

Ceredigion

Local Development Plan 2007-2022

Interim Guidance Note: Housing January 2025



CYNGOR SIR
CEREDIGION
COUNTY COUNCIL

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1. Introduction

1.1. Purpose

1.1.1. This interim planning guidance sets out Ceredigion County Council's approach to assessing proposals for housing development following the end of the 'plan period' of the Ceredigion Local Development Plan (LDP).

1.1.2. Whilst we have come to the end of the 'plan period', the adopted Ceredigion LDP will retain development plan status until a Replacement LDP is adopted. In light of this, this interim planning guidance has been prepared to outline how going forward:

- Enough homes can be delivered to meet the County's needs,
- Proposals can accord with the relevant national and local planning policies; and
- Development can occur in a sustainable manner.

1.1.3. This guidance note does not propose new policy but provides additional context to support the implementation of policies S02, S03 and S04 of the council's LDP, taking account of national policy changes and local evidence published post adoption of the LDP.

2. Legislative Context

2.1. Planning and Compulsory Purchase Act 2004

2.1.1. Development plans are a requirement of the Planning and Compulsory Purchase Act 2004. Their purpose is to set out objectives and policies relating to land use and development for a specific area. They establish where development takes place and how places should grow.

2.1.2. Development plans form the basis of the planning system. The development management process must assess and determine individual planning applications in accordance with development plans unless material considerations indicate otherwise.

2.1.3. In Wales, development plans are prepared at the national, regional and local level. This means there are three development plans which address development and land use in Ceredigion. These are:

- The National Development Framework (otherwise known as Future Wales: The National Plan 2040),
- The Mid Wales Strategic Development Plan; and
- The Ceredigion Local Development Plan.

2.1.4. The requirement to prepare a Strategic Development Plan (SDP) is relatively new. Consequently, an SDP has not yet been adopted for Mid Wales. Planning applications in Ceredigion are therefore assessed and determined in accordance with Future Wales: The National Plan 2040 (Future Wales) and the Ceredigion LDP.

2.2. Planning (Wales) Act 2015

2.2.1. Development plans must state the period for which they are to have effect. This is known as the 'plan period'. Under the Planning (Wales) Act 2015, a plan ceases to be a development plan on the expiry of the plan period.

- 2.2.2. On the 24th of September 2020, the Minister for Housing and Local Government, Julie James, published a letter to all Local Planning Authorities (LPAs). The letter sought to clarify Welsh Government's position on development plan end dates. This was in light of the Covid-19 pandemic which had impeded progress on replacement development plans. The letter stated:

"The provisions in the Planning (Wales) Act 2015 regarding the period to which a plan has effect were commenced on 4 January 2016. These provisions do not have retrospective effect. This means that the provisions do not apply to LDPs adopted prior to this date. Plans adopted prior to 4 January 2016 will remain the LDP for determining planning applications until replaced by a further LDP. For those LDPs adopted after 4 January 2016, the plan will cease to be the LDP on expiry of the period specified in the plan."

- 2.2.3. The Ceredigion LDP was formally adopted on the 25th of April 2013 and covers a 15 year period between March 2007 and March 2022. As the Ceredigion LDP was adopted before the 4th of January 2016, the provisions made under the Planning (Wales) Act 2015 do not apply. Therefore, the adopted LDP did not cease to be a development plan on the 31st of March 2022.
- 2.2.4. As the provisions under the Planning (Wales) Act 2015 do not apply to the adopted LDP, planning applications must continue to be determined in accordance with the existing Ceredigion LDP, alongside Future Wales and any other material considerations, until a replacement LDP is formally adopted by the Council.
- 2.2.5. Where a policy contained within the adopted LDP conflicts with a policy contained within Future Wales, then the conflict should be resolved in favour of the policy contained within Future Wales as it is the latest development plan. This is in accordance with the Planning and Compulsory Purchase Act 2004.

3. Planning Policy Context

3.1. Future Wales: The National Plan 2040

3.1.1. Policy 1 of Future Wales sets out the overarching framework for where development and growth should be focused. In accordance with Future Wales' spatial strategy, growth in Mid Wales should be focused in 'Regional Growth Areas'. Development in these areas should meet the regional housing, employment and social needs of Mid Wales.

3.1.2. There are five 'Regional Growth Areas' in Mid Wales. Two of these areas, the Aberystwyth and Teifi Valley Regional Growth Areas, are located within Ceredigion. Future Wales does not define the extent of the 'Regional Growth Areas', however, it does identify a number of settlements which it notes as being located within these areas. For Ceredigion, these settlements are:

- Aberystwyth,
- Aberaeron,
- Cardigan,
- Llandysul,
- Lampeter,
- Tregaron; and
- Newcastle Emlyn (Adpar).

