Powys Replacement Local Development Plan (LDP) (2022-2037)

Powys Growth and Spatial Options:

Growth Options

Background Paper

June 2024

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh

Powys

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OGL Maps produced by Powys County Council

1. Introduction

1.1 This Growth Options Background Paper builds on and complements the Demographic Evidence report and the Employment Needs assessment, to provide evidence to inform the Powys Replacement LDP 2022 – 2037 in relation to meeting housing and employment growth over the plan period.

1.2 The Paper provides the necessary contextual analysis, it outlines the general background of relevant national, regional and local planning policy, guidance and strategies. It then analyses each Growth Option set out in the Demographic Evidence report, assessing the appropriateness of their impacts on the Powys LDP area, taking into consideration evidence from the Local Housing Market Assessment, the Housing Land Supply background paper, the findings from the Integrated Sustainability Assessment (ISA) and the views of stakeholders. The report concludes with final considerations as to which Growth Option may be considered the most appropriate and reasonable for the Powys Replacement LDP.

1.3 This paper has been prepared to ensure compliance with national planning policy, as contained within Planning Policy Wales (Edition 12) and Future Wales: The National Plan, and also national guidance in the Development Plans Manual (Edition 3), as appropriate.

2. National Planning Policy

Future Wales: The National Plan 2040

2.1 Future Wales is the National Development Framework for Wales, setting out the direction for development in Wales to 2040. The provision of housing across Wales to meet needs is a key priority of the Welsh Government and Future Wales identifies that the planning system must facilitate the provision of additional market and affordable housing.

2.2 In Future Wales, the Welsh Government used the Estimates of Additional Housing Need in Wales (2019-based). These run for the 20-year period to mid-year 2039 and are provided both at the national level and for the four regions (the North / Mid Wales / the South West / the South East). The Powys Local Planning Authority (LPA) area is located within the Mid Wales region, alongside Ceredigion and the Bannau Brycheiniog / Brecon Beacons National Park (BBNP) area located within Powys.

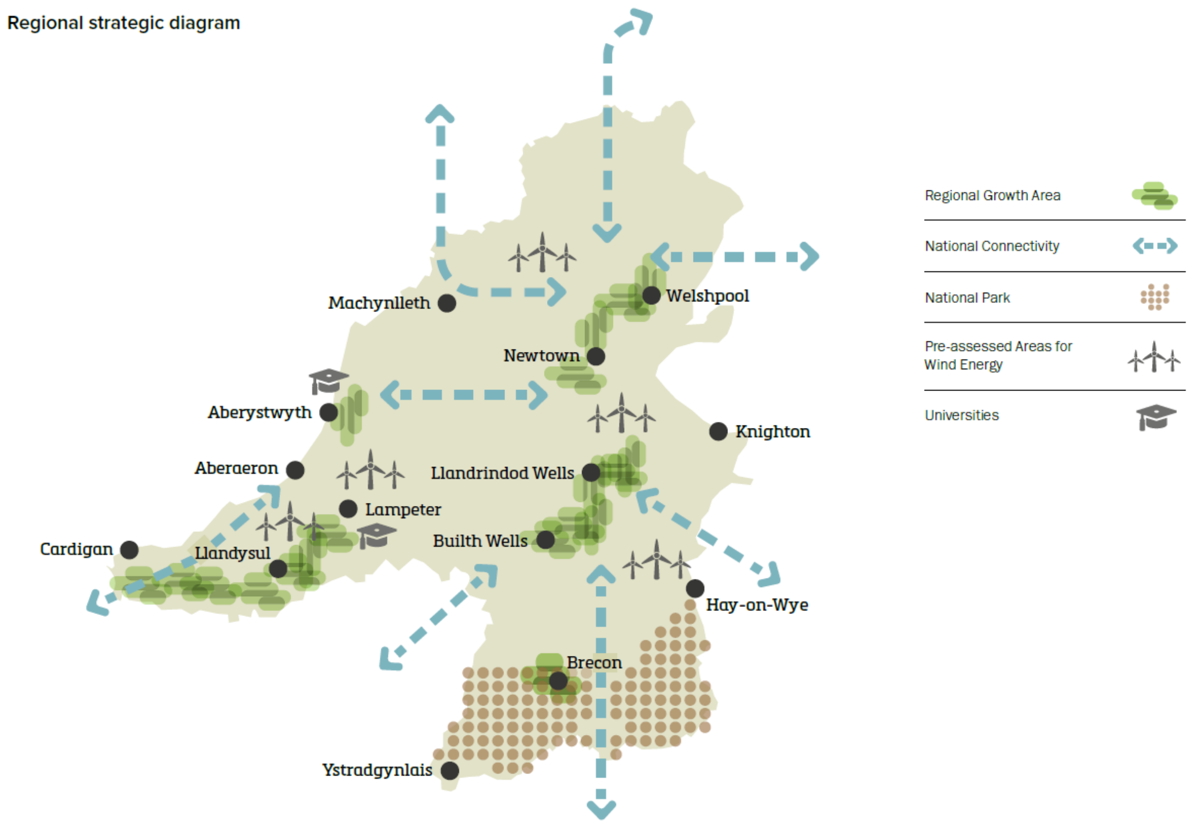
2.3 Future Wales identifies that over the 20-year period, 2019 to 2039, the central estimate of the additional housing need across Wales is around 110,000 dwellings, of which 1,800 dwellings are needed in Mid Wales. Policy 7 of Future Wales states that the national and regional estimates of need do not reflect future policies or events and are not a Housing Requirement for Wales or the regions. However, the estimates do provide part of the evidence and context on which housing policy and requirements can be based. The estimates of market and affordable housing need should inform the housing requirements set out in Strategic and Local Development Plans and it is expected the housing requirements will differ from the estimates of housing need.

2.4 Policy 7 also sets out the national strategic approach to delivering affordable homes and ensures the focus of funding and housing policies is on driving increased provision. However, Future Wales states that in considering future housing needs, it is clear that all aspects of a Strategic Development Plan and individual Local Development Plans in the Mid

2.5 Wales Region will need to reflect on the low estimated need for housing in the region and what this means for how places will change, where jobs and services will be located and the relationship between settlements.

2.6 Future Wales provides area-specific policies for each of the four regions. The regional spatial diagram for Mid Wales (Figure 1) highlights five Regional Growth Areas within the region and provides an indication of the main settlements within them. Policy 25 of Future Wales states that "The Welsh Government supports sustainable growth and development in a series of inter-connected towns across the region. Development in these Regional Growth Areas should meet the regional housing, employment and social needs of Mid Wales."

Figure 1. Future Wales Regional Strategic Diagram for the Mid Wales Region.



2.7 The Welsh Government also wishes to see a strong and resilient economy and sustainable, rural communities across Mid Wales. Policies 4 and 5 set out the national strategic approach to supporting rural communities and the rural economy.

Planning Policy Wales (Edition 12)

2.8 Planning Policy Wales (PPW) Edition 12 states in paragraph 4.2.6 that "the latest Welsh Government local authority level Household Projections for Wales, alongside the latest Local Housing Market Assessment (LHMA) and the Wellbeing plan for a plan area, will form a fundamental part of the evidence base for development plans. These should be considered together with other key evidence in relation to issues such as what the plan is seeking to achieve, links between homes and jobs, the need for affordable housing, Welsh language considerations and the deliverability of the plan, in order to identify an appropriate strategy for the delivery of housing in the plan area. Appropriate consideration must also be given to the wider social, economic, environmental, and cultural factors in a plan area in order to ensure the creation of sustainable places and cohesive communities."

2.9 It also states in paragraph 4.2.7 that "household projections provide estimates of the future numbers of households and are based on population projections and assumptions about household composition and characteristics. Certain elements of the projections, such as births and deaths, will remain relatively constant throughout the plan period. However, other elements, such as migration and household formation rates, can influence outcomes significantly. Planning authorities need to assess whether the various elements of the projections are appropriate for their area, and if not, undertake modelling, based on robust evidence, to identify alternative options."

Development Plans Manual (Edition 3)

2.10 The Development Plans Manual Edition 3, published in March 2020, provides detailed guidance on how to develop an evidence base to justify the level and distribution of economic growth and housing. The Manual recognises that there is not always a direct correlation between jobs and homes, but this is something that needs to be "considered collectively when assessing growth levels and developing a sustainable strategy; the aim being to achieve a balance between homes and jobs thereby reducing the need for commuting" (paragraph 5.25).

2.11 The Development Plans Manual states that the Welsh Government population and housing projections are a "fundamental part of the evidence base" in terms of considering the level of housing provision for a plan, including the principal projections, higher and lower variants, and the ten-year migration and zero migration variants. A summary analysis of each variant projection and the implications they have on population, households and job growth for an area needs to be included in the evidence base.

2.12 The Manual also recognises that LDPs must be supported by a LHMA and other local needs studies as appropriate (e.g. older persons, local needs housing assessments). The value of an LHMA is that it identifies a level of housing need, both market and affordable, per annum, both numerically and spatially, as well as the type of need in an area, e.g. tenure mix and house types. This is considered to be a core piece of baseline evidence influencing the scale, type and location of growth in a plan.

2.13 With regards to economic growth the Manual requires that LPAs have a robust economic evidence base underpinning an LDP. The LDP itself must contain, an economic vision, a broad assessment of expected employment change by sector and land use, include quantitative targets for Class B employment use (land and jobs) as well as allocate and safeguard those sites necessary to deliver the economic vision embedded into the plan.

2.14 The Manual provides further guiding principles for identifying and justifying housing and economic growth requirements, these include balancing any unconstrained need against supply factors. This incorporates the identification of need or a baseline and an understanding of trends as a starting point, with this balanced with delivery, constraints and policy choices (Figure 2).

Figure 2. Need and Supply Factors

3. Regional Context

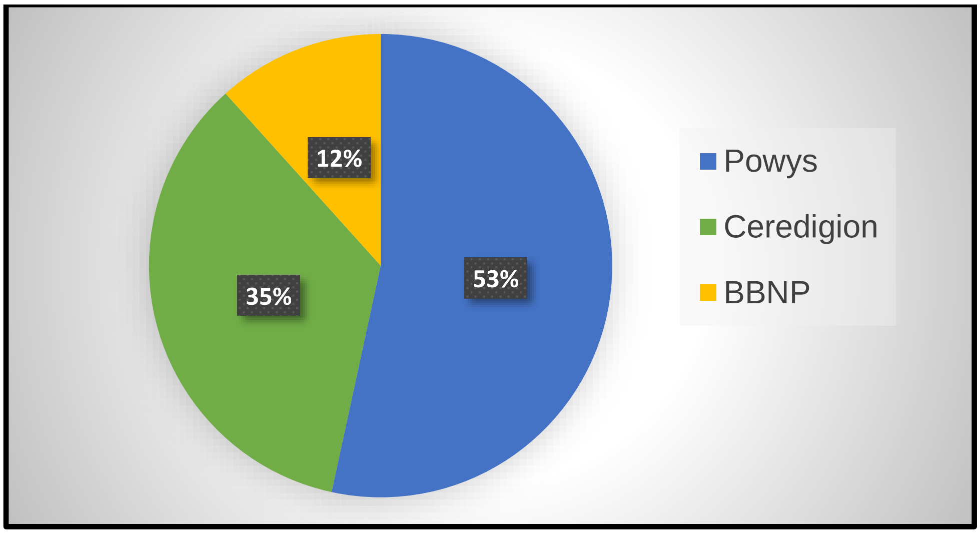
Context

3.1 Future Wales brings a new perspective that all LDPs must embrace, that of how each LDP sits within the region as a whole and the relationship to other LDPs, in essence it requires a strategic approach to planning in advance of the formal commencement of Strategic Development Plans. LPAs are required to understand how the level of growth proposed in LDPs is complementary to neighbouring authorities and to ensure key investment decisions support the Regional Growth Areas and the wider region.

3.2 The Mid Wales Region as set out in Future Wales, comprises of the Local Planning Authorities (LPA) of Ceredigion, Powys and the BBNP (for the area within Powys). It is useful when considering the Growth Options for the Powys Replacement LDP to understand how the population, dwelling completions and potential Dwelling Requirement Figures for the Powys LDP area, compare with the wider Mid Wales Region and the adopted LDPs for Ceredigion and BBNP.

3.3 The population of the Mid Wales Region is about 205,000 people. Of the 205,000 people, about 133,200 (65%) are located within Powys, of which about 23,900 (18% of Powys's population) live within the BBNP. Figure 3 shows the percentage population proportions per LPA.

Figure 3. Mid Wales Region Population by Local Planning Authorities



Source: Census 2021

Adopted LDPs and Build Rates

3.4 The BBNP and Ceredigion LPAs paused their Replacement LDP processes, due to the impacts from the Covid-19 pandemic and phosphates on Riverine Special Area of Conservation (SAC) catchments. Both LPAs adopted an LDP in 2013, with a plan period of 2007-2022. Despite the end date of both plans having passed, the adopted LDPs continue to have development plan status for the two LPA areas.

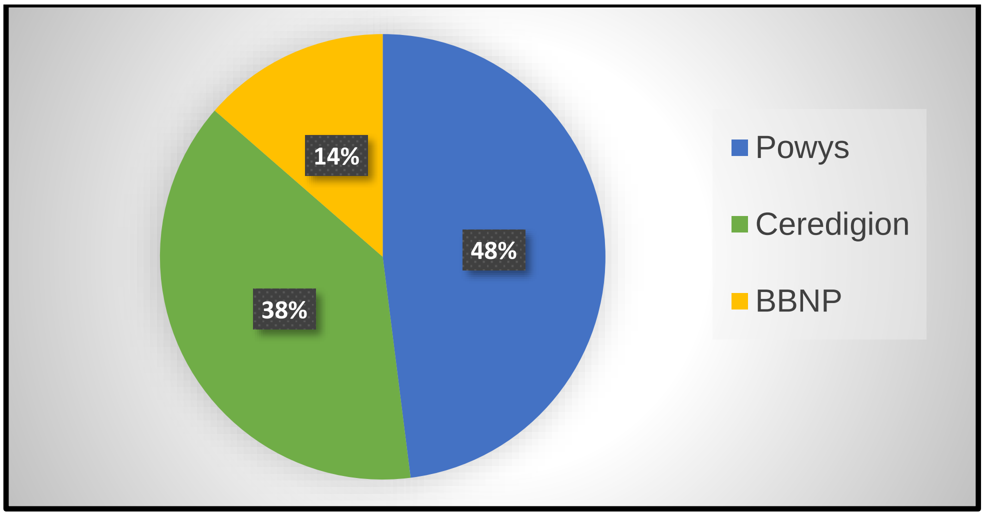
3.5 In the absence of any other data, consideration is given to the Dwelling Requirement Figures in the adopted BBNP and Ceredigion LDPs. These are detailed in Table 1. It is worth noting that at the time of preparation for the two LDPs (from 2007 up to adoption in 2013), population projections were anticipating a higher percentage of population growth, than what has been projected since and was recorded in the 2021 Census. This accounts for why the two Dwelling Requirement Figures are disproportionately high compared to the Powys Adopted LDP (2011-2026), which was prepared based on a different set of population projections.

Table 1. Housing Numbers in the adopted Ceredigion and BBNP LDPs.

	Ceredigion	BBNP (not all within Powys)
Dwelling Requirement (2007-2022)	6,000	2,045
Housing Provision Figure (2007-2022)	6,544	1,990
Dwelling Completions (2007-2022)	2,881	1,026
Average Build Rate (2022-2027)	192	68

3.6 Analysing dwelling completion rates across Powys, Ceredigion and the BBNP, gives an average completion rate of 500 dwellings a year across the Mid Wales Region, of which 48% are in the Powys LPA area (Figure 4). However, it needs to be noted that not all of the BBNP area completions are within the County of Powys and in the Mid Wales Region.

Figure 4. Mid Wales Region Average Housing Completion Rate Across a 15 Year Period per Local Planning Authorities



Source: LPA Annual Monitoring Reports
Note: BBNPA includes data outside the Mid Wales region.

Population Projections

3.7 Using the Welsh Government's (WG) 2018 Population Projections a comparison can be made between the expected population growth over the Replacement LDP plan period (up to 2037) for the County of Powys (including the BBNP) and for Ceredigion. Note other projections for Powys have been considered in the Powys Demographic Evidence (2024) that provide alternative results.

