



**Background Paper for Local Development Plan:
Scale and Location of Growth**
Pembrokeshire County Council

Development Plans
December 2010

Table of Contents

Introduction	5
1. Policy Context – National policy and the Wales Spatial Plan	6
National Policy.....	6
People, Places, Futures: The Wales Spatial Plan (2008 Update)	8
Conclusion.....	9
2. Scale of Growth	10
Local strategies and plans.....	10
Population and Household projections	11
The local economy, including historic build rates and demand.....	15
Social considerations, including the affordable housing need	17
Environmental implications.....	18
Conclusion.....	19
3. Location of Growth	19
Population distribution and location of development land.....	20
Locations of employment.....	21
Community Cohesion	25
Neighbouring authorities.....	26
Conclusion.....	27
4. Summary and conclusions	29

Frequently used abbreviations

LDP	Local Development Plan
LHMA	Local Housing Market Assessment
PCC	Pembrokeshire County Council
PCNPA	Pembrokeshire Coast National Park Authority
PPW	Planning Policy Wales
WAG	Welsh Assembly Government

Introduction

i) Pembrokeshire County Council is producing a Local Development Plan that will form the basis of spatial planning in much of Pembrokeshire from 2011 – 2021. On its adoption, it will replace the current development plan as the context for land-use planning decisions in the area of Pembrokeshire outside the Pembrokeshire Coast National Park.

ii) A robust strategy is fundamental to the Local Development Plan and is intended to achieve a balance between population growth, economic opportunity and the environment. The strategy outlines the planned scale of growth and the locations in which growth will be encouraged and enabled.

iii) This background paper sets out the rationale for the provision of 5,600 new homes and their spatial distribution. The primary focus of this report is to explain how both the scale and spatial distribution of housing requirement has been derived, and set out the relationship between a planned increase in the number of households with the County Council's approach to other uses of land, including employment.

iv) The report is divided into four sections. The first section sets out the guidance from national and regional policy and spatial planning context for the scale and location of growth. The second section considers the evidence relating to the scale of growth, including population projections. The third section presents evidence on appropriate locations of growth. Finally, the report concludes with a rationale based on the first three sections for a strategy for the scale and location of growth in Pembrokeshire County Council's Local Development Plan.

1. Policy Context – National policy and the Wales Spatial Plan

National Policy

1.1 The Local Development Plan is a key component in delivering sustainable development in Wales. To meet their required function, development plans must set out an authority's objectives for the development and use of land in its administrative area and general policies to implement them. **Planning Policy Wales (PPW Edition 3, 2010)**, is the national statement of planning policy and identifies a number of priorities for Local Planning Authorities when allocating land. It also provides specific guidance both on the scale and location of housing growth.

Specific guidance on determining the scale of housing growth

1.2 PPW (Edition 3, 2010) paragraph 9.2 states that in planning the provision for new housing, an authority must work in collaboration with housing authorities, registered social landlords, house builders, developers, land owners and the community and must take account of the following:

- People, Places, Futures – The Wales Spatial Plan
- Statutory Code of Practice on Racial Equality in Housing – Wales
- The Assembly Government's latest household projections
- Local housing strategies
- Community strategies
- Local housing requirements (needs and demands)
- The needs of the local and national economy
- Social considerations (including unmet need)
- The capacity of an area in terms of social, environmental and cultural factors (including consideration of the Welsh language) to accommodate more housing
- The environmental implications, including energy consumption, greenhouse gas emissions and flood risk
- The capacity of the existing of planned infrastructure, and
- The need to tackle the causes and effects of climate

Specific guidance on planning the location of housing growth

1.3 The following factors are set out by PPW (Edition 3, 2010) which Local Planning Authorities should consider when looking at distribution of growth:

- Settlement strategies and new development should be consistent with minimising the need to travel and increasing accessibility by modes other than the private car.
- Higher density development, including residential development should be encouraged, near public transport nodes, or near corridors well served by public transport (or with the potential to be so served) (paragraph 4.6.4).
- In rural areas the opportunities for reducing car use are more limited than in urban areas. In rural areas the majority of new development should be located in those settlements which have relatively good accessibility by non-car modes, when compared to the rural areas as a whole. Local service centres, or clusters of smaller settlements where a sustainable functional linkage can be demonstrated, should be designated by local authorities and be identified as the preferred locations for most new development including housing and employment provision (paragraph 4.6.7).

1.4 With specific regard to the allocation of land for housing, PPW (Edition 3, 2010) expects local planning authorities to consider the following matters (paragraph 9.2.9):

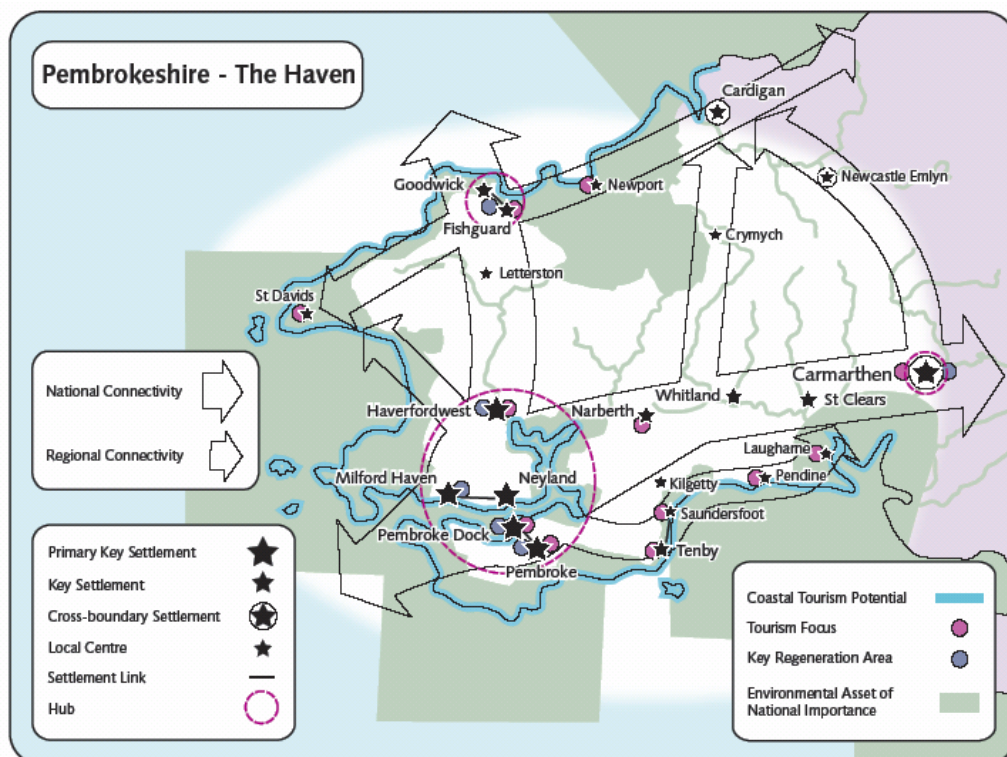
- The availability of previously developed sites and empty or under-used buildings and their suitability for housing use;
- The location and accessibility of potential development sites to jobs, shops and services by modes other than the car, and the potential for improving such accessibility;
- The capacity of existing and potential infrastructure, including public transport, water and sewerage, other utilities and social infrastructure (such as schools and hospitals) to absorb further development and the cost of adding further infrastructure;
- The ability to build sustainable communities to support new physical and social infrastructure, including consideration of the effect on the Welsh language, and to provide sufficient demand to sustain appropriate local services and facilities;
- The physical and environmental constraints on development of land, including, for example, the level of contamination, stability and flood risk, taking into account that such risk may increase as a result of climate change, and the location of fragile habitats and species, archaeological and historic sites and landscapes;
- The compatibility of housing with neighbouring established land uses which might be adversely affected by encroaching residential development; and
- The potential to reduce carbon emissions through co-location with other uses.

