Pembrokeshire County Council

Local Development Plan (2017-2033)

Session 2

Wednesday 11th November 2026
10:00am

Housing need, supply and affordable housing

Hearing Statement

Appendix A is the same document for each Session: It consists of:
Part 1: Policy Edits
Part 2: Minor Edits
Part 3: Proposals Maps Edits
Part 4: Other Edits

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October 2026

PEMBROKESHIRE COUNTY COUNCIL

Session/Matter 2 – Housing need, supply and affordable housing **Wednesday 11th November 2026 10:00am**	**Officer Dealing**
Issue: Issue: Whether the Plan's housing strategy is justified having regard to the identified levels of need, is supported by robust and credible evidence and is consistent with national planning policy?	
Housing (need and supply)	See Across
1. Is the housing requirement in Policy SP 2 appropriate and justified? BS Closed	
LPA Response: 1. The Council prepared a Housing Requirements Background Paper in 2023 (SD45[1]). This provides the foundation for the housing requirement set out in LDP 2 policy SP 2. To understand the full picture, other elements of the evidence base also need to be considered, specifically the related Housing Land Supply and Trajectory July 2024 Background Paper (SD46[2]) and three further documents relating to demographic forecasting, these being the Demographic Forecasts Paper July 2018 (SD17.1[3]), the Demographic Forecasts Paper Addendum December 2018 (SD17.2[4]) and the Demographic Forecasts Update 2020 (SD17.3[5]). The publication by StatsWales on 20/11/25 of the Local Authority Household Projections for Wales 2022 prompted a question from the Inspector earlier in 2026 and the Council's response to this can be found in Examination Document ED06a[6] – Response to Inspectors Letter 2022 WG Projection Figures. In response to the Inspector's question, the Council commissioned Edge Analytics to prepare the 2026.03.10 Pembrokeshire Demographics Report, which is Examination Document ED06b[7]. For the reasons set out in ED06a[6] and ED06b[7], no changes to the Plan are proposed. Please also see the Council's response to Q1.b. below. Further details on this matter can be found in the Housing Requirements Background Paper, 2023 (SD45[1]). This paper sets out how the Housing Requirement presented in LDP 2 has evolved, commencing at Preferred Strategy stage, its evolution for LDP 2, Deposit Plan 1 (2020 – a version of the Plan not progressed) and then its further consideration to set the approach taken for LDP 2, Deposit Plan 2 (2024). Along the way, many different scenarios have been considered, and the preferred approach is a combination of three of these, specifically the PG Long Term, the Dwelling-led (5-year average) and the Dwelling-led (10-year average). These three individual scenarios were those that received the most support in setting the housing requirement and the combined approach simply averages them out.	
1a. Why were the 3 housing scenarios chosen as a basis for the preferred growth scenario? Were other combinations considered? BS Closed	
LPA Response: The answer to the question 1.a is therefore that the individual scenarios were assessed and the combination approach averages the three that found most favour. The	

[1] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11582&language= SD45
[2] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11583&language= SD46
[3] https://www.pembrokeshire.gov.uk/objview.asp?object_id=4741&language= SD17.1
[4] https://www.pembrokeshire.gov.uk/objview.asp?object_id=5618&language= SD17.2
[5] https://www.pembrokeshire.gov.uk/objview.asp?object_id=9100&language= SD17.3
[6] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12276&language= ED06a
[7] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12277&language= ED06b

consideration did not extend to looking at different combinations, which would have involved less favoured individual scenarios.	
1b. Should the requirement be adjusted to account for the 2022-based local authority household projections for Wales? MD	
Closed **LPA Response:** 1.b: Since Local Development Plan 2 was submitted, the Welsh Government has published new 2022-based population and household projections. The question is whether the LDP2 housing requirement should be changed as a result. The Council has asked Edge Analytics to prepare a report that reviews the new projections and assesses whether they affect the housing requirement. See Appendix C to this Hearing Statement for a copy of the full report. The **new Welsh Government projections show more growth than the old ones**. The Welsh Government's latest projections suggest Pembrokeshire's population could grow much faster than previously forecast. ▪ The old 2018-based principal projection anticipated population growth of about **4%** over 25 years. ▪ The new 2022-based principal projection anticipates population growth of about **14%** over 25 years. This increase is largely because: ▪ Population figures were revised after the 2021 Census. ▪ Migration into Pembrokeshire was particularly high around 2019-2021. **Migration drives growth, not births.** The report shows that: • Deaths are expected to exceed births because Pembrokeshire has an ageing population and low fertility rates. • Future population growth depends almost entirely on people moving into the county. Without migration, the population would decline significantly over time. **The report warns that the highest Welsh Government projections may be too optimistic.** Edge Analytics argues that the Welsh Government's higher-growth scenarios should be treated cautiously because: ▪ They rely heavily on the unusually high migration levels seen during and immediately after COVID-19. ▪ Recent data suggests migration has already fallen back. ▪ Fertility rates are now lower than those assumed in most Welsh Government projections. ▪ The projections may not fully reflect Census-related adjustments to historic population data. Importantly, the report notes that actual population growth since 2022 has been lower than some of the main Welsh Government projections predicted. **Household growth is projected to be higher than before.** The new Welsh Government household projections show much stronger household growth than previous projections.	

Under the principal projection:

- Households increase by about **11,100** between 2022 and 2047.

This equates to **19.8% growth**, compared with only **9.3% growth** in the older projections.

Much of this increase comes from:

- Higher population growth assumptions.
- Updated Census data.
- Continued growth in smaller households, particularly single-person households.

LDP2 plans for:

- **5,840 homes** between 2017 and 2033.
- Equivalent to **365 dwellings per year**.

When the new Welsh Government projections are converted into housing requirements, they produce a range of outcomes:

Scenario	**Dwellings per year**
WG High Population	524
WG Principal	500
WG Low Population	469
WG 10-Year Migration	404
WG 15-Year Migration	377
LDP2 Requirement	**365**

The LDP2 figure sits towards the lower end of the range, but still within the range of reasonable outcomes.

