



Powys Replacement Local Development Plan (2022-2037)

Powys Sustainable Settlements and Rural Communities

4. Rural Approach Background Paper

November 2023

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



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Executive Summary

This background paper has been produced as part of the evidence base to support the Powys Replacement Local Development Plan (LDP) and focuses on the approach to be taken towards development of rural areas within the Powys Local Planning Authority (LPA) area. It will provide evidence to inform the development of the Preferred Strategy. It looks at the planning context for rural areas and options around how to identify rural areas before identifying the most suitable approach for Powys and then assessing their needs.

The Powys Adopted Local Development Plan's strategy disperses new growth proportionately around the Plan area to meet housing, retail and employment needs, concentrating development into the identified Towns and Large Villages and ensuring that development in less sustainable areas is closely controlled.

The planning context has changed since adoption of the LDP in 2018, particularly due to the publication of 'Future Wales – the National Plan 2040'. This document requires development plans to plan positively for rural communities and to consider the balance to be struck between focusing development in the main built-up, urban areas and the rural areas. It requires development plans to identify their rural communities, assess their needs and set out policies that support them.

The paper considers possible ways of identifying rural areas, including using the 13 localities approach, population density, settlement size, built up areas and Regional Growth Areas. However, these approaches are considered to be too simplistic as they would not recognise the varying degrees of rurality within the Powys LDP area. It is concluded that the most appropriate way of identifying rural areas is by identifying those settlements that lie outside of the settlement clusters as identified within the Cluster Analysis background paper. Rural areas will be defined as those settlements that are not within settlement clusters. Using this approach, 85 settlements are within the rural category and are listed in Appendix 1 of this paper.

The paper goes on to assess the needs of rural areas in terms of housing, associated with an ageing population, employment, agriculture, tourism, transport, access to facilities and services, and broadband and mobile provision.

The paper ends with recommendations for developing a framework within the Replacement LDP that meets the needs of Powys's rural areas by:

- Providing opportunities for affordable housing to meet local needs and addressing the needs of older people and those with disabilities whilst achieving age-balanced communities.
- Providing the ability to deliver community-led housing schemes.
- Providing opportunities for employment and meeting the needs of local rural businesses.
- Supporting a thriving Agricultural sector with opportunity for appropriate diversification.
- Ensuring tourism developments are appropriately located and sustainable.
- Supporting the development of sustainable linkages within and between rural settlements.
- Protecting community facilities and services.
- Improving digital connectivity and sustainable transport options.

1. Introduction

1.1 This background paper has been produced as part of the evidence base to support the Powys Replacement Local Development Plan (LDP) and focuses on the approach to be taken towards the development of rural areas within the Powys Local Planning Authority (LPA) area. It looks at the planning context for rural areas and options around how to identify rural areas before assessing their needs. It also sets out recommendations on how the Replacement LDP can support rural areas.

1.2 This paper is the fourth in a series of related background papers which examine the framework for Sustainable Settlements and Rural Communities across Powys. It follows on from the Small Settlement Assessment paper and Cluster Analysis background papers which recognise the role and function that small, lower tier settlements play within the Powys LPA area and their distribution. The Small Settlement Assessment identifies those smaller settlements that are potentially suitable to accommodate limited future growth to meet the needs of rural communities, in terms of their location, role and function and relationship with a higher order settlement as identified within the initial settlement hierarchy.

Purpose

1.3 The purpose of the document is to inform the approach to be taken by the Replacement LDP towards development of rural areas. It will provide evidence to inform the development of the Preferred Strategy.

Aim

1.4 This paper is aimed at meeting the initial requirements set out within national planning policy and guidance in relation to rural areas. 'Future Wales – the National Plan 2040' requires development plans to plan positively for rural communities and to consider the balance to be struck between focusing development in the main built-up, urban areas and the rural areas. It requires development plans to identify their rural communities, assess their needs and set out policies that support them.

1.5 This paper identifies the most appropriate way to identify Powys's rural areas and examines the needs. The policy framework will develop at a later stage in the Plan-making process.

Structure

Section 2 sets out the Powys Adopted LDP approach towards rural areas.

Section 3 looks at changes to the rural planning context since LDP adoption.

Section 4 sets out different ways of identifying rural areas.

Section 5 assesses the needs of rural areas.

Section 6 sets out recommendations for the Replacement LDP.

2. The adopted LDP approach towards rural areas

2.1 The Powys Adopted LDP's strategy disperses new growth proportionately around the Plan area to meet housing, retail and employment needs, concentrating development into towns and large villages and ensuring that development in less sustainable areas is closely controlled. The LDP's spatial strategy is based around a sustainable settlement hierarchy with levels of development allocated to settlements commensurate with their size (number of households) and position in the hierarchy. The settlement hierarchy comprises:

1. **Towns**
2. **Large Villages**
3. **Small Villages**
4. **Rural Settlements**
5. **Open Countryside including the undeveloped coast**

2.2 Strategic policies 'SP5 – Settlement Hierarchy' and 'SP6 – Distribution of Growth across the Settlement Hierarchy' set out the sustainable settlement hierarchy and the level and distribution of growth for the different tiers. The Spatial Strategy directs growth to the Towns and Large Villages, whilst development in the lower tiers is carefully controlled ensuring a balance is struck between sustaining rural communities, meeting needs locally and protecting the Plan area's natural assets.

2.3 Growth is directed towards the most sustainable settlements (Towns and Large Villages) at the top of the hierarchy, which act as service centres for their wider communities. Outside of these larger settlements, in the lower tier settlements of Small Villages, Rural Settlements and the open countryside, policies enable smaller scales of development to meet local needs and to support the local economy. The LDP recognises the rural nature of the County and enables opportunities for appropriate development to sustain rural communities.

2.4 Small Villages provide a narrow range of local services and facilities. A policy approach is used in Small Villages to enable and control the development of small-scale open market and affordable housing. LDP Policy H1 allows market housing of no more than two dwellings on infill sites within Small Villages, whereas affordable housing schemes can also come forward as logical extensions to the settlement. The policy also allows for mixed schemes of affordable and market housing on infill sites.

2.5 Rural Settlements are the smallest settlement size and have few, if any, services. These settlements are not named by the LDP, instead, certain criteria need to be met in order for a settlement to qualify as a Rural Settlement:

- Historically recognised / named settlements; and
- Contain at least 10 closely grouped dwellings.
- The count of dwellings in bullet point 2 above shall not be taken to include farmhouses, rural conversions or dwellings originally granted for local need/affordable or agricultural/rural occupancy

2.6 Rural Settlements are considered suitable for limited development to meet affordable housing for local needs through single affordable homes, where they are well integrated into the settlement and are acceptable in terms of environmental and infrastructure capacity constraints.

2.7 The Open Countryside will be protected from inappropriate development. National planning policies enable Rural Enterprise Workers Dwellings and One Planet Developments to be permitted where justified. Reuse of rural buildings for economic and residential purposes are also supported where justified.

2.8 In terms of the distribution of housing growth, 10% of the Plan's housing growth was anticipated to be in Small Villages and no more than 15% of the Plan's housing growth was expected in Rural Settlements and the Open Countryside combined. The LDP, therefore, envisaged limited growth within Small Villages and rural areas.

2.9 At the time of review of the LDP, it was concluded that the LDP's growth strategy and housing allocations had failed to deliver the number of houses expected to meet the dwelling requirement of 4,500. Therefore, the growth strategy needed to be reviewed. It was noted that the spatial delivery of housing generally aligned with the spatial distribution of growth identified in the adopted Powys LDP. Therefore, with regard to the Spatial Strategy it appeared that LDP Strategic policies SP5 and SP6 were functioning effectively. However, it was recognised that the reconsideration of the Growth Strategy will mean that reconsideration will also need to be given to how growth is distributed through the Spatial Strategy.

3. Rural Planning Context

3.1 Significant changes have taken place to the planning context at a national, regional and local level since the adoption of the LDP in April 2018.

3.2 This section summarises the main elements of policies, guidance, strategies, research and projects relevant to rural areas.

National planning policy and guidance

Planning (Wales) Act (2015)

3.3 This Act introduces a statutory purpose for the planning system in Wales. Any statutory body carrying out a planning function must exercise those functions in accordance with the principles of sustainable development as defined in the Well-being of Future Generations Act.

Well-being of Future Generations (Wales) Act (2015)

3.4 The Well-being of Future Generations (Wales) Act places a duty on public bodies to carry out sustainable development. It establishes seven well-being goals which are intended to shape the work of all public bodies in Wales, as follows:

1. A Prosperous Wales
2. A Resilient Wales
3. A Healthier Wales
4. A More Equal Wales
5. A Wales of Cohesive Communities;
6. A Wales of Vibrant Culture and Thriving Welsh Language
7. A Globally Responsible Wales.

3.5 The Act also establishes the Five Ways of Working which public bodies need to demonstrate they have carried out in undertaking their sustainable development duty. These require consideration of involvement; collaboration; integration; prevention; and long-term factors. It also requires Local Authorities to set Well-being objectives and have regard to Well-being Plans.

Future Wales – the National Plan 2040 (adopted February 2021)

3.6 Future Wales – the National Plan 2040 is the national development framework, which sets the direction for development in Wales to 2040. It is a development plan with a strategy for addressing key national priorities through the planning system, including sustaining and developing a vibrant economy, achieving decarbonisation and climate resilience, developing strong ecosystems and improving the health and well-being of Wales' communities.

3.7 Future Wales sets out ambitions in the form of 11 outcomes to be achieved by 2040. Outcome 2 aims for a Wales where people live in vibrant rural places with access to homes, jobs and services. The following vision is set out for rural areas in Wales:

'In rural areas, job opportunities and community services will be supported to help attract and retain people. A balance will be found between development and preserving the character of rural Wales, ensuring our small towns and villages have bright futures as attractive places to live and work. The rural economy will be thriving and communities will be well connected digitally and physically'.

3.8 Policy 1 of Future Wales sets out where Wales is expected to grow and supports sustainable growth in all parts of Wales. It identifies National Growth Areas and Regional

Growth Areas, which will provide a focus for large scale growth. It also states that development and growth in towns and large villages in rural areas should be of appropriate scale and support local aspirations and need.

3.9 It is explained that Future Wales does not seek to identify the exact location for new development or the scale of growth in individual settlements, and that the regional and local tiers are the most appropriate level at which to take these decisions, involving communities as they do so.

3.10 Future Wales contains two policies that are specifically aimed at supporting rural areas:

Policy 4 Supporting Rural Communities

The Welsh Government supports sustainable and vibrant rural communities. SDPs and LDPs must identify their rural communities, assess their needs and set out policies that support them. Policies should 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.

Policy 5 Supporting the Rural Economy

The Welsh Government supports sustainable, appropriate and economic growth in rural towns that is planned and managed through Strategic and Local Development Plans. SDPs and LDPs must plan positively to meet the employment needs of rural areas, including employment arising from the foundational economy, the agricultural and forestry sector, including proposals for diversification, start-ups and micro businesses. The Welsh Government also strongly supports development of innovative and emerging technology businesses and sectors to help rural areas unlock their full potential broadening the economic base, and creating higher paid jobs.

