



Adroddiad ar gyd- astudiaethau argaeledd tir ar gyfer tai

Report on Joint Housing Land Availability Study

gan Alwyn B Nixon BSc(Hons) MRTPI
Arolygydd a benodir gan Weinidogion Cymru
Dyddiad: 25/04/12

by Alwyn B Nixon BSc(Hons) MRTPI
an Inspector appointed by the Welsh Ministers
Date: 25/04/12

Ref: APP/L9503/JHLAS/11/515560

Local Planning Authority: Pembrokeshire Coast National Park Authority
Hearing held on 14 March 2012

- This report concerns the Pembrokeshire Coast National Park Authority Joint Housing Land Availability Study (JHLAS) April 2011.
- The matters in dispute are set out in the JHLAS Statement of Common Ground (SoCG) Consultation Document dated 11 November 2011.

Recommendation

1. That the 2011 JHLAS housing land supply figure for the Pembrokeshire Coast National Park Authority area be determined as 3.81 years.

Context of the Recommendation

2. Local Planning Authorities have a duty to ensure that sufficient land is genuinely available or will become available to provide a 5-year supply of land for housing¹. The purpose of preparing a JHLAS is to:
 - Monitor the provision of market and affordable housing;
 - Provide an agreed statement of residential land availability for development planning and control purposes; and
 - Set out the need for action in situations where an insufficient supply is identified².
3. The scope of this report is to recommend an appropriate housing land supply figure in respect of the Pembrokeshire Coast National Park Authority area, in the light of the matters in dispute concerning the calculation of such a figure and the available evidence.

Main Issues

4. The first main issue is whether or not the residual method of calculation of housing land supply is the appropriate method to be used in determining how many years of

¹ PPW Edition 4 paragraph 9.2.3

² TAN 1: Joint Housing Land Availability Studies (June 2006) paragraph 2.1

supply currently exist. The second main issue is whether or not each of the disputed sites should be counted as contributing to the 5-year supply of land for housing at the present time.

Reasons

Issue 1: Method of Calculation

5. TAN 1 (2006) states that to meet the requirement for a 5-year land supply the quantity of land agreed to be genuinely available may be compared with the remaining housing provision in the adopted development plan (the residual method)³. In this case the Pembrokeshire Coast National Park Local Development Plan (LDP) is recently adopted (September 2010), and has a considerable period left to run (to 2021).
6. The National Park Authority (NPA) states that the total number of housing units catered for in the LDP strategy is significantly greater than the number actually needed to respond to forecast changes in population size, demographic composition and resulting household numbers. The reason for this is that the Plan seeks to maximise the delivery of affordable housing units in order to address a severe deficiency of affordable housing to meet identified local needs within the National Park. This need has significantly influenced the amount of general housing provision, since much of the affordable housing provided will be as an element of larger site development.
7. Nonetheless, whatever the underlying reason for the strategy, the LDP sets out to deliver a certain number of housing units over the Plan period. The Plan is only recently adopted and the strategy remains the current intent of the NPA. Viewed against the background that the housing land requirement identified in the LDP is designed primarily to deliver a certain number of affordable housing units over the Plan period, there is no firm evidence in this instance that the residual method of calculation suggests land shortages or surpluses which do not exist in practice. Whilst current housing market conditions are difficult, and small sites and house-builders predominate in the Park, these factors do not alter my view that delivery of the amount of housing sought over the remaining Plan period to 2021 should form the basis of calculation of the currently-available housing land supply.
8. The NPA expresses concern that confirming a housing land supply figure of less than 5 years may result in pressure to release additional land for housing, and considers that such action would be premature given the LDP Inspector's conclusion that the Plan's policies to deliver affordable housing should be given opportunity to work. However, such concern goes to the question of what action would be appropriate in response to the housing land supply figure that is identified; it is not relevant to determining the correct calculation method.
9. Given the existence of a recently-adopted LDP containing a clear and current housing development strategy, and the absence of any real justification for a reliance on past building rates as a more relevant basis for calculation, I conclude that the residual method is the appropriate calculation method to employ in this instance.
10. HBF's hearing statement refers to the issue of apportionment of the identified Pembrokeshire JUDP dwelling requirement between the National Park area and the

³ TAN 1 para 7.5.2

remainder of Pembrokeshire. However, this is not relevant to the calculated housing requirement for the National Park area now that the NPA has its own adopted LDP.