Edge Analytics also created additional scenarios using the most recent population data up to 2025. These scenarios produce housing requirements between:

- **276 dwellings per year** (lower-growth trend)
- **453 dwellings per year** (higher-growth trend)

The average outcome is around **351 dwellings per year**, which is slightly below the LDP2 target of 365 dwellings per year.

The main conclusion of the report is that t**he new Welsh Government household projections do not justify increasing the LDP2 housing requirement.**
Although the latest official projections show higher household growth, the report argues that:

- They are based on unusually high recent migration trends.
- Recent evidence suggests growth has already slowed.
- Fertility rates are lower than assumed.
- Alternative scenarios based on the latest evidence support a housing requirement broadly similar to LDP2.

The report concludes that **the existing LDP2 requirement of 365 dwellings per year remains appropriate and should not be increased solely because the Welsh Government's 2022-based household projections are higher.**

c. Should the requirement be increased to facilitate delivery of affordable housing to meet the needs in the Local Housing Market Assessment (SD27)? BS(MD)

Closed **LPA Response:** The Council has sought to include an affordable housing provision figure that is achievable and deliverable within the Plan period. Policy SP 3 Affordable Housing Provision sets out the figure as a minimum figure to support the provision of additional affordable housing if possible. Appendix 1 sets out the components of supply used to identify the figure. The supply is primarily reliant on what the sites identified in the Plan can deliver. No further change is therefore considered feasible. Figures in Appendix 1 to the Local Development Plan could however be updated to reflect the latest version of the LDP Trajectory (base date April 2026) if this is considered appropriate. Officers would also need to check that the results of that calculation continue to support the provision for a minimum of 2,000 dwellings in Policy SP 3 Affordable Housing Provision.	
d. What are the implications of the potential additional 1,000 jobs from the Celtic Freeport bid on the housing requirement? BS Closed	
LPA Response: 1.d - Celtic Freeport is of great significance to Pembrokeshire, with the potential that it provides for new growth, including new jobs. If it is successful, that will in turn lead to the demand for additional housing and this has, to an extent, been reflected in LDP 2. To provide a broader context, it is early days for Celtic Freeport, with the expectation that it will run to 2050. Discussions are well advanced on Tax Sites, less so in relation to Customs Sites. Projects are starting to emerge, but many are still at pre-planning stage. Some delivery is nonetheless expected within the LDP 2 Plan period, hence the 1,000 jobs potential referenced in the Plan (a fraction of what could eventually emerge over a much longer period). There is also the important matter of accommodation for incoming workers in the construction phases of projects vis-a-vis what might be needed in terms of accommodation for those moving permanently to the area at the operational stage. Generally, operational staff levels are much lower than those of the construction phases, but some incomers will want to stay. Some job roles will also be filled by those already resident in Pembrokeshire, particularly those with specialist skills. As Celtic Freeport is at its inception stage, during the LDP 2 Plan period it is likely that the potential housing need will be focused on temporary accommodation for construction-phase workers. Major industrial businesses in Pembrokeshire are accustomed to addressing such needs and have previous experience that they can draw on. Sometimes, the accommodation can come from use of holiday accommodation out of season, sometimes existing buildings (such as disused industrial buildings) can be re-purposed to provide temporary accommodation, sometimes temporary workers' accommodation camps are set up and sometimes there is capacity in the local housing rental market to accommodate workers. Very often it is a combination of these things. New housing provision facilitated by LDPs will also play a part.	

It is also sometimes the case that temporary workers reside outside Pembrokeshire and are prepared to undertake long distance commuting. The Council is of the view that it needs to provide some recognition and policy provision for what may happen through LDP 2 but looking at the bigger picture of what may emerge in the longer-term, that will be a matter for successor LDPs and regional SDPs to address.	
2. Is the housing land supply figure in Policy SP 2 appropriate and justified? BS	
Closed **LPA Response:** 2. The answer to question 2. is the same as for question 1.	
a. What is the latest make-up of the housing land supply? LW	
Closed **LPA Response:** 2.a Appendix 2 of LDP2 was updated (ED34) [8] using a housing land supply base date of April 2026. These documents show the latest make-up of the housing land supply in detail.	
b. How have rolled forward allocations been considered, given advice in the Development Plans Manual (Table 18)? LW (BS)	
Closed **LPA Response:** 2b. In accordance with Table 18 of the Development Plans Manual [9], to justify their inclusion in Local Development Plan 2, 'rolled over' sites had to demonstrate that they are sustainable and deliverable. Sites allocated under LDP 1 had to evidence a substantial change in circumstances to be 'rolled over' as an allocation under LDP 2. The majority of the 'rolled forward allocations' were subject to the same Candidate Site assessment as new sites submitted to the authority for consideration. The methodology applied at this stage can be found in SD15 Candidate Site Methodology[10]. All roll over sites were subject to the Sustainability Appraisal (SD02.1[11] & SD02.2[12]) and Habitats Regulation Assessment (SD03[13]). Full details for updates on all roll-over sites can be found in Appendix B to Session 1 'Allocations rolled forward'.	
c. Is the housing trajectory realistic, based on delivery rates that are credible and robust? LW (BS)	
Closed **LPA Response:**	

[8] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12420&language= ED34 Appendix 2 Local Development Plan 2: Housing Components and Trajectory Update
[9] https://www.gov.wales/sites/default/files/publications/2020-03/development-plans-manual-edition-3-march-2020.pdf
[10] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11651&language= SD15 Candidate Site Methodology
[11] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11608&language= SD02.1 Sustainability Appraisal Strategic Environmental Assessment – including Appendix Oa - Oc
[12] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11609&language= SD02.2 Sustainability Appraisal Appendix 1-8
[13] https://www.pembrokeshire.gov.uk/local-development-plan-review/habitats-regulation-assessment SD03 Habitats Regulations Assessment