3.11 The main requirements relating to rural areas for the Powys Replacement LDP, according to Future Wales, are summarised as follows:

- Develop policies that support rural areas.
- Where plans identify growth in rural areas, it must be appropriate and proportionate to the needs of the settlement and the wider rural area they serve.
- Identify rural communities using understanding of the issues and geography of the area to prepare appropriate definitions.
- Assess the needs of rural areas.
- Consider how age balanced communities can be achieved.
- Consider where depopulation should be reversed.
- Consider the role of new affordable and market housing, employment opportunities, local services and greater mobility in tackling these challenges.
- Plan positively to meet the employment needs of rural areas, including employment arising from the foundational economy; the agricultural and forestry sector, including proposals for diversification; start-ups and micro businesses.
- Consider policies for rural locations within proximity of major urban areas and more isolated rural locations, as it may not be appropriate to apply policies equally to both types of locations.
- Recognise the challenges facing rural communities and set out policies to address them.

- Consider the role that housing, employment areas and home-working, health and social services, places of education, emergency services, shops and infrastructure can play in tackling challenges and in helping create more sustainable places.
- Sustainable rural settlements are accessible places and well connected to the wider areas they serve.
- Support improvements to connectivity within and between rural settlements.
- Set out policies and criteria to enable appropriate diversification.
- To address the need and opportunity for all types of suitable employment across rural areas, ensuring the provision of appropriate sites and alignment with sustainable and planned growth strategies for settlements, including for infrastructure, housing and services.
- Work with digital communications providers to ensure the needs of rural areas are addressed and planned for through policies.

3.12 Future Wales adopts a four-regions approach, with the counties of Powys and Ceredigion forming the Mid Wales region. The Powys part of the Brecon Beacons National Park is also included in the Mid Wales region. The following Regional Growth Areas are identified for the Mid Wales Region, which are expected to grow, develop and offer a variety of public and commercial services at regional scale:

- The Teifi Valley, including Cardigan, Newcastle Emlyn, Llandysul and Lampeter;
- Brecon and the Border;
- The Heart of Wales, including Llandrindod Wells and Builth Wells;
- Bro Hafren, including: Welshpool and Newtown;
- Aberystwyth.

3.13 Future Wales provides a national development framework which will be built on by Strategic Development Plans (SDP) at a regional level and Local Development Plans (LDP) at Local Planning Authority level. Strategic and Local Development Plans are required to be in conformity with Future Wales.

Planning Policy Wales (PPW, Edition 11, February 2021)

3.14 Planning Policy Wales sets out the land use planning policies of the Welsh Government and seeks to ensure that the planning system contributes towards the delivery of sustainable development and improves the social, economic, environmental and cultural well-being of Wales. It sets a presumption in favour of sustainable development and considers a Plan-led approach to be the most effective means of securing sustainable development through the planning system. It has a strong focus on promoting placemaking, which is considered instrumental to achieving sustainable places, delivering socially inclusive development and promoting more cohesive communities. Placemaking is deemed a holistic approach that “...*considers the context, function and relationships between a development site and its wider surroundings*” (page 14).

3.15 It is explained under ‘Placemaking in Rural Areas’ (paras. 3.38 to 3.40) that rural areas should be conserved and, where possible, enhanced for the sake of its ecological, geological, physiographic, historical, archaeological, cultural and agricultural value and for its landscape and natural resources. Conservation should be balanced against the economic, social and recreational needs of rural communities and visitors.

3.16 It is stated that rural places must be adaptable and resilient to maintain vibrant communities and availability of services. Rural areas face challenges such as the impact of climate change, but can help mitigate its effects by protection of carbon sinks and as

locations for suitable and appropriate renewable energy sources in line with the Resilient Wales well-being goal.

3.17 In rural areas opportunities for reducing car use and increasing walking, cycling and use of public transport are more limited. Most new development should be located in settlements which have good accessibility by non-car modes. Development should embrace national sustainable placemaking outcomes and, where possible, offer active travel connections to the centres of settlements to reduce the need to travel.

3.18 It is advised that local service centres, or clusters of smaller settlements where a sustainable functional linkage can be demonstrated, should be designated by local authorities as the preferred locations for most new development including housing and employment provision. The approach should be supported by the service delivery plans of local service providers.

3.19 It is explained under 'Rural Economy' (Section 5.6) that, where a need is identified, Planning Authorities should allocate new rural sites for economic development in development plans. New development sites are, in most instances, likely to be small and should generally be located within or adjacent to defined settlement boundaries, preferably where there is public transport provision. Planning authorities should include criteria-based policy in development plans to consider proposals when they are outside settlement boundaries.

3.20 Development Plans at all levels must be in accordance with national planning policies.

Technical Advice Note (TAN) 6 – Planning for Sustainable Rural Communities (July 2010)

3.21 This TAN provides practical guidance and includes advice on how the planning system can contribute towards sustainable rural economies, sustainable rural housing, sustainable rural services and sustainable agriculture.

3.22 In terms of the 'location of development', it is explained that development plans should set out the spatial vision for rural communities and should be based on a sound understanding of the functional linkages within the area and the potential for improving the sustainability of the existing settlement pattern. It is recognised that "many rural communities can accommodate development, particularly to meet local needs".

3.23 Where development proposals are intended to meet local needs, planning authorities should recognise that a site may be acceptable even though it may not be accessible other than by the private car. Development not intended to cater primarily for local needs should continue to be located in market towns, local service centres or clusters of smaller settlements where a sustainable functional linkage can be demonstrated and which are accessible by public transport.

3.24 In rural areas, especially where there are environmental constraints or social or cultural considerations, planning authorities may wish to give priority to affordable housing to meet local needs, by identifying those smaller villages and clusters where future housing development will be limited to this affordable housing category.

3.25 This document also contains guidance on Rural Enterprise Dwellings, which enable rural enterprise workers to live at or near their place of work, where justified by supporting evidence. It also introduces the requirements for One Planet Developments that involve an exemplary form of sustainable and low impact development which should provide for the

minimum needs of the inhabitants in terms of income, food, energy and waste assimilation. Further detailed advice is provided in the Rural Enterprise Dwelling Practice Guide (2011) and in the One Planet Development Practice Guide (2012).

Technical Advice Note 23 – Economic Development (February 2014)

3.26 This TAN supports a wide range of economic activities in rural areas, from B1, B2 and B8 Use Classes of employment to agriculture, forestry, tourism and leisure. It supports a sequential approach to new employment sites in development plans to ensure they are sustainably located, but recognises some existing businesses may need to expand in situ in less sustainable places. Where justified, criteria based policy should be produced to address unallocated employment provision.

3.27 The TAN supports provision of broadband and other forms of technology infrastructure to support rural economies. It supports the re-use and adaptation of existing rural buildings where they meet the needs of rural areas for commercial and industrial development, and tourism, sport and recreation.

Technical Advice Note (TAN) 13 – Tourism (October 1997)

3.28 This TAN provides guidance on considering tourism in development plans and when making planning decisions. It recognises the importance of tourism to the Welsh economy and contribution to employment in a wide variety of occupations bringing benefits to local economies in both urban and rural areas.

3.29 Development plans should address issues raised by tourism, and where appropriate help enable facilities in the countryside or designated areas or support larger scale or innovative projects, where justified, in the right locations.

Technical Advice Note (TAN) 16 Sport and Recreation (2009)

3.30 In rural areas, this TAN advises that sport and recreational facilities should be located in or adjacent to settlements. Any proposed developments in the open countryside would require special justification. Appropriate proposals linked to farm diversification may be given favourable consideration.

3.31 It encourages access to the countryside to support the rural economy, community services, public transport and, when linked to recreation, as a means of improving health and well-being.

Technical Advice Note (TAN) 18 Transport (2007)

3.32 This guidance sets out the Welsh Government's aim to promote sustainable transport in Wales and the transport issues to consider when developing planning policy and assessing planning applications.

3.33 With regards to rural areas, it is advised that most development should be located in places accessible by a range of travel modes. As part of the settlement strategy of the development plan, planning authorities should consider identifying key local service centres, which may comprise a market town, large village or closely associated group of villages. Such service centres should be the preferred locations for most new development including housing and employment provision. The identification of key service centres will help to promote the use of public transport, walking and cycling and minimise the need for journeys to larger centres. It advises that local authorities should consider whether different policy approaches are required depending on the proximity of rural areas to urban centres.

3.34 See Paper 5 'Integrated Planning and Transport Strategy for further information on this topic.

Building Better Places (July 2020)

3.35 Following the Covid-19 pandemic, Building Better Places sets out the planning policy priorities of the Welsh Government in the post Covid-19 recovery phases. The document outlines the need for good, high-quality developments which are guided by placemaking principles.

- Staying local: creating neighbourhoods;
- Active travel: exercise and rediscovered transport methods;
- Revitalising our town centres;
- Digital places – the lockdown lifeline;
- Changing working practices: our future need for employment land;
- Reawakening Wales' tourism and cultural sectors;
- Green infrastructure, health and well-being and ecological resilience;
- Improving air quality and soundscapes for better health and well-being.

3.36 The Welsh Government expects proposals for new communities (in rural and urban areas) and housing sites to integrate with existing services and infrastructure and, where extra provision is required, as a result of the development, for this to be forthcoming. In respect of rural areas, it also emphasises the need for the planning system to support:

- New digital service provision in areas where provision is poor, particularly in more rural areas.
- Local service provision from smaller retailers or businesses in both urban and rural areas.
- Tourism and culture opportunities that deliver community benefits in coastal and rural areas.

Development Plans Manual Edition 3 (March, 2020)

3.37 The Development Plans Manual Edition 3 provides guidance relating to the preparation and implementation of Strategic Development Plans, Local Development Plans and Place plans.

3.38 It explains that the settlement assessment is a key piece of evidence for the spatial strategy to inform policy decisions on where to locate development:

3.39 The LPA should undertake a settlement assessment to inform decisions regarding where development should be spatially located to achieve a sustainable pattern of growth, minimise unsustainable patterns regarding the movement of people and support local services and facilities.

Welsh Government's Approach towards Managing Second Homes and Short-term Holiday Lets

3.40 In July 2021, the Welsh Government announced a three-pronged approach to address the impact of second home ownership on communities in Wales. The approach will focus on:

- Support – addressing affordability and availability of housing;

- Regulatory framework and system – covering planning law and the introduction of a statutory registration scheme for holiday accommodation;
- A fairer contribution – using national and local taxation systems to ensure second homeowners make a fair and effective contribution to the communities in which they buy.

3.41 Changes to planning legislation came into force on the 20th of October 2022 that are intended to enable a local approach to address what is considered to be a local issue, particularly in coastal and rural areas.

3.42 The legislative changes involve the creation of new/amended Use Classes for Primary Homes, Secondary Homes and Short-Term Lets. Changes between these Use Classes are allowed under permitted development, meaning that planning permission is not required. However, where supported by evidence, Local Planning Authorities can put in place Article 4 directions which would require planning permission to be sought for change of use of existing dwellings between these use classes. Planning conditions could also be used to restrict the use of new dwellings to primary residences.

3.43 Amendments will also be made to Planning Policy Wales to make it clear that, where relevant, the prevalence of second homes and short-term holiday accommodation in a local area must be taken into account when considering housing requirements, affordability and policy approaches for Local Development Plans.

3.44 The intention of these changes is to enable Local Planning Authorities to develop policies and use Article 4 directions and conditions to address local circumstances, where evidence suggests second homes/short-term holiday lets are harming local amenity, community wellbeing or proper planning in a specific area.