1.5 PPW (Edition 3, 2010) also states that in producing development plans, local planning authorities should devise a settlement strategy which establishes housing policies in line with their local housing strategy and a **spatial pattern of housing development balancing social, economic and environmental needs.**

People, Places, Futures: The Wales Spatial Plan (2008 Update)

1.6 The Wales Spatial Plan key diagram and vision for the *Pembrokeshire – The Haven* area, shown below, are two key statements that guide the spatial planning in Pembrokeshire. The Wales Spatial Plan identifies a number of strategic priorities for achieving the vision which must be considered when defining the scale and location of growth.

1.7 Key messages from these strategic priorities include ensuring housing provision appropriate to all, developing the area’s hubs and taking steps to ensure vibrant communities in both rural and urban areas.



'A network of strong communities supported by a robust, sustainable, diverse high value-adding economy underpinned by the Area's unique environment, maritime access and internationally important energy and tourism opportunities' (Wales Spatial Plan Update 2008)

1.8 The Wales Spatial Plan groups settlements according to their size, service provision and characteristics. It states that the hub towns should be a focus for investment and stresses the need to regenerate the area's key town centres. It also states that medium and smaller sized settlements as well as smaller rural centres all play a key part in the area's attractiveness as a place to live, work and visit. Therefore it is critical that development and growth is directed to these places, to ensure the benefit of investment is spread to the wider hinterlands. This will assist in alleviating a problem identified in the Wales Spatial Plan, namely that of rural areas' deprivation of access to services.

1.9 In terms of housing, the Wales Spatial Plan Update 2008 states:

*"Housing should be well-designed, affordable and sustainable. New provision is **likely to reflect the historical pattern of development in the area**, commensurate with the settlement approach identified above, with a **continued emphasis on settlements within the strategic hubs** along the urban corridor linking the M4 to the Area's ports. Notwithstanding the emphasis on key settlements, **it is important that housing growth also seeks to revitalise and sustain smaller centres and communities**". (Wales Spatial Plan Update 2008, emphasis added)*

1.10 National planning policy and the Wales Spatial Plan Update 2008 set the broad context for considering scale and location of growth. The following sections - firstly on the scale of growth, secondly on the distribution of growth – will consider further sources of information that have shaped the Council's approach to the scale and location of growth.

Conclusion

1.11 National policy and guidance needs to be interpreted and applied to Pembrokeshire County Council's LDP.

- Local aspirations and vision need to drive the plan: An updated Community Plan produced and agreed in spring 2010 emphasises affordable housing, community cohesion and sustainable economic growth as priorities.
- In a broader Wales context, Pembrokeshire's urban settlements are generally small. Concentrating development into these areas will not necessarily result in the reduction in the need to travel by car.
- Some rural communities have poor access to services and many of Pembrokeshire's communities are rural. There are complex issues but a lack of affordable housing tends to amplify the effect of other changes in the rural economy.
- Brownfield sites in Pembrokeshire do not tend to conform to the stereotype – many are former Second World War airfields, look very much like greenfield sites, and are not necessarily appropriate as locations for redevelopment.

2. Scale of Growth

2.1 Pembrokeshire County Council will make the provision in its Local Development Plan for 5,600 new dwellings during the period from 2011 to 2021. This figure is derived from the analysis of population and household growth statistics in combination and also takes into account:

- Local strategies and plans;
- The local economy, including historic build rates and demand;
- Social considerations, including the affordable housing need;
- Environmental implications

Local strategies and plans

2.2 A number of policy documents and strategies have been consulted in the process of setting the Local Development Plan (LDP) provision for new homes. Detailed guidance on the level of growth is generally not suggested in these documents, but they do identify issues that must be considered by the Council.

Local Housing Strategy for Pembrokeshire 2007 - 2012

2.3 A key theme of the Vision for the Local Housing Strategy for Pembrokeshire 2007 — 2012 (November 2007) is more accessible, affordable housing, particularly in rural areas to help sustain fragile communities. Broad priorities include increasing the number of affordable homes in areas of identified need and increasing the amount of affordable housing delivered through Development Plans. The Strategy advises that the housing market in Pembrokeshire is buoyant with demand for all types of housing outstripping supply, leading to high prices and affordability problems. Although house prices, in common with the rest of Wales and UK, have dropped in Pembrokeshire after peaking in autumn 2007, they now appear to have stabilised. Pembrokeshire is experiencing significant housing stress, as demonstrated by the high number of applicants joining social housing waiting lists. The need for affordable housing in Pembrokeshire is stated to be acute across the whole county but highest in rural areas.

Local Housing Market Assessment (2007)

2.4 The Local Housing Market Assessment (LHMA) was produced by PCC, working in partnership with PCNPA and local housing associations. It indicated that there were 55,662 households in Pembrokeshire in 2001.

2.5 The LHMA cites figures and statistics on the housing market and income levels in Pembrokeshire to highlight a shortage of affordable housing as a key issue to be addressed by the Development Plan. The general demand for housing is said to be driven significantly by the immigration of workers on large scale construction projects and of older households moving

to the area for their retirement. These are generally people with greater buying power than local households with low incomes, resulting in upward pressure on market house prices and a need for affordable housing to meet local needs.

2.6 Another important influence on the demand for housing identified in the LHMA is changing patterns of household formation. It forecasts that the average household size in Pembrokeshire will gradually decrease, mainly due to the increase in one-person households. This change is caused by people living alone for longer, both in early adult life and in older age. This emerging trend will especially drive demand for small homes in locations with good access to employment opportunities and important services and facilities.

Pembrokeshire Community Plan 2010-25

2.7 The context section of the Community Plan emphasises the need to tackle development sensitively: “The approach all partners will take over the lifetime of this plan recognises that rural communities can be fragile and our approach to housing, access to services and economic development needs to be sensitive to the needs of these communities”.

2.8 Housing is one of the eight themes of the Community Plan. The focus of this theme is on the demand for affordable housing with this noted as the single most significant concern of local residents. It identifies the rural areas as being particularly affected, due to a combination of higher house prices, high in-migration and a significant number of second homes. The Community Plan states that there is a need for nearly 3,000 affordable homes (based on evidence from the Common Housing Register).