2.c – Table D of the latest Trajectory profiles anticipated total completions per annum in row K. (ED 34)[14] . Table E profiles in graph form anticipated provision over the remainder of the Plan period. The tables show varying rates of actual completion historically from 2017 with a high of 419 and a low of 217 in 2025 to 2026. For the remaining Plan period the provision has had to be adjusted to take account of delays in bringing the Local Development Plan to adoption, including resolving the nutrients problem. Although the anticipated Total Completions rate per annum rate as indicated in the latest Trajectory (ED 34)[15] in years 2028-2029 onwards are generally higher than the annual anticipated housing requirement set out in Policy SP 2 'Housing Requirement', this higher provision reflects the pent up demand to progress sites stalled for a number of years. The development of a number of sites is dependent upon the adoption of LDP 2 as they lay outside of existing settlement boundaries. Furthermore, many sites drain into the Milford Haven Inner Marine SAC and/or the Afon Teifi or Afon Cleddau SACs and therefore are delayed in coming forward as we await the adoption of a Nutrient Credit Trading Scheme and the implementation of Natural Resource Wales' Catchment Nutrient Recovery Plan. Anticipated annual completions for sites are based on either robust evidence of the attached developer's history of completions, as recorded in annual Housing Delivery Assessments, or from supporting statements submitted throughout the plan preparation process. The extent of planning related activity (pre-applications, applications, informal enquiries) has also guided the phasing of sites. The need to phase sites within Welsh Language sensitive areas has also been taken account of. (SD58)[16] The small and large windfalls have been quantified using 10+ years of housing survey data. (SD46) [17] A non-delivery allowance has been applied to the land bank commitments to account for the reality that a portion of sites with existing planning permission may not come forward. Table 4 of the Housing Land Supply & Trajectory background paper (SD46[15]) outlines the sites which have been partially discounted and included as a commitment. PCC Housing has had enquiries regarding several sites, and their phasing has been projected to consider this. The housing trajectory is realistic and underpinned by carefully considered and regularly updated housing components, that have been composed with the guidance of the Development Plans Manual.	
d. Are the estimated yields from committed and windfall sites, in particular small windfall sites in local villages and the countryside, realistic and based on robust evidence? Has a non-delivery allowance been defined and applied appropriately? LW (BS)	

[14] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12420&language= SD34 Appendix 2 Local Development Plan 2 Housing Components & Trajectory Update Sept 26
[15] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12420&language= SD34 Appendix 2 Local Development Plan 2 Housing Components & Trajectory Update Sept 26
[16] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11616&language= SD58 Welsh Language Update 2024 Background Paper
[17] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11583&language= SD46 Housing Land Supply & Trajectory July 2025 Background Paper

Closed

LPA Response:

2.d
Activity associated with the commitment sites, including development and additional applications, have been closely monitored throughout the plan preparation process. Non-delivery allowances have also been applied on a site-by-site basis where circumstance deem this to be appropriate. Where a non-delivery allowance has been applied, it has been done by taking into account the planning history, recent activity and local knowledge. An updated breakdown of the sites where a non-delivery allowance has been applied can be found in Session 2 Appendix B Non-Delivery Allowance.

The application of a non-delivery allowance to specific sites allows for a greater level of confidence in the commitment yields as it recognises the potential challenges associated with the delivery of entire sites within the plan period.

The methodology applied to calculate the small and large windfall site allowance is described within SD46[18] Housing Supply and Trajectory Background Paper in Section 8 Large Windfall and Section 9 Small Windfall. Following receipt of the Inspector's Initial Questions in December 2025, the data used for these calculations was reviewed and updated. An additional year of monitoring was added to include the outcomes of the 2023/24 Housing Delivery Assessment.

The windfall yields are based upon the average across 11 years of data, with outlier anomalies removed where applicable. For large windfall sites, the annual average figures were multiplied by 5.75 (to represent the years remaining in the plan period, taking account of the need to avoid double counting the existing landbank commitments for 2 years as per the Development Plans Manual). For small windfall sites, the annual average figures were multiplied by 7.75 (representing the years remaining in the plan period).

Trend analysis of windfall units completed under LDP 1 and recorded through the annual Housing Delivery Assessments estimates that in the remaining years of the plan, 276 units on large windfall sites and 486 units on small windfall sites will be delivered.

	Large windfall sites (5+) (projected for 2026-2033)	Small windfall sites (< 5) (projected for 2026-2033
Total for Plan Area	**276**	**486**
Main Towns Urban (total)	**195**	**261**
Haverfordwest	48	61
Milford Haven	29	49
Pembroke Dock	44	40
Pembroke	28	49
Fishguard	6	20
Goodwick	5	20

[18] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11583&language= SD46 Housing Supply & Trajectory Paper

Narberth	28	13
Neyland	8	10
Rural Area (total)	**81**	**225**
Service Centres	20	32
Service Villages	61	104
Cluster Local Villages		19
Local Villages		16
Countryside		54
Urban Percentage	70.6%	53.7%
Rural Percentage	29.4%	46.3%

To note: Paragraph 8.3v within SD46 [19]Housing Supply and Trajectory Background Paper states how for Goodwick the calculations produce a figure less than one large windfall site. The figure for Goodwick should be artificially inflated to 5 as a consequence. This inflation was missed from the latest Trajectory documents sent to the Inspector in October 2026. The tables contained within Appendix 2: Housing Supply Components should be updated as a result.

The approach to calculating the anticipated small windfall units for Local Villages and the Countryside can be found in Section 9 of SD46 Housing Supply and Trajectory Background Paper.

As stated in section 9.7 of the Paper, an anomalous outlier was removed for the Cluster Local Villages data set for the year 2014/15. Whilst no anomalies were noted in the data for Local Villages, completions recorded in Local Villages of Ambleston, Treffgarne and Walton East were excluded from the data analysis, as these locations were affected by phosphates targets in the River Cleddau SAC and, at the time of writing the report (2024) were not due to receive upgrades to their wastewater treatment works. For Ambleston, this totalled 2 units (1 unit in 2013/14 & 1 units in 2019/20). For Treffgarne, this totalled 2 units in 2013/15, and for Walton East this totalled 3 units (2 units in 2014/15 and 1 unit in 2021/22). Treffgarne wastewater treatment works added a phosphorus 5mg/l limit in February 2025. Ambleston is due for a phosphorus 5mg/l permit limit in January 2028. No permit information is available for Walton East.