3.45 See the Second Homes and Short-term Holiday Lets paper for further information for Powys.

Regional

Mid Wales Area Statement

3.46 Area Statements have been developed by Natural Resources Wales for each region. Each Area Statement outlines the key challenges facing that particular locality, what we can do to meet those challenges, and how we can better manage our natural resources for the benefit of future generations. Local Development Plans must have regard to the Area Statement that has been produced for the area.

3.47 The Mid Wales Area Statement covers the Local Authority areas of Powys and Ceredigion encompassing the Brecon Beacons National Park in the south, the Berwyn Uplands in the north and the Cambrian Mountains forming a central spine down the middle. The Statement refers to the rural market towns and close-knit villages of the area, the landscape, water resources, national and international designations, and the rural economy based around agricultural and forestry.

3.48 The Statement sets out 5 area themes, which can be delivered across the Mid Wales region, including the rural areas:

Improving biodiversity – responding to the nature emergency

Sustainable land, water and air

Reconnecting people and places – improving health, well-being and the economy

Forest resources – managing timber resources effectively

Climate emergency – adaptation and mitigation across the four themes

3.49 Area Statements provide evidence of environmental and natural resources issues and should be used as part of the evidence base for the Replacement LDP and when fulfilling the LPA's duty to maintain and enhance biodiversity in exercising its planning functions.

Local

Powys Well-being Assessment (2022)

3.50 The Public Service Board for Powys published a Well-being Assessment, which focuses on the general needs of the population under four key themes:

- Social
- Economy
- Environment
- Culture

3.51 The Assessment highlights rurality as a key consideration for all the well-being goals as it cuts across all of the themes. Issues highlighted include cost of living crisis, reliance on solid fuel, public transport, isolation and loneliness, access to services, affordable housing, broadband provision, mobile network coverage, limited economic opportunities, access to greenspaces, and climate change impacts.

3.52 The Assessment introduces the 13 localities approach which splits the County into 13 localities centred around the main towns. Data is looked at based on locality, which enables understanding and comparison between localities.

Other relevant strategies, research, projects

Living Locally in Rural Wales – Planning Policy and Practice Discussion Paper, RTPi Cymru (2022)

3.53 This paper explores the concept of living locally in rural areas in Wales and whether the guiding principles behind the 15 minute neighbourhood model can be applied in more remote rural areas. It also explores what role the planning system can play in supporting more sustainable, local living in rural Wales, not only to encourage less reliance on motor vehicles and support decarbonisation, but also to encourage the wider practice of placemaking within rural communities in Wales.

3.54 The paper makes several recommendations:

- Retain and strengthen national, regional and local planning policy which promotes the principles of living locally to deliver sustainable development outcomes.
- Move the planning system to a more outcome focused performance measurement to support the delivery of sustainable places on the ground.
- Funding pressures have had a significant impact on rural local authorities and service provision in rural areas. There is a strong case for Welsh Government to be pro-active in encouraging and supporting local planning authorities in ensuring that these important services are adequately resourced.

- Support joint working involving planners, other partners, agencies and sectors, to align strategic goals, investment priorities and outcomes and indicators collaboratively, to facilitate meaningful impact.
- Digital and technological advancements should be developed around supporting local where possible, rather than a continued use of larger regional or national distribution centres for goods and services that require significant transportation and which by-passes local services and does not support the local economy. Planning has a role to play in supporting this wider local agenda through development planning and decision making.
- Further consideration and targeted funding for connecting rural locations to services and facilities. For example, exploring new or enhanced public rights of way / bridleways / cycleways etc. and improvements to public transport.
- Resource, training and support for local planning tools such as community led Place Plans, community engagement etc. Resources within communities, town and community councils and local planning authorities, would assist in improving understanding and provide the capability and capacity to support joined up working.
- The sharing of resources and good practice across rural authorities, similar to that which has taken place in relation to holiday homes and short term lets in Wales.
- Continued investigation, discussion and learning on how planning can support sustainable living in rural areas and the impacts and outcomes of living locally in rural Wales.

National Development Framework Explanatory Paper – Rural Areas (December 2019)

3.55 This paper was produced by the Welsh Government whilst developing the National Development Framework (which has become Future Wales) in order to set out how the draft NDF seeks to address rural issues across Wales, highlighting the key evidence that has informed the rural elements of the plan. It identifies the key Welsh Government strategies, policies and research outcomes that have informed the development of Future Wales Policy 4 Supporting Rural Communities.

National Development Framework Regions and Rural Areas Study (March 2019)

3.56 The purpose of the study was to develop an evidence base for each NDF region, to identify broad rural areas and the issues and spatial areas NDF policies should focus on. The study concluded that the NDF should focus on:

- In rural areas housing and new settlements should be connected by sustainable forms of transport to community facilities, services and employment.
- Define growth areas and consider infrastructure provision at a national and regional level to support sustainable development.
- Tourism assets, the natural environment and visitor destinations should be connected to sustainable forms of transport, with easy access by walking, cycling, public transport and then the car.
- The Welsh language should be promoted and protected, acknowledging variation across regions, by identifying priority areas and policies that would support the prevention of loss and offer the opportunity for growth in Welsh language and culture.
- Digital infrastructure should be prioritised in rural areas to facilitate home working, community cohesion, online education and reduce the need to travel.

- Economic opportunities in rural areas should be linked to infrastructure and placemaking, linking communities and education facilities with areas of employment.
- Transport infrastructure should connect people to key sites and services and futureproof the network with electric vehicle infrastructure in rural areas.
- An integrated approach to energy development should be adopted, whereby local communities needs, grid capacity, accessibility and land management considerations are taken into account.
- Planning should support a flexible approach to agricultural industry and development and enable appropriate forms of diversification.
- Identify where infrastructure is needed to support rural diversification at a national and regional level.

3.57 This evidence informed the development of Future Wales, the National Plan 2040.

Royal Town Planning Institute Research Paper Rural Planning in the 2020s (July 2022)

3.58 This research examines the challenges facing rural communities throughout the UK and in Ireland in the 2020s, including key challenges around the rural housing market, agricultural sector, demographic change, Covid-19, Brexit and Climate Change. It seeks to address how rural planning will need to change to deal with these challenges, as well as how rural communities can meet policy and practice objectives for achieving sustainable development. The paper is accompanied by a set of technical reports presenting the evidence and findings from each stage of the project - Thematic Reviews; Housing Market Analysis; Roundtable Analysis; National Policy Assessments; and Case Studies and Think Pieces.

Rural housing delivery in Wales: How effective is rural exception site policy (January 2019)

3.59 This research commissioned by the Royal Town Planning Institute (RTPI) in Wales was undertaken by Cardiff University to understand the role and use of rural exception site policies in Wales. The Report recommendations relate to the need to clarify guidance and improve data, to expand local flexibility, to increase support for delivery, and to further explore the impact of market housing. The recommendations of the Report highlight the need for:

- Clarity on data and definitions on affordable housing exception site permission and delivery between Welsh Government and Local Planning Authorities.
- Clarity on references to rural exception site and affordable housing exception sites, which are often used interchangeably.
- Further guidance on the development management aspects of exception sites.
- Local Authorities to consider removing restrictions on the type of housing provider that can develop, and also to consider removing specific caps on the number of units that can be provided, on rural exception sites.
- Exploration of the role of the Development Bank for Wales in providing mortgages for affordable housing in perpetuity.
- A rural affordable housing toolkit to be developed that explains rural exception site processes, engagement and links to other affordable housing options and tools.

3.60 The Report also concluded that there was no compelling evidence to suggest that cross-subsidy of market housing delivers more affordable housing, however that this should be kept under review. Where cross-subsidy is introduced, this should be subject to a

maximum cap of 25% market housing, limits on land area for market housing, a minimum absolute number of affordable housing units, and for affordable housing to be developed concurrently with market housing.

Welsh Local Government Agency's A Rural Vision for Wales (January 2021)

3.61 The WLGA Rural Forum, comprised of Wales's nine rural local authorities (including Powys), is calling for a greater focus for rural areas to the Senedd and Welsh Government. This Vision contains a range of policy proposals and key asks around diversifying the economic base, retaining rural youth, adding value to rural infrastructure, sustainable tourism, housing to reflect local community needs, smart towns and supply chains.

3.62 The evidence report supporting the Vision presents a detailed and evidence-based socio-economic and cultural profile of rural Wales, which identifies a series of different (sometimes seemingly contradictory) trends and trajectories in rural areas of Wales:

1. An increasing rural population over the past twenty years with a focus on population growth in more accessible rural areas and especially in rural towns;
2. A decrease in population in a significant number of rural wards – with population decrease focused in coastal communities and attributed in part to an increasing number of second and holiday homes in these areas;
3. Internal migration from other parts of Wales and the rest of the United Kingdom has been the most important driver in rural areas with an increasing population;
4. Rural areas in Wales have an older age profile than urban areas in Wales – and there is an increasingly marked demographic ageing of rural Wales population over time. This is resulting in some rural wards having 30-40 per cent of the population aged 65 or over;
5. The importance of the public sector and service industries to rural economies in Wales;
6. A fall in direct employment in agriculture in rural areas of Wales yet with some local rural economies continuing to have much higher-than-average direct employment in agriculture;
7. The dominance of livestock farming in the agricultural sector in Wales and the majority of farms in Wales being defined as very small;
8. High concentration of the pressures and benefits of tourism in selected parts of Wales;
9. The very significant value of natural capital and ecosystem services delivered by rural areas;
10. The significant proportion of Wales's land area designated as National Parks and Areas of Outstanding Natural Beauty (AONBs) and some of the challenges this presents for renewable energy generation, economic diversification, and delivery of affordable housing;
11. Increasing challenges of financial viability in delivery of a range of public services to rural communities in Wales, alongside dependence on use of private motor vehicles to access these services;
12. A decrease in the proportion of people able to speak Welsh in rural communities in Wales.

Cwmpas - Community Creating Homes Project

3.63 Cwmpas (formerly known as the Wales Cooperative Centre) is a development agency funded by the Welsh Government and Nationwide Foundation that supports social enterprises in Wales. The aim is to increase the proportion of the economy made up of social enterprises, co-operatives and employee-owned businesses by offering help and support across a range of services. Their Communities Creating Homes Project offers support and advice to new and existing organisations looking to develop community-led

housing schemes in Wales. It aims to develop and stimulate demand for the co-operative and community-led housing approach throughout Wales.

3.64 Co-operative and community-led housing involves bringing people together to decide what kind of homes and communities they want to live in and to create affordable homes to meet local community needs. It involves a range of different housing options, with typical models including Housing Cooperatives, Co-housing, Community Land Trust, Tenant Management Organisations, and One Planet Development. It can involve building new homes, creating homes from empty properties, protecting decent, affordable homes and providing homes of all types of tenure.

3.65 Community-led housing has a role in diversifying housing delivery options and in supporting the evidence around housing needs in rural areas, whilst also contributing towards regeneration, placemaking and social cohesion. It offers the potential to develop small-scale schemes in places where commercial developers wouldn't consider for housing, including in rural areas.

3.66 A report assessing the potential benefits of living in co-operative and/or community led housing (CLH) includes the following recommendations that are being addressed through this Project:

- They would like the research to provide a clear understanding of CLH to policy makers and planners.
- Encourage more local authorities and registered social landlords to consider their role in enabling more CLH schemes across Wales.
- Encourage any public sector land that is being brought forward for the development of affordable homes to include an allocation of CLH, where there is 'local' interest.
- Ensure housing policies and strategies make reference to and recognise Community Led Housing as a 'housing option'.