2.9 The Community Plan includes a short section on the location of growth. It suggests bringing forward opportunities for the balanced development of the Haven towns as well as in Fishguard, Goodwick, Tenby and St Davids. This will be complemented by a renewed focus on the revitalisation of smaller rural centres and communities, as well as the consideration of affordable housing needs and the need for sheltered accommodation. Within the National Park area the focus will be on meeting the affordable housing needs of the local community. Increasing the supply of affordable housing is identified as a priority within the Community Plan action plan.

Population and Household projections

2.10 Population and household projections are produced from statistical analysis and modelling of Census results. Population projections indicate what the expected change in population will be over a certain time period and factors such as the age-distribution of that population. Household projections predict the total number of households and the composition of households. Projections for Pembrokeshire have been produced by both Pembrokeshire County Council and the Welsh Assembly Government.

2.11 The Council produced its population and household projections in a Background Paper, 'Population, Household and Labour Force Projections 2008' (see www.pembrokeshire.gov.uk/planning). This paper includes projections for the whole County and for the two planning authorities in the County – Pembrokeshire County Council and Pembrokeshire Coast National Park Authority (PCNPA). These projections are based on 2001 Census results.

2.12 The Welsh Assembly Government has produced its own projections for population and households that relate to the whole of Pembrokeshire and also to the Pembrokeshire Coast National Park. Figures for the County Council's Plan area need to be derived by subtracting the National Park figures from the whole county figures. The WAG's projections use 2006 population estimates as their primary basis.

Population Projections

2.13 Population projections are derived by applying a number of assumptions, including births, deaths and migration, to baseline population data. The Council and WAG both employ 'Popgroup' software to produce population projections but differences between figures occur where different assumptions are put into the software.

2.14 Pembrokeshire County Council undertook work based on 2001 Census results to inform the LDP Preferred Strategy. WAG population projections, derived from 2006 population estimates were published subsequently for the county as a whole in June 2008, but at that stage were not apportioned to provide separate projections for the two local planning authorities. Population projections for the National Park, and by deduction, for the Council's planning area, were published by WAG in March 2010, providing a comparator for the Council's own figures.

2.15 Table 2.1 below is a summary of the various projections produced by the WAG and Pembrokeshire County Council for Pembrokeshire, the Council's planning area and the National Park Authority's planning area.

Table 2.1
Population projections for Pembrokeshire.

Source of projections	Area	2006	2011	2016	2021	2031
Welsh Assembly Government	All Pembrokeshire	117,300	121,100	125,100	129,000	134,800
	PCC	95,000	99,100	103,500	107,900	115,200
	PCNPA	22,300	22,000	21,600	21,100	19,600
Pembrokeshire County Council	All Pembrokeshire	117,411	119,591	122,112	124,587	Not projected
	PCC	95,347	98,073	101,033	103,938	Not

						projected
	PCNPA	22,064	21,519	21,079	20,649	Not projected

2.16 The table shows a marked difference between the projections produced by the two organisations for the whole of Pembrokeshire, with Pembrokeshire County Council suggesting a slower rate of growth than that projected by the WAG.

2.17 Both projections anticipate a decrease in the population of the National Park in the near future, with only a very small difference between the two calculations.

2.18 The main area divergence in population projections relates to the area under the County Council's planning jurisdiction. WAG suggest that the population of the Council's planning area will grow by around 8,800 people during the plan period 2011 – 2021, while the Council's own figures suggest a population increase of just under 6,000 over the same period. This is caused by differences in assumptions on the level of migration.

Household projections

2.19 Household projections include estimates of the number of households in an area, and the average size of those households. Not all people in the population are in a household – for example residents in some types of communal establishments are not counted in household projections. The projections published by WAG and the Council use the differing population figures (outlined above) as starting points and different statistical assumptions; therefore their results are different. Only the Council has figures for the two distinct plan areas within Pembrokeshire, with WAG Household projections not disaggregated below County level.

Table 2.2

Number of households (in thousands) in Pembrokeshire and in the Council's planning area.

	2006	2011	2016	2021	2031
WAG projections					
Pembrokeshire	51.3	54.7	58.1	61.3	66.5
Percentage change		6.63%	6.22%	5.51%	8.48%
PCC planning area	Not projected				
Percentage change	N/A				
PCC projections					
Pembrokeshire	49.4	51.3	53.6	55.8	Not projected
Percentage change		3.85%	4.48%	4.10%	N/A

PCC planning area	39.6	41.6	43.8	46.1	Not projected
Percentage change		5.05%	5.29%	5.25%	N/A

2.20 Table 2.2 shows that, starting from a higher baseline than the PCC projections, the WAG forecasts a considerably higher growth in the number of households in Pembrokeshire between 2006 and 2021. The levels of change projected by Pembrokeshire County Council for the Council's own planning area are significantly higher than for the whole of Pembrokeshire. Between 2011 and 2021 Pembrokeshire County Council forecasts an increase of 4,500 households in its own plan area. In the same period, the WAG is predicting a rise of 6,600 across the whole of Pembrokeshire.

2.21 The growth in the number of households can be partially attributed to population growth but also, significantly, to changing living patterns in which single-person households are becoming more prevalent. The average size of households, i.e. the average number of people living in each household, is explored in Table 2.3.

Table 2.3

Projected average household size in Pembrokeshire and in the Council's planning area.

	2006	2011	2016	2021	2031
WAG projections					
Pembrokeshire	2.26	2.19	2.12	2.07	1.99
Percentage change		-3.10%	-2.28%	-2.36%	-3.86%
PCC planning area	Not projected				
Percentage change	N/A				
PCC projections					
Pembrokeshire	2.35	2.3	2.25	2.21	Not projected
Percentage change		-2.13%	-2.17%	-1.77%	N/A
PCC planning area	2.38	2.33	2.28	2.23	Not projected
Percentage change		-2.10%	-2.15%	-2.19%	N/A

2.22 The table above shows a broad consensus between the Council's own projections and those of the WAG that average household size will decrease. However, the WAG projections suggest a greater and faster reduction in household size in Pembrokeshire than the Council's, accentuated by the fact it starts with a lower starting point for 2006 average household size.

Pembrokeshire Coast National Park Authority's approach.

2.23 The LDP for Pembrokeshire Coast National Park is already adopted and the Pembrokeshire Coast National Park Authority has therefore agreed its housing requirement.

2.24 PCNPA stated in its Deposit LDP that “the most credible population projection for the National Park suggests there is no justification for housing development in the National Park to house an increasing population”¹. It had however proposed a housing provision of around 1,756 dwellings for the period 2007-2021, on the basis that to meet the “significant need for affordable housing in the National Park”² it must provide land for the development of housing. The adopted Plan proposes that a minimum of 530 of these will be affordable homes.

