

LDP2 **Ceredigion**

Replacement Local Development Plan

2018 - 2033

Topic Paper: Housing

Update for Preferred Strategy 2019

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Cyngor Sir
CEREDIGION
County Council

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Note for Reader

The update Topic Papers for the Local Development Plan (LDP) Deposit were published at the same time (December 2010) and are still available on the Council website or in paper copy by request.

The purpose of this Topic Paper Update is predominantly to demonstrate whether, since the Deposit of the LDP was published and subsequently the LDP adopted in April 2013, there has been any change in; relevant guidance, policies or strategies; information and evidence; or issues highlighted through the Annual Monitoring Report (AMR) or appeals; that suggests the issues addressed in the adopted LDP have changed or are not fully being addressed by the policies.

Each topic paper will provide a summary table of any issues raised since the Deposit and whether these trigger the need for further investigation as to whether a change is required as part of the LDP review, or further explanation as to why a change is not required. If there is further discussion required this will be incorporated within the update paper.

1. Executive Summary

- 1.1.1 This paper has reviewed a range of local, regional and national guidance and evidential publications and considered whether they trigger a change to policies within the plan.
- 1.1.2 This paper presents a range of evidence on housing delivery, house prices, affordable housing, rural enterprise dwellings, empty and second homes and offers suggestions as to how policies need to be amended to reflect this new evidence.

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2. Introduction

2.1.1 The Housing Topic Paper (December 2011) discussed the basis for the level and type of housing growth for Ceredigion over the plan period of the LDP. It considered the policy constraints, guidance and best practice that constrain the deliberations of the LDP.

2.1.2 This information was then used to determine the key issues which could be addressed by the LDP, housing objectives and finally in the development of policies.

2.2 Background to LDP review

2.2.1 The review report published in 2018 outlined the main themes that needed addressing in the review. It identified from the preceding AMR's that much of the strategy policies were failing to achieve their targets and that insufficient development had occurred countywide to meet the unrealistic levels of growth predicted in the first LDP. Furthermore development of too greater scale was occurring in the linked settlements and other locations.

2.3 Role of this paper

2.3.1 This paper looks at what has changed since the previous Update Topic Paper was released and whether a more detailed update is required to discuss any issues raised. If so the more detailed update will be incorporated within this paper.

3. Update table

3.1.1 The table below provides a summary of changes that have occurred or issues that have been raised in relation to Housing following publication of the last topic paper in 2011. These may be from changes in/new Policies, Strategies etc., changes in/new evidence or information or issues raised in the AMR, Review Report or appeals.

Review Issue / Proposed Change	Source / Trigger	Date (Month/ Year)	Action	Further comments	Review Topic Paper Required?
Changes to Local Housing Needs and Affordability	Local Housing Market Assessment Update Cross Border Housing Market Assessment	2016 2019	Review how the LDP can help address housing needs of an aging population. Review Policy S05, LU02 & LU04 Consider changes to housing needs in terms of household size. Consider changes to house price to incomes ratio and the impact the amount of those in need of affordable housing	The new LHMA shows a difference in the population projections to those used in the development of the LDP. The population projections are lower than those used to inform the housing requirements for the LDP and as such have lead to a change to the housing requirements. The results of a regional housing market assessment currently being prepared will also be considered	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
Changes to population & household projections & estimates	2011-based Population & Household projections 2014-based Population & Household projections Mid Year Population & Household Estimates	2015 2016/2017 2014,2015,2016, 2017	Review Housing Needs Model part of CBHMA	Whilst population is predicted to grow, it is at a much slower rate than previously predicted.	Address in Population & Household Growth Topic Paper Update
5 year housing land supply	TAN1: Joint Housing Land Availability Study MIPPS: Suspension of para 6.2 Of TAN 1	January 2015 2018	Consider ways to ensure a 5 year land supply at adoption of replacement plan.	TAN1 was amended in order to reduce the preparation period for the study and to change the method of calculating housing land supply which has been limited to the residual method. Ensuring a 5 year land supply will be subject to the Housing	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				requirement figure set in the replacement plan	
New legislation re Housing	Housing (Wales) Act 2014 MIPPS re: HMOs	2014	None	<p>This piece of legislation supports the LDP policies of providing more and better quality homes that meet the needs of the population of Ceredigion.</p> <p>The key elements of the act are:</p> <ul style="list-style-type: none"> • introduction of a compulsory registration and licensing scheme for private rented sector landlords and letting and management agents, which will be delivered by Rent Smart Wales (external link) • reform of homelessness 	No

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				<p>law, including placing a stronger duty on local authorities to prevent homelessness and allowing them to use suitable accommodation in the private sector</p> <ul style="list-style-type: none"> • placing a duty on local authorities to provide sites for Gypsies and Travellers where a need has been identified • giving local authorities the power to charge more than the standard rate of council tax on long-term empty properties and certain types of second homes 	
New legislation re	Mobile Homes	2013	None	Updates an existing law and is	No

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
Mobile Homes	(Wales) Act 2013			designed to improve regulation of the industry so that conditions on mobile home sites improve and the rights of residents better protected. No implications for the Housing Topic.	
New Legislation	Renting Homes (Wales) Act 2016	January 2016		<p>Seeks to make renting a home simpler and easier, replacing various and complex pieces of existing legislation with one clear legal framework.</p> <p>The Act will:</p> <ul style="list-style-type: none"> replace the majority of current tenancies and licences with just two types of contract – one for the private rented sector and one for social housing 	No

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				<ul style="list-style-type: none"> • require landlords to issue a written statement of the contract which clearly sets out the rights and responsibilities of both landlords and tenants • require landlords to carry out repairs and ensure rental properties are fit for human habitation. It will also help protect people from being evicted simply for complaining about the condition of a property • help to prevent people being made homeless when a joint tenant leaves a tenancy, thereby ending the tenancy for everyone else 	

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				<ul style="list-style-type: none"> do more to help victims of domestic abuse by enabling the person carrying out the abuse to be targeted for eviction help a landlord to recover a property in situations where the tenant abandons it 	
New Legislation	Well-being and Future Generations (Wales) Act 2015	2015	Further investigation required	<p>In brief, this Act requires that all projects, policies and plans consider economic, social, environmental and cultural well-being of Wales in a way that accords with the sustainable development principle.</p> <p>The Act puts in place 7 wellbeing goals:</p> <ul style="list-style-type: none"> A globally responsible 	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				<p>Wales</p> <ul style="list-style-type: none"> • A prosperous Wales • A resilient Wales • A healthier Wales • A more equal Wales • A Wales of cohesive communities • A Wales of vibrant culture and thriving Welsh Language <p>All of the goals are relevant to housing in different ways. LDP Objectives and policies may need refinement to address these goals.</p>	
National Policy Update	Planning Policy Wales Edition 10	2018	Further investigation required	The reimagined PPW10 places a focus on place making and ensures the WBFGA is at the heart of sustainable development and	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				plan making – whilst PPW10 does not alter the types of development permissible it does have higher expectations on place making and what that means for how development is planned.	
Housing Strategy	Housing for All 2018-2023, Ceredigion County Council	2018	Ensure LDP reflects housing strategy		Yes
Gypsy/Travellers Accommodation Needs	GTAA	December 2016	None. Consider 2019/20 GTAA for Deposit Plan. Note: New guidelines on GTAA preparation expected 2019.	The Gypsy Traveller Accommodation Assessment concluded that there is currently no need to identify or allocate and gypsy traveller site in Ceredigion. This situation will continue to be monitored.	No