3.67 In 'Community-Led Housing: a Key Role for Local Authorities', the Co-operative Councils' Innovation Network considers the potential of community-led housing to contribute to several local strategic priorities. Strategic priorities identified in the document include the following:

- Improving housing supply and the provision of affordable homes.
- Supporting regeneration and returning empty homes to use.
- Empowering communities so that they became more self-sufficient.
- Involving residents in addressing housing need.

3.68 There are three things Community-led housing groups and organisations need:

1. help to support the setting up of the group in the first place;
2. land and supportive planning policies from local authorities; and
3. money.

4. Identifying Rural Communities

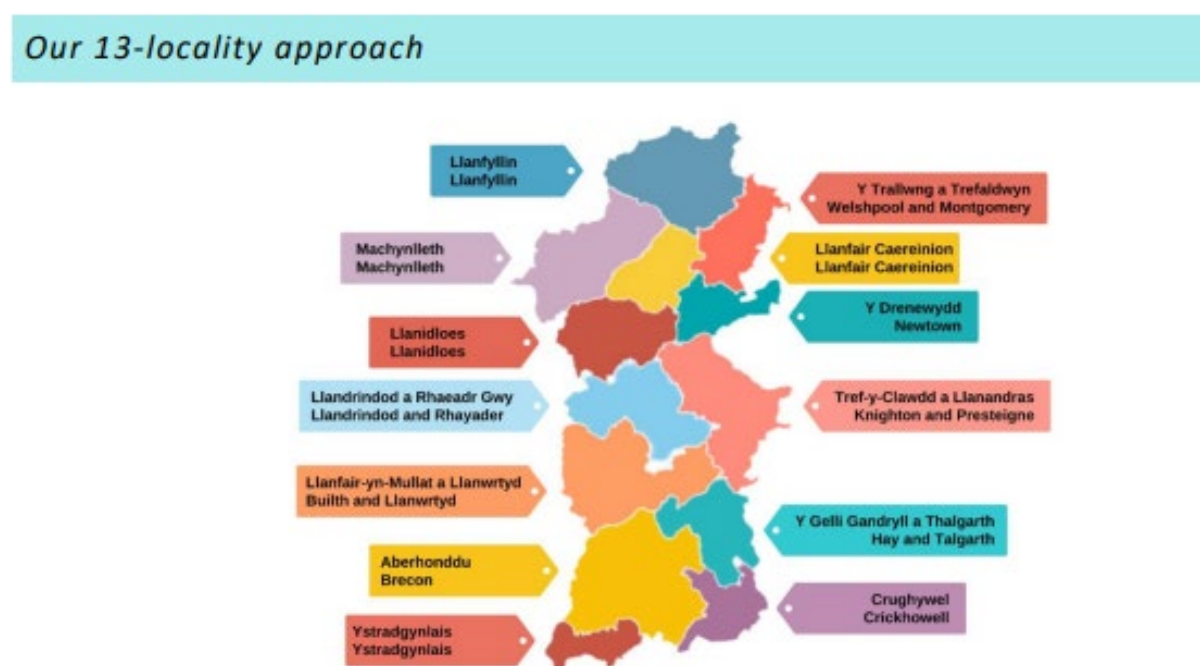
4.1 Future Wales requires Local Development Plans to identify their rural communities. It goes on to say that planning authorities should be confident in identifying which areas are rural, using their understanding of the issues and geography of an area to prepare appropriate definitions. A rural location within proximity of major urban areas experiences different issues compared with a more isolated rural location. It may not be appropriate for policies to be applied to both types of location equally.

4.2 This section looks at ways of potentially identifying rural communities within the Powys LPA Area.

Powys 13 localities approach

4.3 The 13 localities approach is used by the Powys Well-being Plan and corporately to look at data spatially. The localities are centred around Powys' largest towns and their surrounding areas. A map of the 13 localities is provided in Figure 1 below:

Figure 1 The 13 Localities Approach



Source: Powys Well-being Assessment (2022)

4.4 This approach is used corporately for geo-spatial analysis to gain a better understanding of residents' needs. It recognises the relationship between the main towns of the County of Powys and their surrounding rural areas. According to this approach, rural communities could be defined as those areas lying outside of the main towns for each Locality.

4.5 The 13 localities are being used in other parts of Replacement LDP evidence, namely the Local Housing Market Assessment and High-Level Viability Assessment.

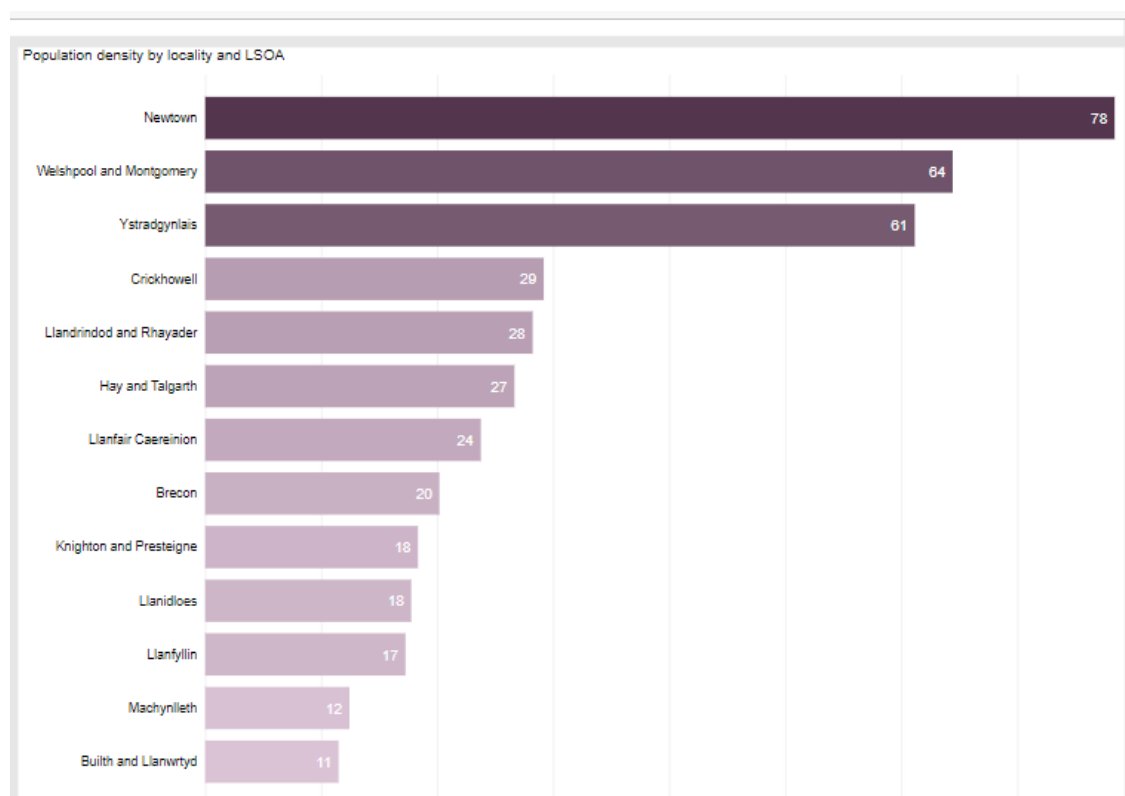
4.6 The Well-being Information Bank for Powys provides interactive data and maps presented at Locality level and by further Lower Super Output Area layers (LSOA) that are set by the Office for National Statistics.

Population density

4.7 Population density can be used as an indicator of rurality. Due to the large geographical coverage of Powys and small population, Powys has a low population density of 26 people per square kilometre, which makes Powys one of the most sparsely populated places in the UK. The population density varies across the 13 localities with Newtown being the most densely populated locality (78 people per square kilometre) and Builth and Llanwrtyd the most sparsely populated locality (11 people per square kilometre).

4.8 The chart in Figure 2 and map in Figure 3 are taken from the Well-being Information Bank for Powys. This shows that the localities of ‘Newtown’, ‘Welshpool and Montgomery’ and ‘Ystradgynlais’ have the highest population densities in the County, with other areas of the County having significantly less population per square kilometre. Population density at LSOA level is shown in Figure 4 with the darkest areas reflecting the location of the largest towns of Powys.

Figure 2 Population Density (people per square kilometre) by Locality



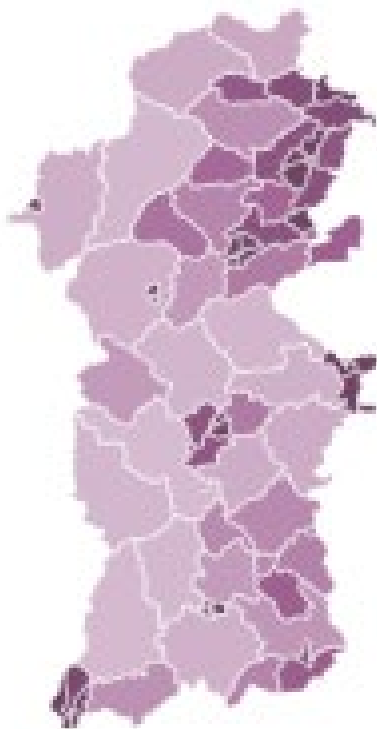
Source: Powys Well-being Information Bank based on 2021 Census

Figure 3 Population Density by Locality



Source: Powys Well-being Information Bank based on 2021 Census

Figure 4 Population Density by LSOA



Source: Powys Well-being Information Bank based on 2021 Census

4.9 Based on population density, the localities of ‘Newtown’, ‘Welshpool and Montgomery’ and ‘Ystradgynlais’ (Figure 3) could be classed as the most urban areas, with all other localities more rural in nature. However, this overlooks the fact that population density varies significantly within each locality. By looking at the more detailed LSOA level (Figure 4), this would capture the main towns in Powys as having a relatively high population density compared to their surrounding rural areas. It is noted that population density is also relatively high along the north-east border of the County adjoining Shropshire.

4.10 This approach would not be appropriate because population density is not the only factor that indicates rurality.

Settlement size

4.11 Future Wales explains that large parts of Wales are rural in character with 40% of the population living in settlements with fewer than 10,000 people. The settlement size of all LDP settlements defined as Towns, according to the 2021 Census, is set out in Table 1. NOTE: This number may differ from other sources as it is based on the number of properties within development boundaries. Using the threshold of 10,000 residents, Newtown would be the only settlement that would be considered as urban in character. The remainder of the County would be considered as rural in character. Table 1 shows significant variation in the size of LDP Towns.

