</sup> April 2022 (caveated by our comments above). This means that the large, anticipated windfall rate should only be applied from 2024 onwards. To align with the DPM, 112 units should be removed from the trajectory in 2022 and 2023 which **would result in a further reduction of 225 homes from the housing provision.**

### Council’s Response

(a) Reference should be drawn to the updated Growth and Spatial Distribution Topic Paper which aims to clearly define the various components of housing supply.

In reference to anticipated and unanticipated windfall, the Topic Paper seeks to provide a commentary on this terminology and identifies those sites that may be likely to be delivered during the Plan period (anticipated) and those sites where there is no, or unlikely to be any developments (unanticipated). Its purpose and definition was used to show that the windfall figure could be met by the windfall sites.

(b) The windfall allowance adopted in the Plan is 87 dwellings per annum. This has been reflected, and corrected in the amended tables set in Appendix 1.

(c) Windfall provision has now been deducted from the first two years of supply in the amended tables.

### Total Housing Provision – Inconsistencies Representation 5546 – Welsh Government

Policy SP4 makes provision for 9,704 homes to deliver a housing requirement of 8,822 homes. This represents a flexibility allowance of 10%. The DPM (5.60) states that the plan should be clear on how the total housing provision (9,704) is spatially distributed. In addition to the comments raised previously, there are several inconsistencies within the plan and its supporting evidence which may have implications of the housing provision:

- See comments relating to Row G of the Councils Housing Trajectory. There is a significant difference of 1,677 homes between the land bank figure included in the trajectory summary table (Row G) to that contained in the supporting tables and the Housing Topic Paper. The Housing Topic Paper Tables 14 and 15 state that sites

with planning permission total 4,342 units. This aligns with the detailed supporting tables for the Councils trajectory in Appendix 7. The Plans Spatial Distribution Table also states that this figure is 4,342. **This is a significant difference that has not been explained or justified. Where has the trajectory land bank figure of 2,675 come from? Is the landbank 4,342 or 2,675 units?**

- The Housing Topic Paper (Appendix) 2 explains the Councils rationale for the allowance of 246 homes in Tier 4. This figure does not appear to be included in the total housing provision. In addition, the Council should explain how the Policy HOM 3 10% cap above existing homes in these settlements will be implemented in practice? Will it be based on permissions or completions? Settlement thresholds/caps have not worked well in other parts of Wales.
- There are mathematical inaccuracies in the Council' s Spatial Distribution Table (Appendix 7)/

### Council's response

Discussions have taken place with officers of the Welsh Government and the tables have been revised in line with the DPM which overcome these inconsistencies. An explanation of the terminology used is contained within the updated Growth and Spatial Distribution Topic Paper.

Under Policy HOM3, there is an allowance for Tier 4 settlements to provide 246 homes. This figure has now been included in the updated Spatial Distribution Table. The implementation of this policy will be set out in Supplementary Planning Guidance.

## 4. Housing Trajectory

Following the initial 2<sup>nd</sup> Deposit representations made by the Welsh Government, meetings have taken place to resolve issues of the presentation and accuracy of the housing trajectory and spatial distribution tables.

Two housing trajectory tables are presented in Appendix 1 & 2. The table contained in Appendix 1 sets out the situation with the housing provision set at 9,704 based on a housing requirement of 8,822 with a flexibility of 10%. As can be seen in this table, this shows a deficit of 464 remaining housing completions, the DPM requires this to equate to 0.

We are now five years into the trajectory due to delays in the Plan's preparation process. Both the housing requirement and provision have remained the same in the first and second Deposit rLDPs. The deficit can be put down to two issues – overall completions and windfall completions:

- Completions were significantly lower than expected in 2022-23, the reasons for this can only be speculated about, it could be down to the cost-of-living crisis or that the current adopted LDP has gone past it's end date of 2021.
- The anticipated windfall allowance for the first 5 years (plus 2 which must be deducted as set out in the DPM) has not been met. Based on past trends, an average of 87 windfall dwellings has been set. As can be seen in the

trajectory table - in the first five years since the base date of the Plan, only 72 windfall dwellings have been built, rather than the anticipated 435. It is considered that the main reason for this is that in the preparation of 2<sup>nd</sup> deposit has reclassified some sites which would have been windfall in the period 20-22.

Consideration has been given to how to address the deficit, and as a result, a second trajectory table is presented in Appendix 2. This alternative trajectory provides a flexibility of 4%, rather than 10%, with the housing provision reducing to 9176. This is presented to demonstrate how the remaining housing completions requirement in row N of the trajectory table could equate to 0.

Alternatively, to maintain the flexibility at 10%, an additional 528 dwellings are required [LDP housing provision (9704) – Actual housing provision (9176) = 528]. This under-supply has is calculated as follows:

LDP housing provision		9704
Windfall under-supply*	-	537
Small sites over-supply**	+	9
Actual housing provision		<u>9176</u>

\* Large windfalls – Provision is made for 1305. Large windfall completions to date have been 72, and the anticipated completions are set at 696 (87x8), totalling 768 - therefore there is an under-supply of 537 dwellings from the windfall provision.

\*\* Small sites – Provision is made for 1575. Small sites completions to date have been 534, and the anticipated completions are set at 1050 (105x10), totalling 1584 – therefore there is an over-supply of 9 dwellings from small sites.