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
Housing Delivery	AMR	2018	<p>Consider extant sites and outstanding consents unlikely to come forward in replacement plan period.</p> <p>Review allocated sites and ensure deliverability of allocated sites in replacement plan.</p> <p>Review the effectiveness of Policy LU05.</p> <p>Review allocated sites and undertake call for sites in areas where deliverability of sites is of concern.</p>	<p>2044 (JHLA 2018) dwellings have been completed since the start of the plan period. This equated to approx. a third of the total housing requirement and as such new housing is not being delivered at the levels anticipated in the LDP. However we now appreciate that the population growth planned for in the last plan has not materialised and therefore had a revised figure been considered earlier it may be the case that we have delivered to meet needs rather than the projections. In order to ensure the next plan delivers all its sites, a review of all allocated sites is being</p>	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				undertaken. Furthermore extant sites research is considering potential action, for supporting delivery of extant sites where appropriate and / or how in accordance with the draft manual we can discount some of our outstanding consents as being unlikely to come forward.	
Settlement Strategy	AMR	2018	Review growth distribution and time to deliver to inform replacement plan period. Review Policy S01-S04.	Proposed target for LDP is 51:24:25, the current split is 45:18:38. (Commitments measured from plan adoption) Whilst the split is currently not at target there is a direction of travel toward the policy goal of refocussing growth. However given the too ambitious planned for growth in the first	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				LDP, the actual commitments would inevitably fail to meet the targets due the outstanding consents carried through into plan adoption in the less sustainable settlements.	
Affordable Housing Targets and Delivery	AMR Welsh Government Manifesto Target – 20,000 2016-2021.	2018 2016	Review needs through LHMA and Strategic Viability Assessment including thresholds and targets. Review Policy S05.		Yes
Second Home Ownership	Council tax empty homes info, and local surveys/intelligence	2018	Consider second homes numbers.	Consider introducing a policy which restricts new residential dwellings to be occupied as a person's 'principal residence'. See St Ives neighbourhood plan case. Various legislative provisions	Yes

Review Issue / Proposed Change	Source / Trigger	Date (Month/Year)	Action	Further comments	Review Topic Paper Required?
				<p>exist for dealing with empty homes with a view to encouraging bringing empty properties back into use.</p> <p>Housing Act 2014 includes new provisions adopted by the LA that gives the power to charge more than the standard rate of council tax on long-term empty properties and certain types of second homes.</p>	
Re-use of Abandoned Dwellings	Implementation Issues & Appeal in relation to Policy LU09	2017	Review Policy LU09	The policy has been the subject of a few appeals where the authority has been challenged on the policy wording and reasoned justification, therefore amendments are required to reflect these appeal decisions.	Yes

3.2 Conclusion

3.2.1 As noted in the table above, changes in policy/guidance/evidence/issues have resulted in the need for more detailed discussion with regards to this topic paper.

3.2.2 New national strategy should be taken into account when considered in line with the LDP LU policies.

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4. Local Context

4.1 Background

4.1.1 The Topic Papers written at Preferred Strategy and Deposit set out more detail in relation to housing within the County. That detail remains relevant and is not therefore repeated here. However, the following section summarises how information in the 2010 paper has influenced the content and production of the LDP.

4.1.2 From the evidence base, a number of key issues were identified that may be able to be addressed, at least in part, by the LDP. These were:

- a. How to respond to growth in population
- b. Location of growth
- c. Housing Affordability
- d. Meeting a range of housing needs

4.1.3 Other issues were identified following the Submission Version of the topic paper and these were:

- a. Impact of housing need in bordering counties
- b. Evidence base needs to be identified for not allowing further HMO development.
- c. The accommodation of students and the way their needs impact on the local housing market.
- d. The use of park homes to be considered as a means to provide permanent accommodation.

4.1.4 These issues were researched and then drawn into the Key Issues and Objectives, and then addressed where possible, within LDP Policies.

4.2 Current Position

4.2.1 The LDP was adopted in April 2013 and the first review started in 2018.

4.2.2 In addition, there have been four Annual Monitoring Reports (AMRs) produced which monitor the effectiveness of the LDP against what was said it would do. Several targets have been incorporated that monitor housing directly and are listed below;

AMRH01 - Population Change	The results of variable population estimates will be factored into work on the review, further evidence on population growth/ decline is being considered regionally and how the LDP responds to this evidence will be integral to the development of LDP 2.
AMRH02 – Settlement Strategy Countywide	<p>The ‘direction of travel’ towards policy goals for refocusing growth shown in the results is positive and therefore there are no significant concerns over policy implementation at this stage.</p> <p>Positive movement has occurred towards the identified targets from plan adoption and in the reporting year in respect of commitments and the ratio is consistent with the identified target. The target has not been met for completions which when measured from adoption are 42:16:42. The LDP revision should consider the Settlement strategy and continue to identify ways to deliver housing in sustainable locations.</p>
AMRH03 – Settlement Strategy Settlement Groups	There has over the previous AMRs been a mixed picture in terms of the settlement strategy groups. The monitoring requires that development balance between the service centre and its linked settlements improves and for some this is the case. However there are some where no changes have occurred. It is expected that a review of the plan will address the settlement groups of particular concern such as Devils Bridge and New Quay.

AMRH04 – Settlement Strategy – Development in ‘Linked Settlement’	Given the amount of development permitted in Linked Settlements, prior to the adoption of the plan and implementation of Policy S04, it is therefore not surprising that the policy has been difficult to monitor. Essentially there were prior to adoption, too many permissions in LSs and OLs, and since adoption there has continued to be applications approved. The majority of these are in accordance with S04 and meeting identified local needs. However each and every one approved however justified contributes to further increasing the strain on the strategy.
AMRH05 – Settlement Strategy – Development in ‘Other Locations’	Although 8 units were permitted did not accord with the provisions as set out in National Policy for development in the open countryside, the 8 units either provided a heritage, affordable housing or local community & economic benefit.
AMRH06 – Housing Land Supply	The 5 year land supply target is not being met. Whilst Ceredigion only has a 2.2 year land supply, significant land remains available for sites over 5 units which is constrained only by access to finance and demand factors. This scenario is coupled by a thriving delivery of sites less than 5 units and lower than predicted population and household growth. The LDP revision, is considering the appropriateness of the LDP’s housing strategy, policies and allocations. Furthermore the LPA welcome the proposed revision of TAN 1, and dis-allocation of paragraph 6.2 given Ceredigion is only one of almost all local authorities in Wales to have a less than 5 year land supply.
AMRH07 – Delivery of Allocated Housing Sites	The percentage of anticipated units (permissions) has increased from the previous monitoring period to 14%. This indicates positive progress notwithstanding that