11. Although the NPA's hearing statement states that the LDP provides for the development of a total of 1349 dwellings between 2007 and 2021 and uses this figure as the basis for its residual method calculation⁴, the LDP is clear that this represents the number of dwellings delivered on allocated sites and does not include an estimated 250 units contributed by windfall/small site opportunities⁵. Units from such sites are included in the housing completions and land supply figures in the SoCG. At the hearing it was agreed that, when anticipated housing delivery from such completions is included, the total amount of housing that the LDP seeks to deliver over the whole Plan period is 1600 units. This figure, not the NPA's figure of 1349 units in the SoCG⁶, therefore constitutes the LDP provision figure on which the current land supply calculation should be based.

Issue 2: Analysis of sites

12. TAN 1 provides clear advice on the criteria to be applied in determining whether sites or the phases of sites may be regarded as genuinely available within a 5 year period⁷. The hearing statements submitted by the NPA, HBF and Pembrokeshire County Council provide further evidence concerning the current known position in relation to the disputed sites; this information formed the basis of the hearing discussion.
13. The hearing discussion first examined the basis of the respective positions of the NPA and HBF in relation to a range of development viability issues. House prices are agreed to have fallen in the region of 15%-20% since the market peak at end 2007, and are forecast to rise by around 5% over the next 5 years; however, the majority of this rise is not expected until towards the end of this period.
14. HBF also expressed concern over rising build costs, due to recent and pending changes in building regulations requirements and S106 community infrastructure requirements. The NPA's viability calculations factor in an additional 5% build cost per unit based on BREEAM "excellent" standard (almost equivalent to code level 3). However, HBF point out that this is lower than building regulations standards to be required post-2013 and say that preliminary research suggests that the additional cost may be around £8,000 per unit. Whilst I recognise that on-going changes in national building requirements will have an effect on build costs, I consider that there is a lack of robust, authoritative independent evidence on this matter at this time. On the question of community infrastructure costs the NPA calculations factor in an allowance of £5,000 per plot for S106 community infrastructure contributions. Whilst actual amounts plainly will vary according to the particular circumstances of each case, early indications are that this is a realistic general working assumption to adopt⁸ for viability assessment purposes. Supplementary planning guidance seeking an affordable housing contribution of £30,000 per dwelling from developments that fall below the

⁴ Doc 2 p. 16 para 3.8 and accompanying table

⁵ See adopted LDP paras 4.199 & 4.200

⁶ Doc 1 SoCG p.27 2010-11 Residual Method table Column A

⁷ TAN 1 paras 7.3.3 and 7.3.4

⁸ See Doc 5 PCNPA note on Community Infrastructure Planning Obligations

affordable housing provision threshold (2 units) is a separate matter, which operates on single dwelling sites in lieu of the affordable housing requirements on developments of 2 or more units.