Table 1 Settlement Size of LDP Towns

Settlement	Settlement size
Newtown	11,006
Ystradgynlais	7,376
Welshpool	5,935
Llandrindod Wells	4,907
Builth Wells	2,766
Llanidloes	2,741
Knighton	2,728
Machynlleth	2,139
Presteigne	1,905
Rhayader	1,867
Hay-on-Wye*	1,675
Llanfyllin	1,119
Llanfair Caereinion	976
Montgomery	967

Llanwrtyd Wells	611
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*main part of the settlement is in the Bannau Brycheiniog National Park (BBNP)

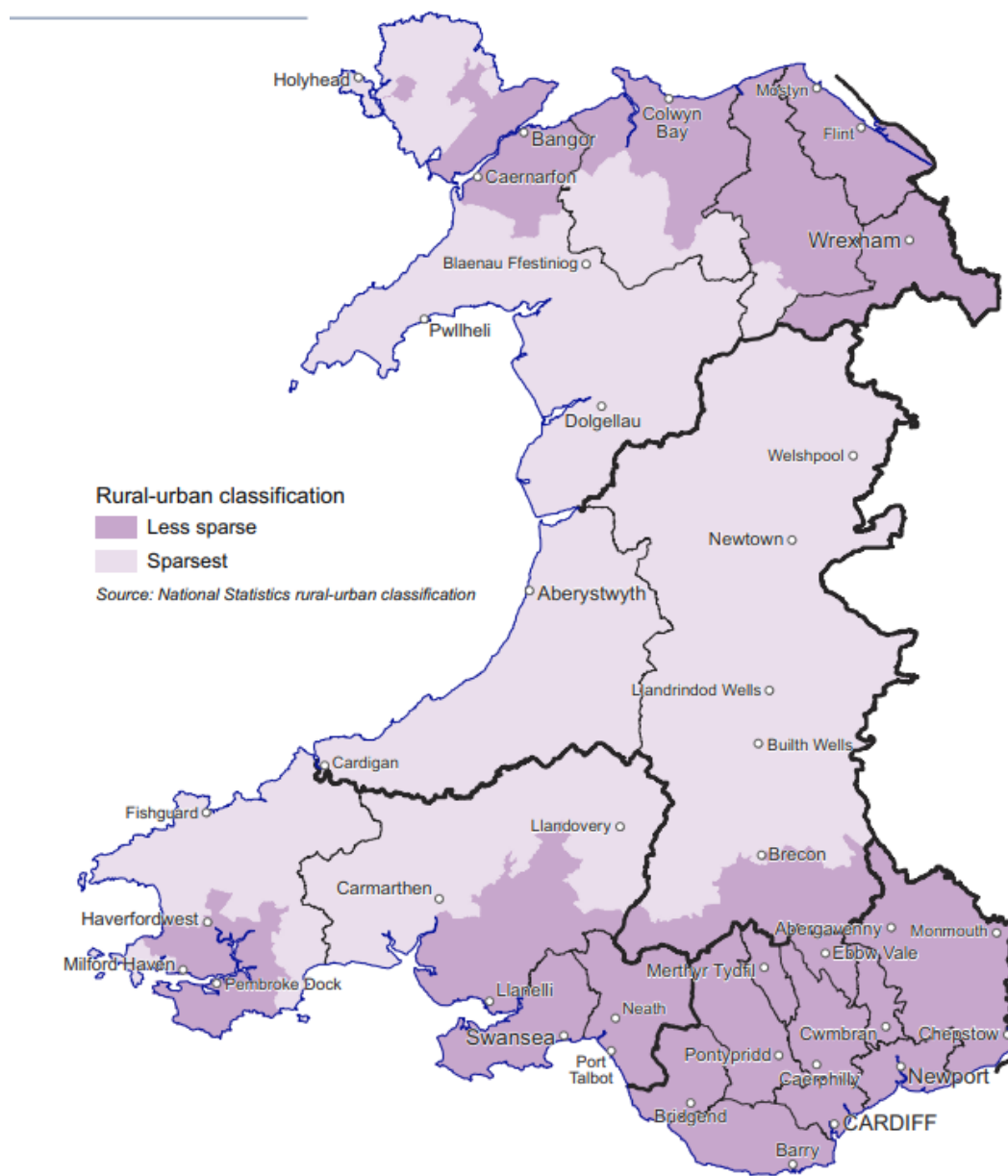
4.12 This approach is not considered appropriate as, again, population is only one indicator of rurality.

Built up areas and settlements

4.13 Future Wales contains a map of built-up areas and settlements which uses the National Statistics Rural-Urban Classification to identify the less sparse and sparsest areas in Wales – see Figure 5. Mid and west Wales are more sparsely populated and rural in character, whilst the southern and northern areas are less sparse and more urban in character. Most of the County of Powys is in the sparsest category, apart from certain parts to the south of Brecon in the BBNP that are less sparse, including the area around Ystradgynlais.

4.14 This approach is not considered appropriate as it does not reflect the variation of built up areas and settlements across the LPA area.

Figure 5 Future Wales Map of Built-up Areas and Settlements



Source: Future Wales

Regional Growth Areas

4.15 Future Wales identifies Regional Growth Areas, which are expected to grow, develop and offer a variety of public and commercial services at regional scale. The following Regional Growth Areas are identified within the County of Powys:

- Brecon and the Border;
- The Heart of Wales, including Llandrindod Wells and Builth Wells;
- Bro Hafren, including: Welshpool and Newtown.

4.16 The Replacement LDP will need to plan for the growth of these areas, whilst ensuring that growth outside of these areas is managed and is appropriate to the scale and needs of

the non-Regional Growth area. This suggests that a different strategy will be needed within Regional Growth Areas compared to other areas of the Powys LDP area.

4.17 This approach offers a way of distinguishing between the higher tier settlements identified to be within the Regional Growth Areas and those elsewhere in the Plan area, as illustrated in Table 2.

Table 2 Higher Tier Settlements Within and Outside Regional Growth Areas

Within Regional Growth Areas	Outside of Regional Growth Areas
Newtown	Machynlleth
Welshpool	Llanfyllin
Llanidloes	Llanfair Caereinion
Llandrindod Wells	Montgomery
Builth Wells	Knighton
Rhayader	Presteigne
	Llanwrtyd Wells
	Ystradgynlais
	Hay-on-Wye (part outside BBNP)

4.18 This approach is considered to be too simplistic as some settlements in rural areas have strong connections with the higher tier settlements.

Settlement Assessment

4.19 The Development Plans Manual requires a Settlement Assessment to be undertaken as part of the evidence base for the Replacement LDP in order to identify the most suitable settlements for growth. The Settlement Assessment looks at the role and function of the 15 Towns and 43 Large Villages as identified in the Powys Adopted LDP (2018).

The Settlement Assessment has assessed the role and function of each Town and Large Village in the LDP area. The assessment is based on the following four principles:

Principle 1 - The level of sustainable transport and accessibility in and around settlements;

Principle 2 - The availability of local facilities and services in and around settlements;

Principle 3 - The level of employment opportunities in and around settlements; and

Principle 4 - Broadband provision.

4.20 The first tier of settlements comprises of the larger towns of Newtown, Welshpool, Llandrindod Wells, Machynlleth, Builth Wells, Knighton and Ystradgynlais, which score most highly against the Four Principles. This reflects their role as service and employment centres and transport hubs for their rural hinterlands and smaller neighbouring settlements.

4.21 The second tier comprises ten further settlements which score well: Llanidloes, Presteigne, Rhayader, Llanfyllin, Llanfair Caereinion, Llanwrtyd Wells, Hay on Wye, Montgomery, Four Crosses, and Abermule and whilst not offering the full range of services and facilities as the larger towns, they also act as hubs for their surrounding rural hinterland either through the provision of services or employment opportunities.

4.22 The third tier score comprises of the remaining settlements that scored less well. Further consideration is given to the appropriateness of the Tier 3 settlements within the 'Cluster Analysis' paper, which looks in more detail at how smaller settlements relate to the Tier 1 and Tier 2 settlements.

4.23 Settlements and areas outside of the top three tiers of settlement could be defined as rural. However, this approach would not recognise the fact that some small settlements have sustainable levels of services to support themselves and/or strong functional relationships to top tier settlements.

Small Settlement Assessment

4.24 In addition to the Settlement Assessment background paper, a paper has been prepared which looks at the settlements lower down the Replacement LDP initial settlement hierarchy, a total of 104 small settlements.

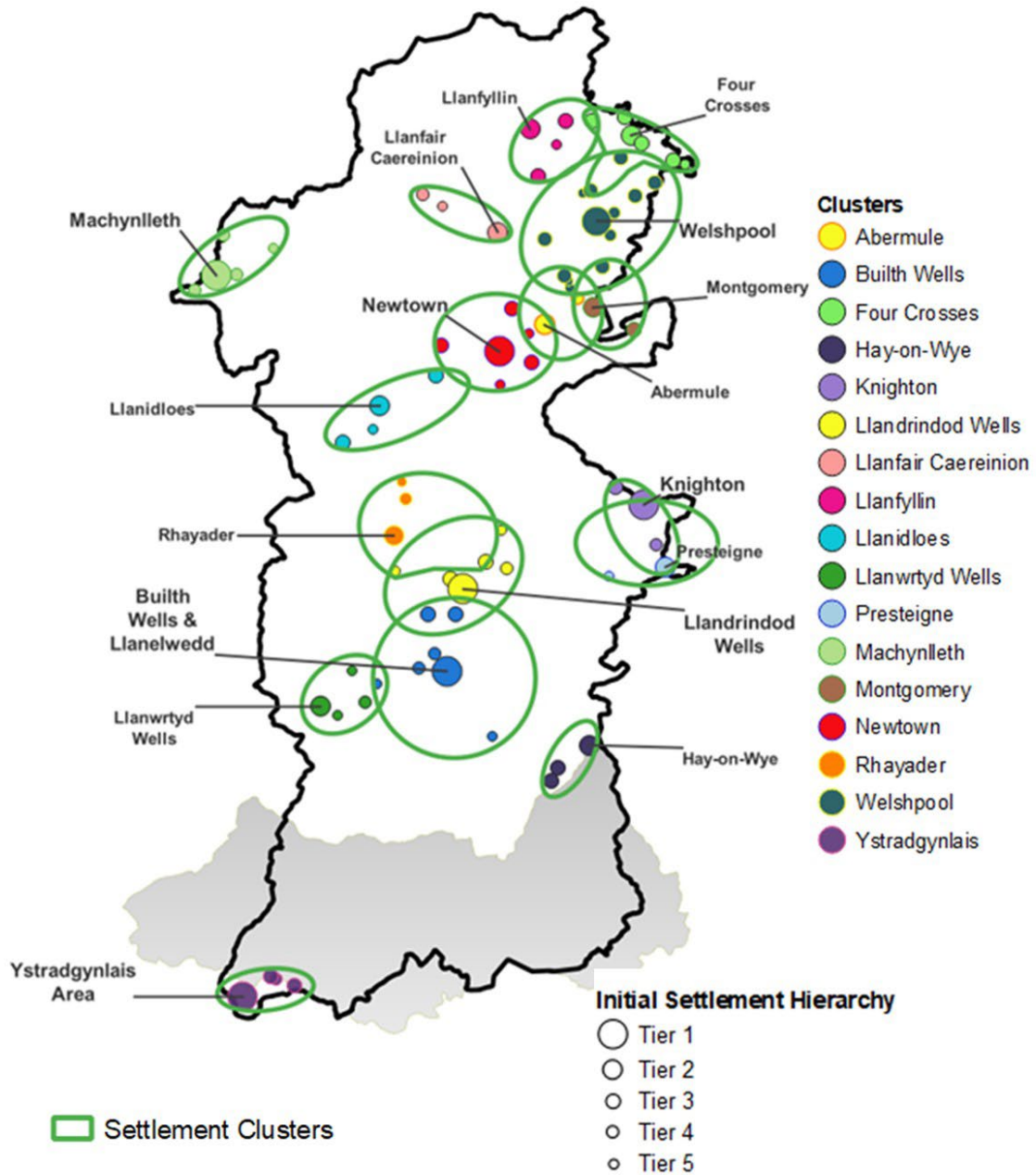
4.25 The three categories in the Small Settlement Assessment make up tiers four to six of the settlement hierarchy.