	<p>the realised percentages are significantly below the 40% requirement. The LDP revision is considering delivery of allocated sites in more detail including analysis of the relationship between planning permissions and completions and size of allocation.</p>
<p>AMRH08 – Housing Development in the Right Locations</p>	<p>Whilst the target has not been achieved, positive movement in the right direction is evident since plan adoption and since the previous monitoring period. The LDP review is considering the appropriateness of existing allocated sites to inform Plan revision, in particular seeking out sites for future allocation that meet the business model of developers operating in Ceredigion.</p>
<p>AMRH09 – Housing Development on Previously Developed Land</p>	<p>The targets are currently being comfortably met and there is no concern over the implementation of the policies</p>
<p>AMRH10 – Affordable Housing</p>	<p>The target of 70 units of AH completed per annum is not being met due to a general slow down in the economy, experienced across the UK. However, of the units which are being permitted and completed, approximately 20% are Affordable. Therefore, there are no concerns over the implementation of the policy.</p>
<p>AMRH11 – Affordable Housing</p>	<p>The target is currently not being met given that 23% of all housing developments have received a viability challenge however there is no concern over the implementation of the LDP's policies due to the nature of the type of developments being challenged. The updated strategic Viability Assessment is considering these issues including the cost of conversion, redevelopment and restoration applications and making specific recommendations which will inform policy revision, including specific reference to the</p>

	threshold above which an affordable home contribution should apply.
AMRH12 – Type of Affordable Housing	The overall broad distribution of Affordable Housing is below targets but in line with the most recent evidence of local needs. The performance of policy is therefore not of significant concern at present. The delivery of intermediate tenures should be monitored closely in future years.
AMRH13 – Housing Density	The average density of residential development coming forward on allocated housing sites (19.62 dwellings per hectare) is broadly consistent with the average LDP guideline density for allocated sites (23.60 dwellings per hectare). There are currently no concerns over the implementation of this policy.
AMRH14 – Delivery of Housing	The starting ratio of 6.5 outstanding consents to 1 completion has never been achieved; This year's figure of 14 outstanding consents to 1 completion does not meet the identified target. Further action should be considered through management of permissions and more detailed consideration during the Plan Revision.
AMRH15 – Range of Housing	The target is not currently being met however there are no concerns over the implementation of the policy. In terms of dwelling sizes, Policy LU02 is still considered to be fit for purpose. The need for accommodation for elderly persons will be factored into the LDP revision and may result in a change/addition to policy LU02 to address the issue of an aging population and emphasize the need for suitable accommodation as part of the housing mix on housing sites.

5. Review Issues (Triggers)

5.1.1 Table 1 in Section 3 & Section 4 summaries the analysis of the AMR, new/updated legislation/guidance/policy and new/updated evidence. Where issues have been highlighted, more information is provided below.

5.2 AMR Indicators

5.2.1 The AMR indicators present a mixed bag, in many cases the plan is achieving improvements in development density and exceeding the target for affordable housing. In others i.e. development in the urban and rural service centres too much development is coming forward in the linked settlements and other locations. This is partly a historic problem given the back log of consents the plan had prior to adoption and also an ongoing issue. With 29% of the population of Ceredigion living in open countryside there was inevitably going to be strong demand for housing outside the established boundaries of settlements.

5.3 Changes to / New Policy / Legislation

5.3.1 Since the LDP went to deposit the following legislation/policy/guidance has been released or updated.

National Policy

Housing (Wales) Act 2014

5.3.2 This piece of legislation is Wales' first ever housing act and aims to improve the supply, quality and standards of housing in Wales. The Key elements of the act are as follows; Introduction of a compulsory registration and licensing scheme for private rented sector landlords and letting and managements agents;

- Reform of homelessness law, including placing a stronger duty on local authorities to prevent homelessness and allowing them to use suitable accommodation in the private sector;
- Placing a duty on local authorities to provide sites for Gypsies and Travellers where a need has been identified;

- Introduction of standards for local authorities on rents, service charges and quality of accommodation;
- Reform of the Housing Revenue Account Subsidy system;
- giving local authorities power to charge more than the standard rate of council tax on long-term empty properties and certain types of second homes;
- assisting the provision of housing by Co-operative Housing Associations;
- Amendment of the Leasehold Reform, Housing and Urban Development Act 1993

5.3.3 This piece of legislation supported the LDP policies of providing more and better quality homes that meets the needs of the population of Ceredigion. It does not at this stage require any changes to the LDP.

Mobile Homes (Wales) Act 2013

5.3.4 This piece of legislation updates an existing law originally put in place in the 1960's for residential mobile homes. The act came in to force on the 1st October 2014 and is designed to help improve regulation of the industry, so that conditions on mobile home sites improve and the rights of residents are better protected. The main features of the new law are as follows;

- Site owners are required to apply for a licence from their local authority to operate a site. The licence will last up to 5 years;
- Site managers will need to pass a 'fit and proper person' test before being awarded a licence;
- Site owners will no longer be able to block the sale of a mobile home. The mobile home owner will be free to sell their home to who they wish;
- Local authorities will be able to inspect sites and issue fixed penalty notices to site owners if conditions on the site are not kept properly;
- In more serious instances, local authorities will be able to issue the site owners with a compliance notice to make sure that site conditions are upheld;

- Pitch fees can only be increased in line with the Consumer Price Index;
- Site owners and residents will be able to appeal to the Residential Property Tribunal in certain circumstances

5.3.5 The Act doesn't at this stage require any changes to the LDP.

Technical Advice Note 1: Joint Housing Land Availability Study (January 2015)

5.3.6 The purpose of this TAN is to provide guidance on the preparation of Joint Housing Land Availability Studies (JHLAS). The amendments to this TAN primarily impact the timeline of the study and how housing land supply is calculated. The study preparation period has been reduced to 8 months to ensure that the most up to date information can be collected and submitted for the LDP's AMR. The method of calculating housing land supply will be limited to the residual method and the use of past build rates will no longer be accepted.

5.3.7 The principle implications for the LDP relates to the change in the method for calculating housing land supply.

5.3.8 In 2018 WG consulted upon and agreed to the temporary disapplication of paragraph 6.2 of TAN 1 which effectively made it more difficult for developers to place considerable weight on planning authorities not having a 5 year land supply.

Securing Mortgage Access for Affordable Housing: A good practice note for planning and housing practitioners (2013)

5.3.9 The document provides examples of good practice in drafting S106 agreements.

5.3.10 The current affordable housing policy, Supplementary Planning Guidance (SPG) and associated help sheet takes account of the advice provided.

Local Policy

Affordable Housing SPG

Affordable Housing Helpsheets

Evidencing Need for Affordable Housing Guidance Note

5.3.11 The above SPG and Help sheets have been in use since 2013, the guidance note was introduced in 2017 respectively. The data is useful and essential to the effective implementation of the policy. However criticism has stemmed from it being too long winded and complex. Therefore in the review it will need streamlining.

Evidence

Local Housing Market Assessment (LHMA), 2016

5.3.12 The LHMA 2016 was undertaken using the 2014-based projections which indicates lower levels of housing growth compared to the population & household projections used to inform the housing requirements for the current LDP and as such have led to a change to the housing requirements. The LHMA also suggested different levels of need for different affordable housing tenures to those provided in Policy S05.