	With named settlement data removed for Local Villages only	**Without the removal named settlement data for Local Villages only**
Average dwellings per annum	2.00	2.64
Over the 7.75 years of the plan remaining	16	20

[19] Housing Land Supply & Trajectory July 2024 Background Paper (SD46)

For Local and Cluster Local Villages, over the 7.75 years of the plan remaining	35	39

It is possible that, following the implementation of NRW's Catchment Nutrient Recovery Plans in 2027, a small number of windfall units may be possible in the settlements listed above. However, the contribution of these would be negligible to the overall housing supply.

The calculations behind the small windfall yield calculations for Countryside locations is explained in detail in section 9.9 of the report. An exponential curve was used to project that an average of 7 units per annum will be delivered in the countryside. The table below shows the raw data for countryside completions from 2013 to 2025.

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
41	47	29	23	20	14	12	4	15	12	15	14

The contribution of the small windfall units in the Countryside has been calculated alongside considering the impact of stricter LDP 2 policies and the diminishing supply of conversion appropriate buildings.

e. How has the flexibility allowance been decided? Is it justified based on local circumstances? LW (BS)

Closed

LPA Response:

2.e – In accordance with the Development Plans Manual, a flexibility allowance has been included in the Plan, as detailed within Section 12 of SD46[20] Housing Supply and Trajectory Background Paper. The standard 10% flexibility allowance has been applied. To enable the delivery of the housing requirement for 5840 dwellings, provision must be made for approximately 6425 dwellings. Each component of the housing supply has been appropriately assessed throughout the plan preparation process to provide a level of confidence for their delivery. Nevertheless, it is recognised that the plan must ensure *"sufficient flexibility above the housing requirement to account for non-delivery and unforeseen issues"* (para 5.59 of Development Plans Manual[21] SD66). There is no robust local evidence to support a deviation away from the recommended 10% flexibility allowance. Whilst it is recognised that local circumstances have changed with the issues arising from the marine and riverine SAC condition assessments, the impacts of this are expected to be delays to the start of development rather than non-deliverability.

3. Will the Plan deliver the housing requirement?

3 a. Is the rate of delivery contained in the housing trajectory realistic, based on robust and credible evidence and consistent with the requirements of the Manual? LW (BS)

Closed

LPA Response:

[20] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11583&language= SD46 Housing Supply & Trajectory Paper

[21] Development Plans Manual(SD66)

3 & 3 a: Please see response to Question 2c.	
b. Are the site allocations available and deliverable within the anticipated timescales? Are the allocations supported by a robust and comprehensive site assessment methodology, free from significant development constraints and demonstrated to be economically viable? SH/AB	
Closed **LPA Response:** 3b. Yes. The methodology for assessing Candidate Sites for allocation in the Plan is set out in the Candidate Site Methodology paper (SD15[22]). The methodology shows a phased assessment to ensure that only sites that are appropriate and available for development are allocated in the Plan. This includes identification of constraints, assessment against the Preferred Strategy of the Plan, consultation within Council departments and key organisations, consideration of landscape and biodiversity and finally assessment of deliverability. All allocated sites have undergone a Stage 1 Strategic Flood Consequences Assessment (see SD43.2 to SD43.23[23]). Any issues raised through consultation with internal and key organisations have been addressed and mitigation identified, if necessary. Candidate Site promoters were asked to provide details about delivery. The position on the financial viability of the Key allocated sites remains as stated in the February 2026 Addendum (ED10a[24] and ED10c[25]), with particular reference to paragraphs 3.13 to 3.23, with a further update that the Council has received confirmation that the site promoter of site S/HSG/086/LDP2/3 (South of Conway Drive) is able to deliver this site for development in accordance with the LDP2 policies. The agent acting on behalf of the landowner of Golden Hill has confirmed the viability assessment for that site.	
3 c. Do the site allocation total figures take account of Plan requirements such as recreation and amenity space, sustainable drainage systems, green infrastructure and tree replacement ratios, vehicle parking and sustainable design and placemaking? SH	
LPA Response: Closed 3c. Yes. The site areas set out in Policy GN 16 (Residential Allocations) relate to gross site areas. The number of units identified for each site are indicative and based on an identified developable area which excludes green spaces and hedgerow buffers. The overall densities are based on sites that have been delivered in recent years with similar requirements for open space, parking, SUDs etc. and have taken into account	

[22] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11651&language= SD15
[23] https://www.pembrokeshire.gov.uk/local-development-plan-review/submission#:~:text=(SD43.2)%C2%A0Stage,10%20Allocation%20sites SD43.2-43.23
[24] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12283&language= ED10a
[25] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12285&language= ED10c