4.26 Tier four to tier six settlements could be defined as rural. However, this approach does not recognise the proximity and relationship of some small settlements to higher tier settlements.

Cluster Analysis

4.27 The Cluster Analysis paper builds upon both the Settlement Assessment and Small Settlement Assessment papers in order to identify Settlement Clusters. It identifies which tier 3 to 5 settlements form a cluster with Tier 1 or Tier 2 settlements based on functional links. The methodology captures functional links between settlements via bus, train and active travel routes and takes into account the travelling times between settlements. Figure 6 shows the location and distribution of settlement clusters informed by the initial settlement hierarchy.

Figure 6 Map Showing the Location and Distribution of Settlement Clusters, Together with Broad Groupings and Overlaps.



Source: Cluster Analysis paper (PCC, 2023)

4.28 The cluster analysis is aimed at identifying those settlements that are well connected to top tier settlements, which are referred to as ‘settlement clusters’. Using this approach, rural areas could be identified as areas that lie outside of the settlement clusters as identified within the Cluster Analysis paper. Appendix 1 lists the settlements that lie outside the settlement clusters. A total of 85 settlements are categorised as rural in the Powys LDP area. A map showing the rural areas outside clusters is provided in Figure 7 below.

Conclusions on identifying rural areas

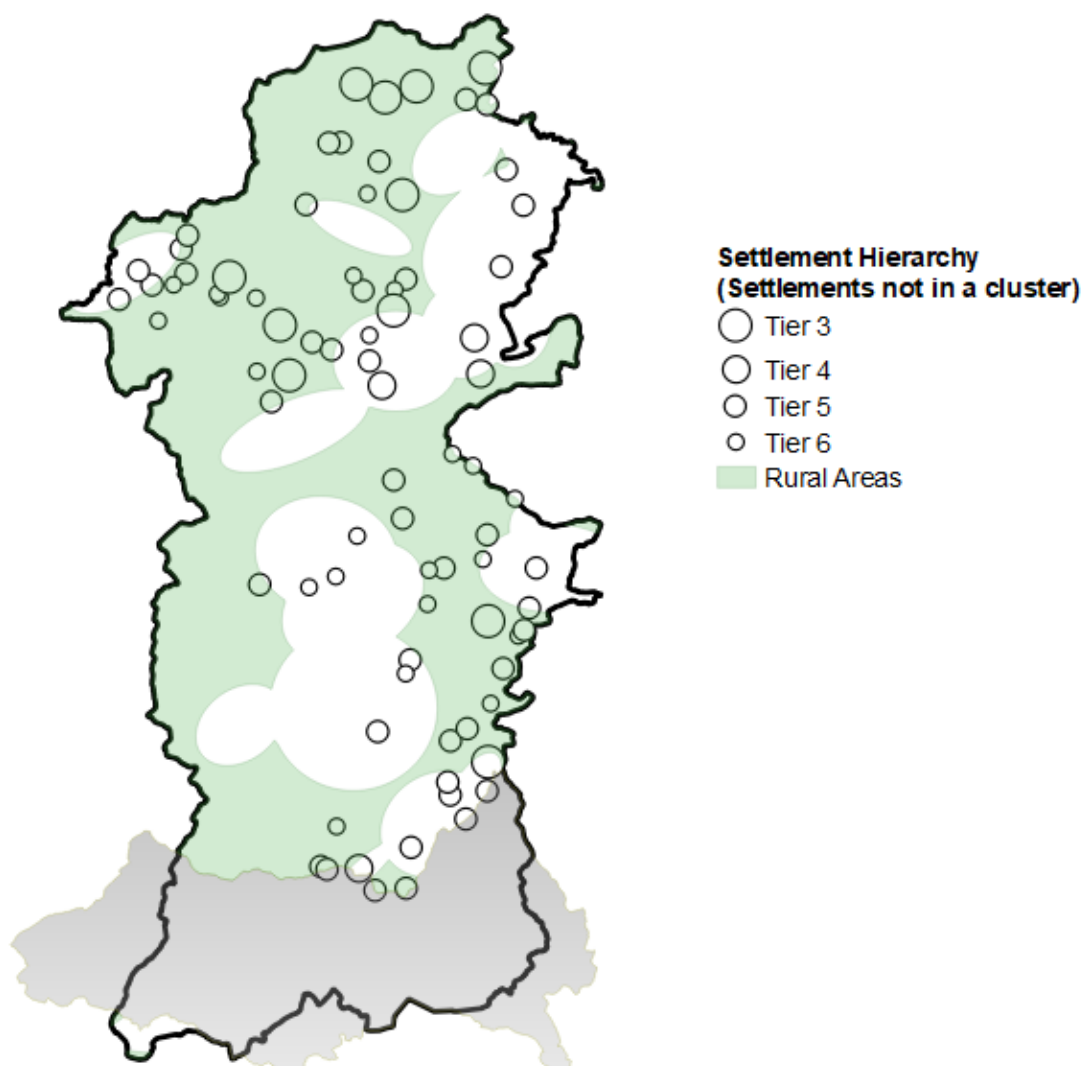
4.29 Identifying rural areas based on the 13 localities approach, population density, settlement size, built-up areas or Regional Growth Areas is considered to be too simplistic. These approaches would not recognise the varying degrees of rurality within the Powys LDP area.

4.30 It is concluded that the most appropriate way of identifying rural areas is by identifying those settlements that lie outside of the settlement clusters as identified within the Cluster Analysis paper. Some settlements are located in close proximity to the top tier settlements and have stronger transport links. The cluster analysis is aimed at identifying those settlements that are well connected to top tier settlements.

4.31 Rural areas will be defined as those settlements that are not within settlement clusters. Using this approach, 85 settlements are within the rural category and their location is shown on the map in Figure 7 and they are listed in Appendix 1 of this paper.

4.32 It should borne in mind that there are areas of Open Countryside outside of settlements within the defined rural areas and within the areas covered by settlement clusters, where development will continue to be strictly controlled. Housing development will only normally be permitted within Open Countryside where conversions are involved, or for Rural Enterprise Dwellings and One Planet Developments.

Figure 7 Location of rural areas outside clusters



5. Rural needs

Housing needs

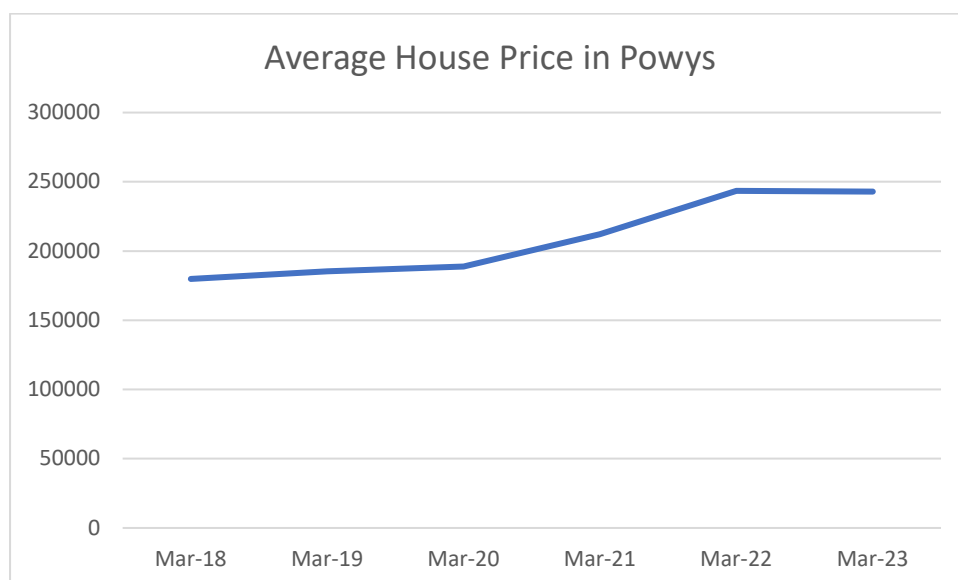
5.1 According to the Common Housing Register (also known as Homes in Powys), which is used to allocate social housing, as of September 2023, 1,920 people are registered as being in housing need (bands 1-3) across the whole of the Powys Unitary Authority area (including the BBNP).

5.2 The greatest need is within the larger towns, however need is also recorded in smaller settlements. The housing need figures for rural category settlements (Appendix 1) are provided in Appendix 2. This shows that, where rural category settlements have been identified as the first preference of a household, there is some need for social housing in the settlement. Households are less likely to select a settlement as a first preference if there is no existing social housing available in that settlement, which is the case in many smaller, rural settlements.

5.3 In addition to the Common Housing Register, a separate register exists for households that are in need of intermediate forms of affordable housing, known as Tai Teg. The Tai Teg register captures the need for a range of schemes, including intermediate rent, shared ownership, shared equity, discounted Section 106 properties and affordable self-build. There are currently 129 households from Powys on the Tai Teg register who are ready to apply for affordable housing.

5.4 Figure 8 shows how house prices have changed in Powys since LDP adoption in 2018 according to the Land Registry House Price Index (which includes the BBNP area). Following a gradual increase between 2018 and 2020, prices increased significantly between 2020 and 2022. Prices have, however, started to plateau with a slight decrease noted between 2022 and 2023.

Figure 8 Average House Prices (urban and rural) in Powys Since LDP adoption



Data source: Land Registry House Price Index

5.5 House prices have been driven up during the Covid-19 pandemic as people sought to move from urban areas to the countryside and also due to demand from people buying second homes in the countryside. According to Council tax records, there are 1,411

chargeable second homes in Powys out of a total of 66,101 homes. The highest proportion of second homes is found within some rural communities and small settlements of the County rather than within large settlements. The use of residential properties as holiday lets is also adding to the pressure on the rural housing stock. According to Council tax records, a further 896 properties are in use as short-term holiday lets in Powys. This means that second homes and short-term holiday lets account for 3.5% of all residential properties in Powys. This is exacerbating existing pressures on affordability of and access to housing within rural communities. Further local information is available within the Second Homes and Short Term Holiday Lets paper.

5.6 The average household income in Powys is £33,458 (CACI Paycheck 2021) compared to the Wales average of £34,700 and the UK average of £40,257 and 55% of households earn below the Powys average. This means that the average house price in Powys is more than seven times average local household incomes.

5.7 Table 3 shows how the affordability ratio of housing varies across the 13 localities.

Table 3 Affordability Ratio by Locality

Locality	Average Household Incomes	Median House Prices	Affordability ratio
Brecon	£34,443	£226,937	6.6
Builth and Llanwrtyd	£33,089	£227,431	6.9
Crickhowell	£42,116	£346,091	8.2
Hay and Talgarth	£36,333	£266,985	7.3
Knighton and Presteigne	£31,678	£217,543	6.9
Llandrindod and Rhayader	£30,367	£182,934	6.0
Llanfair Caereinion	£35,448	£212,599	6.1
Llanfyllin	£34,241	£239,792	7.0
Llanidloes	£32,534	£212,599	6.5
Machynlleth	£32,164	£186,887	5.8
Newtown	£31,788	£176,012	5.5
Welshpool and Montgomery	£34,731	£202,710	5.8
Ystradgynlais	£30,140	£138,436	4.6

Source: Caci Paycheck 2021 and Land Registry House Price Paid Data 2020-2022

5.8 The affordability ratio is lower in the localities that contain the largest settlements of Newtown, Welshpool and Ystradgynlais (see Table 1), with other localities that are more rural in nature tending to have higher affordability ratios, meaning that local people are unable to afford market properties in those rural areas. This highlights the need for affordable housing in rural areas that will need to be addressed by the Replacement LDP.