Figure 5. Welsh Government 2018 Population Projections for Powys (including BBNP)

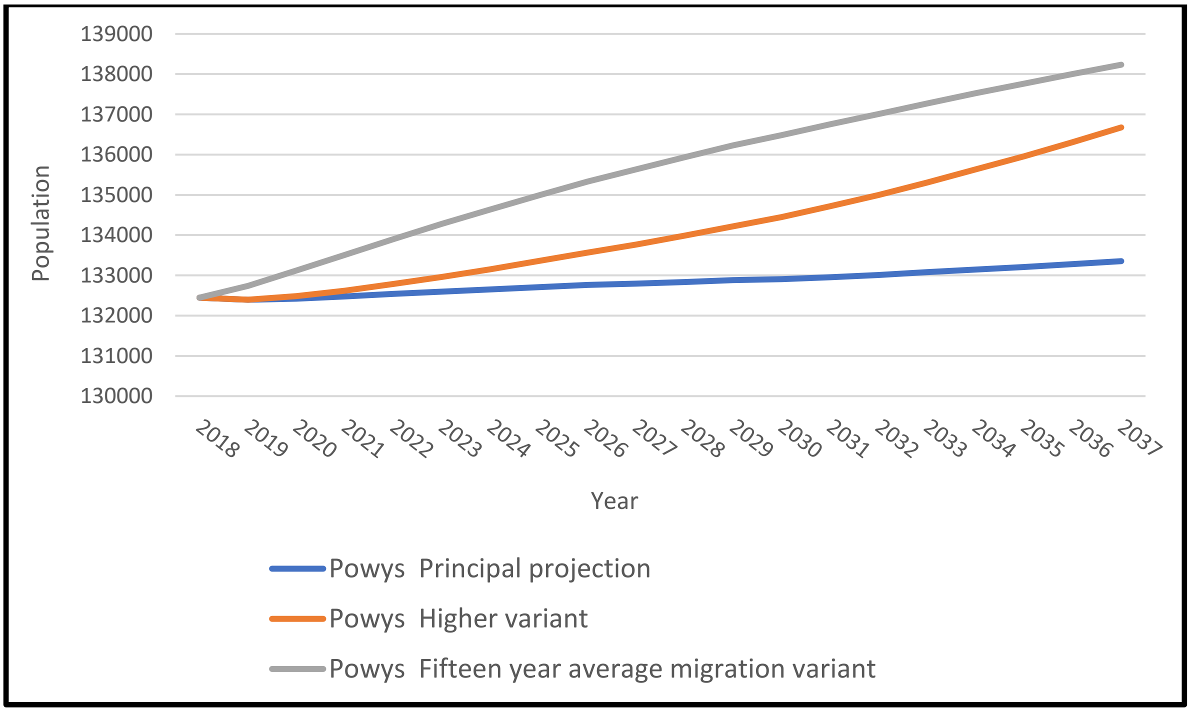
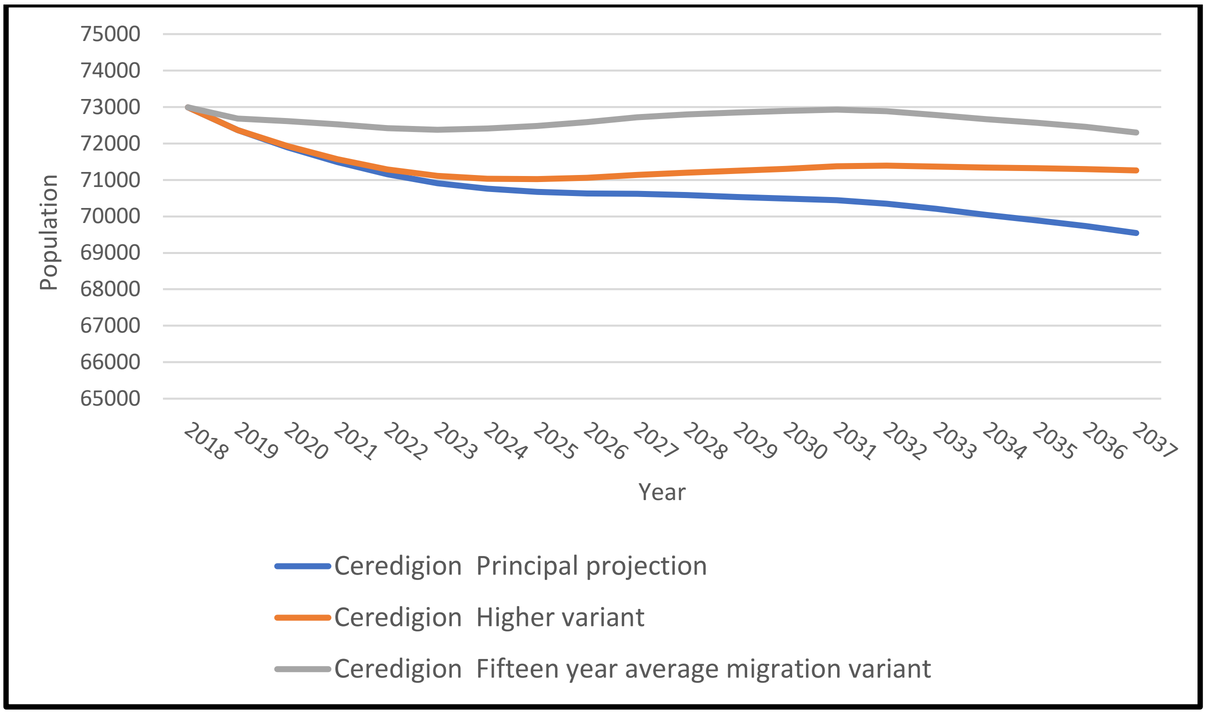


Figure 6. Welsh Government 2018 Population Projections for Ceredigion



3.8 The WG 2018 projections for Powys (including BBNP) show that the principal, higher variant and 15-year migration projections predict a modest population growth for Powys. This varies from between a growth of 816 people, under the principal projection, for the Replacement LDP plan period (2022-2037) and a growth of 4,330 people in Powys under the 15-year migration projection. However, it should be noted that the projections in the Powys Demographic Report (2024) forecast a slightly higher population increase in the BBNP compared to the Powys Replacement LDP area. Looking at the same time period for Ceredigion, the WG 2018 projections forecast a decline in the population. This ranges from a decline of 1,607 people, under the principal projection and a decline of 120 people under the 15-year migration projection.

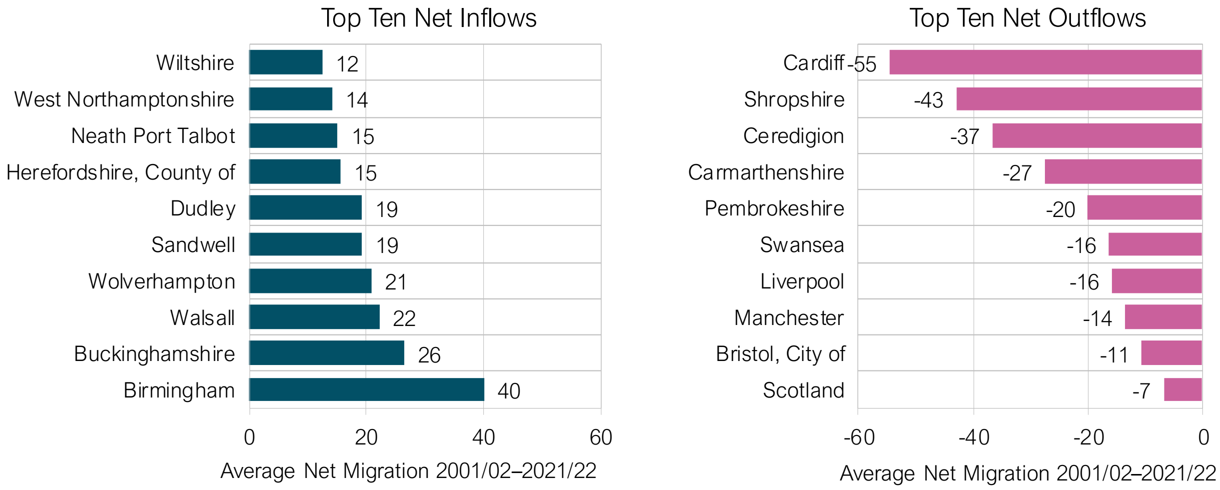
Migration

3.9 Figure 7 taken from the Powys Demographic Report (2024), shows migration into and out from Powys between 2001 and 2022. It can be seen that there was a net outflow of on average 37 people from Powys to Ceredigion.

Figure 7. Internal Migration for Powys 2001-2022 from the Demographic Report.

Top Ten Inflows average 2001/02 –2021/22	
Shropshire	633
Herefordshire, County of	325
Cardiff	207
Neath Port Talbot	206
Ceredigion	187
Monmouthshire	135
Swansea	134
Gwynedd	132
Carmarthenshire	120
Birmingham	112

Top Ten Outflows average 2001/02 –2021/22	
Shropshire	676
Herefordshire, County of	309
Cardiff	262
Ceredigion	223
Neath Port Talbot	191
Swansea	151
Carmarthenshire	147
Monmouthshire	128
Gwynedd	127
Telford and Wrekin	94



Mid Wales Growth Deal

3.10 The Mid Wales Region was invited by the UK Government and the Welsh Government in 2017 to develop a Growth Deal. The Growth Deal seeks to play a key role alongside a range of other strategies and investments from the public and private sector to bring prosperity to the communities and businesses of the region.

3.11 In January 2022, the Final Deal Agreement of the Mid Wales Growth Deal was signed by the Welsh Government, UK Government, Powys County Council and Ceredigion County Council. It marked the commitment of all partners to deliver the Mid Wales Growth Deal, a ground-breaking partnership bringing a combined investment of £110 million from UK and Welsh Government, which is expected to lever in significant additional investment from other public and private sources maximising the impact in the Mid Wales region.

3.12 The proposals set out to Government demonstrate the potential outcomes that are achievable in Mid Wales by 2032 through Growth Deal investment:

1. To create between 1,100 and 1,400 new jobs in Mid Wales through the Growth Deal.
2. To support a net additional GVA uplift of between £570 million and £700 million for the Mid Wales Economy through the Growth Deal.

3. To deliver a total investment of up to £400 million in the Mid Wales Economy through the Growth Deal.

3.13 It is important that the economic aspirations of the Growth Deal are reflected in LDPs of the LPAs across the Mid Wales Regions and that sufficient land is allocated, with an appropriate policy framework to support implementation.

Phosphorous Sensitive River Special Area of Conservation (SAC) Catchments

3.14 Figure 8 shows the areas where there are restrictions in place (2024) relating to the impacts of phosphorus on sensitive SAC catchments in the Mid Wales Region. NRW issued Interim Planning Advice in December 2020, which has now been updated and is under review, which requires new development within the affected SAC catchments to achieve phosphate neutrality.

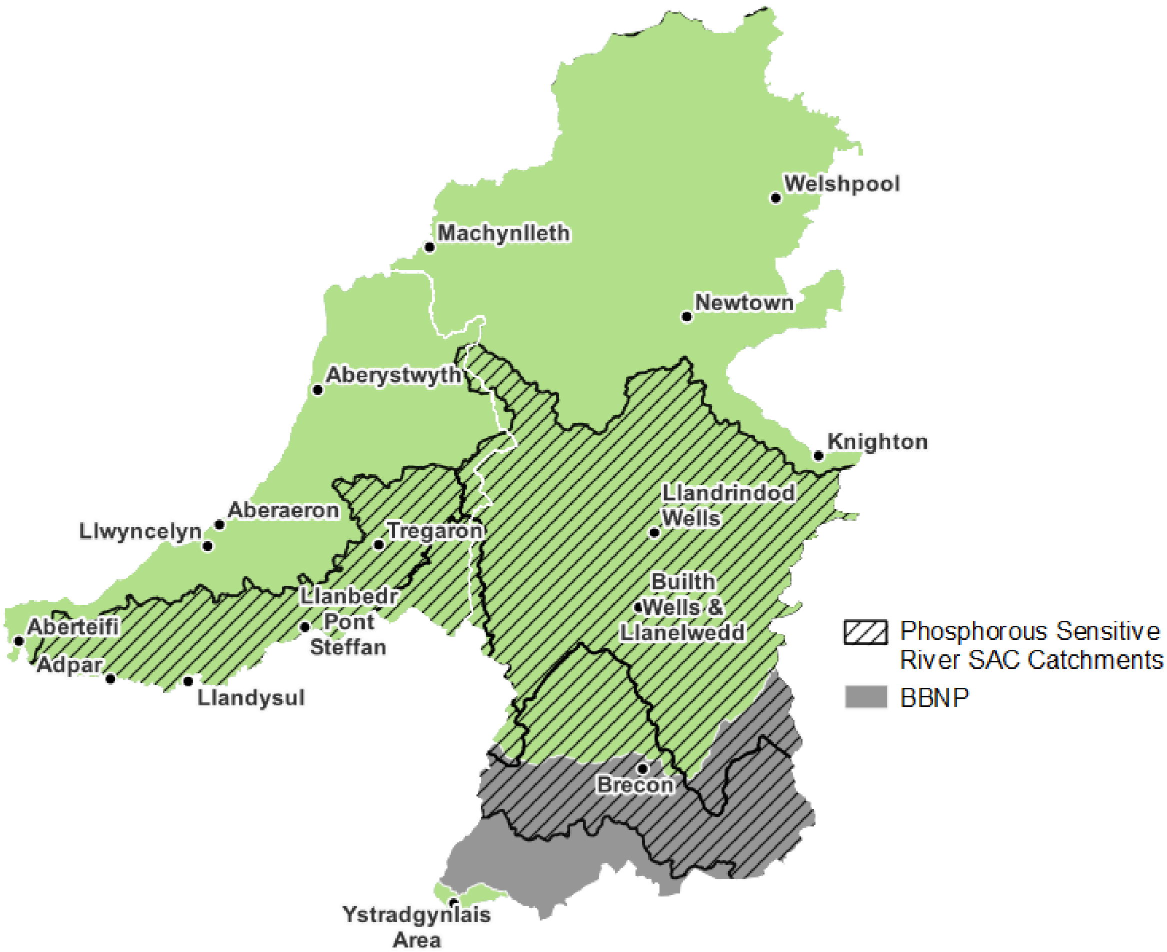
3.15 Within the Powys LPA area, the Regional Growth Area Tier 1 settlements within a phosphorus sensitive SAC catchment are Llandrindod Wells and Builth Wells. These are both settlements that are subject to imminent improvements to their Waste Water Treatment Works by Dwr Cymru/Welsh Water (DCWW), which will enable new development within these settlements to achieve phosphate neutrality. For more information on how the Replacement LDP is considering phosphorous sensitive SAC catchments please see the Phosphate Position Statement, published as part of the evidence for the Replacement LDP.

3.16 The Teifi Valley Regional Growth Area in Ceredigion is also constrained by this issue. However, improvements are planned to the Waste Water Treatment Works in Cardigan, and Lampeter over the next few years (2025-2027) which will enable new development within these settlements to achieve phosphate neutrality.

3.17 The BBNP LPA is in the process of restarting its Replacement LDP process (subject to necessary committee processes and WG approval). This follows the progress of work by DCWW and the catchment-specific Nutrient Management Boards, giving more certainty that the Phosphorus issue can be addressed in a way that facilitates development.

3.18 Powys, Ceredigion and the BBNP are all working collaboratively with NRW, Welsh Government, DCWW, other Councils across Wales where development is similarly constrained in river SAC catchments due to phosphates, as well as a wide range of stakeholders. It is the aim of each authority to work proactively to find and implement solutions which will improve the water quality of the River SACs, to ensure that phosphate levels are brought within their target compliance levels. Additionally, work is being undertaken to find solutions that will allow new developments to come forward, provided it can be evidenced with certainty that any new development is phosphorus neutral.

Figure 8. Phosphorous Sensitive SAC Catchments in the Mid Wales Region



4. Evidence Base

Local Housing Market Assessment (2022-2037)

4.1 The Local Housing Market Assessment (LHMA) is an essential part of the evidence base for the Replacement LDP. It identifies the level of housing need for both open market and affordable dwellings across the whole of Powys (including the area within the BBNP) subdivided into 13 individual Housing Market Areas (HMA) to inform the local level. The assessment also identifies the type of need in terms of tenure mix and house types required.

4.2 The LHMA has been undertaken using a Welsh Government issued toolkit that considered existing unmet affordable housing need from the Common Housing Register (social housing need) and the Tai Teg Affordable Housing Register (intermediate housing need), whilst also using household projections, published by the Welsh Government, to estimate newly arising need. The LHMA does not include gypsy and traveller accommodation needs which is the subject of a separate assessment.

4.3 The household projections provide estimates of future numbers of households and are made by making assumptions about household composition and size and applying these to population projections. It is worth noting, that these projections are based on past trends and therefore do not make allowances for the effects of local or central government policies on future household levels, distribution and change.

4.4 The LHMA toolkit provides results based on the following Welsh Government 2018 household projections:

- Principal projection,
- The lower variant (which is based on assumptions of lower fertility rates and higher mortality rates),
- The Higher variant (which is based on assumptions of higher fertility rates and lower mortality rates).

In addition, the Authority also decided to test the 15-year average migration variant.