Mid & South West Wales Cross Border Housing Market Assessment, 2019

5.3.13 An updated housing market assessment is currently being undertaken regionally, the results of which will inform a further update of this topic paper to inform the preparation of the deposit plan.

Gypsy and Traveller Accommodation Assessment 2015-16

5.3.14 Under the Housing (Wales) Act 2014 Local Authorities have a duty to undertake a gypsy and traveller accommodation assessment (GTAA).

5.3.15 In 2015 Ceredigion Council undertook a GTAA with the aim of establishing the need for transit, temporary or permanent pitch provision over the next five years and over the fifteen year period of the LDP. From the very small number of questionnaires which were completed, it would appear that there

is no current need for additional sites in the County. Currently there is no need to allocate land for a permanent gypsy and traveller site in the LDP and that any future need for sites can be determined through the existing policies within the LDP. The next GTAA is due in 2020 and will inform the deposit plan.

Strategic Viability Assessment, 2017

- 5.3.16 A draft SVA has been prepared by Andrew Golland Associates. This work looked at small and large sites countywide, involved a developer workshop, consideration of local benchmark values, utilised Ceredigion specific sales values and Affordable Housing valuations. It comprised of half hectare viability testing using his adapted 3 dragons toolkit and then specific site appraisals based on a number of allocated sites in the USC and RSCs.
- 5.3.17 The results indicated a better viability picture in some high value areas of the county than anticipated i.e. 40% Affordable Housing contribution in Aberystwyth and Aberaeron, and reduced viability in other areas for example the Teifi Valley Area. This was at odds with the picture the development industry painted and our evidence from viability challenges, which supported the Teifi Valley conclusions but was not as optimistic for Aberystwyth and the coast to Aberaeron.
- 5.3.18 Given the difficulty we had with the conclusions of the study we chose not to publish the evidence until we had had an opportunity to cross check the results.

Mid & South West Wales Strategic Viability Assessment, 2019

- 5.3.19 This work is ongoing and forms part of the regional viability toolkit which has following a successful tender process recently began. The results of which will inform a further update of this topic paper to inform the preparation of the deposit plan.

Housing for All: A Local Housing Strategy for Ceredigion (2013-2017)

5.3.20 This document sets out the long term challenges for housing faced by Ceredigion and provides the background as to how these challenges have been identified. The document has identified 7 challenges for housing in Ceredigion and are listed below;

- A. To work together to make housing a key player in transforming Ceredigion into an affordable, sustainable place to live.
- B. To make sure the local development sector is better places to deliver on housing need in the County.
- C. To champion rural communities in securing affordable housing finance opportunities, at a national, regional and local level.
- D. To have county-wide services and housing stock that enables people to maintain their independence in an affordable and sustainable way.
- E. To work proactively and in partnership to minimise the impact of the Welfare reforms on the people of Ceredigion.
- F. To work together, to prevent housing need from escalating into housing crisis.
- G. To succeed in raising the standard of the County's homes across all sectors, with a special focus on the privately owned sector.

5.3.21 The Housing Strategy aligns with the LDP in that it supports housing and affordable housing of a wide type and tenure to suit the current and future needs of housing in Ceredigion. That strategy does not lead to any changes in the LDP.

Local Housing Strategy 2017-2021

5.3.22 In 2018 Ceredigion formally adopted a new housing for all strategy which is complementary to the LDP and proposes meeting the county's needs for housing through a range of means. There is nothing in the new housing strategy which yields a change of direction in planning policy.

Housing Delivery

- 5.3.23 Housing delivery is low in Ceredigion, there are a number of complex reasons for this. In 2016 Ceredigion County Council appointed a housing delivery officer to look into and hopefully solve any issues that arose. The results of this work concluded that Housing development in Ceredigion has different characteristics to that in more urban Counties. It is not dominated by the large volume builders and includes a large number of individual landowners who apply for planning permission. There has been a tendency to secure planning consents in settlements without the clear intent to implement or deliver the units in the foreseeable future. This has often resulted from a pressure to secure a planning permission before the 'build quota' (12% growth rate) is used up. Moreover, there has been a permissive approach in place to the renewal of planning consents. Planning consents have also been preserved as being extant by virtue of 'technical starts' which support the motivations, in some instances, for obtaining planning consent rather than secure a commercial intention to build. All these factors are tending to hamper genuine housing delivery and responsiveness to immediate needs.
- 5.3.24 Several developers have argued there is a lack of economies of scale due to increased construction costs of small developments in rural areas, intensified by increased travel and access costs and the general rise in the costs of construction. Developments can also face a number of additional costs relating to site suitability such as flood protection, sewage, drainage and access. A previous report completed by Ceredigion County Council received feedback that highlighted that sites had become unviable to develop or that the provision to supply affordable housing is not viable to specific sites. These costs become proportionately much higher for small developer on small developments of one to four units. Some developments also require the provision of new infrastructure, such as roads or utility suppliers and there are concerns about the role of the utility companies in facilitating small developments and affordable housing developments in rural areas.

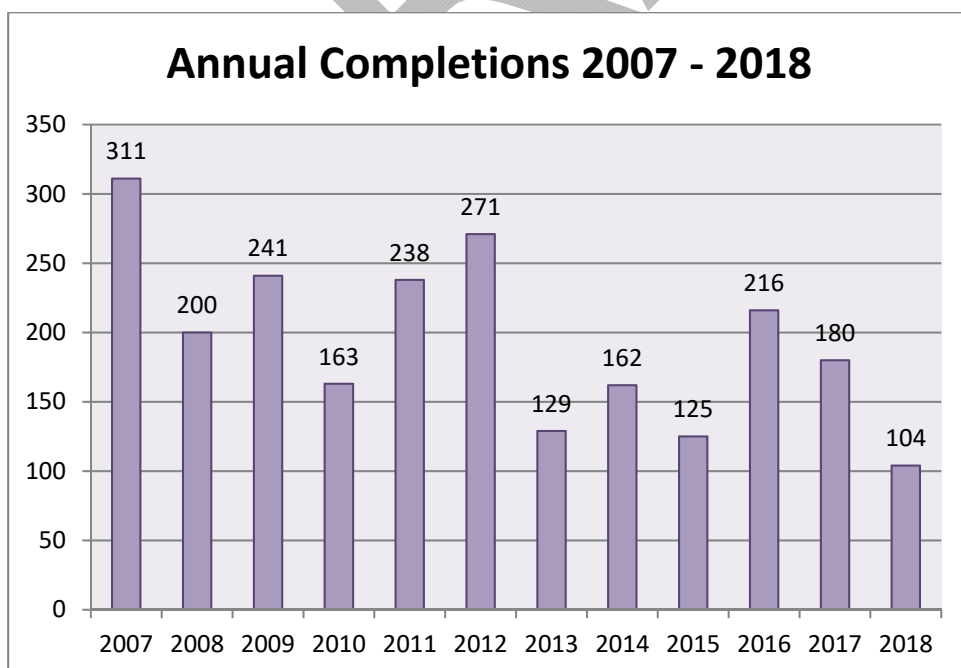
5.3.25 A possible solution to the above issues would be partnership working.