3.1.3. Whilst seeking to focus growth in these areas, Future Wales does set out its support for development in all parts of the region in meeting local need, however, the onus is placed on Strategic and Local Development Plans to determine the most appropriate locations for growth in Mid Wales.

3.1.4. Future Wales requires Strategic and Local Development Plans to consider the balance to be struck between focusing growth in the main built up urban areas and in rural areas. Local Development Plans in particular are expected to support growth and appropriate development in rural towns and villages. This includes market and affordable housing, employment and the provision of services.

3.1.5. Where plans identify growth in rural settlements, Future Wales expects this to be appropriate and proportionate to the needs of the settlement and wider rural area they serve. Policy 4 of Future Wales supports vibrant rural areas where services meet

the needs of those living there in a sustainable way. Future Wales considers thriving, resilient and sustainable rural settlements as being characterised by a rich mix of housing, employment, services and infrastructure, located in the right places to meet the needs and future aspirations of the population.

3.2. Ceredigion Local Development Plan 2007- 2022

- 3.2.1. The Ceredigion LDP projected a need for 6,000 additional dwellings across the County between 2007 and 2022. This need was partly based on population projections which, at the time, were anticipating a higher percentage of population growth than what has been projected since and was recorded in the 2021 Census.
- 3.2.2. Whilst care was taken to ensure all of the opportunities for housing identified in the plan were deliverable, a contingency of approximately 10% was included to the overall projection to ensure the number of units required could be delivered. Therefore, in order to accommodate the projected increase in population over the plan period, the LDP planned for the development of 6,544 residential units.
- 3.2.3. The projected housing growth was expected to be met through a combination of existing commitments and the development of allocated sites and windfall sites. To ensure the projected housing growth came forward in a sustainable manner, the LDP provided opportunity for:
- At least 51% of this growth in ‘Urban Service Centres’,
 - 24% of this growth in ‘Rural Service Centres’; and
 - A maximum of 25% of this growth (or in any event no more than 1,522 units) in settlements and locations other than the ‘Service Centres’.
- 3.2.4. The LDP directed the majority of housing development to ‘Urban Service Centres’ as they are considered the most sustainable settlements in the County. As ‘Urban Service Centres’ provide a number of basic and high level services for the area, concentrating development in these settlements sought to help them maintain their regional and/or sub regional role as service providers.

3.2.5. The designated 'Urban Service Centres' consist of the County's 6 main towns. These are:

- Aberaeron,
- Lampeter,
- Aberystwyth,
- Llandysul; and
- Cardigan,
- Tregaron.

3.2.6. In addition to the main towns, the settlement of Newcastle Emlyn has also been designated as an 'Urban Service Centre'. Whilst Newcastle Emlyn is primarily located within neighbouring Carmarthenshire, Adpar is within Ceredigion.

3.2.7. The 'Urban Service Centres' are complemented by a number of smaller villages which are designated as 'Rural Service Centres'. These settlements are characterised by the presence of basic services which allow residents in their area to meet day to day needs.

3.2.8. 'Rural Service Centres' were made a secondary focus for housing development under the adopted LDP in an effort to increase the population located within walking distance to these services. This sought to improve the viability of services in these settlements and in turn the sustainability of the County.

3.2.9. There are 15 settlements designated as 'Rural Service Centres' under the adopted LDP. These are:

- Aberporth / Parclyn
- Llanbydder
- Bow Street
- (Carmarthenshire)
- Cenarth
- New Quay
- Felinfach / Ystrad Aeron
- Penrhyncoch
- Llanarth
- Pontarfynach
- Llanilar
- Pontrhydfendigaid
- Llanon
- Talybont
- Llanrhystud
- Y Borth

3.2.10. Beyond the 'Service Centres' are a plethora of smaller settlements, known as 'Linked Settlements', and areas of open countryside, referred to as 'Other Locations'. The LDP

Strategy deemed development in these areas was only sustainable where it served to allow the existing community to meet some of its own needs, particularly where members of the community derive their livelihood in that locality. A limited proportion of the housing opportunity was therefore reserved for these locations to help maintain vibrant local communities and to support the Welsh language.