5.9 There is also a role for community-led housing (CLH) schemes that could potentially meet the local needs of rural communities. CLH schemes share three common principles:

- A requirement that meaningful community engagement and consent occurs throughout the process.
- The local community group or organisation own, manages or stewards the homes and in a manner of their choosing.
- A requirement that the benefits to the local area and/or specified community are clearly defined and legally protected in perpetuity.

5.10 CLH involves a range of different housing options, with typical models including Housing Cooperatives, Co-housing, Community Land Trusts, Tenant Management Organisations, and One Planet Development.

5.11 The Communities Creating Homes programme (Cwmpas) is supporting a number of emerging Community-led housing groups in Powys, including Llanbrynmair Co-housing who are focused on providing suitable homes for older people, young people and families within Llanbrynmair village, and Machynlleth Co-housing who want to create a sustainable Co-housing development for people with a local connection to the town who are struggling to find housing they can afford. Table 4 lists the community led housing activity known to Cwmpas in the Powys area:

Table 4 Community led housing schemes in Powys

Scheme name	Number of homes	Development Stage
Llanbrynmair Co-Housing*	10	Site Identification
Machynlleth Co-Housing	TBC	Site Identification
Bronllys Community Land Trust*	TBC	Site Identification (tied in with Bronllys Hospital masterplan)
Dyfi Housing Co-op	4	Site Identification
Tir Cyffredin Housing Co-op Machynlleth	7	Live and occupied
Dol Llys Hall Co-Housing Llanidloes	7	Live and occupied

*In a rural area as defined by this background paper.

5.12 The Replacement LDP could take into consideration how to enable community-led small-scale housing schemes in rural category settlements to meet local needs.

Ageing population / Aged Balanced Communities

5.13 According to the 'Market Position Statement on Accommodation for an Ageing Population' (Powys County Council, March 2017) 34,158 people are aged 65 and over in Powys and by 2036, this is predicted to increase by 38% to 47,1651. It goes on to say that there is a projected increase in the 75 plus range, with the 85 plus population more than doubling. This means that there is a need to plan ahead and ensure that the market offers good quality specialist housing that meets the needs of residents and enables them to live independently for as long as they can. The Position Statement considers that there is insufficient accommodation choice to meet the projected demand. It is anticipated that improving accommodation choices would result in a reduced requirement for health and social care services.

5.14 The Statement sets out some key principles:

- Choice of lifestyle and accommodation for all regardless of personal financial circumstances
- Accommodation that is appropriate and meets need.
- An environment that supports and enables lifestyle choice.
- Able to move to appropriate accommodation when the time is right.
- Living at home with your own front door in your community.
- Enable a real community of mixed ages, tenures and abilities.
- Well located accommodation with easy access to local amenities, services and transport.
- Accommodation developed and provided through partnership working.
- Future proofing new developments which are built to lifetime homes standards.
- To achieve the above with the best use of resources.

5.15 Planning Policy Wales requires LPAs to address the needs of older people and people with disabilities. Future Wales requires LPAs in the Mid Wales region to consider the needs of all residents, including older people and people with disabilities, and to plan for specialist housing provision and achieve age-balanced communities.

5.16 Living in a rural community can be especially challenging for older people who may be living in unsuitable accommodation that does not meet their needs and is located away from local amenities, services and transport. The increasing need for accommodation that is appropriate for older people and is well located will be a key issue for the Replacement LDP to address through its strategy, policies and allocations.

Employment

5.17 The Settlement and Small Settlement Assessment assess employment opportunities available within and around settlements. The Assessments look at the distance between the settlement and the nearest industrial estate or business park and whether there are any employment opportunities within the settlement itself. See the Powys Employment Needs Assessment for further local information.

5.18 Future Wales explains that the Welsh Government supports sustainable, appropriate, and proportionate economic growth in rural towns that is planned and managed through the

planning system. Future Wales requires LPAs to plan positively to meet the employment needs of rural areas, including employment arising from the foundational economy; the agricultural and forestry sector, including proposals for diversification; start-ups and micro businesses. Welsh Government also strongly supports development of innovative and emerging technology business and sectors to help rural areas unlock their full potential, broadening the economic base, and creating higher paid jobs.

5.19 Lack of employment opportunity is a key reason behind rural depopulation, particularly in the younger workforce; it can also contribute to deprivation and inequality. Developing local opportunities, particularly in higher paid sectors, is important to retain workers, broaden the skills base and help sustain communities. Future Wales states that rural areas should develop a broad economic base which supports a strong foundational sector, agricultural and forestry industry, innovative and emerging technology-based enterprise, start-ups and micro businesses.

5.20 The foundational economy is the part of the economy that creates and distributes goods and services that we rely on for everyday life. Examples include care and health services, food and drink, housing, energy, construction, tourism and high street retailers. This sector makes up approximately 40% of jobs in Wales. The Replacement LDP could take into consideration the Powys foundational economy and how it responds to rural needs.

Agriculture

5.21 8,600 people in Powys are employed in agriculture, forestry, and fishing according to the Annual Population Survey (ONS, Dec 2021) which equates to 14% of the population. Powys ranks the highest local authority in Wales for these industries.

5.22 Policy 26 of Future Wales, relating to Growing the Mid Wales Economy, requires Development Plans to consider policies that support agricultural and land based traditional rural enterprises.

5.23 Policy 5 supporting the rural economy states that Development Plans must plan positively to meet the employment needs of rural areas including employment arising from the foundational economy; the agricultural and forestry sector, including proposals for diversification; start-ups and micro businesses. Similarly, local food and drink processing of agricultural and horticultural products is a growing industry. Planning authorities should support new development and opportunities to improve or develop rural supply chains and distribution networks.

5.24 Future Wales explains that diversification is strongly supported to help maintain a sustainable and resilient agricultural and forestry sector. Policies and criteria to enable appropriate diversification should be set out in Strategic and Local Development Plans. There will be support for the agricultural sector and its supply chains to boost resilience through diversification.

5.25 The Review Report identified the need for the Replacement LDP to include policies that support appropriate diversification of rural enterprises. The current Powys Adopted LDP includes a policy on farm diversification (LDP Policy E6), which will need to be reconsidered against Future Wales, placemaking principles and other contextual changes.

5.26 Future Wales explains that we must continue to value and protect our agricultural land and ensure it can feed and support us. By focusing large scale growth on the urban areas, development pressures can be channelled away from the countryside and productive

agricultural land can be protected. Planning Policy Wales contains a policy to protect the best and most versatile agricultural land (grades 1-3a) from development.

5.27 The Replacement LDP will continue to rely on national planning policies and guidance relating to agricultural development, Rural Enterprise Dwellings and One Planet Development to assess these types of development in Open Countryside. However, the LPA will need to consider, where appropriate, putting in place an appropriate policy in the Replacement LDP relating to intensive agricultural development, as advised by the Welsh Government in the letter to Chief Planning Officers in June 2019.

Tourism

5.28 The Powys Well-being Assessment (2022) recognises recreation and tourism as major contributors to the local economy of Powys. Activity tourism is rapidly growing in the area, and with parts of the Brecon Beacons, the Cambrian mountains, many watercourses, and two National Trails (Offa's Dyke & The Glyndwr Way) within its boundary this is not surprising. There are many leisure related businesses in Powys currently supporting 10% of the Welsh tourism economy. In Powys, a rural and sparsely populated part of Wales, this income is vital to many local communities.

5.29 According to the Powys Well-being Assessment, there were three million day visitors and 960,000 paying visitor nights (2021). The assessment also refers to the STEAM report (2020) which stated that 12.1 million visitors spent £1.012 billion in Powys in 2019, an average of £84 per person, which was £4 up from the previous year. According to the Powys business survey (2020) 63% of respondent businesses considered their business to be tourism related. National and local policies are supportive of farm diversification with many farms choosing to diversify into the tourism sector.

5.30 Future Wales explains that tourism and leisure is recognised as a major and growing employer and contributor to the Welsh rural economy. Sustainable forms of tourism, including opportunities for active, green and cultural tourism, should be explored. It explains that Mid Wales has a wealth of outstanding natural assets from harbours and waterways to mountains and designated landscapes, all of which contribute to an outstanding tourism offer.

5.31 National planning policy in Planning Policy Wales recognises that tourism is vital to the economic prosperity and job creation in many parts of Wales, and it can also be a catalyst for regeneration, improvement of the built environment and environmental protection:

‘The planning system encourages tourism where it contributes to the economic development, conservation, rural diversification, urban regeneration and social inclusion, while recognising the needs of visitors and those of local communities.’

5.32 It goes on to explain that appropriate tourism-related development in new destinations is encouraged. In some places, however, there may be a need to limit new development to avoid damage to the environment or the amenity of residents and visitors.

5.33 The Replacement LDP will need to address the tourism needs of rural areas by providing supportive policies and promoting sustainable forms of tourism.

Transport

5.34 The Settlement and Small Settlement Assessments assess the level of sustainable transport and accessibility in and around settlements. They look at the presence of cycle

paths or pavements, proposed active travel routes, bus services, rail stations, proximity to the strategic highway network and EV charging points. Settlements that score well in this category have potential to reduce carbon emissions, promote active lifestyles, combat social isolation and provide linkages to key places (i.e., employment, medical facilities, education or recreation).

5.35 The Cluster Analysis background paper looks at journey times via bus and train, and walking and cycling along active travel routes, between Tier 3-5 settlements and Tier 1 and Tier 2 settlements. This identifies which settlements form a cluster with each of the Tier 1 and Tier 2 settlements. This rural approach paper focuses on the approach towards those areas that do not form settlement clusters. In these more isolated locations, there may still be opportunities to improve active travel and public transport in connection with new development. The opportunities for ultra-low emission vehicle infrastructure and potential of broadband to reduce the need to travel will also need to be considered.

5.36 Planning Policy Wales (Edition 11, February 2021) sets out a sustainable transport hierarchy which prioritises walking and cycling, and public transport above ultra-low emissions vehicles and other private motor vehicles. It recognises that different approaches to sustainable transport will be required in different parts of Wales, particularly in rural areas.

5.37 Planning Policy Wales also requires LPAs to set out in their development plan an integrated planning and transport strategy, which details how the LPA will:

- integrate and co-ordinate sustainable transport and land use planning;
- facilitate and promote accessibility for all;
- reduce the need to travel;
- reduce dependency on private vehicles;
- prioritise and support walking, cycling and use of public transport;
- support the uptake of Ultra Low Emission Vehicles;
- reduce transport related airborne pollution; and
- facilitate the provision of transport infrastructure and necessary sustainable transport improvements and development.

5.38 See the Integrated Planning and Transport Strategy Background Paper for further information.

5.39 Public transport and active travel opportunities are limited within rural communities and as detailed in Policy 4 of Future Wales, some growth may be required to meet their needs. In these circumstances it may be necessary for an alternative approach for rural areas.

5.40 Planning Policy Wales recognises that for most rural areas the opportunities for reducing car use and increasing walking, cycling and use of public transport are more limited than in urban areas. It is advised that local service centres, or clusters of smaller settlements where a sustainable functional linkage can be demonstrated, should be designated by local authorities as the preferred locations for most new development including housing and employment provision.