2.25 It is intended that Pembrokeshire County Council's housing provision will be linked to PCNPA's provision to ensure that all newly arising households within the county can be housed. Given the discrepancy between the projections produced by the WAG and by the Council, it is proposed that the housing provision is set at the higher of the two projections, which is the WAG's. Their projection is that 6,600 additional households will be formed in Pembrokeshire between 2011 and 2021. A pro-rata apportionment of Pembrokeshire Coast National Park Authority's total 2007-2021 provision of new homes over the period 2011-2021 is 1394³. To ensure that all 6,600 projected newly arising households throughout the county are accommodated, Pembrokeshire County Council should aim to provide 5,200 new homes. This is a responsible, pragmatic approach that should ensure the housing needs of all residents of Pembrokeshire are met.

2.26 Should household growth be lower than forecast by the WAG, and closer to the level projected by the Council, this strategy will deliver a small surplus of new homes, which will have the potentially beneficial effect of providing more choice and flexibility in the housing market. To ensure positive impacts such as reduced out-migration of young, economically active people requires new housing to be appropriate in size and in locations where jobs are available and accessible.

The local economy, including historic build rates and demand

2.27 While the production of a new Development Plan provides an opportunity to revise strategies on the scale and location of growth, it is important to demonstrate that the Plan is deliverable and takes account of trends in the development industry and the wider local and national economy.

¹ Pembrokeshire Coast National Park (2009), Local Development Plan (Deposit).

² Ibid

³ Projected completions in the National Park area 2007-2011 = 362. Total provision 2007 – 2021 = 1,756. Pro-rata National Park provision 2011 – 2021 = 1,756-362 = 1,394

2.28 Over an 11-year period from 1998-2009 a total of 5,161 new dwellings were built to completion in the Plan area – an average of 469 per year.

Table 2.4

Housing completions in Pembrokeshire County Council planning area, 1998 – 2009

	Urban	Rural	Total
1998 – 1999	146	121	267
1999 – 2000	244	312	556
2000 – 2001	232	241	473
2001 – 2002	119	95	214
2002 – 2003	172	263	435
2003 – 2004	128	104	232
2004 – 2005	337	366	703
2005 – 2006	346	376	722
2006 – 2007	392	133	525
2007 – 2008	401	280	681
2008 – 2009	174	179	353
Total	2691	2470	5161

2.29 Completion rates were at their highest in this period in 2005 and 2006, when the housing market was exceptionally buoyant. Build rates fluctuated significantly in the early years of the decade, and the fall in completions during the recession has been considerable.

2.30 These build rates suggest that the development industry in Pembrokeshire is largely responsive to the overall state of the housing market and the economy. Development in Pembrokeshire is largely bespoke rather than speculative so limited availability of finance, for example mortgages and development loans, has a significant effect on the completion rate of new homes.

2.31 The national economic situation currently is generally considered to be improved from 2009, with some evidence of steadying rates of unemployment, increasing consumer and business confidence and increased number of housing transactions signifying a gradually recovering economy. At the time of writing it is difficult to precisely anticipate the impact of fiscal policy changes, including reduced public spending and increased taxation, but it is important to recognise that there is some buoyancy in the local housing market and it is considered reasonable to assume that build rates will continue to recover from the 2009 level.

2.32 Household projections generated by the WAG indicated that between 2006 and 2011 the number of households in the whole of Pembrokeshire would increase by 3,400. By combining known build rates – see tables 2.4 and 2.5 – with projected completions for 2010 and 2011, it is estimated that 3,003 new homes will be built in Pembrokeshire between 2006 and 2011, leaving a shortfall against the household increase of 397 homes. To ensure

all households are in homes, an additional 397 units should be added to the LDP housing provision, bringing the total to 5,597 (and rounded to 5,600).

Table 2.5

Housing completions in Pembrokeshire Coast National Park Authority planning area, 2005 – 2010.

	Completions
2005 – 2006	87
2006 – 2007	52
2007 – 2008	105
2008 – 2009	85
2009 – 2010 (to 31 March 2010)	36
Total 2005 – 31/03/2010	365

2.33 A total housing provision of 5,600 new homes will require average annual build rates of 560 homes. Past build rates in Pembrokeshire County Council's planning area have shown this to be achievable. It is recognised that historic completion rates are known to vary with economic conditions and that the economy is likely to fluctuate over the duration of the plan period (over 10 years), therefore setting the housing provision at or slightly above the average build rate is considered to be sensible and appropriate. These assumptions will continue to be monitored throughout the plan period and, should there be significant divergence, will be subject to review.

Social considerations, including the affordable housing need

2.34 The Local Development Plan is an opportunity to influence the provision of development in Pembrokeshire, including delivering greater social and community benefits than an entirely market-led approach would do. It is therefore important that evidence of housing need and social issues are considered in setting the LDP housing provision.

2.35 Housing affordability is a major concern in Pembrokeshire, as the ratio between average earnings and house prices is among the highest in Wales. Various studies have shown average house prices to be at least six times the average income, with a Halifax study in 2008 concluding that house prices were 7.4 times annual average income.

2.36 The extent of the need for affordable homes in Pembrokeshire is considerable. There are a number of different ways of calculating need for affordable housing, none of which are completely accurate but, which collectively provide a background context to the scale, size and tenure type and spatial distribution of need for affordable housing.

2.37 Pembrokeshire County Council and Pembrokeshire Coast National Park Authority believe the most reliable source of evidence of need is the Common Housing Register, as it indicates the number of people which the

Housing Authority has a legal requirement to house (those in Gold and Silver categories). For the whole of Pembrokeshire, there are 3,052 households on this register at 28th January 2010. In the County Council's planning area the list contains 2,593 applications.

2.38 There are significant concerns with the robustness of the methodology for the Local Housing Market Assessment measure of need which has produced some improbable conclusions.

2.39 A further measure of need for affordable homes is provided by the Local Needs Surveys conducted by the Rural Housing Enabler for Pembrokeshire. They are limited to rural areas and are conducted over community council areas. Surveys conducted so far have covered approximately half the county and indicate a need for 408 affordable homes in rural areas. This measure does not fully take into account the fluid and flexible nature of demand for affordable housing, but is nevertheless a useful indicator of need for affordable homes in rural Pembrokeshire.

2.40 The ageing population profile of Pembrokeshire is likely to have implications for the type of homes required as part of the overall provision. The number of people over 65 is projected to increase from 20,636 in 2011 to 26,458 in 2021 - an increase of 28%. The increase in population over 85 is even more pronounced, with an expected increase of 43.5% over the same time period. Projections suggest that 26% of the total population will be over 65 by 2021. The residential provision must therefore include accommodation that meets the needs of the aged, including those requiring affordable provision.

Environmental implications

2.41 At the Preferred Strategy stage of preparing the LDP, the favoured scale of housing growth was a medium-level of 4,700 new dwellings, based on medium-term historic build rates in the County. That scale of growth, which is lower than the 5,600 new homes now proposed, was subject to a Sustainability Appraisal (including Strategic Environmental Assessment) at the Preferred Strategy stage.