4. Current Position

4.1. Housing Position

- 4.1.1. In order to understand an authority's housing position, the Development Plans Manual advises measuring past housing delivery (i.e., the number of dwellings completed) against the planned housing supply (i.e., the LDP Trajectory).
- 4.1.2. For LPAs with an adopted LDP, the Annual Average Requirement (AAR), the average number of homes needed to be built each year to meet the housing need identified for the LDP plan period, can be used to benchmark actual versus planned housing delivery.
- 4.1.3. For the plan period (2007-2022), the Ceredigion LDP set a housing requirement of 6,000 units. This equates to an AAR of 400 units (i.e., $6,000/15$). Ceredigion's Annual Monitoring Reports (AMRs) demonstrate that annual completions consistently fell below this requirement year on year with an average of 192 completions per annum between 2007 and 2022. This resulted in a total of 3,119 units being undelivered over the plan period. This is approximately half the number of units planned for.
- 4.1.4. An objective of the planning system, as set out in Planning Policy Wales (PPW), is to secure homes and jobs to meet society's needs. Therefore, where housing delivery has fallen short of the AAR trajectory, PPW's stance on windfall sites and the important contribution they can make towards housing delivery becomes relevant. This is reflected in the decision making of Planning and Environment Decisions Wales (PEDW).
- 4.1.5. Whilst housing completions have not kept pace with what was planned in the Ceredigion LDP, evidence suggests this is not an issue with delivery but an issue with the forecasted need. The housing requirement set out in the LDP was partly based on the 2008 population projections which forecasted an increase in Ceredigion's population. However, Census data indicates this has not materialised and there has actually been a decline in the population. The LDP's housing requirement is therefore considered to have overestimated the County's actual housing needs.

4.2. Housing Need

- 4.2.1. A more up-to-date depiction of Ceredigion's housing need can be found in the latest Local Housing Market Assessment (LHMA). The latest LHMA takes account of the 2018 based population projections which reflect the trend of a declining population in Ceredigion as seen in recent Census data.
- 4.2.2. The LHMA tool estimates an additional net housing need¹ of 662 units for Ceredigion between 2022 and 2037. Of these, the tool estimates that 330 (49.8%) should be market housing and 332 (50.2%) should be affordable homes.
- 4.2.3. The tool estimates that as little as 22 open-market properties are required per year between 2022 and 2037. It ought to be noted that this is not in-line with the Council's expectations. Local data and insight, alongside past trends, highlight that the market housing need estimated by the tool is significantly lower than expected.
- 4.2.4. There are a number of factors which suggest that the tool's market dwelling estimations may be inaccurate. These include the tool's underlying methodological limitation which distort need towards the affordable sector, particularly within the first five years of the LHMA period, and the failure to consider any emerging need from policy drivers like on-going investments into the area, such as Growing Mid Wales, the Levelling Up Fund, or the Shared Prosperity Fund.
- 4.2.5. Whilst there may be methodological issues with the LHMA that we continue to unpick with Welsh Government, the overarching theme of the document is correct in its assertion that affordable housing is by far the most pressing need in the county. This is due to a combination of factors, but in the main that wage growth has not kept apace with property values and thus local people are in effect priced out of the market.

¹ The net need takes into consideration the turnover of existing stock and planned supply within the affordable homes sector and relates to the deficit between need and current plans for delivering homes.

5. Key Considerations

5.1. Location of Housing Development

- 5.1.1. The LPA contends that the majority of housing development should continue to be directed towards 'Urban Service Centres'. This is in accordance with national and local policy and will ensure housing needs are met in the most appropriate and sustainable locations.
- 5.1.2. Whilst the LDP was adopted prior to the publication of Future Wales, it is considered that this approach would be in line with the intentions of Future Wales' spatial strategy which identifies these settlements as being within 'Regional Growth Areas'. 'Regional Growth Areas' are identified in Future Wales as the preferred locations for growth in Mid Wales.
- 5.1.3. 'Rural Service Centres' should continue to be a secondary focus for residential development. These settlements are considered to embody sustainable rural settlements in accordance with Future Wales and a limited number of houses will bolster the role of 'Rural Service Centres' and improve the sustainability of the wider area.
- 5.1.4. In terms of capacity, it is considered that many of the 'Service Centres' are capable of accommodating additional housing development given a large proportion of the housing planned for these settlements over the LDP plan period did not materialise.
- 5.1.5. Collectively the 'Service Centres' are considered capable of accommodating enough housing to meet the County's needs up to 2037 and beyond based on the findings of the latest LHMA. This assertion is based on the LDP Housing figures which, as of the start of 2022, the baseline of the current LHMA period, indicated a total remaining capacity of 2,220 units² across the 'Service Centres'.

² The capacity as of 2022 was calculated by adding together the remaining requirement set out in the December 2021 LDP Housing Figures for each of the monitored 'Service Centres' which had not already exceeded its allowance.