This alternative table is presented for discussion at examination as to whether a 4% flexibility is more suitable, or whether it would be more appropriate to provide an additional 528 dwellings to maintain the flexibility allowance at 10%.

## Appendix 1 – Housing Trajectory

	LDP Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A	Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
B	Remaining years	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
C	Total housing provision	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704
D	Total LDP housing requirement	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822
E	Actual recorded completions on large sites during year	277	607	399	365	144										
	Comps on allocated large sites	247	580	394	357	142										
	comps on large windfall	30	27	5	8	2										
F	Actual recorded completions on small sites during year	117	103	104	125	85										
G	Anticipated completions on allocated sites during year						4	71	255	508	491	427	263	235	177	95
H	Anticipated land bank completions during year						294	272	373	393	309	263	249	246	110	69
I	Anticipated completions large windfall during year								87	87	87	87	87	87	87	87
J	Anticipated completions small windfall sites during year						105	105	105	105	105	105	105	105	105	105
K	Total completions (E+F+G+H+I+J)	394	710	503	490	229	403	448	820	1093	992	882	704	673	479	356
L	Anticipated Annual Build Rate - Total anticipated annual completions (G+H+I+J) adjusted with X% adjustment factor to future completions. The adjustment factor is not applied to any actual completions recorded in row E & F						354.824	394.444	721.973	962.338	873.412	776.562	619.841	592.546	421.738	313.442
M	Total projected cumulative completions					2326	2680.82	3075.27	3797.24	4759.58	5632.99	6409.55	7029.39	7621.94	8043.68	8357.12
N	Remaining housing completions (housing requirement minus projected completions by year)					6496	6141.18	5746.73	5024.76	4062.42	3189.01	2412.45	1792.61	1200.06	778.323	464.88

## Spatial Distribution Table

	Components of Housing Supply	Tier 1	Tier 2	Tier 3	Tier 4	No Tier	TOTAL
i	Completions Large sites – HOM1	1024	560	136	0	0	1720
ii	Completions Large sites - windfall	39	20	11	2	0	72
iii	Completions Small sites	198	145	131	52	8	534
<b>A</b>	<b>Total Completions (i+ii+iii)</b>	<b>1261</b>	<b>725</b>	<b>278</b>	<b>54</b>	<b>8</b>	<b>2326</b>
iv	HOM1 U/C	95	44	17	0	0	156
v	Windfall U/C	0	1	2	2	0	5
<b>B</b>	<b>Units under construction (iv+v)</b>	<b>95</b>	<b>45</b>	<b>19</b>	<b>2</b>	<b>0</b>	<b>161</b>
<b>C</b>	<b>Units with planning permission</b>	<b>1321</b>	<b>1051</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>2578</b>
<b>D</b>	<b>New housing allocations</b>	<b>1573</b>	<b>577</b>	<b>376</b>	<b>0</b>	<b>0</b>	<b>2526</b>
<b>E</b>	<b>Large windfall sites (+5)</b>	<b>289.9</b>	<b>227.0</b>	<b>179.2</b>	<b>0</b>	<b>0</b>	<b>696</b>
<b>F</b>	<b>Small windfall sites (-5)</b>	<b>822</b>			<b>212</b>	<b>16</b>	<b>1050</b>
<b>G</b>	<b>Total Housing Provision (A+C+D+E+F)</b>	<b>4444.9</b>	<b>2580.0</b>	<b>1039.2</b>	<b>266</b>	<b>24</b>	<b>9176</b>
		<b>822</b>					



## Appendix 2 – Alternative Housing Trajectory

	LDP Year	1	2	3	4	5	6	8	9	10	11	12	13	14	15	
A	Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
B	Remaining years	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
C	Total housing provision	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176	9,176
D	Total LDP housing requirement	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822	8,822
E	Actual recorded completions on large sites during year	277	607	399	365	144										
	Comps on allocated large sites	247	580	394	357	142										
	comps on large windfall	30	27	5	8	2										
F	Actual recorded completions on small sites during year	117	103	104	125	85										
G	Anticipated completions on allocated sites during year						4	71	255	508	491	427	263	235	177	95
H	Anticipated land bank completions during year						294	272	373	393	309	263	249	246	110	69
I	Anticipated completions large windfall during year								87	87	87	87	87	87	87	87
J	Anticipated completions small windfall sites during year						105	105	105	105	105	105	105	105	105	105
K	Total completions (E+F+G+H+I+J)	394	710	503	490	229	403	448	820	1093	992	882	704	673	479	356
L	Anticipated Annual Build Rate - Total anticipated annual completions (G+H+I+J) adjusted with X% adjustment factor to future completions. The adjustment factor is not applied to any actual completions recorded in row E & F						382.173	424.848	777.623	1036.52	940.735	836.419	667.618	638.22	454.246	337.602
M	Total projected cumulative completions					2326	2708.17	3133.02	3910.64	4947.16	5887.89	6724.31	7391.93	8030.15	8484.4	8822
N	Remaining housing completions (housing requirement minus projected completions by year)					6496	6113.83	5688.98	4911.36	3874.84	2934.11	2097.69	1430.07	791.848	337.602	0