2.42 The appraisal concluded that the location, rather than scale, of growth will have more bearing on the environmental implications of the LDP spatial strategy. It also contended that strategic policies, such as for housing provision, should be considered in combination with detailed policies to form accurate judgement of its environmental implications. For example, a higher housing provision need not necessarily use more land than a lower provision, if it is supported by a policy that ensures high-density development. Individual site allocations, settlement boundaries and detailed policies will be subject to Sustainability Appraisal. This process will assess the potential of all aspects of the LDP to deliver development that is sustainable.

Conclusion

2.43 The key factor in determining the scale of growth is ensuring that all households are accommodated in suitable and appropriate homes. Household projections are therefore integral to the level of growth that the Local Development Plan will make provision for.

- Demand for new housing is driven by both population change and change in average household size.
- An additional 5,200 new households will be formed in the area of Pembrokeshire under the County Council's planning authority between 2011 and 2021.
- Monitoring indicates that the total number of new homes built in the period 2006-2011 is failing to match the increase in households. A further 400 homes are added to the LDP scale of growth, bringing the total provision to 5,600.
- Historic building completions over a ten year period are a more reliable guide for the plan than concentrating on the past few years.
- The risks to well-being and community cohesion of under-providing new homes is greater than over-providing assuming that development takes place in appropriate locations.

3. Location of Growth

3.1 Pembrokeshire County Council is proposing an approach where opportunities to build new homes are distributed evenly between the urban and rural areas of the county. The urban housing provision is directed to seven settlements, identified as 'Hub Towns'. These are Haverfordwest, Milford Haven, Neyland, Pembroke Dock, Pembroke, Fishguard and Goodwick.

3.2 New housing developed in rural areas will be distributed using a Settlement Hierarchy approach. Under this approach, a higher proportion of the rural allocation will go to settlements with a good provision of services and facilities, with smaller provisions in other, less-well served and less-accessible settlements.

3.3 The strategic approach of even distribution of growth across urban and rural areas approach favoured by Pembrokeshire County Council was one of three options presented to stakeholders based on the issues and evidence identified at the pre-deposit stage. The evidence and analysis will be presented under the following headings:

- Population distribution
- Locations of employment
- Access to services & the Settlement Hierarchy
- Community cohesion
- Neighbouring authorities

Population distribution and location of development land

3.4 Pembrokeshire is one of nine counties in Wales generally considered to be predominantly rural (Joseph Rowntree Foundation Commission on Rural Housing in Wales, 2008). The population of the whole of Pembrokeshire in 2001 was 114,318, of which approximately 80% are resident in the area of Pembrokeshire outside the National Park. Of the 91,601 people living in the Council's planning area, 50,960 live in the seven 'hub towns' which comprise the urban component of Pembrokeshire. The remaining 40,641, representing 44.4% of the total, live in the area defined as 'rural'.

3.5 In the previous section, Table 2.4 showed that the distribution of completed dwellings across urban and rural areas has historically been quite even. This pattern has reflected the availability of land made in previous Development Plans, including the Dyfed Structure Plan and the South Pembrokeshire and North Pembrokeshire Local Plans. The Joint Unitary Development Plan (JUDP), which was adopted in 2006, sets out a strategic policy to direct 70% of new dwellings to towns. This is reflected in rows D and E of table 3.1 below which shows that the balance of land supply for housing moved significantly towards favouring urban areas since the JUDP became the Development Plan for Pembrokeshire.

3.6 The completion of new dwellings has continued to be evenly distributed across urban and rural areas even since the adoption of the JUDP, largely due to the number of planning consents granted under previous Development Plans. This has restricted the impact of the JUDP in directing housing development predominantly towards urban areas.

Table 3.1

Housing land supply and completions, in units, in Pembrokeshire, 1998–2010.

		Urban	Rural	Total
A	Housing Completions 1986 - 1998	3036	2832	5868
	Annual average (12 years)	253	236	489
B	Housing supply in 1998	3081	2010	5091
C	Housing completions 1998 – 2009	2691	2470	5161
	Annual Average (11 years)	245	224	469
D	Housing supply in 2010	5509	2581	8090
E	Gross change in Housing supply from 1998 to 2010 [(D-B)+C]	+ 5119	+ 3041	+ 8160

Locations of employment

3.7 Working and living in close proximity is a more environmentally sustainable lifestyle than travelling long distances to work, particularly where a private car is used. Given the current level of provision of public transport in Pembrokeshire, and until such time as lower or zero-carbon private travel means are commonly available, the principle of locating residential land in close proximity to areas of employment has merit in terms of sustainability. .

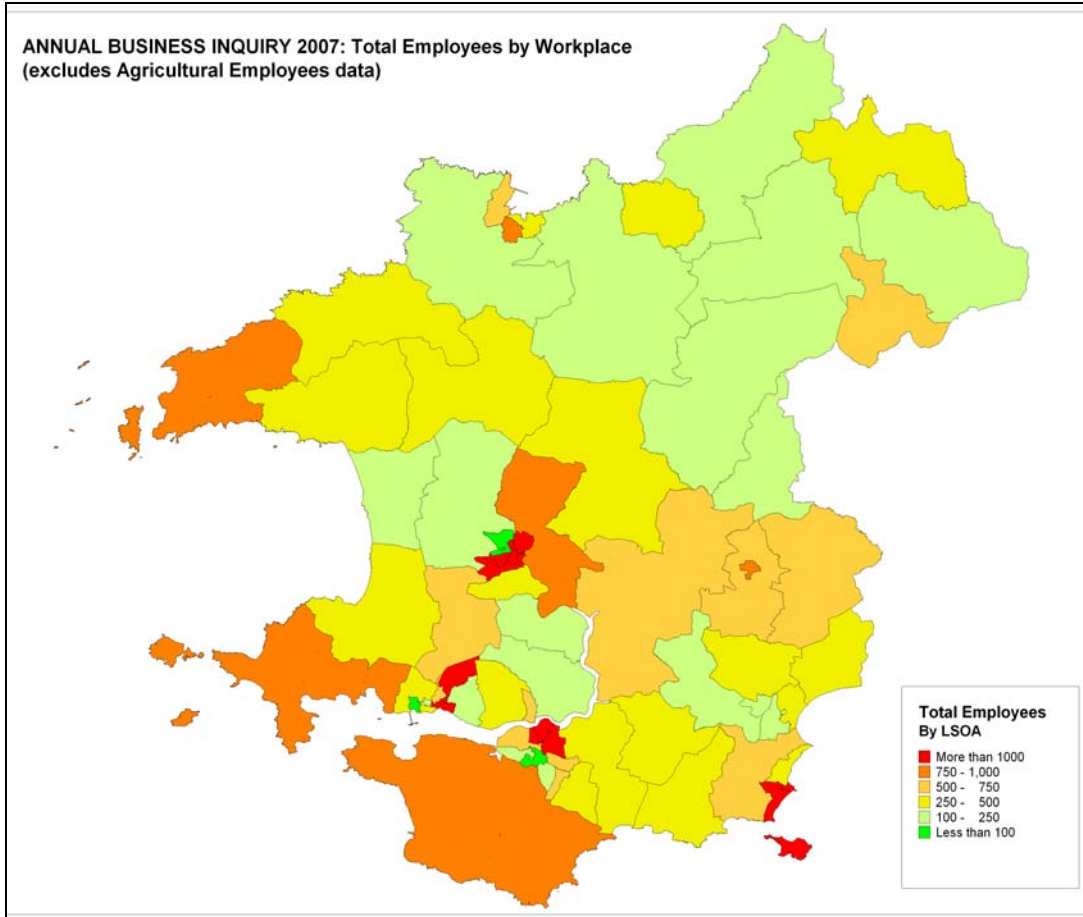
3.8 Figure 3.1 below, shows a map indicating the spatial distribution of employees by workplace across the county, by 'Local Super Output Area'. The map demonstrates clearly that a significant number of people are employed in rural areas in Pembrokeshire, with pockets of high urban employment in Haverfordwest and around the Milford Haven waterway. The source of data – 2007 Annual Business Inquiry – does not include the agricultural sector, which is separately measured in a Welsh Agricultural Survey by the WAG.