- 5.1.6. Whilst the LPA does have reservations over the findings of the LHMA, the total remaining capacity across the 'Service Centres' is considered enough to meet upper estimations of housing need for the foreseeable future. This is based on past build rates which indicate an average of 192 units were completed annually over the LDP plan period. If this trajectory continues, then the remaining capacity in 'Service Centres' as of the start of 2022 can accommodate housing development up to approximately 2033.
- 5.1.7. Please note that the above considerations do not take into account any outstanding consents which, as of the start of 2022, equated to 1466 units across the County, meaning these exist on top of the remaining allowance in the LDP.
- 5.1.8. Where settlements have met the allowance allocated to them under the adopted LDP, applicants should submit a Community and Linguistic Impact Assessment in accordance with Policy DM01 of the LDP. This will ensure that any development over the prescribed amount can be properly considered before being accommodated and will not impact on the character of the settlement.

5.2. Housing Development Outside of 'Service Centres'

- 5.2.1. As the Ceredigion LDP did not cease to be a development plan as of April 2022, the policies contained within the plan are still relevant considerations when assessing planning applications. This is providing they do not conflict with policies contained within Future Wales.
- 5.2.2. Due to the rate at which residential development has occurred in 'Linked Settlements' compared to their relevant 'Service Centre', proposals for open market housing in 'Linked Settlements' will be considered contrary to Criterion 2c of LDP Policy S04. Such proposals will not be supported where 'Settlement Groups' remain out of balance.
- 5.2.3. Proposals for housing in 'Linked Settlements' which meet a demonstrated need for affordable housing, or a need for a rural enterprise dwelling, may be deemed acceptable providing they comply with all other relevant policies.

- 5.2.4. In accordance with Criterion 2a of LDP Policy S04, housing development proposed in 'Other Locations' will only be supported where it meets an unmet need for affordable housing or a need for a rural enterprise dwelling in accordance with Technical Advice Note 6. Proposals for affordable housing in 'Other Locations' must be located immediately adjacent to an existing group of dwellings in line with Criterion 4b of Policy S04.
- 5.2.5. This approach is deemed to comply with Future Wales as any housing development located outside of 'Service Centres' will be strictly meeting a need for an affordable home or rural enterprise dwelling, and therefore a local need in accordance with Policy 25 of Future Wales.

5.3. Settlement Boundaries

- 5.3.1. Settlement boundaries have been drawn for each of the 'Service Centres' to clearly demonstrate where development is acceptable. The boundaries have been drawn so that sufficient opportunities for development can occur to meet the growth planned for, whilst still ensuring development relates to the existing built form. Policies S02 and S03 of the adopted LDP therefore require housing development to come forward within the defined settlement boundary.
- 5.3.2. Given the LDP's ability to accommodate future growth, housing development should continue to come forward within the designated settlement boundaries unless there is an exceptional overriding evidenced material consideration, such as an environmental or historic constraint, that limits opportunities for development within the settlement.
- 5.3.3. Where development is proposed outside of a settlement boundary, it must relate well to the existing built form and ensure the protection of the character and appearance of the countryside and settlement. It must be demonstrated that all other opportunities for development within the boundary have been exhausted.

6. Further Reading

| Document(s) | Link |
|---|---|
| Census 2021 | https://www.ons.gov.uk/visualisations/censuspopulationchange/W06000008/ |
| Ceredigion Local Development Plan 2007-2022 | https://www.ceredigion.gov.uk/resident/planning-building-control-and-sustainable-drainage-body-sab/planning-building-control/ceredigion-local-development-plan/adopted-ceredigion-local-development-plan-ldp/ |
| Ceredigion Local Development Plan Housing Figures | https://www.ceredigion.gov.uk/resident/planning-building-control-and-sustainable-drainage-body-sab/planning-building-control/ceredigion-local-development-plan/ceredigion-local-development-plan-housing-figures/ |
| Development Plans Manual | https://www.gov.wales/development-plans-manual-edition-3-march-2020 |
| Future Wales: The National Plan 2040 | https://www.gov.wales/future-wales-national-plan-2040-0 |
| Local Development Plan Housing Figures | https://www.ceredigion.gov.uk/resident/planning-building-control-and-sustainable-drainage-body-sab/planning-building-control/ceredigion-local-development-plan/ceredigion-local-development-plan-housing-figures/ |

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| Local Housing Market Assessment 2023 | https://www.ceredigion.gov.uk/media/l5ejakz2/ceredigion-local-housing-market-assessment-2023-may-2024.pdf |
| Planning Policy Wales: Edition 12 | https://www.gov.wales/planning-policy-wales |
| Supplementary Planning Guidance | https://www.ceredigion.gov.uk/resident/planning-building-control-and-sustainable-drainage-body-sab/planning-building-control/ceredigion-local-development-plan/adopted-ceredigion-local-development-plan-ldp/adopted-supplementary-planning-guidances-spgs/ |
| Technical Advice Notes | https://www.gov.wales/technical-advice-notes |