4.5 Table 2 shows the split between affordable and market tenures when looking at the figures for the 15-year LHMA period (2022-2037), disaggregated from the BBNP and with a conversion factor applied to address a 10% vacancy rate applied.

Table 2. Estimates of Housing Need by Affordable and Market Tenures for Powys LPA area for the 15-year LHMA period by Household Projection.

	Lower variant	Principal projection	Higher variant	15-year average migration variant
Total affordable housing need	338	725	1,036	1,150
Total market housing	105	961	1,646	1,894
Total housing need	443	1,687	2,682	3,045

4.6 The LHMA toolkit divides affordable housing need into two different tenures, which reflect the definition of affordable housing set out in Technical Advice Note (TAN) 2. These tenures are social housing and intermediate housing (made up of intermediate rent and low-cost home ownership).

4.7 Table 3 shows estimates of housing need by affordable housing tenure per Household Projection variant for the 15-year LHMA period, with a conversion factor to address a 10% vacancy rate applied. The level of need for intermediate housing increases with the higher variants, however the social rented tenure remains dominant within the affordable housing mix.

Table 3. Estimates of Housing Need by Affordable Housing Tenure per Household Projection for Powys LPA area for the 15 year LHMA period

Tenure	Lower variant	Principal projection	Higher variant	15-year average migration variant
Social rented housing	269	507	700	771
Intermediate housing	69	218	337	380

Housing Land Supply Paper 2024

4.8 The main purpose of the 2024 Housing Land Supply Paper is to determine the contribution that Windfall sites and Housing Commitments (constructed and consented sites) will make towards the housing supply in the Replacement LDP. This is an important consideration that needs to be taken into account when considering housing Growth Options. The paper evidences and calculates the number of dwellings that are expected to be built from the current housing landbank (large sites currently with permission or under construction). It also projects the number of dwellings that are expected to come forward on Windfall sites and identifies the number of dwellings that have been built since the start of the Replacement LDP plan period in 2022.

4.9 Table 4 shows that at 1st April 2024 the total number of dwellings in the housing land supply equated to 3,467 dwellings. However, it is recognised that the anticipated number of dwellings on Windfall sites will be refined as the detailed policies in the Replacement LDP are progressed and that the number of dwellings completed and included within Housing Commitments will change, up to the Deposit Plan stage of the Replacement LDP.

Table 4. Total Replacement LDP Housing Land Supply - 1st April 2024

	Small Sites	Large Sites*	Total
Completions (1st April 2022 – 31st March 2024)	195	408	**603**
Housing Commitments (large sites) under construction	N/A	656	**656**
Housing Commitments (large sites) Not Started minus non-delivery allowance (44%)	N/A	596	**754**
Projected Units on Windfall Sites (13 years remaining)	1,014	440	**1,454**
Total	**1,209**	**2,258**	**3,467**

* Large sites = five dwellings or more.

Specialist Housing Background Paper 2024

4.10 This background paper focuses on the need for specialist housing to accommodate Powys' ageing population and people with disabilities.

4.11 Specialist housing is housing intended and designed for older people (in most cases for those over 55 or 60) or people with disabilities. It includes a range of different housing types including age restricted general market housing, accessible and adapted housing, senior co-housing, sheltered housing, extra care housing, supported housing, residential care homes and nursing homes.

4.12 The Powys Wellbeing Assessment (March 2022) notes that Powys has a higher proportion of the older age population than both the Welsh and UK average. Powys residents aged 65 and over make up 28% of the population (Welsh average is 21% and UK average is 19%). In the next 20 years, the older population in Powys is projected to increase by a further 25.2%. Over the same period, the aged 80 and over population is expected to increase by 63.7%.

4.13 The Specialist Housing Background Paper concludes with a series of recommendations that would enable the Replacement LDP to meet the housing needs of an ageing population and people with disabilities.

Powys Demographic Evidence (March 2024)

4.14 Powys County Council commissioned Edge Analytics to produce a demographic evidence report for Powys and the Replacement LDP area. This included a demographic profile of the area together with future projections of population, household, and employment growth. The demographic evidence incorporated the 2018-based population and household projections from the Welsh Government (published in August 2020), and the latest available evidence from the Office for National Statistics, including population and household results from the 2021 Census, and the 2022 mid-year population estimate.

4.15 Key findings from the report include that natural change in the population (the balance between births and deaths) has been consistently negative in Powys (including BBNP) from 2001/2002 to 2021/2022), as the number of deaths registered in Powys has consistently exceeded the number of births. Deaths have averaged 1,539 per year since 2001/2002, whilst births have averaged 1,173, resulting in an average natural change of -366 people per year. Population growth is therefore only seen because of inward migration.

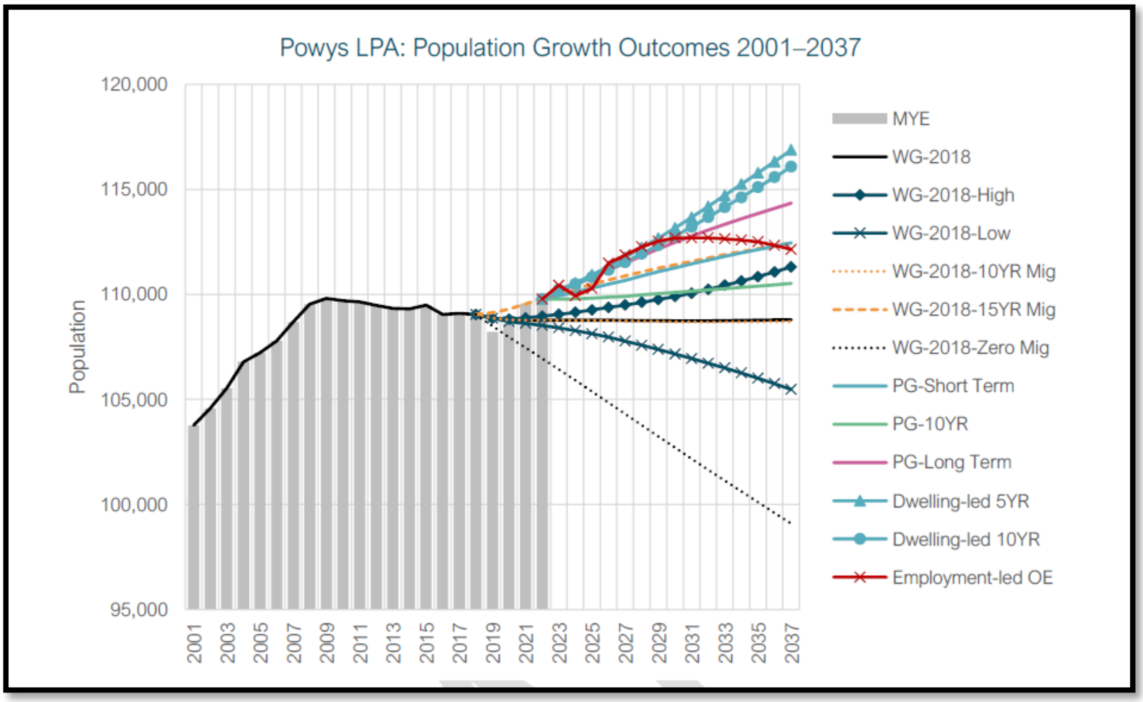
4.16 It was also recognised that Powys (including BBNP) has an ageing population, with the population of those aged 65–79 and 80+ increasing by 49% and 50%, respectively, within the period 2001 to 2022. Whilst at the same time, the number of children in Powys (aged 0–14) has steadily declined since 2003, reducing by -16% in the period 2001 to 2022. The working age population (aged 15–64) has also declined over the historical period (-2%), with a period of growth up to 2009, followed by gradual decline up to 2022.

4.17 The report outlines a range of housing and employment growth scenarios. The basis of these scenarios is either the Welsh Government (WG) 2018-based Principal and variant projections, alternative trend scenarios based on alternative migration histories or dwelling-led scenarios linked to past completion rates. An employment-led scenario is also considered. The report provides a total of 12 growth scenarios with a defined need for average dwellings per year over the period 2022-2037. The 12 growth scenarios are presented in Figure 9 and Table 5.

4.18 For the WG -2018 (Principal projection) and the Pop Group (PG) -Long Term (alternative trend) growth scenarios consideration has been given to the resulting age profile of the population. Under both scenarios, significant growth is estimated in the 65+ age groups, a reflection of the ageing population in Powys. The WG-2018 scenario estimates population decline in all groups from 0–39 and 50–64, with the greatest decline estimated in ages 55–59. With the exception of the 0–4, 20–24, and 35–39 age groups, the PG-Long Term scenario also estimates population decline in these age groups, albeit to a lesser extent. Both scenarios estimate population growth in the 40–49 age groups.

4.19 It was also determined that the Dwelling-led 5YR scenario, provides the highest employment growth outcome of the scenarios, at 182 persons per year. This reflects the growth in the size of the labour force that is estimated under this scenario, with an estimated growth of 2,730 people across the Plan area by 2037. Due to the estimated reduction in the size of the labour force and the ageing population profile, the WG-2018 scenario suggests a reduction in employment levels by -34 jobs per year.

Figure 9. Powys Population Growth Outcomes (2001-2037)



Powys Demographic Evidence Report 2024

Table 5. Powys Replacement LDP Plan Area Scenario Summary (2022-2037)

Scenario	Population Change (2022-2037)	Population Change % (2022-2037)	Households Change (2022-2037)	Households Change % (2022-2037)	Dwellings (Average per year)	Average Employment per Year
Dwelling-led 5YR	7,096	6.5%	3,906	7.8%	288	182
Dwelling-led 10YR	6,297	5.7%	3,578	7.1%	264	153
PG-Long Term	4,567	4.2%	2,986	5.9%	220	131
PG-Short Term	2,675	2.4%	2,335	4.6%	172	61
WG-2018-15YR Mig	2,659	2.4%	2,120	4.2%	156	50
Employment-led OE	2,364	2.2%	1,947	3.9%	144	11
WG-2018-High	2,346	2.2%	1,931	3.9%	142	9
PG-10YR	746	0.7%	1,366	2.7%	101	15
WG-2018	34	0.0%	991	2.0%	73	-34
WG-2018-10YR Mig	-72	-0.1%	854	1.7%	63	-38

Scenario	Population Change (2022-2037)	Population Change % (2022-2037)	Households Change (2022-2037)	Households Change % (2022-2037)	Dwellings (Average per year)	Average Employment per Year
WG-2018-Low	-3,044	-2.8%	-179	-0.4%	-13	-80
WG-2018-Zero Mig	-7,862	-7.4%	-3,591	-7.3%	-265	-297

4.20 The report provides a starting point for further consideration of the 12 scenarios. When considering the scenarios set out in the report, a judgement has been made as to which of the scenarios could be considered as reasonable alternatives. It was concluded that the following five scenarios are unrealistic:

- PG-10YR - Migration
- WG-2018 (Principal)
- WG-2018-10YR Migration
- WG-2018-Low
- WG-2018-Zero Migration

4.21 The five scenarios dismissed would require an annual build rate of between 0 and 101 dwellings over the fifteen-year plan period, representing a Housing Requirement of between 0 and 1,515 dwellings overall. These numbers are considerably below what is set out in the Adopted Powys LDP (2011-2026), with a Dwelling Requirement Figure of 4,500 dwellings, and an expectation for 300 dwellings to be built annually. The numbers are also considered too low to address the housing need identified in the LHMA and would not enable the Replacement LDP to address key issues or deliver on its aspirations set out in the identified Vision and Objectives. Furthermore, the low numbers do not take into consideration the 3,467 dwellings accounted for in the housing land supply.

4.22 Further consideration was given to whether the remaining scenarios were suitably different. Where scenarios would result in similar requirements (annual building rate, dwelling requirement) they were grouped into the following categories for the purpose of stakeholder engagement and detailed analysis:

Higher Growth

- Dwelling-led 5YR
- Dwelling-led 10YR

Medium Growth

- PG-Long Term
- PG-Short Term

Lower Growth

- WG-2018-15YR Migration
- Employment-led Oxford Economics (OE)
- WG-2018-High

Employment Needs Assessment (2024)

4.23 The Employment Needs Assessment undertaken by BE Group and Per Consulting, provides an assessment of the supply and demand for employment land in the Powys Replacement LDP area. It looks at the available employment allocations and existing employment areas to understand the supply side and reviews the property market, whilst consulting with local stakeholders and forecasting employment growth, to understand the demand side.

4.24 Following Welsh Government Practice Guidance, the Employment Needs assessment considered need drawing on two approaches, each with two methods of assessment which incorporate a flexibility buffer.

4.25 Firstly, the assessment forecasts employment land demand over the Replacement LDP plan period (2022-2037) by using reference to past employment land take-up data where available and employment forecasts by sector. This is consistent with Welsh Government Practice Guidance.

4.26 The Employment Needs Assessment considered different methods to determine the amount of employment land required for the Replacement LDP. The first method used a simple extrapolation exercise of past growth rates over the forecast period. The methodology recognised that the approach is reliant on the accuracy of the data available and that with planning permissions being the basis of the data gathered, there may be some uncertainty. This method also reflects the cyclical nature of the economy as a whole, with some years of no development.

4.27 The second method drawing on the past build-rate data includes an additional allowance to take account of the need for churn and replace of employment premises and to make sure that the availability of employment land does not become constrained.

4.28 The labour demand forecast looked at employment growth projections for the area, this resulted in a significantly lower forecast than the results from the first approach which used past take up rates. The results arising from this method were particularly low when looking at all employment sectors, rather than those employment sectors considered as growth sectors. It was therefore recommended that the growth only approach was a more appropriate forecast than the net approach, to prevent results from being skewed by a significant negative manufacturing employment change. However, the results found that even with the growth only approach, manufacturing needs in the local market were not able to be captured with the identifiable growth being mainly in B1 use classes.

4.29 This limitation was also apparent when considering a Labour Supply approach, which was provided for comparison but is not generally considered one of the core approaches in an employment land demand assessment.

Table 6. Employment Land Forecast Models

	Total Land Need (ha)
First Approach – Past Take Up at 1.6 ha / year	32
First Approach – Past Take Up at 1.6 ha / year increased to 2 ha / year with additional allowance for constrained supply	40

Second Approach - Labour Demand Forecast	8.2
Second Approach - Labour Supply Forecast	8.3

4.30 Reviewing the Powys Adopted LDP (2011-2026) employment allocations found that there are 8.16 ha in the committed supply (with extant planning permission), leaving the remainder of the need to be met on new allocations in the Replacement LDP.

Adopted Powys LDP (2011-2026) Review Report and Annual Monitoring Reports

4.31 The Review Report details the findings and conclusions of the LPA's review of the Adopted Powys LDP (2011-2026). It sets out the elements of the Adopted LDP that are delivering and performing well and also identifies those parts of the plan that have not been implemented or delivered as intended. The Report also notes which parts of the plan need to be updated to reflect changes to national planning policy and guidance, along with other relevant strategies and evidence.

4.32 The Adopted LDP included a Dwelling Requirement Figure (DRF) of 4,500 dwellings. According to the latest Annual Monitoring Report (2024) a total of 3,073 of the 4,500 dwellings have been delivered, representing 68% of the DRF target. With only two years of the Plan period remaining, it means that the objective of delivering 4,500 dwellings before the end of the plan-period (2026) is unlikely to be met.

4.33 The Review Report undertaken in 2022, recognised the disparity between the number of dwellings being completed against the targets set to enable the dwelling requirement to be achieved. It therefore recommended that the Growth Strategy in the Adopted LDP should not be carried forward into the Replacement LDP as it has proven not to be deliverable. Subsequent Annual Monitoring Reports have also recommended that the Dwelling Requirement Figure is reconsidered in the Replacement LDP, following the continual breach of the targets set out in the Annual Monitoring Framework.

4.34 Due to the recommendations in the Review Report and the Annual Monitoring Reports, the Growth Strategy for housing in the Adopted LDP is not considered a realistic option to be considered for the Replacement LDP. This means that the annual Dwelling Requirement Figure for the Replacement LDP, must be less than 300 dwellings and the overall dwelling requirement for the Plan period (2022-2037), must be less than 4,500 dwellings.

4.35 The evidence relating to needs within the Plan area resulted in the Adopted LDP Strategy being primarily led by housing growth. Nevertheless, the Adopted LDP was informed by the Powys Economic Needs Assessment Study (2011) (updated 2015) which estimated a need of 30-42 hectares of land to be available for economic growth during the Plan period (2011 – 2026). The Powys Economic Needs Assessment Study also recommended that a flexibility allowance equivalent to five years supply should be taken into consideration. In total therefore, the Study recommended a requirement for 40-56 hectares of employment land to be made available within the LDP. This resulted in 45 hectares of allocated employment sites being included within the Adopted LDP.