However, it is clear that partnership working is weak within Ceredigion with no sites showing any signs of this. There is a difficulty in getting RSLs and small local developers to work together on affordable housing, largely because of funding and financial considerations.

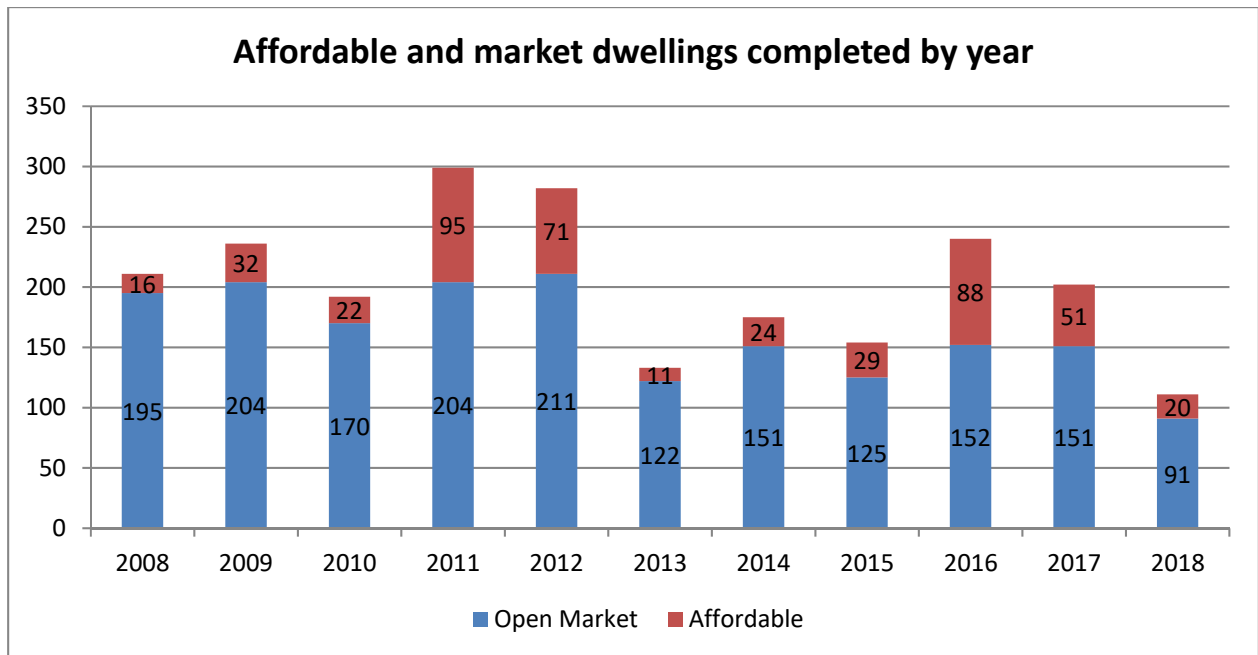
5.3.26 The Housing Delivery Topic paper discusses these issues in greater detail presenting conclusions about delivery rates and what level of non delivery allowance is required in Ceredigion.

Completions

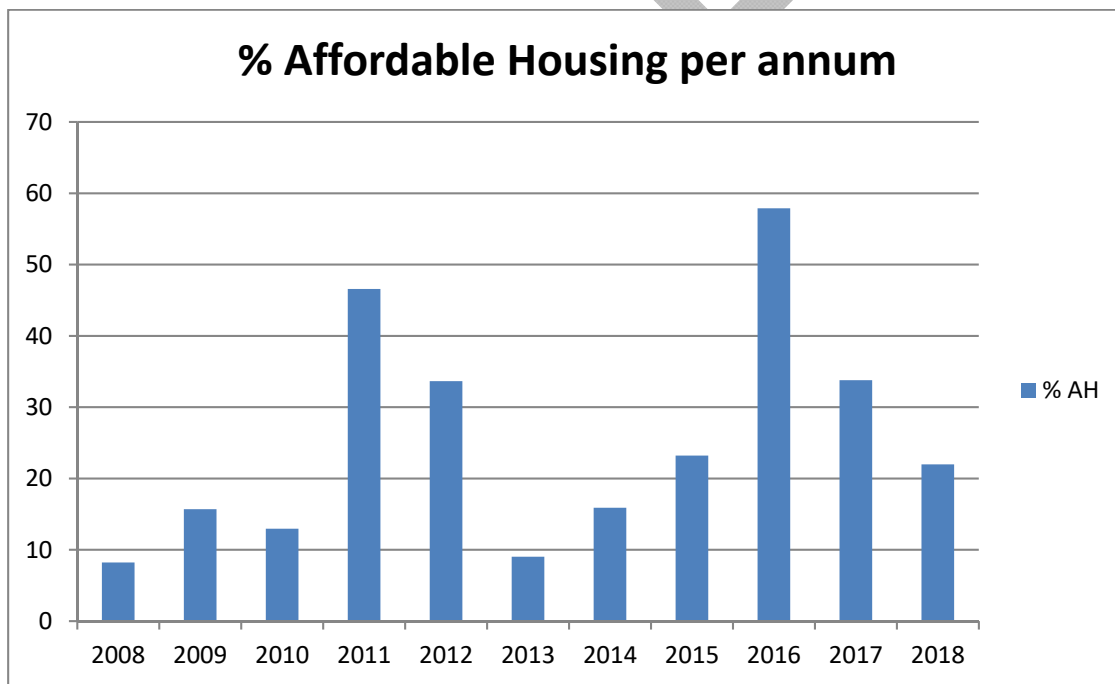
5.3.27 The housing delivery topic paper details the annual completions and extant permissions so for further information please see that paper. However in brief the LDP planned for growth of 400 units per annum, the following graph demonstrates what we have actually delivered. Clearly we have not met the target. However since the LDP was adopted we have been made aware of issues and inaccuracies in the household projections that informed the plan. Which has resulted in an overall significant reduction in demand and therefore explains why we haven't achieved the 400 per annum target there is insufficient demand.



(Source: JHLAS)



(Source: BLPU)



(Source: BLPU)

5.3.28 The above table demonstrates what proportion of development is that of affordable housing, this table highlights the important contribution that RSL development make to the overall completion figures. The amount is marked in particular in recent years when the completion figure has been high. This demonstrates how lacking the non-affordable house building industry has

been in the area. Since 2015 the % of affordable units completed has been above 20% in-line with the LDP affordable housing policy target.