15. Turning to the issue of residual land values and the incentive for sale, time was spent at the hearing exploring the respective positions of the NPA and HBF. In summary, the NPA considers that a tenfold uplift in existing (agricultural) use land value is sufficient to bring a site forward. It states that this equates to approximately £10k per plot, which based on a development density of 30 dwellings per hectare gives an indicative threshold land value of £300k per hectare. The written submission from HBF did not identify an equivalent figure. Whilst at the hearing HBF indicated verbally that it considers that a more realistic figure based on landowner expectations is £16.5k per plot (£486k per hectare), I consider that this higher figure is to some extent aspirational. However, bearing in mind this disparity I indicated my intention to use these two opposing figures as representing the respective positions of the parties concerning the viability threshold of disputed sites, particularly in relation to the question of affordable housing provision. Both parties indicated that they were content with this approach.
16. A central point concerning development viability is the potential effect on this of the LDP requirements for affordable housing provision. LDP policy 45 seeks to negotiate a minimum of 50% affordable housing (in certain specified centres the level is higher, rising to 100% in one location) as part of all developments of 2 units or more, and an equivalent contribution to affordable housing provision in respect of single dwelling sites. However, the penultimate paragraph of policy 45 indicates that, whilst a high priority will be given to the delivery of affordable housing, in certain circumstances an element of flexibility as regards other scheme requirements may exist where the development would otherwise be financially unviable. Moreover, the wording of policy 45 indicates that the level of affordable housing required may involve an element of negotiation; I consider that this enables a degree of flexibility to be applied in practice where absolute insistence on the identified level of provision sought by policy 45 in a particular instance can be demonstrated to render a proposed scheme unviable. Supplementary planning guidance subsequently produced by the NPA also confirms a degree of flexibility, for instance by a rounding-down of the number of affordable units required, which particularly in the case of smaller sites can have a significant effect on overall scheme viability.
17. The submitted SoCG identifies an available land supply of 553 units⁹ including disputed sites and 23 sites where there is dispute between the NPA and HBF as to their inclusion within the identified 5-year housing land supply. Some of these site categorisations are also disputed by Pembrokeshire County Council as landowner. A number of factors underlie the views expressed as to the contribution of each disputed site to the 5-year land supply. In summary, however, the factors in relation to each site comprise one or more of the following: development viability in relation to the affordable housing requirement associated with each site; infrastructure constraints to development; evidence of landowner intentions and the planning status of the site.
18. As a result of the discussions at the hearing, encompassing the factors summarised above, an agreed position was reached on the following sites identified as sites in dispute in the submitted SoCG:

⁹ SoCG Schedule 4 p 27, Total Land Supply table

- HA750 Depot Site Crymych (15 units) – Agreed that there are significant viability issues with the site and it should not be included in the 5 year supply.
- HA559 Adjacent Home Farm, Lawrenny (30 units) – There is active intent to develop on the part of the landowner and the National Park Authority is willing to discuss the appropriate level of affordable housing provision. Agreed that 15 units should be included in the 5 year supply.
- HA813 Rear of Cross Park, New Hedges (30 units) – Recent pre-application discussions indicate active interest in developing the site. The National Park authority considers that there is scope for negotiation to secure a viable scheme. Agreed that 10 units should be included in the 5 year supply.
- HA825 North of Feidr Eglwys, Newport (20 units) – HBF acknowledge that some relaxation of the 70% affordable housing requirement could make a large difference to the residual value of the site. Agreed that the site should be included in the 5 year supply.
- HA789 Adjacent Ysgol Bro Dewi, Nun Street, St Davids (10 units) – HBF accept that the current viability assessment indicates that the site is viable. Agreed that the site should be included in the 5 year supply.
- NP/08/389 Guildhall and Glendower House, Tenby (21 units) – Accepted that site development has now resumed and agreed that the site should therefore be included in the 5 year supply.
- HA723 Former Cottage Hospital site, Tenby (10 units) – In the light of the National Park Authority's preparedness to decrease affordable housing requirements and Pembrokeshire County Council's intention to market the site, agreed that the site should be included in the 5 year supply.
- HA724 Rectory Car Park, Tenby (50 units) – Agreed that viability assessment produces an adequate residual value and that 30 units should be included in the 5 year supply.
- HA727 West of Narberth Road, Tenby (25 units) - Agreed that viability assessment produces an adequate residual value and that 10 units should be included in the 5 year supply.
- Picton Home Farm, The Rhos (8 units) – Confirmed that a start has been made on this scheme, and that the site should therefore be included in the 5 year supply.
- 034/00214 Boulston Manor, Uzmaston (5 units) – Confirmed that the existing planning permission on this site has now been commenced, and that the site should therefore be included in the 5 year supply.

19. In addition, the NPA confirmed that two schemes excluded from the SoCG schedule of agreed sites because they are subject to S106 obligations¹⁰ (Fountains Café, South Beach, Tenby (19 units, currently under construction) and Jalna Hotel, Saundersfoot (9 units, none started)) should be added to the 5 year total land supply, since the S106 obligations are in place. HBF agreed with this, and I also share this view.