any requirements identified through consultation with internal departments and key organisations. Explanation of the figures is set out in paragraph 5.88 of the Local Development Plan, which is part of the explanatory text to Policy GN 13 (Residential Development), with further detail in paragraph 5.102 which is part of the explanatory text for Policy GN 16 (Residential Allocations).	
d. Are the housing strategy and supply sufficiently flexible to respond to changing circumstances? LW (BS)	
Closed **LPA Response:** In accordance with the Development Plans Manual, a flexibility allowance has been included in the Plan, as detailed within Section 12 of SD46[26] Housing Supply and Trajectory Background Paper. The standard 10% flexibility allowance has been applied. As stated in paragraph 4.3 of Policy SP 2 Housing Requirement, this allows *"for choice, flexibility and renewal of the existing housing stock and for non-take up of sites".* To enable the delivery of housing requirement for 5840 dwellings, provision must be made for approximately 6425 dwellings. The September 2026 update for the Housing Trajectory (ED34[27]) shows provision for 6537 units (Total Projected Cumulative Completions) – an excess of 112 units over the provision as detailed in SP 2 Housing Requirement. Furthermore, development activity has been closely monitored throughout the plan preparation process. Non-delivery allowances have also been applied on a site-by-site basis where circumstance deem this to be appropriate. (See Appendix B to Session 2). Policy GN 13 'Residential Development' outlines the circumstances where residential development will be permitted – please see the matrix in paragraph 4.31 under Policy SP 6 – Settlement Hierarchy. Settlement boundaries have been drawn in a manner which allows for the delivery of windfall units, as per Development Plans Manual advice (Table 18[28]). The housing strategy supports appropriate development opportunities at every level of the hierarchy. To conclude, the housing strategy allows for development opportunities at a range of locations. The commitments included within the housing supply have been carefully considered, and where applicable, an allowance has been applied to avoid the potential for non-delivery. The commitment units are robust and already contain a degree of flexibility by considering the potential for changing site circumstances, based on local knowledge and recent planning activity on site. Whilst the allocations are all considered deliverable by the Council, it is acknowledged that changing circumstances could prevent or delay the development of sites. Therefore a 10% flexibility allowance has been applied. There is no robust local evidence to support a deviation away from the recommended 10% flexibility allowance.	
e. Should details of the housing allocations be included in the Plan? SH	
Closed **LPA Response:** 3e. Details of the housing allocations will be contained in a Development Sites Supplementary Planning Guidance. The details will be similar to those prepared for the Key Sites in the Implementation Appendix (Doc ref ED 10d) and based on all of the	

[26] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11583&language= SD46 Housing Supply & Trajectory Paper
[27] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12420&language= Appendix 2 Local Development Plan 2 Housing Components & Trajectory Update Sept 26
[28] https://www.gov.wales/sites/default/files/publications/2020-03/development-plans-manual-edition-3-march-2020.pdf Table 18 - Development Plans Manual

evidence gathered to support the allocation of the land, and identifying constraints and infrastructure requirements. Publishing this level of detail as SPG will allow the information to more easily be kept up-to-date.	
4. Are the provisions of Policy GN 13 clearly expressed and consistent with the requirements of national planning policy? SH a. Is a sentence missing before criteria 1-3 explaining where housing in the countryside will be supported? SH	
Closed **LPA Response:** 4. The policy has not set out the full set of circumstances where different types of housing may be permitted and will require additional criteria to achieve this. Please see Appendix A to the Hearing Statements.[c] 4a. Agree. It is proposed that the Policy amended to include additional circumstances where housing in the countryside will be supported. Please see Appendix A to the Hearing Statements [c].	
b. Are the density levels appropriate and justified? BS	
Closed **LPA Response:** 4b. Are the density levels appropriate and justified? BS 4.b - LDP 2 policy GN 13 (Residential Development) says that new homes on allocated sites in Service Centres and Service Villages and otherwise on sites of 0.10 hectares and above will be built at a density of at least 23 dwellings per hectare, rising to at least 30 dwellings per hectare for sites in Towns. It adds that in exceptional circumstances, evidence of infrastructure or physical constraints may justify a lower density. There is further information on this matter in paragraph 5.88 of LDP 2, which refers to the desirability of using land efficiently and to taking opportunities to enhance biodiversity in conjunction with new development. Other matters covered by paragraph 5.88 include the use of SuDS (sustainable drainage systems) and the creation of buffers along wildlife corridors. In combination, these matters can sometimes pull in different directions regarding the setting of appropriate densities. Paragraph 5.88 also clarifies that the figures in the policy relate to gross site areas. The 23 dph figure for gross site area densities roughly equates to what has been delivered in recent years in the lower order settlements, while the 30 dph figure for the Towns is higher to reflect the concentration of services in these settlements and their capability to serve higher population densities. In exceptional circumstances, a lower density may be accepted, where issues relating to highway safety, biodiversity or sustainable drainage justify such an approach. The reference to sustainable water supplies in the final sentence of 5.88 might benefit from being changed to sustainable drainage, and we would appreciate the Inspector's views on whether a MAC is needed. Welsh Government's Planning Policy Wales, edition 12 (SD80[29]), also refers to the need to make the most efficient use of land and buildings, with higher densities in Town Centres and on other sites that have good walking, cycling and public transport links	

[29] https://www.gov.wales/planning-policy-wales SD80

advocated. In PCC's planning area, some of the town centres (and particularly Haverfordwest) are in or close to flood risk areas and hence a more general approach referring to towns is therefore taken, as town centres will not always be suitable for higher density residential development because of that issue, but other locations in the towns may not be constrained by this issue and will confer similar benefits in terms of service availability.	
Affordable housing	BS
5. Is the Local Housing Market Assessment (SD27) based on robust and credible evidence? BS	
Closed **LPA Response:** 5. Yes, the LHMA is based on robust and credible evidence. The LHMA report is underpinned by data that is put into the LHMA tool. This is a complex, interlinked, spreadsheet containing a wide range of information relating to housing provision across Pembrokeshire. PCC has a copy of the LHMA tool which informed the Pembrokeshire LHMA 2023 report (SD27[30]) and can make this available, if required. The content of the LHMA tool and the LHMA report are thoroughly checked by Welsh Government staff before the LHMA is confirmed as suitable for publication. In the case of the LHMA 2023, following initial submission in March 2024, there were three further iterations (in October 2024, December 2024 and March 2025) before final approval to publish(April 2025).	
5a.and b. What scale of housing need has been identified? b. What tenure mix and dwelling types are required? BS Closed	
Closed **LPA Response:** 5.a and 5.b The scale of housing need identified, and the tenure mix and dwelling types required can be found in Table 5.1 of the Pembrokeshire LHMA 2023 report (SD27[30]). In the right-hand column of Table 5.1, the comparable figures from the Pembrokeshire LHMA 2021 are provided, but noting that there were significant changes in methodology between these two editions of the LHMA. The significant increase in the affordable housing need and the strong emphasis on social rent and on smaller (1 and 2 bedroom) dwellings is significant.	
c. Is the Plan's affordable housing target appropriate given the evidence of local housing need? BS	
Closed **LPA Response:** 5.c The affordable housing target in policy SP 3 of LDP 2 is for a minimum of 2000 new dwellings (equating to 125 affordable dwellings per annum across the Plan period). Paragraph 4.16 of the reasoned justification to policy SP 3 explains that the affordable housing target is based on historic and anticipated levels of delivery of affordable housing rather than on the level of need. It adds that the level of need for affordable housing in Pembrokeshire is so high that it is considered too great to provide a realistic basis on which to prepare a target. In that context, the Council is of the view that the affordable housing target is appropriate and realistic, but it will not meet the full needs of the Plan area. Paragraph 4.17 of the reasoned justification to policy SP 3 also draws attention to the fact that the scale of affordable housing need in Pembrokeshire is significantly greater than can be provided through current levels of Welsh Government Social Housing Grant.	