4.36 The Review Report recommended that the evidence relating to economic development should be updated, including the undertaking of an Employment Land Review (ELR), whilst recognising that a Mid-Wales regional strategic employment site study was already underway. Following this it was recommended that the evidence, together with alignment of the Replacement LDP with other Plans and Strategies and the revised Growth and Spatial Strategy should be used to determine the employment requirement for the Replacement LDP Plan period.

5. Stakeholder Engagement

Workshops

5.1 An online workshop to discuss potential Growth Options for the Replacement LDP, was held on Wednesday 31st January 2024 with a wide range of stakeholders, identified from the Specific and General Consultation Bodies, in the Delivery Agreement of the Replacement LDP. This included neighbouring authorities, infrastructure providers, Registered Social Landlords, elected County Councillors and a wide range of representatives from within Powys County Council (including Housing, Economic Development, Business Intelligence and Governance).

5.2 During the workshop indicative housing and employment Growth Options were presented for feedback and discussion. To facilitate understanding, participants were presented with a background to the evidence informing the different options. Details were also given on how the different options would affect the strategy of the Replacement LDP (e.g. numbers already in the committed supply, numbers to be delivered through allocated sites and policy choices in relation to future windfall development). Participants were given the opportunity to give feedback via an on-line survey platform and via breakout discussions (although it was recognised that time was a constraint during the session).

5.3 The realistic options presented are listed below. Please note these options are different to what is detailed in Section 7 as the main purpose of the workshop was to obtain feedback to inform the development of the Growth Options. Therefore, further refinement has subsequently taken place following the feedback and updated evidence.

Housing Growth - Dwelling Requirement Figure for the Replacement LDP:

- Option 1 – Lower Growth, 2,800 – 3,300 dwellings.
- Option 2 – Medium Growth, 3,400 – 3,800 dwellings.
- Option 3 – Higher Growth, 3,800 – 4,300 dwellings.

Economic Growth - Employment Land:

- Option 1 – Medium Growth 32 hectares
- Option 2 – Higher Growth 40 hectares.

5.4 After the workshop, the online survey platform was left open up until the 7th February 2024 to enable participants to continue to have the opportunity to provide feedback. In addition to the Growth Options workshop, a further two workshops were held in relation to Spatial Options on the 11th and 13th of March 2024, and participants were also encouraged to give their views and feedback on Growth and Spatial Options. The feedback received is summarised below.

Feedback

Lower Growth Housing Option (2,800 – 3,300 dwellings)

5.5 When asked the possible consequences of the Lower Growth Housing Option, stakeholders stated the option would result in:

- Not being able to allocate sufficient land to meet housing needs.
- More people that will not be able to find the right home that matches their needs.
- A failure to meet housing demand.
- Being unable to fulfil housing need to support business growth.
- Limiting the scope for developing the economy and the opportunities for Powys's young people to remain in the County.
- Restricting the Authority's ability to meet the housing need of residents and those who wish to move to live in the Authority.
- Housing need not being met, possibly not building homes in the right places, and keeping communities sustainable.
- Allocations being heavily weighted to meet affordable housing needs, limiting other housing types essential for economic growth.
- A deterrent to people wanting to stay or move to the county, due to lack of suitable / desirable housing.
- Increased homelessness

5.6 Further comments were received stating that it is not just about the number of dwellings - addressing the need will depend on the type of homes. Homes are needed that are affordable for people on local wages, are the right size and in the right place. Participants felt that without the Replacement LDP taking a strategic lead on ensuring the supply of appropriate houses, that are needed in appropriate locations, the private sector will favour the most profitable developments. There were concerns that restricted numbers would limit the number of affordable houses for the community.

5.7 One participant questioned if the housing demand is from Powys residents, or anyone who wants to live in Powys, whilst another questioned if the Lower Growth Option would enable affordable housing development.

Medium Growth Housing Option (3,400 – 3,800 dwellings)

5.8 When asked the possible consequences of the Medium Growth Housing Option, stakeholders stated the option would result in:

- Not addressing concerns about there being sufficient new homes to attract younger workers / middle-aged people with an education and skills, back to Powys.
- There still not being enough dwellings.
- Not meeting the needs for affordable housing. Participants noted that if housing need is already high, it is unlikely this level will meet future demand.
- Continued reliance on existing housing sites that have not delivered, limiting future options considerably.
- A supply and demand issue. If insufficient land is 'released' for building, the price will rise, and it will be unaffordable for social housing.

5.9 It was considered by one participant that the Medium Growth Option was a better match than the Lower Growth Option, to address the need predicted in the LHMA – but that any level of growth requires the societal infrastructure to support it, in terms of wellbeing - recreation, culture, retail, health facilities etc, or people will still move away from Powys.

5.10 Other participants considered that there was insufficient flexibility in the Medium Growth Option and that it lacked ambition. With some participants feeling that it appeared to meet the projected demand, but that they had concerns that development would be restricted to the larger towns, when development is required across the Plan area. Participants felt it was important to ensure that all areas of Powys could grow appropriately.

5.11 Interest was given to who any new houses would be for – questioning whether the intention is to build for a local need? If so, it was thought that they need to be affordable, so the type of housing (and the location - convenient for work, etc.) needs to be considered. There were further questions regarding whether developments will deliver affordable housing for young people in Powys and who want to return to Powys. Whilst it was commented that more affordable housing is needed – and questioned that 'shouldn't all housing be affordable?'

5.12 One participant questioned what the demographic objective is for Powys and what the risks of not meeting it, by driving migration which further imbalances the demographic of the County and increases pressure on public services would be. Further questions were raised as to whether this level of development in housing, matches up with the requirements of other plans for Powys.

5.13 Note: One participant attending the subsequent Spatial Options event, had a preference for the Medium Housing Growth Option.

Higher Growth Housing Option (3,800 – 4,300 dwellings)

5.14 When asked the possible consequences of the Higher Growth Housing Option, stakeholders were less inclined to respond with their thoughts on the consequences but preferred to comment on the validity of the Growth Option itself.

5.15 Many stakeholders felt that the higher housing Growth Option, whilst preferable to the lower and medium housing Growth Options, still did not go high enough, stating:

- Still feels like a relatively modest ambition, unlikely to signal significant change.
- Understand methodology and feel it is a better range but does not support large scale economic growth.
- Still not sure this is enough to put the Pow! back into Powys.
- We need to be very clear that Powys/rural Wales is open for growth and is not just an in-migration retirement area. Which requires all the necessary infrastructure to attract younger people and families - jobs, schools, leisure and cultural facilities, etc.
- More flexibility needed, if there is no demand for the homes, they will not be built. How do you ensure they meet local needs as a priority?
- Will even this be enough to enable the economy to grow sustainably and provide adequate employment opportunities for us to retain and attract sufficient young and working aged people to sustain local communities and improve average incomes and the county's GVA?
- External factors have impacted historic build rates, and they will continue to do so, as such we need very real site allocation options spread across the 13 place plan areas,

which means being bold with our growth proposals, helping to create a more sustainable Powys.

- We need to where possible allow development in as many of our settlements of reasonable size as possible, even at this higher growth level the number of developments seems to be restrictive and again focussed on the towns and perhaps a few larger villages.

5.16 By this time in the Growth Options workshop (towards the end of the housing growth session), participants were beginning to think about the wider context of the Housing Growth Options. This included participants questioning what the Growth Options meant spatially, how they fitted with other evidence, the wider region and environmental impacts. These are all factors that the LPA has taken into consideration in the drafting of the Strategic Options and the Preferred Strategy and were discussed in the subsequent Spatial Options workshops. Comments included:

- This is not a matter of numbers - the number of houses is being considered without any thought of the connection with everything else: population, location, type of houses etc.
- Housing is not a separate issue from all other areas. Higher Risk (demographic aspiration/ Carbon Greenhouse Gases and Env / Service requirements) but also Higher Reward if development delivers to the intention of the Plan and to meet the Council's Objectives.
- It must be linked to other LDP considerations such as economic development and matched to anticipated need.
- Can we be shown the evidence more clearly - evidence of where business want to grow and create jobs, evidence of demand for social housing etc. Can this be shown spatially as Powys is not one place but many communities.
- The logic in the higher growth scenario seems wrong. It seems to be based on the evidence of supply rate and not related at all to the demand. Surely demand should lead.
- We have inherited a pattern of development that has largely been derived from our agriculturally based market towns. These now shape Powys and whilst we don't have the same agricultural industry, we now need a vision for market towns in the coming century. In a world impacted by climate change and ecological collapse. Having declared these emergencies, the LDP has to be at the forefront of the response.
- Doesn't the Corporate Joint Committee rather than Powys LPA now have the strategic planning function - is it Powys LPA's choice?
- Important to ask questions about the principles rather than the numbers / level of growth. For example, the plan should consider existing and proposed discharges into river catchments on a cumulative cross boundary basis. An evidence base should be developed to determine whether there are impacts and to inform site allocations and plan policy. For example, through liaison with Welsh Water and with other Local Planning Authorities discharging into the Wye catchment.

5.17 Note: Six participants that attended the Spatial Option workshops and who chose to comment on Growth preferred the Higher Housing Growth Option.

Employment Growth Options

5.18 With regards to economic growth participants stated that future proofing the supply of employment land to make Powys more attractive to investors of all sizes was important. They also felt that the higher Growth Option (40 hectares) would provide more flexibility to accommodate any need that may arise. Support was expressed for proactive approaches to driving economic growth, particularly in green sectors or by repurposing existing infrastructure. There was a call for incorporating local / county aspiration into decision-making processes and balancing local and regional priorities, including the Mid Wales Growth Deal.

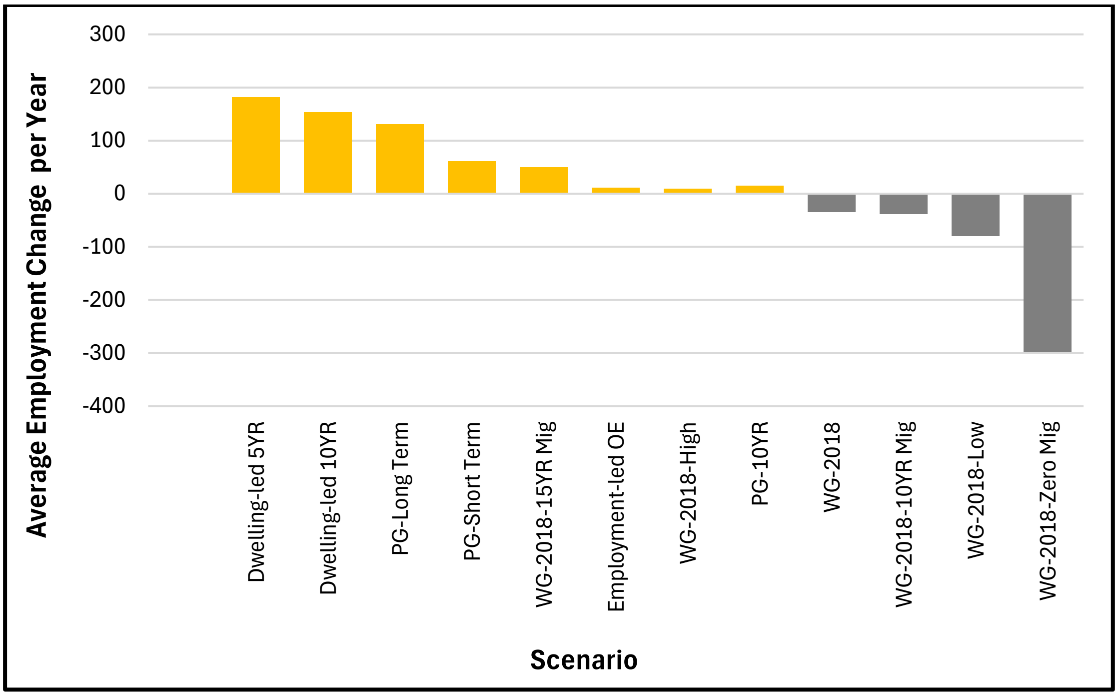
6. Growth Options Analysis

Housing and Employment Growth

6.1 The Growth Options presented in this section, provide six alternative growth strategy options (organised into three categories: Lower, Medium and Higher) to inform the level of dwelling and employment provision within the Replacement LDP plan period, having regard to national policy, the evidence base and policy aspirations. The need for new dwellings in each scenario, for the 2022–2037 period ranges from 2,580 dwellings under the PG Short Term scenario and 4,320 under the Dwelling-led 5Y scenario. This gives estimated dwelling growth outcomes of between 172 and 288 dwellings per year.

6.2 The Powys Demographic Report 2024 undertook an analysis for the different scenarios, to determine the size of the labour force and the level of employment growth that could be supported, through the application of economic activity rates, an unemployment rate, and a commuting ratio. Figure 10 presents the average annual employment change across the Plan area under each scenario.

Figure 10. Average Annual Employment Change 2022–2037



6.3 From the realistic scenarios tested, the Dwelling Led 5 Year alternative scenario, provided the highest employment growth outcome, at 182 persons per year. This was reflective of the growth in the size of the labour force estimated under this scenario, with a total growth of 2,730 people in employment estimated across the Plan area over the forecast period.

6.4 Due to the estimated reduction in the size of the labour force and the ageing population profile, the WG-2018 scenario suggests a reduction in the level of employment that could be supported, at -34 per year. The WG-2018-Zero Migration scenario illustrates the impact of natural change upon population growth in isolation and shows that without incoming migration there would be a significant decline in the size of the labour force over the forecast period, at -4,455 people, with an associated reduction in the level of employment that could be supported (-297 people per year).

6.5 The Employment Needs Assessment using Oxford Economics (OE) forecasts, reviewed jobs in all employment sectors (growing and declining sectors) to assess changes in employment land and premises needs as well as growth sectors only. The Oxford Economics forecasts, and the resulting estimations of need for employment premises and land were noted to have several limitations. The forecasts are based on national and regional trends with local adjustments for some industry sectors, which means, at a local level economic activity is not always accurately represented. For example, any differences in the economic performance in recent years between Powys and the national averages, may not be adequately picked up within the forecasts. Also, the relationship between jobs and land needs does not always reflect local property trends. The results from this analysis projected that there would be 1,090 additional jobs in B1 office space in Powys by 2037, over 2022 levels. Whilst the analysis also found that there would be 1,620 fewer jobs in B2/B8 spaces in Powys by 2037, compared to 2022 levels.

6.6 One of the identified Replacement LDP key issues (Key Issue 5: Population - responding to demographic needs and challenges) that the Replacement LDP is seeking to address is that Powys has an increasing ageing population and faces the issue of an unbalanced population between older and younger Demographic. The increasing retired, non-working population relative to the working age population is a challenge facing Powys, recognised in both the Powys Well-being Plan and the Corporate Plan. To support more age-balanced communities, the Replacement LDP needs to create jobs, homes and opportunities to retain and attract more of the working age population.

6.7 The Development Plans Manual requires that “LPAs should not consider employment forecasts in isolation, but the relationship between economic and demographic/population projections. Demographic and population projections are a key consideration in understanding the potential of a future population to accommodate economic Growth Options (and vice versa)”.

6.8 Using population and demographic projections to forecast the number of jobs the Replacement LDP should be planning for is difficult for the Powys LPA area. The projections are based on past trends and do not allow for the policy aspirations that the Replacement LDP is seeking to achieve. Therefore, rather than each scenario being guided by a projection of how many jobs will be provided, focus will be given to making sure the Replacement LDP has adequate employment land and opportunities for employment growth across all employment sectors. This approach supports Policy 5 in Future Wales, in terms of meeting the employment needs of rural areas, including employment arising from the foundational economy; the agricultural and forestry sectors, and proposals for diversification; start-ups and micro businesses. It will also support the implementation of the Mid Wales Growth Deal.

Flexibility Rate

6.9 It is recognised that it is extremely rare that all sites identified in a development plan will come forward in the timescales anticipated. Therefore, the Development Plans Manual outlines a requirement for a flexibility allowance to be built into LDP Strategies. The Replacement LDP needs to include a flexibility allowance that demonstrates that there is sufficient flexibility above the dwelling requirement to account for non-delivery and unforeseen issues.

6.10 The Development Plans Manual states that "the level of flexibility will be for each LPA to determine based on local issues; the starting point for such considerations could be 10% flexibility with any variation robustly evidenced". The Adopted Powys LDP (2011-2026) included a flexibility allowance of 24%. The 24% was based on delivery rates in the preceding development plan the 'Powys Unitary Development Plan (2001 – 2016)' (UDP) and accounted for factors unique to Powys which influence development patterns and build rates within its Plan area.

6.11 The Plan area has a large geographical spread with many small - to medium-sized development sites and few major sites, a fact demonstrated by the Adopted LDP not depending upon any Strategic Housing Sites. As a result, housing delivery is largely reliant upon small and individual developers and landowners with many different interests, expectations, etc. Past Housing Land Availability Studies and ongoing AMRs show that committed sites are often commenced with a technical start to keep the planning consent alive but not developed until the medium - to long-term; other sites are subject to ongoing renewals of permissions and even sites under construction can be subject to longer than average build out periods, with some larger sites seeing only a few dwellings being completed each year. This can be attributed to both the make- up of the development industry in Powys, where limited major volume housebuilders are present, and wider housing market factors.