Help to Buy Wales

5.3.29 Lack of major house builders is also reflected in the number of homes sold through the Help to Buy Wales scheme. Lowest LA in Wales (25 homes to date) since scheme started in 2013. The majority of these houses were within the £150-175,000 price range. No properties for under £150,000 were purchase through the scheme

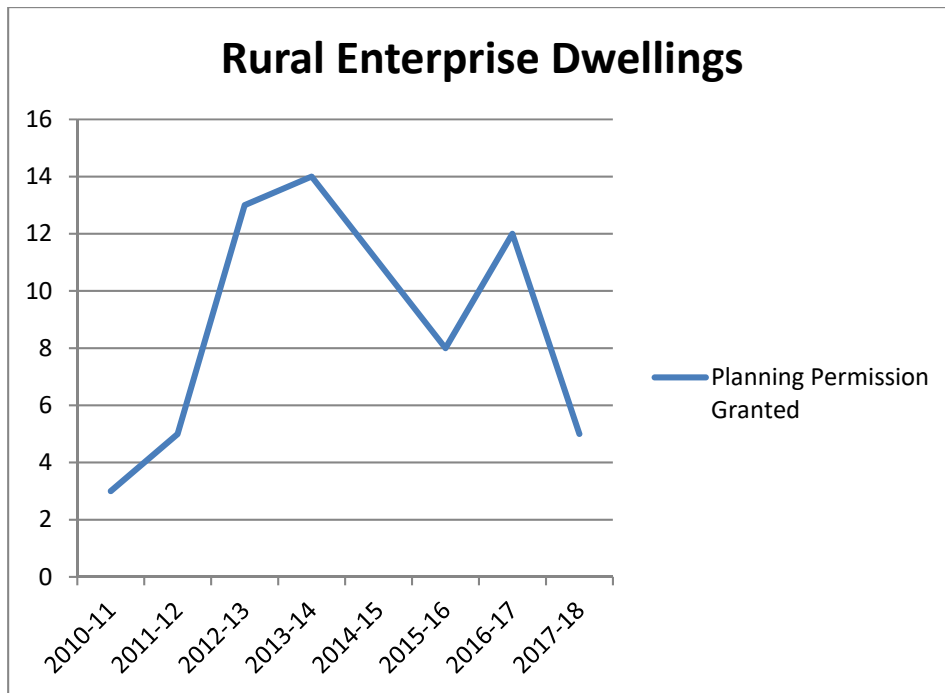
(<https://statswales.gov.wales/Catalogue/Housing/Help-To-Buy/completedpurchases-by-la-date>)

TAN 6

5.3.30 Ceredigion being a predominantly rural authority means a fair proportion of the development will fall under the remit of TAN 6. This is then captured within the monitoring for policy S04.

Rural Enterprise Dwellings

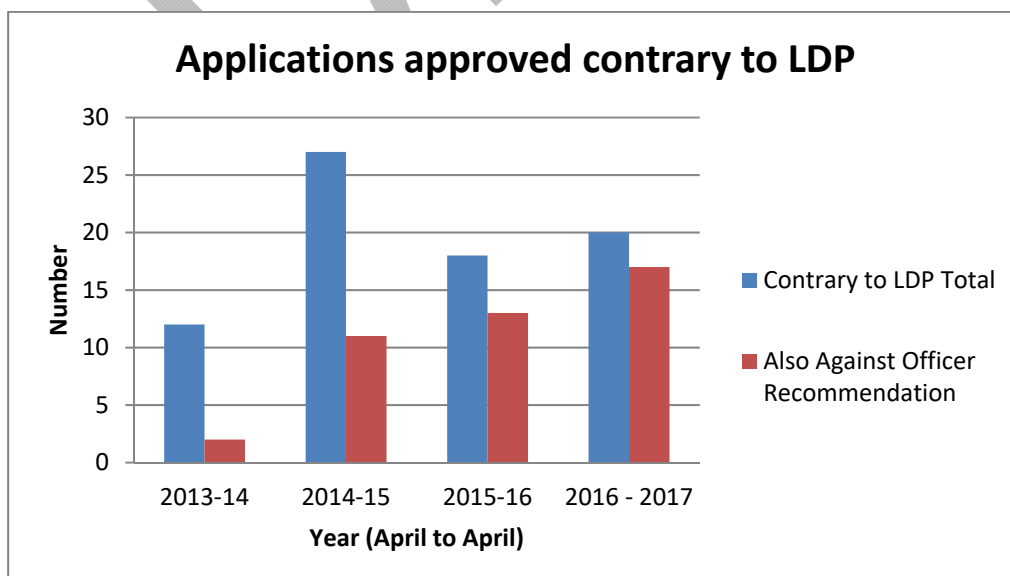
Year (1st April - 31st March)	Planning Permission Granted
2010-11	3
2011-12	5
2012-13	13
2013-14	14
2014-15	11
2015-16	8
2016-17	12
2017-18	5
Total:	71



(Source: Annual RED Monitoring for WG)

5.3.31 The monitoring above shows a rise and fall in the number of dwellings approved in accordance with national planning policy set out within Technical Advice Note 6. This represents an average of $71/8=9$ dwellings per annum which are approved in accordance with National rather than local policy. This trend suggests that over a 15 year period, 135 dwellings could be permitted.

Contrary to LDP / officer recommendation



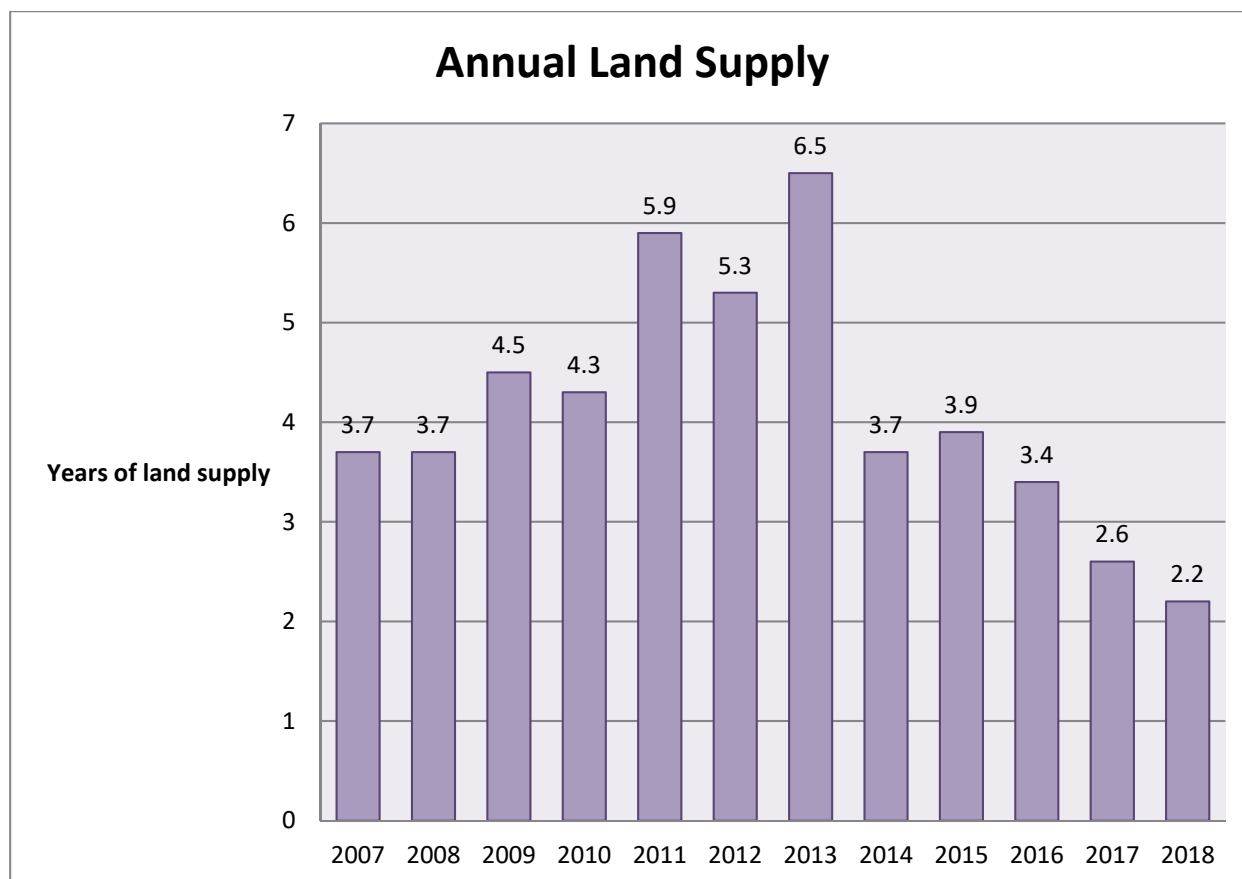
5.3.32 Whilst Ceredigion is much maligned about the number of application approved contrary to officer recommendation, the actual numbers this equates to are statistically quite low in comparison to total applications determined by the LPA. However when considering the number of applications that go to committee since adoption of the plan approximately 17 on average per annum are contrary to officer recommendation. The vast majority of these have material considerations members may have allowed more weight to than officers have but this is their right to do so. Whilst 17 permissions were granted contrary to officer recommendation in line with LDP policy, the majority were in line with national planning policy.