[30] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12043&language= SD27

The planning system can and does contribute significantly towards the provision of affordable housing, often using section 106 legal agreements (planning obligations) linked to planning permissions, this sitting alongside provision of WG Social Housing Grant to facilitate delivery.	
d. What other mechanisms are available to contribute towards needs? How much could they realistically contribute? BS	
Closed **LPA Response:** 5.d Mention has already been made of Welsh Government Social Housing Grant (SHG) and this is an important incentive to the provision of affordable housing. The Council is of the view that this sits alongside the planning policy provisions and the related section 106 legal agreements to help ensure affordable housing delivery. In particular, Registered Social Landlords (RSLs) and the Council itself (which is, in effect, another RSL) can and do use SHG to bring forward affordable housing provision. However, there are limits to availability of SHG in any given year, so not all aspirations can achieve immediate delivery. Housing colleagues at PCC regularly prepare a Programme Delivery Plan (PDP) which focuses on proposed affordable and social housing schemes – particularly those funded through Social Housing Grant, looking ahead three to five years. Planning colleagues contribute to the consideration of priorities for the PDP. In other cases, provision of market housing can help to cross-subsidize provision of affordable dwellings, but in recent years it is the activities of RSLs and the Council itself that have contributed the most in terms of delivery of new affordable dwellings.	
6. Is the Financial Viability Report (SD28, ED10a and ED10c) based on robust and credible evidence? a. Are the component assumptions on costs, values, planning obligations and other associated requirements realistic and justified?	AB(SH)
Closed **LPA Response:** 6 and 6a. The methodology and evidence that lies behind the viability work undertaken by Burrows-Hutchinson Limited is explained in the Financial Viability Report (SD28[31]), Financial Viability Report Addendum (ED10a)[32] and its Appendix B Updated Key Sites FVAs (ED10c)[33] and is considered to be robust and credible. The Viability Study referred to in these documents also accords with the Guidance in The Financial Viability Report Addendum Appendix A Viability Guidance Note for Wales (ED10b).[34] The component assumptions on costs, values, planning obligations and other associated requirements are all derived from evidence in the way described in the documents, so that the conclusions that were drawn from the study can be considered to be both realistic and justified.	
7. Is the affordable housing target in Policy SP 3 realistic, up to date and based on robust evidence?	BS
Closed **LPA Response:**	

[31] Financial Viability Report 2024 Housing SD28
[32] Financial Viability Report Addendum Feb 2026 ED10a
[33] Appendix B Updated Key Site FVAs ED10c
[34] Appendix A Viability Guidance Note for Wales ED10b

7. The affordable housing target in Policy SP 3 is based on historic and anticipated levels of delivery of affordable housing rather than on the level of need. As explained in the answer to question 5.c, the level of need for affordable housing in Pembrokeshire is so high that it is considered too great to provide a realistic basis on which to prepare a target. In that context, the Council is of the view that the affordable housing target is appropriate and realistic, but it will not meet the full needs of the Plan area. For that reason, delivery will be below the level of need identified by the latest Pembrokeshire LHMA (2023), although it will make a significant contribution to addressing the shortfall.

In terms of delivery of affordable housing in recent years, the LDP AMR for year 12 (2024-25) sets out what has been achieved. It presents a highly variable picture on a year-by-year basis. The figures are shown below:

2013-14 – 283 affordable dwellings
2014-15 – 128 affordable dwellings
2015-16 – 82 affordable dwellings
2016-17 – 199 affordable dwellings
2017-18 – 302 affordable dwellings
2018-19 – 57 affordable dwellings
2019-20 – 133 affordable dwellings
2020-21 – 109 affordable dwellings
2021-22 – 48 affordable dwellings
2022-23 – 74 affordable dwellings
2023-24 – 18 affordable dwellings
2024-25 – 140 affordable dwellings

There are six years during which more than 125 affordable dwellings have been provided, and a further six years when less than that figure has been provided. The average over the 12-year period is 131 affordable dwellings. In that context and given the challenges that nutrient pollution in protected rivers in Pembrokeshire continues to place on the development industry and the finite availability of SHG, LDP 2's target of 125 affordable houses per annum seems realistic.

8. Are the affordable housing targets for provision in Policy GN 20, including contributions thresholds, realistic and justified?

Closed

LPA Response: (MD)

8. Yes, the targets and contributions thresholds are considered to be realistic and justified.

The Development Plans Manual, Edition 3 (March 2020)[35] (SD66) requires Local Planning Authorities (LPAs) in Wales to establish affordable housing targets through a clear evidence-based process linked to housing need, viability and delivery. The Manual requires every LDP to be supported by a:
1. Local Housing Market Assessment (LHMA), which identifies:

- Annual affordable housing need.
- Total affordable housing need over the plan period.

[35] https://www.gov.wales/development-plans-manual-edition-3-march-2020 SD66

- Geographic distribution of need.
- Tenure requirements (social rent, intermediate, etc.).