6.12 Based on the delivery rates in the Adopted LDP and the fact that the unique factors relating to development within Powys have not changed, it is proposed that the flexibility allowance applied in the Replacement LDP is greater than the 10% generally proposed as a starting point. To determine an appropriate allowance, the rate of delivery against the Dwelling Requirement Figure in the Adopted LDP has been considered.

6.13 The Adopted LDP included a Dwelling Requirement Figure of 4,500 dwellings. According to the latest Annual Monitoring Report (2024) a total of 3,073 of the 4,500 dwellings have been delivered, representing 68% of the target. There are two years of the Plan period remaining which need to be accounted for. To do this the average build rate for the previous thirteen years (2011-2024) has been calculated (236 dwellings) and used to represent years 2024-2025 and 2025-2026 (472 dwellings in total).

6.14 Adding 472 to the 3,073 dwellings (already completed) gives a total of 3,545 which can be used as an anticipated delivery rate against the 4,500 Dwelling Requirement Figure. This would represent 79% of the total, giving a non-delivery rate of 21%.

6.15 It is therefore proposed, that by taking into consideration the flexibility allowance used in the Adopted LDP, the unique factors effecting development in Powys and the non-delivery rate in the Adopted LDP that a flexibility allowance of 21% is used for the Replacement LDP.

The Three Growth Options

6.16 Table 7 details the three Growth Options (Lower, Medium and Higher) and six different scenarios, along with the anticipated average annual build rate, Dwelling Requirement Figure and Housing Provision Figure for each scenario.

6.17 The LHMA uses household projections to provide estimates of future numbers of households which are made by making assumptions about household composition and size and applying these to population projections. In addition to using the household projections, the LHMA also takes into consideration the numbers on household waiting lists, (the unmet need) and adds them to the forecast housing need. Therefore, in the Growth Option scenarios, the Welsh Government 2018 household projections for the Higher Variant and 15-year Migration scenarios, are based on the forecast need from the LHMA rather than the projected need detailed in the Demographic Report.

6.18 Alongside the housing numbers, is the total employment land that the Replacement LDP would be providing for, informed by the past take up rate approach. This is based on past trends and the recommendations from the Employment Needs Assessment (see Section 4). The table includes anticipated changes to the employment growth for each scenario to give an indication on the projected size of the labour force.

Table 7. Powys Replacement LDP (2022-2037) Growth Options and Scenarios.

Option	Scenario	Anticipated Annual Build Rate	Dwelling Requirement Figure	Housing Provision Figure (+21%)	Employment Land Take Value (ha)	Total Employment Land (ha) Provision	Employment Growth per Year (persons)
Higher	**Dwelling-led 5YR**	288	4,320	5,227	1.6 +0.4	40	182
Higher	**Dwelling-led 10YR**	264	3,960	4,792	1.6 + 0.4	40	153
Medium	**PG-Long Term**	220	3,300	3,993	1.6	32	131
Medium	**LHMA - 15 Year Migration**	203	3,045	3,684	1.6	32	50
Lower	**LHMA – Higher Variant**	179	2,682	3,245	1.6	32	9
Lower	**PG-Short Term**	172	2,580	3,122	1.6	32	61

6.19 Paragraphs 6.20 to 6.131 give a detailed analysis of each of the options. Consideration is given to the appropriateness of each of the options, this includes looking at:

- Past build rates,
- Housing land supply,
- Demographics,
- Meeting the needs identified in the LHMA,
- Stakeholder feedback,
- Fit with Future Wales and the Mid Wales Region

Lower Growth Option Analysis

6.20 The first set of the growth scenarios to be considered and analysed are based on the Welsh Government 2018 household projection, Higher Variant scenario (using the results from the LHMA) and the PG Short Term scenario from the Powys Demographic Report. These two scenarios provide similar results and have been grouped together as the 'Lower Growth Option'.

6.21 The Welsh Government WG- 2018 household projection, Higher Variant scenario is generated based on assumptions of higher fertility rates and lower mortality rates compared to the principal projection. Whilst it is recognised that this is not the case in Powys, with an ageing demographic resulting in lower fertility rates and higher mortality rates, the actual forecasts from the projections themselves currently align with the results from the 2021 Census. This is reflective of the expectation that migration will be the key driver for household growth and outweigh the natural decline of the population in Powys. For this reason, the LHMA included the Higher Variant as the preferred variant for the assessment. The LHMA uses data from the household projections and the existing unmet need for affordable housing, to determine the number of houses needed (between 2022 and 2037).

6.22 The PG Short Term scenario uses the rebased and latest Mid-Year Estimates (to 2022), to generate an 'alternative trend' scenario, and uses a continuation of short-term (5-year) migration histories to calibrate future growth assumptions.

6.23 As detailed in Table 8 the LHMA – Higher Variant scenario would result in a population increase of 2.2% and a 3.9% increase in households, requiring the development of 2,682 new dwellings during the plan period up to 2037, or an equivalent of 179 dwellings built per year. Meanwhile, the PG-Short Term scenario results in 2.4% growth in population, 4.6% growth in households, and a need for 2,580 new dwellings during the plan period, or 172 dwellings per year.

6.24 With regards to economic growth the Lower Growth Option would provide for a total of 32 hectares of employment land over the plan period based solely on past take up rates as detailed in paragraph 4.26. For the two scenarios the Demographic Evidence Report forecast an annual increase of between 9 and 61 people in employment per year, equating to an increase of 135 – 915 people over the Plan period.

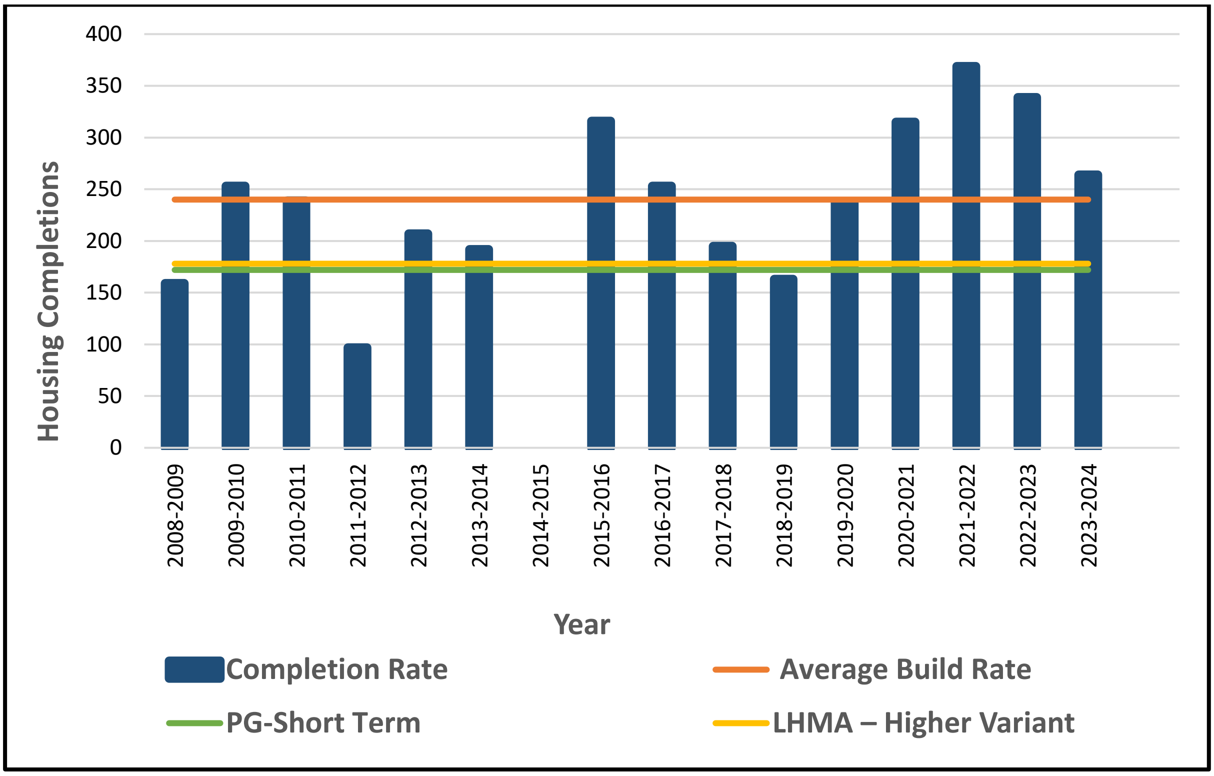
Table 8. Lower Growth Option Housing Scenarios

	LHMA – Higher Variant	PG-Short Term
Summary	Based on the WG 2018-based high projection, using historical population evidence up to its 2018 base year, and incorporating high fertility, mortality, and migration assumptions, whilst also including existing unmet affordable housing need identified in the LHMA.	Uses a 2022 base year, with migration assumptions calibrated from a 5-year historical period (2017/18–2021/22), including an adjustment in the international migration component of the Mid-Year Estimates (2001/02–2020/21).
Anticipated Average Annual Build Rate	179	172
Dwelling Requirement Figure	2,682	2,580
Housing Provision Figure (+21%)	3,245	3,122
Employment Land Take Value (ha)	1.6	1.6
Total Employment Land (ha) Provision	32	32
Population * Change (2022-2037)	2,346	2,675
Population Change % (2022-2037)	2.2%	2.4%
Households Change (2022-2037)	1,931	2,335
Households Change % (2022-2037)	3.9%	4.6%
Average Annual Employment Change	9	61
Increase in the Size of the Labour Force	135	915

Comparison with Historic Build Rates

6.25 Figure 11 shows how the anticipated annual build rate for the two Lower Growth scenarios compare with historic dwelling completion rates since 2008. The average completion rate over the 15-year period is 240 dwellings per year. This is significantly higher than the anticipated average annual build rate of between 172-179 dwellings required under the two lower Growth Options and would only be able to be achieved through a restrictive approach to residential development in the Replacement LDP.

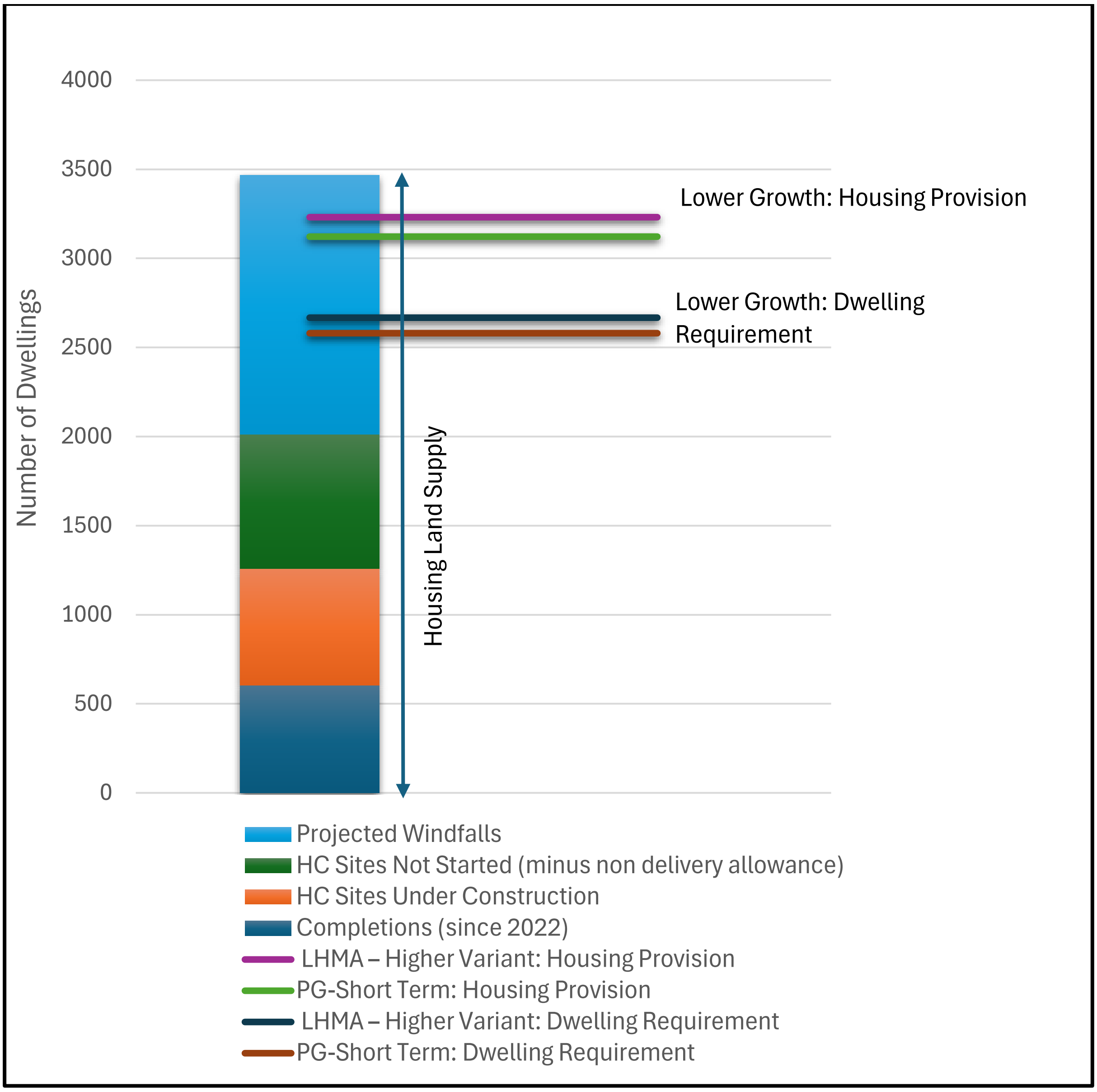
Figure 11. Comparison of Lower Growth Option Anticipated Annual Build Rates with Historic Housing Completions (2008 – 2024)



Comparison with Housing Land Supply

6.26 Figure 12 shows how the Housing Provision and Dwelling Requirement Figures for the two lower growth scenarios compare with the housing land supply (at April 2024). It can be seen, that if windfall development was to continue at a similar rate to past trends (excluding abnormalities as detailed in the housing land supply background paper) there would be an over provision of dwellings in the Replacement LDP period and no need to allocate any sites for residential development.

Figure 12. Comparison of Lower Growth Option Housing Provision and Dwelling Requirement Figures with the Housing Land Supply



6.27 With regards to employment land there are a total of 8.16 hectares of land in the committed supply, meaning a further 23.84 hectares would need to be allocated for.

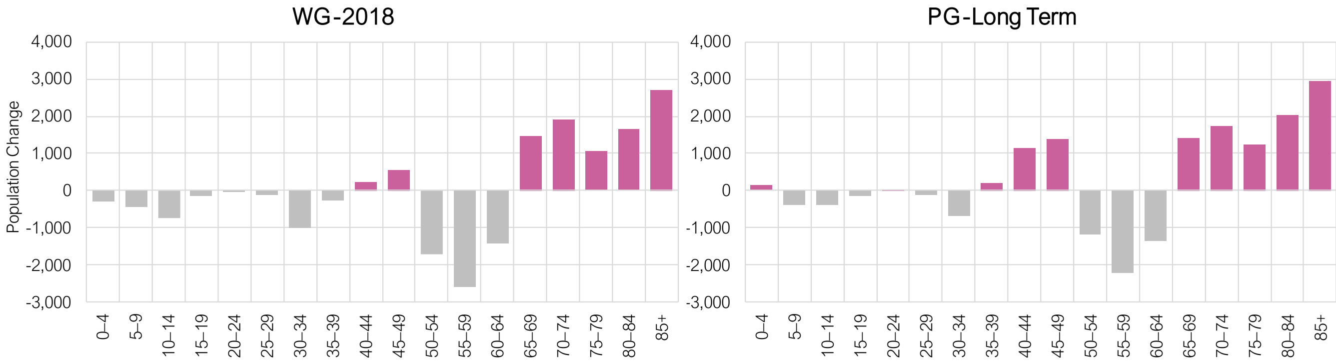
Addressing the Demographic Challenges Facing Powys

6.28 To inform the planning for housing and employment, the changing age structure of the population is an important consideration, with each scenario resulting in a different population age structure. Figure 13 detailed in the Demographic Report, presents the population change by age group under the WG 2018-based Principal projection (WG-2018) and the PG-Long Term scenario, the highest population growth outcome of the scenarios tested. Whilst they are different to the scenarios being compared under the Lower Growth Option, they are helpful in that they demonstrate how the Higher Growth scenarios can have a positive impact on addressing the demographic challenges facing Powys.