Housing Supply

Joint Housing Land Availability Studies

Year	Number of years supply (TAN 1 Methodology)	Number of years supply (5 year Past Completions Methodology)	Number of years supply (10 year Past Completions Methodology)
2007	3.7	-	-
2008	3.7	-	-
2009	4.5	-	-
2010	4.3	-	-
2011	5.9	-	-
2012	5.3	-	-
2013	6.5	-	-
2014	2.7	-	-
2015	3.9		
2016	3.4	13.2	14.7

2017	2.6	13.3	15
2018	2.2	12.3	14.4



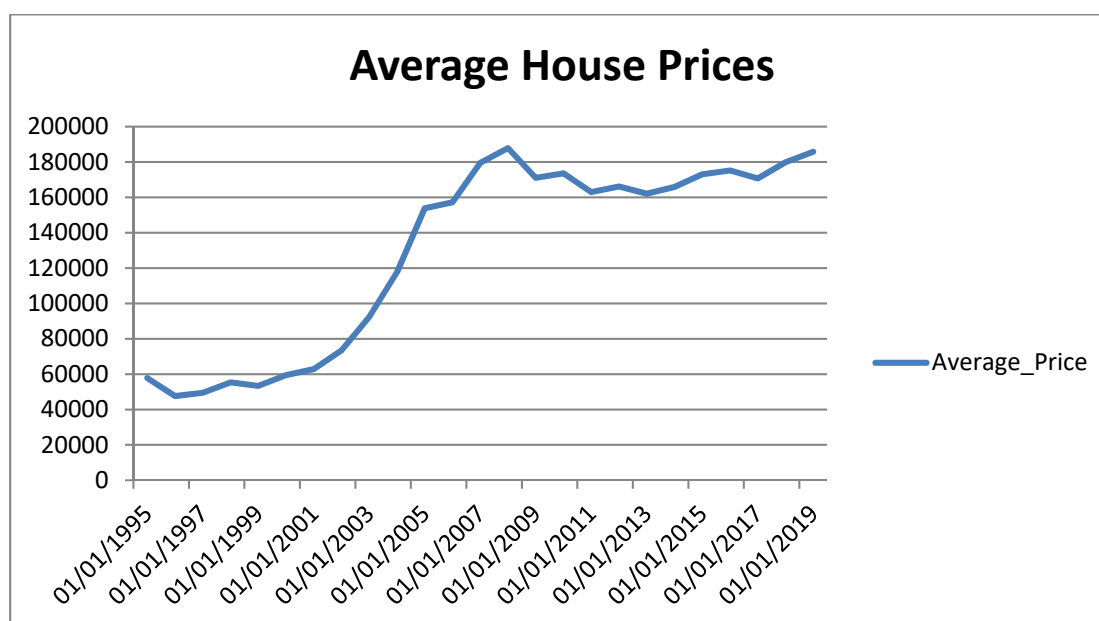
(Source: JHLAS)

5.3.33 The JHLA land supply figure is at least as far as Welsh Government concerned an important indicator of performance. In reality since the methodology changed very few (2 out of 22) LPA's have a 5 year supply. In some areas this has resulted in a demand for land that is not allocated, this has not been the case in Ceredigion. The lack of land supply is indicative of the market conditions as so many permissions are long standing and not under construction, it does not reflect the availability of land in the county of which there is abundance.

5.3.34 The Welsh Government has recently implemented the temporary dis-application of paragraph 6.2 of TAN 1 which attaches "considerable" weight to the lack of a five-year housing land supply as a material consideration in

determining planning applications for housing. Whilst this does not address concerns in relation to the land supply calculation methodology, hopefully concerns will be considered in an anticipated forthcoming review of TAN1.

House prices



(UK HPI Average Price - <https://www.gov.uk/government/statistical-data-sets/uk-house-price-index-data-downloads-january-2019>)

5.3.35 There have been longstanding issues with house price to income ratio, with Ceredigion having some of the greatest differential between the two. The problems have been discussed in some detail in the Well Being Assessment. However it is acknowledged that there are areas of the county which are hotspots for viability that command high prices (Aberystwyth and the coastal area to New Quay), and areas which don't (The Teifi Valley). The graph highlights the significant increases that were seen between 2001 and 2007 and the fact there has been some variation but no substantial drop in house prices compared to pre-2007 levels. The graph shows that the average price in January 2019 is close to the prices experienced at the peak of the house price boom in January 2008.

Housing Stock

Dwelling Stock Estimates

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Registered Social Landlord (Number) (2)	3326	3302	3321	3288	3275	3335
Owner occupied/Private rented (Number)	31420	31536	31603	31774	31868	31938
Owner occupied (Number) (3)	25013	24844	24415	25110	24588	25220
Privately rented (Number)	6407	6692	7189	6664	7280	6718
All tenures (Number)	34746	34838	34924	35062	35143	35273

(<https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure>)

- 5.3.36 Estimates of the total dwelling stock are calculated based on data from the population censuses. The estimates are produced by using the dwelling count from the most recent 2011 census as a baseline. This count is then projected forward using information collected on annual changes to the dwelling stock through new build completions plus any gains or losses through conversions and demolitions.
- 5.3.37 The tenure split for Wales between owner-occupied and privately rented dwellings has been calculated using information from the Annual Population Survey (APS). Using the APS this split is now available at a local authority level for years 2012-13 onwards.
- 5.3.38 The majority of dwellings in Ceredigion are owner occupied. Between 2015/16 to 2016/17, the number of private rented dwellings has decreased, whilst Owner occupied and RSL dwellings have increased resulting in a small overall increase in the number of dwellings in the county.