¹⁰ See Doc 1 SoCG p.28, para 4.4

20. Turning to the remaining sites which are still in dispute, I am conscious of the considerable disparity between the respective residual values per plot or unit adopted by the NPA and HBF as the basis for their views as to the development viability of these sites. However, in the absence of solid evidence to the contrary, I consider that a view of scheme viability based on a residual site value providing a ten-fold uplift in value, as suggested by the NPA, represents a sensible basis on which to determine this issue.
21. My conclusions on each of the remaining disputed sites in the SoCG Schedule 2A are as follows:
- NP/226/81 Castle Way, Dale (12 units total - 6 within 5 years) – The NPA is exploring with an RSL a development arrangement to put to the landowner in order to bring the site forward and deliver 80% affordable housing. Notwithstanding that the site has been included in the 5 year supply since 1999, in the light of the current discussions I consider that 6 units should remain in the 5 year supply at the present time.
 - HA387 Opposite Bay View Terrace, Dinas Cross (12 units) – The NPA confirms that it is planning provision in its 2014 budget to explore compulsory purchase in order to bring this site forward. However, it accepted that even should it decide to proceed down this route, acquisition would be unlikely to be achieved before mid 2016. On this basis I consider that the site should not be included in the 5 year supply as at 1 April 2011.
 - 04/0462 Site of former Sir Benfro Hotel, Herbrandston (28 units) – The scheme has a planning permission extant until May 2013. Whilst the current terms of the S106 obligation are an obstacle to development, the NPA has suggested a modification of its terms. Since any subsequent planning permission would be likely to carry a more onerous affordable housing requirement there is considerable incentive for the current permission to be implemented. The site has only been included in the 5 year land supply since 2008. On balance, I consider that the site should continue to be included in the 5 year land supply at this stage.
 - HA730 Opposite Bush Terrace, Jameston (35 units total - 8 within 5 years) – Although the landowner evidently wishes to sell development plots on another site before proceeding with this development, the former (6 plots in total) are currently being marketed. The site would connect to the Tenby Waste Water Treatment Works (WWTW). There is disappointingly scant information available concerning the potential treatment capacity issue identified by the NPA. It appears that any upgrading by Dŵr Cymru/Welsh Water would not be until 2015 at earliest. However, on balance I consider it reasonable to include 8 units within the 5 year supply, as suggested by the NPA.
 - HA821 Green Grove, Jameston (5 units) – Given the size of the development there are no identified sewerage infrastructure capacity issues concerning its connection to the Tenby WWTW. The scheme viability assessment undertaken (with rounding-down of the affordable housing requirement) indicates a residual value of around £11.5k per plot. Whilst this is below the £16.5k viability threshold argued by HBF it is above the £10k threshold cited by the NPA. On balance, taking into account the scope for detailed discussion of scheme development costs, I consider that the site should be included in the 5 year supply.

- HA848 Opposite Manorbier VC School, Manorbier Station (19 units total – 6 within 5 years) – Notwithstanding the lack of detailed information concerning Tenby WWTW capacity, Dŵr Cymru/Welsh Water did not raise any objection to the site's allocation within the LDP. Rounding down of the affordable housing requirement indicates a residual valuation of about £12.5k per plot. On balance I consider it reasonable to include 6 units within the 5 year supply, as suggested by the NPA.
- MA895 Land part of Buttylands, Manorbier Station (15 units total – 5 within 5 years) - Notwithstanding the lack of detailed information concerning Tenby WWTW capacity, there is no suggestion of any objection by Dŵr Cymru/Welsh Water to the site's allocation within the LDP. Rounding down of the affordable housing requirement indicates a residual valuation of about £12k per plot. On balance I consider it reasonable to include 5 units within the 5 year supply, as suggested by the NPA.
- HA384 Adjacent Bro Dawel, Solva (18 units) – Although it appears that discussions are continuing with Pembrokeshire County Council over the details of a scheme to be brought forward on this site, there are significant issues concerning sewerage infrastructure provision at Solva. Funding to upgrade the existing WWTW will not be in a Dŵr Cymru/Welsh Water Asset Management Programme until 2015 at earliest, and no information is available concerning the prospect or priority of such a scheme. Given this evident significant infrastructure constraint I consider that the site should not be included in the 5 year supply as at 1 April 2011.
- HA792 Bank House, Whitchurch Lane, Solva (12 units total – 6 within 5 years) – Although the site appears viable there are no indications of current interest from the landowner. There are significant issues concerning sewerage infrastructure provision at Solva. Funding to upgrade the existing WWTW will not be in a Dŵr Cymru/Welsh Water Asset Management Programme until 2015 at earliest, and no information is available concerning the prospect or priority of such a scheme. Given this evident significant infrastructure constraint I consider that the site should not be included in the 5 year supply as at 1 April 2011.
- HA737 West of Glasfryn Road, St Davids (90 units total – 15 within 5 years) – Although the site appears viable there has been no contact with the landowner since 2008. As regards the identified issue of sewerage infrastructure capacity, the current AMP to 2015 does not include upgrading of the WWTW and there is no information concerning the prospect or priority of such a scheme. Moreover, there are significant highway issues which would need to be resolved; there is no provision in the programme to 2015 for the associated road widening scheme that would be required. Given these significant infrastructure constraints I consider that the site should not be included in the 5 year supply as at 1 April 2011.
- MA733 Adjacent to school, St Ishmaels (40 units total – 8 within 5 years) – Although the site appears viable there are significant issues concerning sewerage infrastructure capacity. The landowner is evidently not prepared to commit to a capacity study and there are no current plans (to 2015) to upgrade the existing small WWTW. Given this evident significant infrastructure constraint I consider that the site should not be included in the 5 year supply as at 1 April 2011.