6.29 Under both the WG 2018-based Principal projection (WG-2018) and the PG-Long Term scenarios, significant growth is estimated in the 65+ age groups, a reflection of the ageing population in Powys. The WG-2018 scenario estimates population decline in all groups from 0–39 and 50–64, with the greatest decline estimated in ages 55–59.

6.30 With the exception of the 0–4, 20–24, and 35–39 age groups, the PG-Long Term scenario also estimates population decline in these age groups, but to a lesser extent. Both scenarios estimate population growth in the 40–49 age groups.

Figure 13. Population Change by Age Group 2022-2037 for the WG 2018-based Principal projection (WG-2018) and the PG-Long Term scenarios.



6.31 From the comparison between the WG 2018-based Principal projection and the PG-Long Term scenarios, it can be concluded that the Lower Growth Option will be more heavily influenced by the natural decline in the Powys population, where deaths exceed births, than the Medium and Higher Growth Options. The higher the population growth resulting from the scenarios, the more that incoming migration can be facilitated, addressing demographic challenges and increasing the size of the working aged population. Figure 10. Average Annual Employment Change 2022–2037, shows that the anticipated increase to the size of the labour force for the lower growth option would be limited to between nine and 61 people per year. This increase would be primarily due to an increase in the number of people aged over 65 working and does not account for any associated reduction in hours worked.

Meeting the Needs identified in the Local Housing Market Assessment

6.32 The Local Housing Market Assessment (LHMA) identified a total need for new dwellings, of 2,682 under the Higher Variant scenario and 3,045 under the 15-year migration scenario. The Lower Growth Option includes consideration of the LHMA – Higher Variant scenario which has been aligned to the total need figure identified in the LHMA.

6.33 Whilst the total numbers of need identified in the LHMA, would be addressed through the Lower Growth Option, it needs to be recognised that the need would have to be met from the existing housing land supply. Whilst the number of dwellings in the housing land supply exceed the need in terms of both open market and affordable dwellings, the need and supply are not always spatially located in the same place. Further capacity is needed in the housing provision number to enable new residential allocations to be made in areas (Housing Market Areas) of need where there is a limited housing land supply, or where the housing land supply is not of the right tenure.

Stakeholder Feedback

6.34 There was limited support for the Lower Growth Option at the stakeholder events. Participants raised concerns that it would result in the Replacement LDP not being able to allocate sufficient land to meet housing needs, resulting in increased homelessness. Participants also felt that the low housing numbers in the Lower Growth Option would limit the ability for business growth and prevent the younger / working aged demographic from remaining or migrating into Powys.

6.35 Stakeholders preferred the Higher Growth Option with regards to employment land (a provision of 40 hectares on allocated sites, rather than the 32 hectares) stating it would provide increased flexibility to accommodate any need that may arise.

Regional Context and Future Wales

6.36 Future Wales states that under Welsh Government central estimates, 1,800 additional homes are needed in the Mid Wales Region up to 2039. It also states that when considering future housing needs, individual LDPs need to reflect on the low estimated need for housing in the Mid Wales Region and what this means for how places will change, where jobs and services will be located and the relationship between settlements.

6.37 Given that the Lower Growth Option projects lower levels of growth, it is inevitable that it is more closely aligned to the additional need identified in Future Wales than the Medium and Higher Growth Options. However, as discussed in paragraph 6.26 the Lower Growth Option is dependent on using the housing land supply to deliver new housing and will restrict the influence the Replacement LDP would have on delivering against other policies in Future Wales, as explained below.

Future Wales Policies:

6.38 Policy 1 - Where Wales will grow – this designates Regional Growth Areas, and two of the five identified within the Mid Wales Region – The Heart of Wales and Bro Hafren - are located wholly within the Powys LPA area. Policy 1 requires that the Regional Growth Areas will grow, develop and offer a variety of public and commercial services at regional scale. It also requires development in towns and villages in rural areas to be of appropriate scale and support local aspirations and needs.

6.39 Implication: The Lower Growth Option would result in not being able to support sufficient housing growth in Regional Growth Areas, or to meeting the local aspirations and needs of towns and villages in rural areas.

6.40 Policy 4 - Supporting Rural Communities – this requires LDPs to identify their rural communities, assess their needs and set out policies to support them. It also requires policies to consider how age balanced communities can be achieved, where depopulation should be reversed and consider the role of new affordable and market housing, employment opportunities, local services and greater mobility in tackling these challenges.

6.41 Implication: As demonstrated in the Demographic Report, the Lower Growth Option would have the least influence when it comes to achieving age balanced communities and reversing depopulation. It would also result in lower numbers of new affordable and market housing in rural communities.

6.42 Policy 5 - Supporting the Rural Economy – this policy supports sustainable, appropriate and proportionate economic growth in rural towns that is planned and managed through Strategic and Local Development Plans. It requires plans to plan positively to meet the employment needs of rural areas.

6.43 Implication: It is considered that the employment provision of 32 hectares, together with employment policies, will go some way to meeting the employment needs of rural areas but will not provide as much flexibility as the Higher Growth Option.

6.44 Policy 7 - Delivering Affordable Homes – this policy sets out Welsh Government's aim to increase the delivery of affordable homes. It requires planning authorities to identify sites for affordable housing led developments.

6.45 Implication: The Lower Growth Option is dependent on the housing land supply and would restrict the ability to provide new site allocations for affordable housing led development.

6.46 Policy 12 - Regional Connectivity - this states that LPAs must maximise opportunities arising from the investment in public transport when planning for growth and regeneration. Planning authorities must integrate site allocations, new development, and infrastructure with active travel networks and, where appropriate, ensure new development contributes towards their expansion and improvement.

6.47 Implication: The Lower Growth Option is dependent on sites in the housing land supply, limiting the opportunity for new site allocations to be provided and integrated with active travel networks; this will also reduce the ability to be able to seek contributions towards their expansion and improvement.

6.48 Policy 25 - Regional Growth Areas Mid Wales – In identifying the Regional Growth Areas in Mid Wales, the policy requires development in these areas to meet the regional housing, employment and social needs of Mid Wales. It identifies two Regional Growth Areas wholly in the Replacement LDP area, Bro Hafren and The Heart of Wales, with Brecon and the Border providing important services to some settlements in the South of the plan area.

6.49 Implication: The Lower Growth Housing Option would be delivered primarily through the housing land supply with housing policies being targeted at addressing specific need (to be able to reduce windfall developments). There would be limited scope for any housing growth to be focused in the Regional Growth Areas as required in Future Wales.

6.50 Policy 26 - Growing the Mid Wales Economy – this policy supports the growth and development of existing and new economic opportunities across the Mid Wales region based on traditional rural enterprises and modern, innovative and emerging technologies and sectors.

6.51 Implication: It is considered that the employment provision of 32 hectares, together with employment policies, will go some way to meeting the employment needs of Mid Wales. However, the lower growth option has limited impact with regards to employment growth reliant on the labour force.

Mid Wales Region

6.52 The Powys LPA area typically (based on a 15-year average completion rate) makes up 48% of the 500 dwellings a year, delivered across the Mid Wales Region. The Lower Growth Option would require an annual average build rate of between 172 and 178 dwellings. This would equate to a reduction of up to 88 dwellings a year compared to recent rates of construction. This would not be reflective of the Powys Replacement LDP plan area's role within the Mid Wales Region (hosting 53% of the population) particularly as over half of the higher tier settlements in Powys fall within a Regional Growth Area.

6.53 Consideration also needs to be given to whether the Regional Growth Areas in the Powys LPA area should or could accommodate some of the growth unable to take place due to the Phosphorous issues limiting development and the progression of LDPs for other Regional Growth Areas in the Mid Wales region. The Lower Growth Option would not be able to facilitate any such additional growth.

6.54 In terms of economic development, it is considered that the employment provision of 32 hectares, together with employment policies, would go some way to facilitating the Mid Wales Growth Deal. However, it will limit the size, number and distribution of new sites across Powys, together with any required growth in the labour force.

Medium Growth Option Analysis

6.55 The second set of growth scenarios for consideration and analysis have been grouped together under the Medium Growth Option. These are based on the Welsh Government 2018 household projections and are the 15 Year-Migration scenario using the results from the LHMA and the PG Long Term scenario from the Powys Demographic Report.

6.66 The 15 Year-Migration scenario is generated from the average migration over a 15-year period. The principal and higher variant projections use a 5-year period. The LHMA included an assessment of need arising from the 15-year migration projection, the results of which have been used in this Medium Growth Option. The LHMA uses data from the population projections and the existing unmet need for affordable housing, to determine the number of houses needed (between 2022 and 2037).

6.67 The PG Long Term scenario uses the rebased and latest Mid-Year Estimates (to 2022), to generate an 'alternative trend' scenario, with a continuation of long-term (21-year) migration histories to calibrate future growth assumptions. Consideration of both the 15 Year-Migration and PG Long Term scenarios is reflective of the expectation that migration will be the key driver for household growth and outweigh the natural decline of the population in Powys.

6.68 As detailed in Table 9 the LHMA – 15 Year-Migration scenario would result in a population increase of 2.4% and a 4.2% increase in households, requiring the development of 3,045 new dwellings during the plan period up to 2037, or an equivalent of 203 dwellings per year. Meanwhile, the PG-Long Term scenario results in a 4.2% growth in population, 5.9% growth in households, and a need for 2,986 new dwellings during the plan period, or 220 dwellings per year.

6.69 With regards to economic growth the Medium Growth Option (similar to the Lower Growth Option) would provide for a total of 32 hectares of employment land over the plan period based on past take up rates. For the two scenarios the Demographic Evidence Report forecast an annual increase of between 50 and 131 people in employment per year, equating to an increase of 750 – 1,965 people over the Plan period.

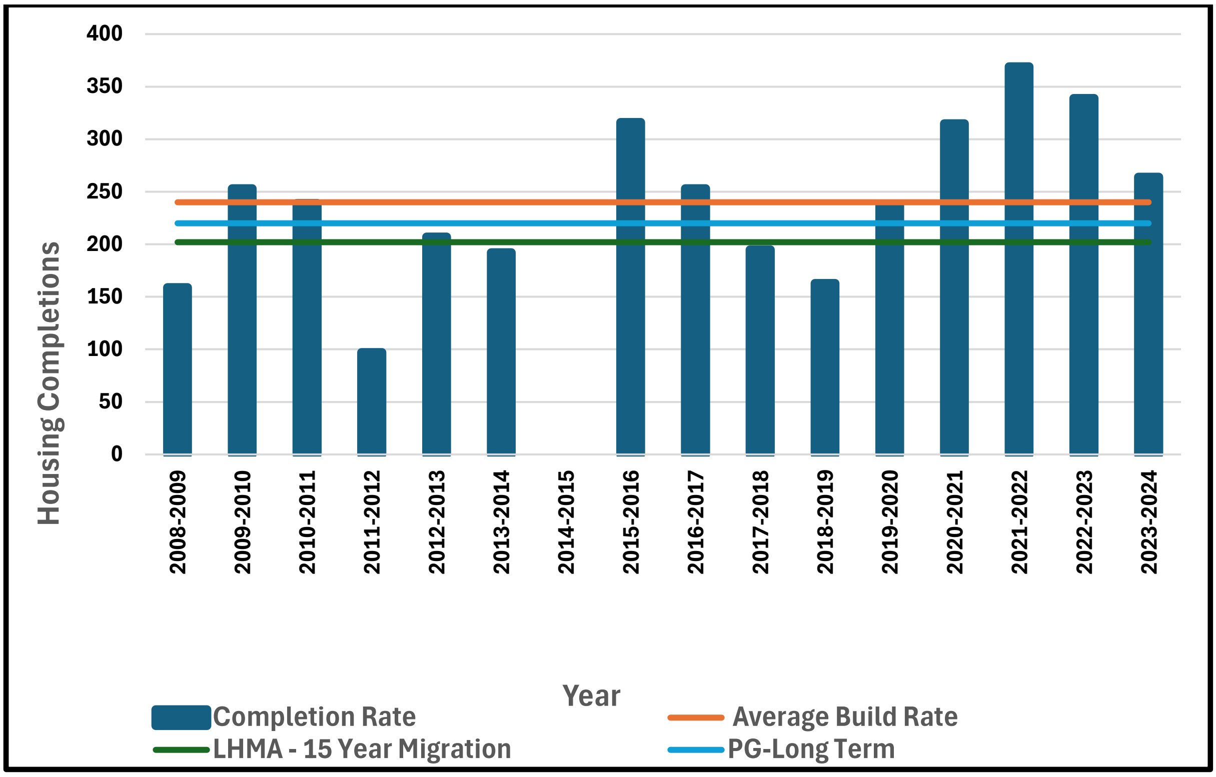
Table 9. Medium Growth Option Housing Scenarios

	LHMA – 15 Year Migration	PG - Long Term
Summary	Based on the WG 2018-based 15-year migration projection, using historical population evidence up to its 2018 base year, and drawing migration assumptions from a 15-year period., whilst also including existing unmet affordable housing need identified in the LHMA.	Uses a 2022 base year, with migration assumptions calibrated from a 21-year historical period (2001/02–2021/22), including an adjustment in the international migration component of the Mid-Year Estimates (2001/02–2020/21).
Anticipated Annual Build Rate	203	220
Dwelling Requirement Figure	3,045	3,300
Housing Provision Figure (+21%)	3,684	3,993
Employment Land Take Value (ha)	1.6	1.6
Total Employment Land (ha) Provision	32	32
Population Change (2022-2037)	2,659	4,567
Population Change % (2022-2037)	2.4	4.2
Households Change (2022-2037)	2,120	2,986
Households Change % (2022-2037)	4.2	5.9
Average Annual Employment Change	50	131
Increase in the Size of the Labour Force	750	1,965

Comparison with Historic Build Rates

6.70 Figure 14 shows how the anticipated annual build rate for the two Medium Growth Option scenarios compare with historic dwelling completion rates since 2008. The average completion rate over the 15-year period is 240 dwellings per year. This is higher than the average anticipated annual build rate of between 202-220 dwellings required under the Medium Growth Option and would only be able to be achieved through a more restrictive approach to residential development in the Replacement LDP, than in the Adopted LDP.

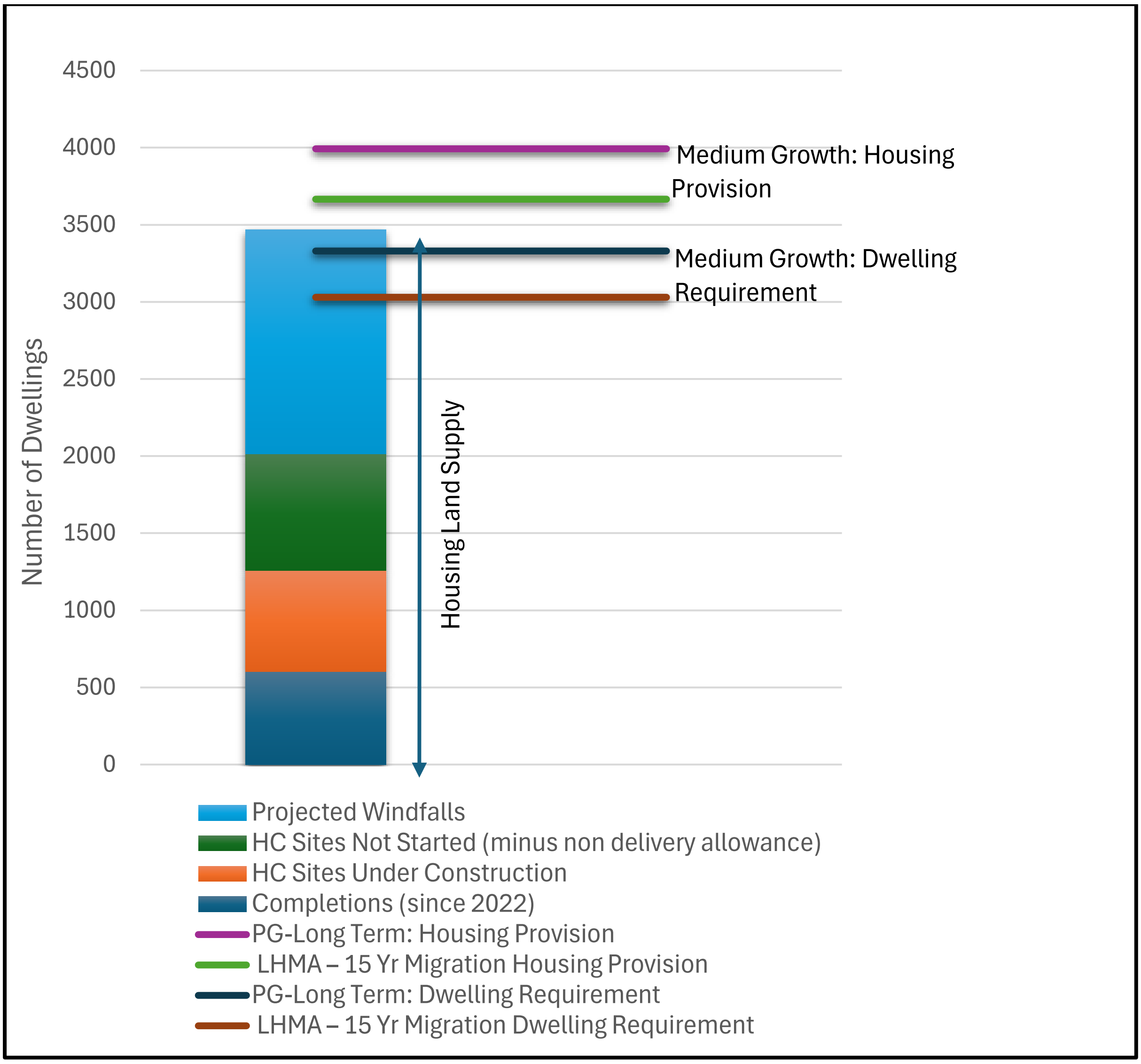
Figure 14. Comparison of Medium Growth Option Anticipated Average Annual Build Rates with Historic Housing Completions (2008 – 2024)



Comparison with Housing Land Supply

6.71 Figure 15 shows how the housing provision and Dwelling Requirement Figures for the two Medium Growth Option scenarios compare with the housing land supply (at April 2024). It can be seen, that if windfall development was to continue at a similar rate to past trends (excluding abnormalities as detailed in the Housing Land Supply background paper) there would be the scope to allocate between 199 and 526 dwellings, to be delivered in the Replacement LDP period. All new residential allocations would need to be used to address the mismatch between the need identified in the LHMA and the housing land supply, with regards to spatial location and tenure. This gives limited flexibility to address future needs that may arise or scope to deliver on stakeholder aspirations.