3.9 The data from which this thematic map has been created shows that the overall number of employees in urban areas is 26,542. The Annual Business Inquiry reveals that 14,229 workers are employed in rural areas, with the Welsh Agricultural Survey of 2006 stating that 5,469 people were employed in the agricultural sector in Pembrokeshire. In total, assuming all agricultural workers are based in rural areas, there are approximately 19,698 people employed in Pembrokeshire's rural areas. The overall distribution of employment is 57.4% urban and 42.6% rural.

3.10 The number of firms and employers based in rural areas is 2,392, which accounts for 48.6% of the total of 4920 employers in Pembrokeshire. The vast majority of these are Small and Medium-sized Enterprises (SMEs). These figures suggest a sizeable and important rural dimension to Pembrokeshire's economy, where an entrepreneurial culture provides employment opportunities and creates wealth for people in rural communities. Directing housing provision to rural areas is intended to increase the potential labour force in rural areas, for instance by providing better opportunities for young people to stay in their local area.

Figure 3.1

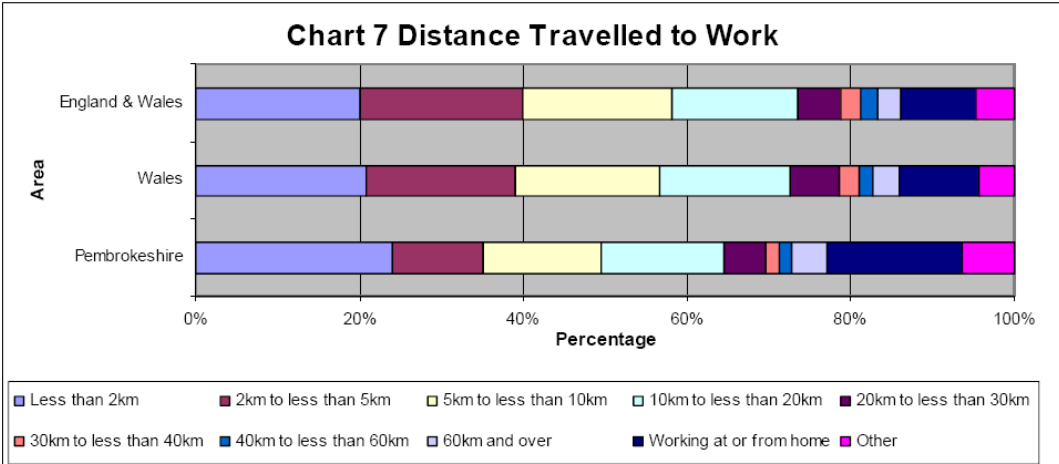
Spatial distribution of employees in Pembrokeshire, by Local Super Output Area, 2007.



Source: 2007 Annual Business Inquiry

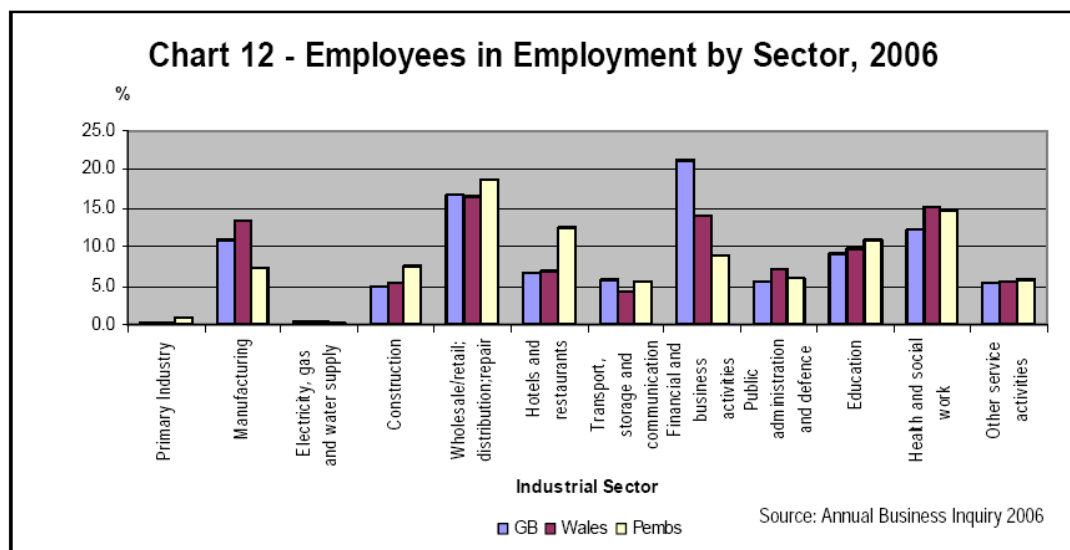
3.11 Data from the Office for National Statistics (ONS), shown in figure 3.2 below, indicates that a greater proportion of people work at or from home in Pembrokeshire than in either England & Wales or in Wales. A greater proportion of people in Pembrokeshire also travel less than 2 km to work than in England & Wales or in Wales. Data from the ONS (see figure 3.3) also indicates that Pembrokeshire has a higher percentage of people employed in primary industry, in the construction sector and tourism service sector (hotels and restaurants) than nationally.

Figure 3.2
Comparison of distance travelled to work



Source: ONS, 2001 Census of Population

Figure 3.3
Proportion of employees in employment by sector



Source: Office for National Statistics, Annual Business Inquiry 2006 © Crown Copyright

Access to services & the settlement hierarchy

3.12 Many research documents have identified a trend of declining rural services (see for example, Welsh Rural Observatory – Access to Services, 2007 and Welsh Assembly Government - Rural Development Plan for Wales 2007-2013). No clear evidence exists as to the level of population necessary to support certain services though it is clear that thresholds for service provision are generally increasing, with changing social patterns altering the way in which many people access services; most notable is the growth of the internet for services such as banking and shopping. In proposing that new homes should be predominantly developed in settlements with a good level of service provision, the Council’s approach follows guidance in PPW Edition 3, 2010 (paragraph 9.2.9) and recognises that providing some growth within rural communities may assist in providing sufficient demand for retaining facilities within rural settlements. The WAG’s housing strategy *Improving Lives and Communities: Homes in Wales* (April 2010) develops that theme, stating that “housing drives the demand for local services, shops and facilities”.