5.41 Planning Policy Wales goes on to explain that different approaches to sustainable transport will be required in different parts of Wales, particularly in rural areas, and new development will need to reflect local circumstances. For example, a planning authority wishing to grow a rural village, despite it having limited public transport accessibility, could apply the transport hierarchy by: first considering how the location and design of new development could encourage walking and cycling to shops and services in the village

centre; then consider whether new development could be located near a bus stop or enable improvements to the bus service; before finally considering the needs of private motor vehicles, including measures to encourage the use of Ultra Low Emission Vehicles.

5.42 Future Wales sees sustainable rural settlements as accessible places, well connected to the wider areas they serve. The Welsh Government is supportive of enhanced public transport and active travel modes but recognises that travel by car may be the only realistic mode of travel for some, especially in remote areas. The Welsh Government has said it will support investment in public transport, active travel and vehicle charging networks to support ultra-low emission vehicles. It will also support investment in the road network where this is necessary to maintain or improve rural accessibility, sustainability and community well-being.

Access to facilities and services

5.43 Over half of the Powys population (58.7%) live in villages, hamlets or dispersed settlements. Rural areas are more deprived in terms of access to services than more urban areas. The Welsh Index of Multiple Deprivation (WIMD) is the Welsh Government's official measure of relative deprivation for small areas in Wales, at Lower Super Output Area (LSOA) level. These small areas have been ranked by WIMD Category Access to Services and show overall that 75% (59) of LSOAs in Powys are amongst the most deprived in terms of access to services in all of Wales. 9 LSOAs in Powys are ranked in the top 30 LSOAs for the most deprived in terms of access to services. These are:

Table 5 Ranking of LSOAs in Terms of Access to Services

LSOA	Ranking
Beguildy	2 nd
Llanbrynmair and Banwy	8 th
Disserth and Trecoed	9 th
Llansilin	12 th
Llangunllo	17 th
Yscir*	19 th
Nantmel	21 st
Llanelwedd	22 nd
Llanrhaeadr-ym-Mochnant	24 th

*Partly within the BBNP.

5.44 The Settlement Assessment assesses the availability of facilities and services in Tier 1-3 settlements. It looks at the type of retail centre within the settlement (area, district or

local) and the presence of educational facilities, medical facilities, retail facilities and other community facilities within the settlement.

5.45 The Small Settlement Assessment assesses the availability of facilities and services in small settlements (Tiers 4-6). It looks at the presence of retail uses, community halls, schools, post office/bank, churches, petrol stations and play parks within small settlements. It also considers the distance to the nearest retail centre.

5.46 Future Wales states that the Welsh Government wants vibrant rural areas with services to meet the needs of those living there in a sustainable way. It goes on to explain that where housing, employment, key services and infrastructure are not sufficient to accommodate current or future needs, or are not easily accessible, the resilience and sustainability of an area may be undermined, possibly leading to economic and social decline. This may manifest itself in rural depopulation, age imbalance, deprivation, inequality or social isolation. If people move away to seek opportunities elsewhere, the viability of services and facilities can become compromised, especially in smaller settlements with a limited customer base.

5.47 The Powys Adopted LDP includes a policy that seeks to protect existing community facilities and services (LDP Policy DM11). It specifically mentions existing community and indoor recreation facilities, and village shops, public houses or services. This policy is particularly important for rural areas where it is unlikely that alternative provision exists. The loss of these community facilities and services is only permitted in cases where appropriate alternative provision and solutions have been explored and adequate marketing has been undertaken. The Replacement LDP will need to continue with a policy for protecting existing community facilities and services. Monitoring of the current policy has identified the need to clarify the wording of the policy, consider marketing timescales to enable community purchase, and for a comprehensive list of community services and facilities to be provided.

Broadband and mobile provision

5.48 The Small Settlement Assessment recognises that Powys is a predominantly remote rural authority where access to digital connectivity is of particular importance. Broadband provision has, therefore, been included as a key principle in the methodology for assessing small settlements. Good quality broadband gives residents access to online services such as training and healthcare, informs the location of businesses, enables homeworking and can reduce the need to travel. 30 megabits per second is considered the minimum speed required to enable effective digital connectivity for homeworking, access to services and business use.

5.49 According to the Powys Well-being Assessment (2022), 12% of properties in Powys are unable to receive 10 megabits per second broadband, which is the highest amongst all Welsh local authorities (OFCOM, 2020). 20% of properties in Powys were unable to receive 30 megabits per second broadband, which again is the highest proportion in Wales.

5.50 According to the 2021 Open Market Review data, 69 (66%) of the 104 small settlements, had broadband speeds of at least 30 megabits per second available for every property within the settlement. However, according to the 2021 Review, 12 of the small settlements had no broadband coverage of 30 Mbps or more. The 12 settlements are Elan Village, Norton, Llangedwyn, Llanfihangel, Coedway, Beguildy, Lloyney, Nantmel, Felindre, Talerddig, Dolanog, Cefn Coch.

5.51 Future Wales advises Planning Authorities to work with digital communications providers to ensure the needs of rural areas are addressed and planned for through policies in the LDP. Welsh Government will identify Mobile Action Zones (Future Wales Policy 14) to

enable increases in mobile coverage, particularly in rural areas, with WG, LPAs and mobile telecommunications operators working together on delivery.

5.52 The Replacement LDP will need to consider its role in improving broadband and mobile coverage within the LPA area.

6. Key Findings and Further Recommendations

This paper has identified a mechanism to define rural areas informed by the settlement assessments and cluster analysis, drawing on the initial settlement hierarchy.

It considers the needs of rural communities in relation to housing, employment, agriculture, tourism, transport, access to services, and broadband and mobile connectivity.

It is recommended that the Replacement LDP should develop a framework that meets the needs of Powys's rural areas by:

- Providing opportunities for affordable housing to meet local needs and addressing the needs of older people and those with disabilities whilst achieving age-balanced communities.
- Providing the ability to deliver community-led housing schemes.
- Providing opportunities for employment and meeting the needs of local rural businesses.
- Supporting a thriving Agricultural sector with opportunity for appropriate diversification.
- Ensuring tourism developments are appropriately located and sustainable.
- Supporting the development of sustainable linkages within and between rural settlements.
- Protecting community facilities and services.
- Improving digital connectivity and sustainable transport options.

Appendix 1 Settlements Within the Rural Category

Settlements	Category	Initial Replacement LDP settlement tier	Development boundary within current adopted LDP
Abbeycwmhir	Rural	6	No
Abercegir	Rural	5	No
Aberedw	Rural	5	No
Aberhafesp	Rural	5	No
Aberhosan	Rural	6	No
Abertridwr	Rural	5	No
Adfa	Rural	5	No
Battle	Rural	5	No
Beguildy	Rural	6	No
Bleddfa	Rural	6	No
Bont-dolgadfan	Rural	6	No
Boughrood and Llyswen	Rural	3	Yes
Bronllys	Rural	3	Yes
Bwch-y-ffridd	Rural	6	No
Carno	Rural	3	Yes
Cefn Coch	Rural	6	No
Cemmaes	Rural	5	No
Clatter	Rural	5	No
Clyro	Rural	3	Yes
Commins Coch	Rural	5	No
Cradoc	Rural	5	No
Cwm Linau	Rural	5	No
Cwmbach	Rural	5	No
Darowen	Rural	6	No
Dolanog	Rural	6	No
Dolau	Rural	6	No
Elan Village	Rural	5	No
Evenjobb	Rural	5	No
Felindre	Rural	6	No
Felinfach	Rural	5	No
Ffynnon Gynydd	Rural	5	No
Foel	Rural	5	No
Forge	Rural	5	No
Frank's Bridge	Rural	5	No
Fron Bank	Rural	5	No
Gladestry	Rural	5	No
Groesffordd	Rural	5	No
Hundred House	Rural	6	No
Llan	Rural	6	No
Llanbadarn Fynydd	Rural	5	No

Llanbister	Rural	5	No
Llanbrynmair	Rural	3	Yes
Llanddew	Rural	4	No
Llandegley	Rural	6	No
Llandyssil	Rural	4	No
Llanfihangel	Rural	5	No
Llanfihangel Tal-y-llyn	Rural	5	No
Llanfilo	Rural	5	No
Llangedwyn	Rural	5	No
Llangunllo	Rural	5	No
Llangynog	Rural	3	Yes
Llanigon	Rural	5	No
Llanrhaeadr-ym-Mochnant	Rural	3	Yes
Llansilin	Rural	3	Yes
Llanwddyn	Rural	5	No
Llanwnog	Rural	5	No
Llanwrin	Rural	5	No
Llawr-y-glyn	Rural	6	No
Llowes	Rural	5	No
Lloyney	Rural	6	No
Lower Chapel	Rural	6	No
Manafon	Rural	5	No
Nantglas	Rural	6	No
Nantmel	Rural	6	No
New Mills	Rural	6	No
New Radnor	Rural	3	Yes
Newchurch	Rural	6	No
Old Radnor	Rural	6	No
Paincastle	Rural	5	No
Pen-y-bont Llanerch Emrys	Rural	5	No
Penybontfawr	Rural	3	Yes
Pontrobert	Rural	3	Yes
Pool Quay	Rural	5	No
Rhosgoch	Rural	5	No
Sarn	Rural	4	No
Sarnau, Mont.	Rural	5	No
Stepaside	Rural	4	No
Talerddig	Rural	6	No
Tanhouse	Rural	5	No
Trefglwys	Rural	3	Yes
Tregynon	Rural	3	Yes
Velindre (Brecknock)	Rural	5	No
Walton	Rural	5	No
Whitton	Rural	6	No

Y Fan	Rural	5	No
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Appendix 2 Housing Need According to the Common Housing Register Bands 1-3

Settlement name	Initial Settlement tier according to Small Settlement Assessment	1st preference
Abbeycwmhir	6	1
Aberedw	5	3
Aberhafesp	5	1
Aberhosan	6	0
Abertridwr	5	0
Adfa	5	0
Beguilydy	6	0
Boughrood and Llyswen	3	4
Bronllys	3	9
Bwlch-y-Ffridd	6	1
Carno	3	7
Cefn Coch	6	0
Cemmaes	5	1
Clatter	5	1
Clyro	3	4
Cwm Llinau	5	0
Dolanog	6	0
Dolau	6	0
Evenjobb	5	0
Felindre	6	0
Felinfach	5	0

Foel	5	0
Gladestry	5	0
Hundred House	6	0
Llanbadarn Fynydd	5	0
Llanbister	5	1
Llanbrynmair	3	2
Llanddew	4	0
Llandegley	6	0
Llandyssil	4	1
Llanfihangel	5	1
Llanfihangel Tal-y-llyn	5	1
Llanfilo	5	0
Llangunllo	5	0
Llangynog	3	5
Llanigon	5	2
Llanrhaeadr- ym-Mochnant	3	13
Llansilin	3	2
Llanwddyn	5	0
Llanwrin	5	1
Manafon	5	2
Nantmel	6	0
New Radnor	3	1
Old Radnor	6	2
Penybontfawr	3	1
Pen-y-bont Llanerch Emrys	5	0

Pontrobert	3	0
Pool Quay	5	1
Rhosgoch	5	0
Sarn	4	3
Trefeglwys	3	1
Tregynon	3	8
Velindre	5	0
Y Fan	5	0