Empty & Second Homes

Ceredigion	H7 - Total chargeable empty properties	H8 - Total chargeable second homes
2017-18	797	1766
2018-19	894	1741
2019-20	866	1713

(<https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Dwellings/chargeableemptyandsecondhomesbylocalauthority>)

- 5.3.39 The number of empty properties on the Council's official list in 2018 = 1128 (includes only vacant over 6 months; unfurnished, repossessions, prohibited from use, in probate, undergoing renovation) This has increased since the previous year (1021) as following consultation across Wales the definition has been firmed up, which has included CCC adding more categories in. This resulted in an increase of 11%.
- 5.3.40 The no of empties over 10 years empty = 119 which is 11%
The no of empties over 5 years empty = 277 which is 25%. (This includes the over 10 years as well).
- 5.3.41 The no of empties which have been vacant for under 2 years = 545 which is 48%. So nearly half of all the empty properties in the list have been empty for less than 48 months. Of these under 2 year empties; 11% have had the 'undergoing renovation' discount at some point in this period. Just over a quarter are having works done before reoccupation. Of these under 2 year empties; 9% are still in probate, ie owner has died and estate is not yet been resolved.
- 5.3.42 In terms of the total empties list 541, or 48% are currently charged the Empty Property Premium. This is the extra 25% Council tax for empty homes over

1 year. There are some exemptions to the charge, such as the property being for sale.

- 5.3.43 In addition to the empty properties, in Ceredigion there are a further 1633 properties classified as 'Second homes'. These are also subject to the 25% Council tax premium. This equates to approximately 5% of the overall dwelling stock according to the latest estimates.

Appeal Decisions

- 5.3.44 The most pertinent appeal decision which has an impact on housing provision in the county is as follows:
- 5.3.45 App/D6820/A/16/3160580 Bryn yr Odyn, Blaenpennal, This appeal decision related to Policy LU09 the reuse of former or abandoned dwellings. Case law confirms that when a proposed development is being considered, it must be considered in the context of the Local Development Plan in its entirety. This includes all of the policies, proposals and reasoned justification contained within the LDP. Proposals should not be considered in the context of one policy alone as there may undoubtedly be conflicts between policies. Proposals should be considered in the context of all policies and weighted accordingly alongside any other material planning considerations in coming to a conclusion/recommendation.
- 5.3.46 Bearing this in mind, Former dwellings capable of re-use and renovation in LDP 1 should have been considered within the context of initially the strategic policy to promote sustainable forms of development policy S01, followed by the strategic location policy (SO2,3,4) and subsequently the specific land use Policy LU09, their reasoned justifications, and any other material planning considerations.
- 5.3.47 However in the appeal case listed above an inspector came to a different conclusion noting the use of language in the policy offered an alternative view. Furthermore, due to the lack of cross referencing in policy LU09 to

policy S04 and S05 and requirements for meeting affordable housing needs, and the rural locations of such buildings, the inspector concluded that: ‘the thrust of Policy LU09 is not driven by an affordable housing agenda, but by the aim of supporting the re-use of historic rural buildings in the open countryside so as to prevent the loss of traditional buildings of local and regional interest which contribute positively to the area’s cultural identity and promote sustainable rural communities.’ She therefore allowed the appeal putting into conflict policy S04 and policy LU09.

- 5.3.48 The authority now accepts the Inspectors decision in this case, and LDP2 will clarify that applications in-line with policy LU09 make a valuable contribution to the rural housing stock.

6. Analysis (Options for addressing the Issue)

6.1 Background

- 6.1.1 This topic paper goes hand in hand with that on the settlement strategy, housing and population growth and the Housing delivery report. All these papers provide analysis and an evidence base to changes that need to occur on the housing policies.
- 6.1.2 In order to ensure that the same information isn’t presented twice, the settlement strategy discusses the settlement hierarchy potential changes and growth distribution, the population and housing growth paper discusses the options we are taking forward in terms of housing numbers and the rationale for this. The housing delivery report discusses where housing has occurred and stalled and options for applying a non-delivery allowance.
- 6.1.3 This paper has presented a range of evidence on housing delivery, delivery, house prices and affordable housing and offers suggestions as to how policies need to be amended to reflect this new evidence.

- 6.1.4 To set the scene, Ceredigion has a varied population many of which live in open countryside locations (29%). If in the review we enact the proposed changes from the settlement strategy background paper planned for in LDP 2, then it will equate to 60% of the population living in urban and peri-urban areas. We therefore need a distribution which allows for growth for all sectors of our population, whilst also reflecting PPW10.
- 6.1.5 In LDP 1 we planned for growth of 6000 dwellings this was an over supply partly as a result of over expectations following a period of growth pre-recession but also flawed population projections. We have as this paper has demonstrated never delivered anywhere near that amount. Therefore the population and housing paper demonstrates that a forecasted growth of 3000 households based on a more robust methodology of population forecasting, backed up by our recent delivery rates is achievable.

6.2 Policy changes

- 6.2.1 Changes to Policy S01 to S04 will be captured in the settlement strategy paper. But in brief it is expected that the fundamentals of the settlement strategy will remain and therefore changes to these policies (with the exception of policy S04) will be minor tweaks. They will however need to be changes to the allocated sites in order to better match our local building industry types. As our larger allocations have not been delivered and this in main is due to the nature and types of builders in Ceredigion, further discussion of this is in the settlement strategy paper and housing delivery paper. Policy S04 however has always been over complicated and burdensome so a re-write is required to better manage development in the open countryside and smaller linked settlements. This needs to take into account the delivery of housing in rural areas and the issues around LU09 former and abandoned dwellings.
- 6.2.2 A solution to rural housing is required and PPW10 is clear that development outside of areas where there is public transport options is contrary to national policy. Arguments pertaining to community resilience and individual wellbeing will not overcome this objection. Therefore alternative housing

provision is required in rural areas and these could be accommodated by changing our stance in relation to former or abandoned dwellings, the conversion of existing rural buildings and the provision of local housing in accordance with PPW 3.56 alongside traditional rural housing permitted under TAN 6.

- 6.2.3 Whilst amendments to the wording of policy LU09 is not required, amendments to the supporting text and reasoned justification will be required for consistency with the amended policy S04 and to clarify how the policy fits with the overall housing strategy of the plan.
- 6.2.4 Amendments to policy LU05 are discussed in the Housing delivery topic paper.

7. Conclusions / Recommendations

- 7.1.1 The evidence shows that changes are required to the strategic policies within the plan (S01-05), however, the majority of the land use (LU) policies are still considered fit for purpose and do not require amendment.
- 7.1.2 A review of local, regional and national evidence in this paper is consistent with the proposed changes in the following papers:
- Settlement Strategy
 - Population & Housing
 - Housing Delivery

8. Next Steps

- 8.1.1 Amend policies S04, LU05 and LU09 to reflect changes discussed in this and other topic and background papers
- 8.1.2 Consider the results of the Mid & South West Wales Cross Border Housing Market Assessment and Strategic Viability Assessment and amend policy

S05 to reflect this evidence when available following preferred strategy. This evidence will inform the LDPs affordable housing target and the mix of housing needs to be negotiated on sites.

DRAFT