Figure 15. Comparison of Medium Growth Option Housing Provision and Dwelling Requirement Figures with the Housing Land Supply



6.72 With regards to employment land there are a total of 8.16 hectares of land in the committed supply meaning a further 23.84 hectares would need to be allocated for.

Addressing the Demographic Challenges Facing Powys

6.73 As discussed in paragraph 6.31 the Powys Demographic Report presents the population change by age group comparing the WG 2018-based Principal projection (WG-2018) and the PG-Long Term scenarios. From the comparison between the WG 2018-based Principal projection and the PG-Long Term scenarios, it was concluded that lower growth scenarios are more heavily influenced by the natural decline in the Powys population than higher growth scenarios. In the higher growth scenarios, it is recognised that higher levels of incoming migration can be facilitated, addressing demographic challenges and increasing the size of the working aged population. Figure 10. Average Annual Employment Change 2022–2037, shows that the anticipated increase to the size of the labour force for the medium growth option would be between 50 and 131 people per year. This increase would be partially a result of inward migration but is also reliant on an increase in the number of people aged over 65 working and does not account for any associated reduction in hours worked.

6.74 The Medium Growth Option is an improvement on addressing demographic challenges compared to the Lower Growth Option, however challenges still remain to ensure that needs can be met during the Replacement LDP plan period.

Meeting the Needs identified in the Local Housing Market Assessment

6.75 The LHMA identified a total need for new dwellings, of 2,682 under the Higher Variant scenario and 3,045 under the 15-year migration scenario.

The Medium Growth Option would be able to address the need identified in the LHMA, in terms of total numbers and would have enough scope to be able to address the mismatch between the need identified in the LHMA and the housing land supply, with regards to spatial location and tenure.

6.76 However, the LHMA is one source of evidence relating to housing need. Affordable housing waiting lists are constantly being updated and changed. Further specialist housing will also be needed within the Replacement LDP plan period, particularly to meet the needs of an aging population. The Replacement LDP needs to adopt a flexible approach, allocating sites and making provision for enough residential development to accommodate changing needs. Consideration needs to be given as to whether the Medium Growth Option, would be too restrictive to respond to changing needs compared to the Higher Growth Option.

Stakeholder Feedback

6.77 Participants considered that there was insufficient flexibility in the Medium Growth Option and that it lacked ambition. Some participants considered that it appeared to meet the projected demand, but that they had concerns that development would be restricted to the larger towns, when development is required across the whole of the Replacement LDP Plan area. Participants felt it was important to ensure that all areas of Powys could grow appropriately.

6.78 Concerns were raised that the Medium Growth Option, would result in insufficient homes to be able to attract younger workers / middle-aged people with education and skills, back to Powys. Participants also felt the lack of scope for new housing sites could result in higher land / dwelling prices and there not being enough new dwellings, particularly to meet affordable housing needs. It was considered that housing need is already high, and that the levels presented would be unlikely to meet future demand.

6.79 Most stakeholders preferred the Higher Growth Option with regards to employment land (a provision of 40 hectares on allocated sites, rather than the 32 hectares under the Medium Growth Option) stating it would provide increased flexibility to accommodate any needs that may arise.

Regional Context and Future Wales

6.80 Future Wales states that under Welsh Government central estimates, 1,800 additional homes are needed in the Mid Wales Region up to 2039. It also states that when considering future housing needs, individual LDPs need to reflect on the low estimated need for housing in the Mid Wales Region and what this means for how places will change, where jobs and services will be located and the relationship between settlements.

6.81 Given that the Lower Growth Option projects lower levels of growth, it is inevitable that it is more closely aligned to the additional need identified in Future Wales than the Medium and Higher Growth Options.

6.82 However, as discussed in paragraph 6.71 the Medium Growth Option is predominantly based on using the housing land supply to deliver new housing. Any additional capacity will need to be used to address the mismatch between the LHMA and the housing land supply, with regards to spatial location and tenure and will restrict the influence the Replacement LDP can have on delivering against other policies in Future Wales as set out below.

Future Wales Policies:

6.83 Policy 1 - Where Wales will grow introduces Regional Growth Areas of which two of the five within the Mid Wales Region, Bro Hafren and the Heart of Wales, are wholly within the Powys LPA area. Policy 1 requires that the Regional Growth Areas will grow, develop and offer a variety of public and commercial services at regional scale. It also requires development in towns and villages in rural areas to be of appropriate scale and support local aspirations and needs.

6.84 Implication: The Medium Growth Option would result in a strategy governed by needs identified in the LHMA. It may not be able to prioritise locating housing growth in Regional Growth Areas or be able to meet local aspirations and changing needs in rural towns and villages.

6.85 Policy 4 - Supporting Rural Communities requires LDPs to identify their rural communities, assess their needs and set out policies to support them. It also requires policies to consider how age balanced communities can be achieved, where depopulation should be reversed and consider the role of new affordable and market housing, employment opportunities, local services and greater mobility in tackling these challenges.

6.86 Implication: As demonstrated in the Powys Demographic Report the Medium Growth Option has less influence, compared to the Higher Growth Option when it comes to achieving age balanced communities and reversing depopulation. It would also result in lower numbers of new affordable and market housing in rural communities, compared to the Higher Housing Growth Option.

6.87 Policy 5 - Supporting the Rural Economy supports sustainable, appropriate and proportionate economic growth in rural towns that is planned and managed through Strategic and Local Development Plans. It requires plans to plan positively to meet the employment needs of rural areas.

6.88 Implication: It is considered that the employment provision of 32 hectares, together with employment policies, will go some way to meeting the employment needs of rural areas but will not provide much flexibility.

6.89 Policy 7 - Delivering Affordable Homes reflects Welsh Government's aim to increase the delivery of affordable homes. It requires planning authorities to identify sites for affordable housing led developments.

6.90 Implication: The Medium Growth Option would be focused on meeting needs identified in the LHMA and would restrict the ability for the Replacement LDP to provide new sites for affordable housing led developments, where need is identified through housing waiting lists and other sources, or updates to evidence.

6.91 Policy 12 - Regional Connectivity sets out that LPAs must maximise opportunities arising from the investment in public transport when planning for growth and regeneration. Planning authorities must integrate site allocations, new development, and infrastructure with active travel networks and, where appropriate, ensure new development contributes towards their expansion and improvement.

6.92 Implication: The Medium Growth Option is predominantly dependent on sites in the housing land supply, with a limited number of new sites being located in areas of need, as recognised in the LHMA. This would restrict the opportunity for new sites to be planned for and integrated with active travel networks; and would also reduce the ability to be able to seek contributions towards their expansion and improvement.

6.93 Policy 25 - Regional Growth Areas Mid Wales identifies Regional Growth Areas in Mid Wales and requires development in these areas to meet the regional housing, employment and social needs of Mid Wales. It identifies two Regional Growth Areas wholly in the Replacement LDP area Bro Hafren and the Heart of Wales, with Brecon and the Border providing important services to some settlements in the South of the plan area.

6.94 Implication: The Medium Growth Housing Option would be delivered primarily through the housing land supply, with the location of new residential allocations being governed by the location of need identified in the LHMA. There would be limited scope for any further housing growth, not planned to address a recognised need, to be focused in the Regional Growth Areas as required in Future Wales.

6.95 Policy 26 - Growing the Mid Wales Economy supports the growth and development of existing and new economic opportunities across the region based on traditional rural enterprises and modern, innovative and emerging technologies and sectors.

6.96 Implication: It is considered that the employment provision of 32 hectares, together with employment policies, will go some way to meeting the employment needs of Mid Wales, but will not provide as much scope or flexibility ad the higher growth option. The medium growth option will have some impact with regards to employment growth that is reliant on the labour force. However, this will be limited by the proportion of that growth realised through an increase in the proportion of over 65s working at reduced hours.

Mid Wales Region

6.97 Powys typically (based on a 15-year average completion rate) makes up 48% of the 500 dwellings a year, delivered across the Mid Wales Region. The Medium Growth Option would require an annual average build rate of between 202 and 220 dwellings. In terms of impact on the Mid Wales Region, this would not be substantially different to the 240 dwellings a year, fifteen-year average build rate.

6.98 Consideration also needs to be given as to whether the Regional Growth Areas in the Powys LPA area, should accommodate some of the growth unable to take place due to the Phosphorous issues limiting development and the progression of LDPs for other Regional Growth Areas in the region. The Medium Growth Option would not be able to facilitate any additional growth.

6.99 In terms of economic development, it is considered that the employment provision of 32 hectares, together with employment policies, will go some way to facilitating the Mid Wales Growth Deal. However, it will limit the size, number and distribution of new sites across Powys, together with any required growth in the labour force.

Higher Growth Option Analysis

6.100 The third set of growth scenarios to be considered and analysed, are based on past build rates and considered as dwelling-led scenarios. Of the two scenarios generated the first looks at a five-year (2018-2023) period with the second considering a ten-year (2012-2023) period. These two scenarios provide similar results and have been grouped together as the 'Higher Growth Option'.

6.101 As detailed in Table 10, the Dwelling-led 10 Year scenario would result in a population increase of 5.7% and a 7.1% increase in households, requiring the development of 3,960 new dwellings during the plan period up to 2037, or an equivalent of 264 dwellings built per year. Meanwhile, the Dwelling-led 5 Year scenario results in 6.5% growth in population, 7.8% growth in households, and a need for 4,320 new dwellings during the plan period, or 288 dwellings per year.

6.102 With regards to economic growth, the Higher Growth Option would provide for a total of 40 hectares of employment land over the plan period, based on past take up rates plus an additional buffer as detailed in paragraph 4.27. For the two scenarios the Demographic Evidence Report forecast an annual increase of between 153 and 182 people in employment per year, equating to an increase of 2,295 – 2,730 people over the Plan period.

Table 10. Higher Growth Option Housing Scenarios

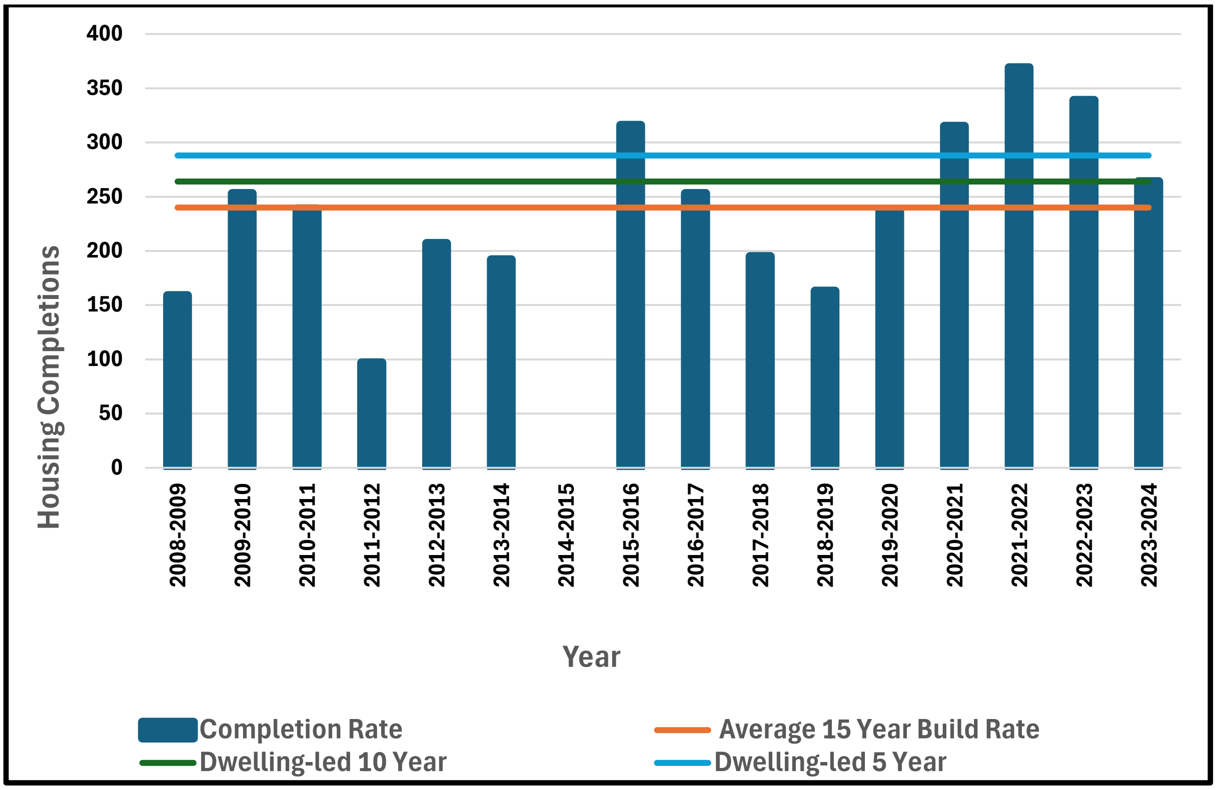
	Dwelling-led 10 Year	Dwelling-led 5 Year
Summary	Models the population growth impact of average annual dwelling growth (259), based on a 10-year history of housing completions in (2012/13–2022/23).	Models the population growth impact of average annual dwelling growth (285), based on a 5-year history of housing completions in (2018/19–2022/23).
Anticipated Annual Build Rate	264	288
Dwelling Requirement Figure*	3,960	4,320
Housing Provision Figure (+21%)	4,792	5,227
Employment Land Take Value (ha)	1.6	1.6
Total Employment Land (ha) Provision	40	40
Population Change (2022-2037)	6,297	7,096
Population Change % (2022-2037)	5.7%	6.5%
Households Change (2022-2037)	3,578	3,906
Households Change % (2022-2037)	7.1%	7.8%
Average Annual Employment Change	153	182
Increase in the Size of the Labour Force	2,295	2,750

* Differs to the Average Build Rate as dwelling completions for 2022-23 are included

Comparison with Historic Build Rates

6.103 Figure 16 shows the anticipated average annual build rate for the two Higher Growth Option scenarios compared with historic dwelling completion rates since 2008. The average completion rate over the 15-year period is 240 dwellings per year. This is lower than the anticipated average annual build rate of between 264 and 288 dwellings, based on the 5- and 10-year trends used to generate dwelling led scenarios under the Higher Housing Growth Option. Both scenarios are less than the anticipated annual build rate of 300 dwellings per annum in the adopted Powys LDP (2011-2026).