2. Affordable Housing Viability Study (AHVS) and wider viability assessment, which tests what level of affordable housing can realistically be delivered without undermining development viability.

The Manual states that the LHMA should identify the total affordable housing need over the plan period and that this need should influence:

- The overall housing requirement.
- The location of growth.
- Affordable housing-led allocations.
- Affordable housing policy targets.

The affordable housing target is not simply the level of need. It must reflect what can be delivered, taking account of viability and market conditions.

The Manual emphasises that LPAs should:

maximise the delivery of affordable housing in their LDP based on viability evidence.

Viability testing should:

- Assess different housing market areas.
- Consider land values, house prices, infrastructure costs and developer profit.
- Determine the level of "headroom" available for affordable housing contributions.

The outcome is translated into:

- Affordable housing percentages; and
- Site size thresholds at which contributions will be sought.

The Manual warns that setting targets above viable levels may reduce delivery and delay development.

A key point is that the Manual does not prescribe a national threshold such as 5, 10 or 15 dwellings. Instead, it requires each authority to justify its threshold through viability evidence.

The Manual states that:

- Affordable housing policies should include percentage targets and thresholds related to the viability evidence base.
- The evidence base should clarify what site thresholds are viable for seeking affordable housing contributions.
- The threshold must be clearly stated in the policy.
- Small-site viability (for schemes below 5 or 10 dwellings) should be tested

when establishing thresholds. As a result of this work, it has been established that thresholds vary considerably across the Plan area depending on local market conditions and viability evidence. The evidence for establishing these thresholds is set out in (SD28[36]) Financial Viability Report 2024 Housing. These thresholds can be found in Policy GN 20 Local Needs Affordable Housing. Specific affordable housing requirements are identified for sites in Policy GN 16 Housing Allocations, either through specific site assessments as set out in the Financial Viability Report 2024 (Appendix A) which was updated by (ED10a[37]) Financial Viability Report Addendum Feb 2026, and (ED10c[38]) B Updated Key Site FVAs or by applying local knowledge with regard to individual allocation sites within the context of the local market area requirements set out in the Financial Viability Report (effectively the content of GN 20 Affordable Housing).	
a. Is the policy clear on where different thresholds and targets apply?	
Closed **LPA Response:** 8.a) The policy is considered to be clear regarding where the different thresholds and targets apply. Focussed Change FC5.GN20.03 assisted in clarifying the extent of Steynton in Band 2 Housing Market Area on the Proposals Maps.	
8b. What evidence supports the exclusion of conversion schemes from contributions (para 5.117)? Should this be expressed in the policy?	
Closed **LPA Response:** 8.b) The reason for limiting affordable housing contributions to new build is as set out in the reasoned justification. A fuller explanation of the background to this would however help. The Council decided not to require affordable housing units or affordable housing financial contributions on building conversion schemes for a number of policy and viability reasons. Viability Conversions usually raise a unique combined set of concerns regarding viability compared with new build development and this can make assessing viability on consistent basis to support policy requirements difficult. Conversion projects often involve: ▪ higher construction costs, ▪ structural alterations, ▪ contamination remediation, ▪ heritage restoration costs, ▪ abnormal site constraints.	

[36] https://www.pembrokeshire.gov.uk/objview.asp?object_id=11531&language= SD28
[37] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12283&language= ED10a
[38] https://www.pembrokeshire.gov.uk/objview.asp?object_id=12285&language= ED10c

Prior Approval / Permitted Development schemes Residential conversions also occur through permitted development rights (for example, above shop storage). Heritage and listed building considerations: For conversions involving: ▪ Traditional buildings ▪ listed buildings, ▪ buildings in conservation areas the Council places greater weight on securing the preservation and reuse of the building. The exceptional costs associated with conservation can be treated as a justification for reduced planning obligations through viability assessments. Encouraging brownfield regeneration The Council also considers that the public benefit of bringing a vacant or underused building back into active use outweighs the benefit of seeking an affordable housing contribution. SP 8 Regional Growth Areas and Urban Settlements Paragraph 4.35 advises '*The regeneration of town centres is a key priority and Masterplans / Regeneration Frameworks are being developed for each of the Regional Growth Areas to support and enable their regeneration. The following paragraphs set out the broad vision for main urban areas.'* Conversion proposals tend to be small in scale and falling below the thresholds included in Policy GN 20 Local Needs Affordable Housing. The exemption should be expressed in the Policy wording and a Matters Arising Change is proposed. Please see Appendix A. Matters Arising Change[c]	
8c. How will partial units and off-site commuted sums be calculated and secured? Is the policy clear on these provisions? 8d. Does the policy rely on Supplementary Planning Guidance to implement its provisions? Is this appropriate?	MD (AB)
Closed **LPA Response:** 8.c) and 8 d) The calculation of commuted sums requirements will be set out and consulted upon as part of the affordable housing Supplementary Planning Guidance. The Development Plans Manual, Edition 3 (March 2020)[39] (SD66) does not require Local Planning Authorities to specify the actual monetary amount or formula for commuted sums within the Local Development Plan itself. However, it does require the LDP policy framework to explain when commuted sums may be sought and how situations involving fractional affordable housing requirements will be addressed.	