3.13 A settlement hierarchy has been derived using principles of the Wales Spatial Plan, the Council’s own Rural Facilities Survey and through desk-based analysis of the spatial distribution of settlements. The plan area’s urban settlements are the five towns in the Haven hub – Haverfordwest, Milford Haven, Neyland, Pembroke Dock and Pembroke – and Fishguard and Goodwick which are located in a small north Pembrokeshire hub. Narberth, along with four service centres, 45 service villages and all other villages,

hamlets and the countryside are classified as comprising Pembrokeshire's rural areas.

3.14 Pembrokeshire County Council's Rural Facilities Survey (2008) collected information about the availability of facilities and services in every village and hamlet across the authority's LDP area. The survey asked for details of the availability of 22 different services and facilities, including Post Office, shop, bus service, playing fields and public house. A similar study was previously conducted by the authority in 2001, enabling a comparison of service provision changes over time to be made. A number of settlements had seen primary schools reorganised since 2001 with the creation of fewer but larger, new community primary schools. Post Offices and shops had also declined in number over the period. In contrast the number of settlements with community halls had increased (with an additional 10 provided) and three settlements had gained new sports or play facilities.

3.15 A system of weighting to give some services more importance was devised, enabling those rural settlements considered most sustainable to be identified. Those ranked highest, with 27 points or more and with a range of retail offer, are categorised as 'Service Centres', of which there are four: Crymych, Johnston, Kilgetty and Letterston. The next category are 45 villages classified as 'Service Villages', each with a good provision of services and facilities – at least 12 points - that meet the day-to-day needs of the rural population.

3.16 A further 74 villages are classed as 'Local Villages'. They have at least two points and have a cohesive and clear physical pattern in which a small amount of development may be accommodated without significant encroachment into the countryside. Local villages are split into Category 1 and Category 2 according to the size of their population and their functional characteristics. Some policies will differentiate between what may be permitted in the two categories of Local Villages. Settlements with fewer than two points and those with dispersed physical patterns are not defined in the settlement hierarchy.

3.17 Further work following the pre-deposit consultation examined whether there were any areas within the LDP area which were over 3 miles from a settlement with a service and facilities score of 12 – the threshold at which villages are categorised as 'Service Villages'. This identified two areas of the County, containing the settlements Pont yr Hafod and Hayscastle Cross in north Pembrokeshire and Martletwy in south east Pembrokeshire. These settlements are in locations where access to services is currently limited and some additional housing may assist in developing the provision of services in the area. They have therefore been included within the identified Settlement Hierarchy as 'Service Villages'.

3.18 The plan's Key Strategic Diagram, which illustrates aspects of the settlement hierarchy, is attached in Appendix A at the rear of the report.

3.19 The level of development to be directed to individual towns and villages will be linked to their position in the settlement hierarchy. Towns can generally expect more new homes than service centres, which in turn will have more than service villages. The precise scale of development directed to each settlement will depend on the availability of suitable land, the capacity of the settlement to accommodate further development, and the deliverability of development in that settlement.

Community Cohesion

“The sustainability of rural Wales depends as much on the social and economic wellbeing of its communities as it does on the protection and enhancement of its environment. It is our view that the limited provision of, and restricted access to, affordable housing in rural Wales are threatening the social and cultural sustainability of many of its communities.” (Joseph Rowntree Foundation Commission on Rural Housing in Wales 2008 - JRF, 2008)

3.20 Rural communities across the country are facing significant challenges to their structure. Low income levels in many rural areas make it difficult for young people to afford to buy or rent homes within rural communities and mean that older people may find it more difficult to connect to services. There is a shortage of social housing resulting partly from the loss of some council houses through right-to-buy schemes and because too few affordable homes are delivered through the planning system. Older people needing additional support may have to move away from their local community to access it. These issues combined with the loss of community facilities are placing significant strain on rural communities across the country. There is a significant amount of evidence demonstrating that these broader trends are reflected in many rural communities across Pembrokeshire.

3.21 Pembrokeshire was identified as having one of the highest levels of people on a low income in Wales, with over 32% of employees earning less than £7 per hour in 2007-09 (Joseph Rowntree Foundation, 2009). In 2008 Pembrokeshire had a house price to earnings ratio of 7.4:1 (Halifax Estate Agents, 2008). Rural Wales (including Pembrokeshire) saw house prices increase by 176% between 1997 and 2005 compared with a rise of 157% in Wales as a whole (JRF, 2008). Low levels of social housing stock exist as a proportion of overall housing within rural areas and demand for market rural housing is rising (CRC Rural Advocate report 2010). The Assembly Government’s housing strategy *Improving Lives and Communities: Homes in Wales* (April 2010) has called for more affordable housing, for rent and purchase, to be developed in rural areas to help alleviate the chronic affordability problem facing rural areas throughout Wales.

3.22 The Joseph Rowntree Foundation Commission on Rural Housing in Wales 2008 identified a limited supply of housing (both market housing and affordable properties) as a significant cause of housing needs in rural Wales. Difficulty for young people in accessing appropriate housing in rural areas is emphasised, whilst it also identifies a need to provide appropriate supported

accommodation for older people wanting to remain in or near to their local community. It states that there are a number of potential impacts of a limited housing supply in rural areas, one of which is the potential impact on the cultural fabric of Welsh-speaking communities which they state are more pronounced in rural Wales (although they stress that this is based on anecdotal evidence and that it is extremely difficult to demonstrate causal linkages between housing, linguistic and cultural change).

3.23 The Wales Rural Observatory (Access to Services 2007) demonstrates that residents who have ten or more friends or family living within five miles of their home are less likely to report problems in terms of access to services. Changes to the structure of communities therefore which reduce family and friend connections are likely to have an impact on how readily remaining residents are able to access services. A different study by the Wales Rural Observatory (Poverty and Social Exclusion in Wales, 2008) identified that a significant proportion of the poorest group in rural areas are likely to be elderly.

3.24 A number of such reports have highlighted the need for a 'flexible and creative approach' to meeting the challenges identified above and to provide more housing in rural areas: *"The Commission recommends that the Assembly Government reviews and revises national planning policy and procedures to enable local planning authorities to develop more flexible and innovative planning policies that are capable of dealing more effectively and efficiently with local housing needs."* (JRF, 2008: 43). The Welsh Assembly Government's response has been to re-issue Technical Advice Note 6, which pays much greater attention to housing issues in rural communities than the previous version, whose focus was on the agricultural community.

3.25 In directing housing evenly between urban and rural areas over the course of the LDP, Pembrokeshire County Council is recognising the need for action to be taken to support rural communities as well as those in the Hub settlements of the County. In directing the distribution of housing allocations to settlements with a greater number of services, and permitting infill housing in lower tier settlements, the Authority is pursuing a pragmatic approach to this complex subject area.