- HA738 North of Heol Crwys, Trefin (15 units total – 5 within 5 years) – Rounding down of the affordable housing requirement indicates a residual valuation of about £10k per plot. On balance I consider it reasonable to include 5 units within the 5 year supply, as suggested by the NPA¹¹.

22. The NPA believes that site HA377 Brynhir, Tenby (168 units total – 30 within 5 years) should be included as an agreed site in the 5 year supply¹². However, the categorisation of the site as such is clearly disputed. Given the significant highways and sewerage infrastructure issues, in particular concerning sewerage capacity constraints at Tenby WWTW and the lack of evidence as to how this constraint will be overcome so as to deliver housing within the five year period, I consider that the site should not be included in the 5 year supply as at 1 April 2011.
23. Taking the SoCG total land supply figure of 282 units excluding disputed sites, adding the 139 and 28 units identified in paragraphs 18 and 19 as agreed at the hearing as additional units which should be included in the 5 year supply and further adding the 63 disputed units in paragraph 21 which I consider should also be included, I conclude that the appropriate total land supply figure to be used is 512 units.

Overall Conclusions

24. Based on the foregoing analysis of the evidence I conclude that the housing land supply for the Pembrokeshire Coast National Park Authority area should be calculated using the residual method.
25. For the reasons given at paragraph 11 of my report I conclude that the overall dwelling requirement figure for the LDP period is 1600, not 1349 as cited in the submitted SoCG.
26. Arising from my findings and conclusions in respect of individual sites as identified above, I conclude that the housing land supply calculation for the National Park area as at 1 April 2011 should be as follows:

A	B	C	D	E	F	G
LDP provision	Completions (1/4/07-31/3/11)	Remainder	5 year requirement(C/no. yrs remaining (10) x 5)	Annual requirement (D/5)	Land available	No. years supply (F/E)
1600	255	1345	672.5	134.5	512	3.81

Alwyn B Nixon

Inspector

¹¹ This site was omitted from the SoCG Total Land Supply table figure (see Doc 2 p 12 para 2.1)

¹² The NPA says that it should have been included as an agreed site (see Doc 2 p 12); however, the site is plainly disputed by HBF (Doc 3 p 19)

APPEARANCES

FOR PEMBROKESHIRE COAST NATIONAL PARK AUTHORITY

Martina Dunne

David Morgan

Julie Kirk

Sarah Middleton

FOR THE HOME BUILDERS' FEDERATION:

Richard Price

DOCUMENTS

- 1 SoCG dated 11 November 2011
- 2 Hearing statement submitted by Pembrokeshire Coast National Park Authority
- 3 Hearing statement and Appendices submitted by the Home Builders' Federation
- 4 Written statement submitted by Pembrokeshire County Council
- 5 Note from Pembrokeshire Coast National Park Authority concerning community infrastructure planning obligations entered into to date
- 6 Comments from Home Builders' Federation on document 5 above