[39] https://www.gov.wales/development-plans-manual-edition-3-march-2020 SD66

The key passage is in the Manual's Affordable Housing Policy Framework Checklist on page 149, which states: *"The policy should set out clearly what happens if the target results in a partial unit being secured and in what circumstances commuted sums, where relevant, will be sought (SPG can always elaborate on detailed calculations)."* The intention is to follow the approach taken in previous supplementary planning guidance preparation[40] where the commuted sum is calculated as a per sqm sum based on the cross subsidy provided for onsite provision -please see Appendix 1 Commuted Sums Calculation. Local Development 2 is complicated by the fact that there are 4 (Band) Market areas and different thresholds where onsite provision becomes viable in each as set out in Policy GN 20 Affordable Housing. In terms of when a fraction of an affordable house is required (paragraph 5.118 of the Local Development Plan 2) the Council will follow the approach previously taken please see paragraph 2.6 of the current Supplementary Planning Guidance[41]. The policy wording: '*Where it is demonstrated that the provision of 2 or more affordable dwellings on site is not possible a commuted sum contribution for affordable housing will be sought. The commuted sum shall be related to the contribution rates set out above and charged on the basis of floorspace (per sq. metre).'* plus paragraph 5.118 is considered sufficient to explain the approach and to provide a basis for development more detailed Supplementary Planning Guidance.	
9. Does the spatial distribution of affordable housing reflect local needs?	BS
Closed **LPA Response:** 9. The spatial distribution of new housing (market and affordable) by LDP 2, is made in accordance with the Plan's Settlement Hierarchy. This apportions growth across the settlements of the plan area in accordance with an assessment based, for the highest tier settlements, on their identification as Regional Growth Areas by Future Wales – The National Plan 2040 (SD67) [42]and for all other settlements on an assessment of the availability of services and facilities. Policy GN 16 Residential Allocations will mostly make an on-site provision, although with a few sites instead making off-site contributions. Policy GN 20 Local Needs Affordable Housing seeks affordable housing provision on residential developments based on the housing market areas, variously requiring either on-site provision or a commuted sum, dependent on development size and market band. So, looking at the overall situation in the Plan area, there will be affordable housing provision across a wide range of settlements, but with the greatest levels of provision in the towns. Where commuted sums are used, there are established protocols for where	

[40] https://www.pembrokeshire.gov.uk/objview.asp?object_id=3210&language= 1 SUPPLEMENTARY PLANNING GUIDANCE Affordable Housing
[41] https://www.pembrokeshire.gov.uk/objview.asp?object_id=3210&language= 1 SUPPLEMENTARY PLANNING GUIDANCE Affordable Housing
[42] https://www.gov.wales/sites/default/files/publications/2021-02/future-wales-the-national-plan-2040.pdf SD67

these are spent, which will be close to where the housing provision which generates them is located wherever this is possible.

The preferred projection for the 2023 LHMA (SD27) [43] offers the following information on affordable housing need for the first 5 years of the LHMA period – please see LHMA Report page 74, LHMA 2023 Report Table 1 for the Pembrokeshire Growth Scenario of 435 per year.

In the Council's planning area, the greatest need is arising in the towns of Haverfordwest, Milford Haven, Pembroke and Pembroke Dock – and each of these settlements has been afforded significant housing allocations by LDP 2, which have an affordable housing element to them.

For the remaining 10 years of the LHMA period, the situation is as follows – please see LHMA 2023 Report page 75, Table 3 for the Pembrokeshire Growth Scenario of 435 per year.

Again, in the Council's planning area, the greatest level of need is recorded in Haverfordwest, Milford Haven, Pembroke and Pembroke Dock, noting also that the Rural East area registers a similar figure to Pembroke.

Therefore, to conclude, while there isn't a perfect match between LDP 2 affordable housing provision and the need identified in the latest LHMA, and while LDP 2 cannot meet the full need for reasons explained elsewhere, there is nonetheless a strong correlation between need identified and the provisions made by LDP 2. It is also worth mentioning that the LHMA covers Pembrokeshire as a whole, so an element of the need and the provision will be in the Pembrokeshire Coast National Park rather than in PCCs planning area.

10. Does the Plan make provision for affordable housing led housing sites (para 4.2.33 Planning Policy Wales)?	BS

Closed

LPA Response:

Policy GN 16 (Residential Allocations) does include some sites which are expected to come forward for 100% affordable housing. Generally, these are sites that are reliant on Social Housing Grant (SHG), which is realistically the only way that this level of affordable housing provision is going to be deliverable.

There are also some recent examples in the Council's planning area of sites that have delivered 100% affordable housing - these being sites developed by Housing Associations or the Council, through SHG provision.

Elsewhere, affordable housing delivery is anticipated in accordance with the outcomes from a) key site viability appraisals (where available) or b) where a key site viability appraisal isn't available, the high-level viability assessment for the Plan area, as rolled out through the provisions of either policy GN 16 (Residential Allocations) or GN 20 (Local Needs Affordable Housing).

[43] Pembrokeshire Local Housing Market Assessment 2023 SD27

Land values in Pembrokeshire are often, in comparison to some other parts of Wales and the UK, on the low side, which combined with other pressures on house builders (such as high build costs) mean that viability is subject to tight margins. Hence, it is necessary for the Council to be realistic and accept that, in some cases, affordable housing aspirations must be re-assessed to reflect the reality of site viability.	
11. Are the provisions of Policy GN 21 clearly expressed and consistent with national planning policy? a. Is the first two sentences of para 5.121 consistent with the policy aims? b. Is the third criterion necessary, given the Plan spatial strategy and settlement hierarchy?	MD (SH)
Closed **LPA Response:** Q11. & a: The policy generally reflects the provisions of Planning Policy Wales Edition 12(SD80[44]) and Technical Advice Note 2 Planning and Affordable Housing (SD86[45]). The first sentence of paragraph 5.121 could lead to confusion for the reader and is unnecessary given the wording of criterion 1. The second sentence of paragraph 5.121 is also considered unnecessary given the level of affordable housing need in the planning area. (It is also, as set out, in effect a potential additional requirement which should have been in the policy wording). Both sentences could be deleted if this is considered appropriate by the Inspector. Also to note the last sentence of paragraph 5.121 could more appropriately be included in the policy wording as a criterion if Inspector considers this to be appropriate. '*Any application for an exception site must be proportionate in scale and nature to the settlement in which it is located.'* Q11 b. The third criterion isn't necessary either and can be deleted if the Inspector agrees.	

[44] gov.wales/sites/default/files/publications/2024-07/planning-policy-wales-edition-12.pdf SD80
[45] https://www.gov.wales/sites/default/files/publications/2018-09/tan2-planning-affordable-housing.pdf SD86