Neighbouring authorities

3.26 Pembrokeshire County Council is adjoined by three local planning authorities, namely Carmarthenshire County Council, Ceredigion County Council and the Pembrokeshire Coast National Park Authority.

3.27 There are important connections and relationships with all three authorities: With Ceredigion, the main relationship is that Cardigan has an important role as a retail, employment and service centre for north east Pembrokeshire. The county town of Carmarthenshire, Carmarthen, is a regional centre that is easily accessible from much of Pembrokeshire.

Continued collaborative working is ensuring each Plan relates well to those of its neighbouring authorities.

3.28 There is particularly significant interaction between the areas of Pembrokeshire designated as National Park and those that are not. Approximately one third of the area of Pembrokeshire, and one fifth of the population, is within the area of Pembrokeshire designated as National Park. Many services, such as education, housing, social services, health, economic development, waste management, leisure and recreation span across the whole county and there is a lot of movement both ways across the National Park boundary to access jobs, goods and services. PCNPA has adopted its Local Development Plan, enabling the comparison and analysis of each plan's strategy for spatial distribution of growth.

3.29 The National Park does not contain many towns on the scale of the County Council's biggest settlements, with its largest settlements being Tenby and Saundersfoot in the south east, and St David's and Newport in the north. Using the Wales Spatial Plan system of 'tiers', Tenby is defined as the National Park's only Tier 2 settlement, with the other three in the Tier 3 category. The remaining settlements in the National Park have been defined either as 'Tier 4 Rural Centres' or 'Tier 5 Countryside'.

3.30 Tiers 4 and 5 were created by PCNPA to "complement the Spatial Plan framework", with settlements categorised according to their level of facilities and services. This approach has common principles with that deployed by PCC, although with some differences in the methodology and analysis. PCNPA's tier 4 settlements are those with a "limited range of facilities which should meet the day to day needs of residents", which they interpret as being three facilities or at least one convenience shop⁴. Any settlement that fails to provide this minimum level of service is considered to be a countryside location.

3.31 Pembrokeshire County Council's approach is compatible, with the addition of another level in the hierarchy for small villages with a low provision of services and facilities. The proposed policy approaches to each level of the hierarchy are also generally similar, with both authorities particularly seeking to allow some modest home-building to support rural communities. Both authorities are also supportive of proposals to develop appropriate employment opportunities in rural areas, thus reducing the dependence on main towns.

Conclusion

3.32 The location of growth strategy is sustainable, applies the principles of the Wales Spatial Plan and additional research undertaken by Pembrokeshire County Council and strongly reflects Pembrokeshire's demographic and employment activity patterns.

⁴See section 4 of PCNPA Deposit Plan, 2009

- Pembrokeshire is a rural county: 55.6% of the population live in the seven hub towns, with the remaining 44.4% residing in rural parts of the plan area.
- There is a particularly strong culture of entrepreneurship in rural areas of the county – illustrated by the number of SMEs and employees based in rural locations.
- The LDP will manage rural development by directing development to areas well-served by transport and everyday facilities and services using a settlement hierarchy.
- Communities are struggling to cope with the impacts of unaffordable housing. More housing opportunities, including affordable homes, will help achieve a better demographic balance.

4. Summary and conclusions

4.1 This report presents evidence to inform the strategic direction of Pembrokeshire County Council's Local Development Plan. The Council is proposing to implement a different approach to the adopted Joint Unitary Development Plan, which directed most development to towns, by moving from the concept of promoting development in groups of settlements (sustainable communities) to a more hierarchical approach based on availability of services in line with WAG policy. This will provide more and better opportunities to develop new housing, employment premises and community facilities in both urban and rural areas.

Scale of Growth

4.2 Pembrokeshire's population is forecast to grow at a steady rate over the next 10 – 20 years, with the Welsh Assembly Government projecting an increase of approximately 4% every 5 years. This growth, along with changing social patterns, will result in new households being formed in Pembrokeshire during the lifetime of the Local Development Plan. The challenge for the Local Development Plan is to provide opportunities for these new households, along with existing households, to be accommodated in suitable, quality homes and have access to employment, leisure and community facilities.

4.3 The Local Development Plan will make provision for 5,600 new homes between 2011 and 2021. By working closely with the neighbouring authority of Pembrokeshire Coast National Park Authority, sufficient new homes to meet the needs of all new households in Pembrokeshire will be provided. The focus of this report has been the justification of the Plan's strategy for the scale and location of the housing provision. However it is important to ensure people have access to employment, leisure facilities, community facilities and open spaces. This will be delivered through a number of criteria-based policies and allocated areas for employment-related development, community facilities such as schools and areas of protected open space, in order to help create varied, inclusive environments that promote a high quality of living for Pembrokeshire's residents and visitors.

Location of Growth

4.4 Pembrokeshire's population and economic activity is dispersed. The most populous towns are Haverfordwest, Milford Haven, Pembroke Dock and Pembroke and each has a significant employment and retail provision. Beyond these towns, in smaller towns such as Fishguard and Narberth and in numerous rural villages, Pembrokeshire's economy is characterised by the presence of small and medium-sized enterprises (SMEs), in sectors such as tourism, agriculture and construction.

4.5 A fundamental purpose of the Local Development Plan is to guide growth and change across the plan period. The authority is committed to working with partners to achieve stronger economic performance in Pembrokeshire. The LDP is intended to strengthen both urban and rural economies through a policy framework providing for the appropriate expansion of existing firms and enterprises and provide attractive opportunities for new employers to set up in Pembrokeshire. The dispersed nature of Pembrokeshire's population and employment trends requires that these opportunities are provided not only in the larger towns, but also, in appropriate locations, in small towns and villages throughout rural Pembrokeshire.

4.6 In order to provide for growth and change to cater for the trends identified in this paper it is proposed that the Local Development Plan's strategic emphasis is placed on enabling a more equal distribution of development opportunities across urban and rural areas. This includes moving away from the Joint Unitary Development Plan's 70%-30% distribution of housing growth towards a more even and equal urban-rural split, which is closer to the current population characteristics of the plan area. A positive approach towards affordable housing in rural areas will contribute towards this strategy; affordable homes will be delivered in towns but also in service centres, service villages and local villages. This will assist young and elderly people to remain in their communities, strengthening social cohesion and encouraging balanced populations.

4.7 Tables 2.4 and 3.1 demonstrated that while the current supply of housing land is skewed towards urban locations, where 68% of the supply is located, new homes built in the County Council's planning area since 1998 are distributed almost evenly across urban and rural areas. To ensure that development is sustainable a settlement hierarchy has been devised which identifies settlements which are more sustainable and suitable to accommodate growth in rural areas. The Local Development Plan will therefore more effectively manage the demand to develop in rural areas, reducing the volume of new homes in the most isolated and inaccessible locations. The strategy will have clear economic, social and environmental benefits.

Appendix A – Local Development Plan Key Strategic Diagram