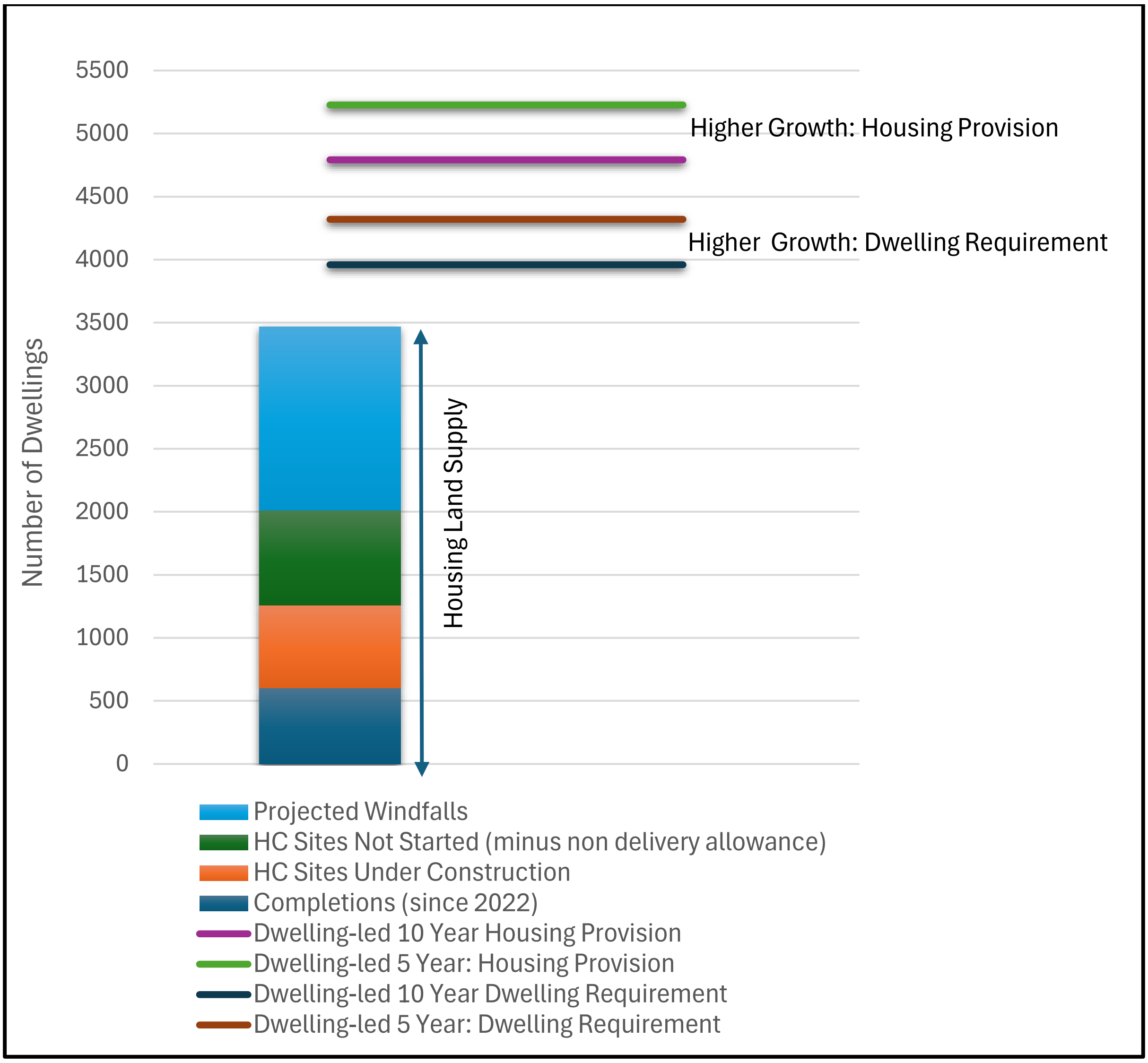
Figure 16. Comparison of Higher Growth Option Anticipated Annual Build Rates with Historic Housing Completions (2008 – 2024)



Comparison with Housing Land Supply

6.104 Figure 17 shows how the housing provision and Dwelling Requirement Figures for the two scenarios in the Higher Growth Option, compare with the housing land supply (at April 2024). It can be seen, that if windfall development was to continue at a similar rate to past trends (excluding abnormalities as detailed in the Housing Land Supply background paper) there would be the scope to allocate between 1,325 and 1,760 dwellings, to be delivered in the Replacement LDP period. New residential allocations would need to be used to address the mismatch between the need identified in the LHMA and the housing land supply, with regards to spatial location and tenure in the first instance. Further allocations would be used to deliver on the aspirations Future Wales and in the Vision and Objectives of the Replacement LDP and would enable an element of flexibility to meet changing needs.

Figure 17. Comparison of Higher Growth Option Housing Provision and Dwelling Requirement Figures with the Housing Land Supply



6.105 With regards to employment land there are a total of 8.16 hectares of land in the committed supply meaning a further 31.84 hectares would need to be allocated.

Addressing the Demographic Challenges Facing Powys

6.106 As discussed in paragraph 6.31, the Powys Demographic Report presents the population change by age group comparing the WG 2018-based Principal projection (WG-2018) and the PG-Long Term scenarios.

6.107 From the comparison between the WG 2018-based Principal projection and the PG-Long Term scenarios, it was concluded that lower growth scenarios are more heavily influenced by the natural decline in the Powys population. In the higher growth scenarios, it is recognised that higher levels of incoming migration can be facilitated, addressing demographic challenges and increasing the size of the working aged population. Figure 10. Average Annual Employment Change 2022–2037, shows that the anticipated increase to the size of the labour force for the higher growth option would be between 153 and 182 people per year. This increase would be partially as result of inward migration but includes flexibility to support the increase in the labour force of people aged over 65 working at reduced hours.

6.108 From the evidence, it can be concluded that the Higher Growth Option would have the greatest positive impact when it comes to addressing the demographic challenges facing Powys over the Replacement LDP plan period.

Meeting the Needs identified in the Local Housing Market Assessment

6.109 The LHMA identified a total need for 2,682 new dwellings under the Higher Variant scenario and 3,045 under the 15-year migration scenario. The Higher Growth Option would enable the total need from both scenarios to be addressed, whilst also accounting for any mismatch between the LHMA and the housing land supply in terms of location and tenure. Sufficient flexibility is included within this option to respond to changing and specialist needs over the Replacement LDP period.

Stakeholder Feedback

6.110 A number of stakeholders felt that the Higher Housing Growth Option, whilst preferable to the Lower and Medium Housing Growth Options, still did not go high enough. Participants felt that it seemed like a relatively modest ambition, unlikely to signal significant change and would not support large scale economic growth but recognised that the Adopted LDP had not delivered.

6.111 Concerns were raised on using past build rates to support the dwelling-led scenarios in the Higher Growth Option. Feedback included a participant saying that external factors have impacted historic build rates, and they will continue to do so, as such we need very real site allocation options spread across the Replacement LDP plan area, which means being bold with our growth proposals, helping to create a more sustainable Powys.

6.112 Most stakeholders preferred the Higher Growth Option with regards to employment land (a provision of 40 hectares on allocated sites, rather than the 32 hectares) stating it would provide increased flexibility to accommodate any needs that may arise.

Regional Context and Future Wales

6.113 Future Wales states that under Welsh Government central estimates, 1,800 additional homes are needed in the Mid Wales Region up to 2039. It also states that when considering future housing needs, individual LDPs need to reflect on the low estimated need for housing in the Mid Wales Region and what this means for how places will change, where jobs and services will be located and the relationship between settlements.

6.114 Given that the Lower Growth Option projects lower levels of growth, it is inevitable that it is more closely aligned to the additional need identified in Future Wales than the Medium and Higher Growth Options. However, the Higher Growth Option includes more flexibility to be able to deliver on other Future Wales policies as discussed below.

Future Wales Policies:

6.115 Policy 1 - Where Wales will grow introduces Regional Growth Areas, two of the five within the Mid Wales Region are wholly within the Powys LPA area. Policy 1 requires that the Regional Growth Areas will grow, develop and offer a variety of public and commercial services at regional scale. It also requires development in towns and villages in rural areas to be of appropriate scale and support local aspirations and needs.

6.116 Implication: The Higher Growth Option would result in there being enough housing growth to prioritise focusing the greatest proportion in Regional Growth Areas and to be able to meet local aspirations and changing needs in rural towns and villages.

6.117 Policy 4 - Supporting Rural Communities requires LDPs to identify their rural communities, assess their needs and set out policies to support them. It also requires policies to consider how age balanced communities can be achieved, where depopulation should be reversed and consider the role of new affordable and market housing, employment opportunities, local services and greater mobility in tackling these challenges.

6.118 Implication: As demonstrated in the Powys Demographic Report, the Higher Growth Option has the most influence when it comes to, achieving age balanced communities and reversing depopulation. The Higher Growth Option also includes the most flexibility to be able to respond to the needs of rural communities.

6.119 Policy 5 - Supporting the Rural Economy supports sustainable, appropriate and proportionate economic growth in rural towns that is planned and managed through Strategic and Local Development Plans. It requires plans to plan positively to meet the employment needs of rural areas.

6.120 Implication: It is considered that the employment provision of 40 hectares in the Higher Growth Option, together with employment policies, will be sufficient to meet the employment needs of rural areas.

6.121 Policy 7 - Delivering Affordable Homes reflects Welsh Government's aim to increase the delivery of affordable homes. It requires planning authorities to identify sites for affordable housing led developments.

6.122 Implication: The Higher Growth Option includes enough capacity to be able to provide for new sites in the Replacement LDP that will enable an increase in the delivery of affordable homes in Powys. This will include potential for identifying sites for affordable housing led developments.

6.123 Policy 12 - Regional Connectivity sets out that LPAs must maximise opportunities arising from the investment in public transport when planning for growth and regeneration. Planning authorities must integrate site allocations, new development, and infrastructure with active travel networks and, where appropriate, ensure new development contributes towards their expansion and improvement.

6.124 Implication: The Higher Growth Option would provide opportunities for new sites to be planned for and integrated with active travel networks; and for contributions towards their expansion and improvement to be sought.

6.125 Policy 25 - Regional Growth Areas Mid Wales identifies Regional Growth Areas in Mid Wales and requires development in these areas to meet the regional housing, employment and social needs of Mid Wales. It identifies two Regional Growth Areas wholly in the Replacement LDP area Bro Hafren and the Heart of Wales, with Brecon and the Border providing important services to some settlements in the South of the plan area.

6.126 Implication: The Higher Growth Option would result in there being sufficient housing and employment growth to prioritise focusing the greatest proportion in Regional Growth Areas.

6.127 Policy 26 - Growing the Mid Wales Economy supports the growth and development of existing and new economic opportunities across the region based on traditional rural enterprises and modern, innovative and emerging technologies and sectors.

6.128 Implication: It is considered that the employment provision of 40 hectares in the Higher Growth Option, together with employment policies, would support the growth and development of existing and new economic opportunities across the Replacement LDP plan area and the Mid Wales Region. This would be further supported by the growth in the labour force projected for the Higher Growth Option scenarios.

Mid Wales Region

6.129 Powys typically (based on a 15-year average completion rate) makes up 48% of the 500 dwellings a year, delivered across the Mid Wales Region. The Higher Growth Option would require an annual average build rate of between 264 and 288 dwellings. In terms of impact on the Mid Wales Region, the lower end of the range would not be substantially different to the 240 dwellings a year, fifteen-year average build rate. However, the upper end of the range would have a larger impact and would either, increase the proportion of dwellings in the Powys LPA area to 58% of the Mid Wales Region total, or would increase the build rate in the Region from 500 dwellings a year to 548 dwellings.

6.130 Consideration also needs to be given as to whether the Regional Growth Areas in the Powys LPA area, should accommodate some of the growth unable to take place due to the Phosphorous issues limiting development and the progression of LDPs for other Regional Growth Areas in the region. The Higher Growth Option would include sufficient flexibility to be able to facilitate some additional growth.

6.131 In terms of economic development, it is considered that the employment provision of 40 hectares and the projected growth in the labour force, will together with employment policies provide sufficient flexibility and support the Mid Wales Growth Deal.

7. Integrated Sustainability Appraisal (ISA)

7.1 The Replacement LDP and proposals are subject to an Integrated Sustainability Appraisal (ISA). As part of the ISA of the emerging Preferred Strategy, the Lower, Medium and Higher Growth Options were appraised against each of the ISA's environmental, social and economic topics and associated objectives. The following section provides a summary of the appraisal's findings.

Assessment of the Growth Strategy Options

7.2 Of the three options for growth in Powys - Lower, Medium and Higher - the ISA considered that the Higher Growth Option performs most strongly, reflecting the opportunity to meet demands for housing, reduction of disadvantage and potentially the reinforcement of Welsh language and culture through enabling local households to find housing. In particular, the ISA found that modest development could support the continued sustainability of smaller communities with limited-service provision and potentially falling populations.

7.3 All Growth Options were noted by the ISA (through assessment against its objectives) to have the potential to support habitat connectivity, green infrastructure provision, open space provision and urban greening measures (Objective 14), all of which support improved climate resilience (Objective 10) and health and well-being (Objective 5). Equally, higher growth brings opportunities for the re-use and restoration of buildings and areas of heritage value, including through additional tourism, in turn benefitting economic development (Objective 2), as well as the protection and promotion of Welsh language and culture (Objective 4) where appropriately targeted. More speculatively, innovations such as decentralised heating networks are more likely to be viable through higher housing growth, in turn contributing to Powys' reduction to the causes of climate change (Objective 11). Equally, the provision of sustainable transport solutions such as bus provision or the creation of cycle networks (Objective 12) become more viable.

7.4 The Lower and Medium Growth Options, whilst performing positively against many of the ISA Objectives, cumulatively were found to be less positive by virtue of providing fewer opportunities to achieve the wider benefits likely to associated with the Higher Growth Option. Whilst development is likely to be brownfield-led (Objective 6), the development of greenfield land would be required and could compromise biodiversity species and habitats (Objective 14) or cause adverse impacts such as noise and emissions (Objective 8) associated with the construction and occupation of new development. The magnitude of any localised negative effects in this regard will be dependent on the scale of greenfield land lost to development and the existing biodiversity value of the sites that would be affected. Similarly, negative localised effects on heritage (Objective 13) or landscape/townscape (Objective 15) could occur but would likely be mitigated through site selection and the implementation of development management policies.

7.5 In all cases, whilst there are a range of uncertainties identified (with, for example biodiversity impacts which reflects the influence of local circumstances), no significant negative effects were identified by the ISA for each of the growth options. This reflects the relatively low quantum of proposed growth across all three options to be distributed across the Plan area.

8. Conclusions and Recommendations

8.1 From the Growth Options analysis - which has taken into consideration national planning policy, the Mid Wales Region, housing and employment needs, stakeholder engagement, demographic and employment evidence, past build rates and the committed land supply - it is proposed that the Higher Growth Option is taken forward as the Preferred Strategy for the Replacement LDP. The ISA found that the Higher Growth Option performed the most strongly of the three options when assessed against the objectives set out in the ISA.

8.2 The Higher Growth Option includes consideration of two dwelling-led scenarios, one based on past build rates over a five-year period and one on a ten-year period. The two scenarios would give an average annual anticipated build rate of between 264 and 288 dwellings per year. Employment growth is based on past take up rates at 1.6 hectares a year, plus an additional allowance to better reflect an unconstrained market, rather than just using the baseline approach.

8.3 Recognising that the Adopted LDP has been unable to sustain a delivery rate of 300 dwellings a year and to achieve its Dwelling Requirement Figure, it is recommended that:

- In terms of setting the Dwelling Requirement Figure for the Replacement LDP, it is recommended that the Dwelling-led 10 Year scenario is used. This is the lower end of the Higher Growth Option, falling mid-way between a fifteen year past build rate of 240 dwellings and a five year past build rate of 288 dwellings a year, and is considered to be the most certain in terms of delivery.
- It is further recommended, that the anticipated average annual build rate is rounded up to 265 dwellings, which would set a **Dwelling Requirement Figure (DRF) of 3,975 dwellings**, to be delivered over the Replacement LDP plan period (2022-2037).
- Adding a 21% flexibility allowance to the DRF, the total **Housing Provision Figure would be 4,810 dwellings**. The housing provision components of the Replacement LDP are identified in Table 11.
- It is recommended that the Replacement LDP includes for **40 hectares of Class B employment land**, with 8.16 hectares in the committed supply and a further 31.84 hectares provided for on new employment allocations. Alongside other Replacement LDP policies supporting the foundational and rural economy, the 40 hectares of employment land will serve an increase of 2,295 people into the labour force

8.4 It is considered that these are appropriate growth levels to deliver the Replacement LDP Vision and Objectives, which seek to address a wide range of key issues and aspirations and reflect the Powys LPA's role in the Mid Wales Region.

Table 11. Components of Housing Supply in Replacement LDP April 2024

	Small Sites	Large Sites*	Total
Completions (1st April 2022 – 31st March 2024)	195	408	**603**
Housing Commitments (large sites) under construction	N/A	656	**656**
Housing Commitments Not Started (large sites) minus non-delivery allowance (44%)	N/A	754	**754**
New Housing Allocations	N/A	1,343	**1,343**
Projected Units on Windfall Sites (13 years remaining)	1,014	440	**1,454**
Total Housing Provision	**1,209**	**3,601**	**4,810**

* Large sites are sites with five dwellings or more.