

## A comparison between planning policies relating to new dwellings for land-based businesses (Cymru)

	Rural Enterprise Dwellings (RED)	One Planet Development (OPD)
<b>Summary</b>	On-site housing to support rural enterprises (agricultural and non-agricultural) where essential functional need exists.	Low-impact, largely self-sufficient land-based living with strict ecological and livelihood targets.
<b>Purpose</b>	To support rural businesses (agricultural and non-agricultural) by allowing on-site housing where essential for the enterprise.	To enable low-impact, sustainable, largely self-sufficient lifestyles in the open countryside.
<b>Policy basis</b>	<a href="#">Planning Policy Wales</a> (PPW) and <a href="#">Technical Advice Note 6</a> (TAN 6). There is also an <a href="#">RED practice guidance</a> document.	<a href="#">Planning Policy Wales</a> (PPW) and <a href="#">Technical Advice Note 6</a> (TAN 6). There is also <a href="#">OPD practice guidance</a> .
<b>When introduced</b>	This type of policy has been around for many decades.	The policy was introduced in 2010.
<b>Who the policies are for</b>	Workers in rural enterprises (including livestock, horticulture, and some non-agricultural rural businesses), plus limited retirement dwellings linked to those enterprises.	Individuals or communities committed to sustainable living, low ecological footprint, and land-based livelihoods. Not limited to traditional rural workers.
<b>Key tests and evidential requirements</b>	<ul style="list-style-type: none"> <li>• <b>Functional test:</b> Similar to England—essential need for on-site presence for the enterprise.</li> <li>• <b>Financial test and business plan:</b> Clear evidence of viability; for new enterprises, a robust business plan is critical.</li> <li>• <b>No suitable existing accommodation:</b> Must show that existing dwellings cannot need the need.</li> <li>• <b>Retirement dwellings:</b> Additional criteria where a long-serving worker retires and a new worker needs the main dwelling.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ecological footprint:</b> Household must reach an ecological footprint of 2.4 global hectares per person or less within 5 years.</li> <li>• <b>Land-based livelihood:</b> At least 65% of basic household needs to be met from the land within 5 years.</li> <li>• <b>Management plan and monitoring:</b> Detailed 5-year management plan, annual monitoring reports, and clear performance indicators.</li> <li>• <b>Low-impact design:</b> Very high standards of energy efficiency, low-impact construction, often off-grid services.</li> </ul>
<b>Size and type of dwelling</b>	The temporary dwelling must be sufficient to meet the temporary needs of the enterprise; usually a caravan or cabin (often 40–60 m <sup>2</sup> ). The permanent dwelling should be of a size commensurate with the functional requirements of the enterprise (often 90 to 140 m <sup>2</sup> ). Overly large dwellings can be refused.	Temporary dwellings are often caravans or cabins. ‘Permanent’* dwellings are low impact eco-builds. Often they will still meet the requirements of the Caravan Act – this avoids the need for Building Regs and installing a sprinkler system. (*as long as the OPD continues to comply with the policy)

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<p><b>Planning permission restrictions</b></p>	<p>Planning permission is usually granted with an Agricultural Occupancy Condition (AOC), sometimes known as an AgTag or agricultural tie. The wording of the condition can vary; it normally requires that the dwelling is occupied by:</p> <ul style="list-style-type: none"> <li>• someone solely or mainly employed, or last employed, in the rural enterprise;</li> <li>• a surviving partner of such a person;</li> <li>• a dependent of such a person.</li> </ul> <p>If the RED is additional to an existing farmhouse on the holding, the local authority may also impose an AOC on the existing farmhouse. Some councils also use Section 106 agreements to reinforce the tie, for example to prevent the dwelling being sold separately from the enterprise unless the council agrees.</p>	<p>There is guidance in <a href="#">TAN6</a> on planning obligations and conditions. Local planning authorities typically attach conditions to the planning permission along the following lines:</p> <ul style="list-style-type: none"> <li>• a condition requiring annual monitoring reports;</li> <li>• a condition requiring a formal review at year 5;</li> <li>• a condition tying the development to the approved management plan;</li> <li>• a condition requiring removal of buildings if the OPD fails.</li> </ul> <p>In addition, local planning authorities may also require the applicant/s to enter into a Section 106 agreement, for example requiring that the dwelling must be the sole or main residence of the OPD occupants (rather than say a second home). See the One Planet Council <a href="#">position statement</a> on S106 agreements.</p>
<p><b>Temporary arrangements and review</b></p>	<p>Councils will often grant planning permission for a temporary dwelling for 3 or 5 years. After the initial 3–5-year temporary period, the applicant/s must demonstrate (via a new full planning application) that the rural enterprise is genuinely viable, financially sustainable, and still requires a full-time worker to live on site. Should the local planning authority agree, then a permanent (conditional) permission can be granted.</p>	<p>When an OPD application meets the policy requirements, councils generally grant a permanent (conditional) planning permission. Councils can also grant temporary planning permissions, but most now favour a permanent consent from the start, as long as there is a robust proposal and Management Plan likely to meet the OPD performance criteria. There is a review at 5 years by which time the applicant/s must demonstrate...</p> <ul style="list-style-type: none"> <li>• ecological footprint ≤ 2.4 global hectares per person;</li> <li>• 65% of basic household needs met from the land;</li> <li>• compliance with the Management Plan, including buildings, energy, water, and biodiversity.</li> </ul>
<p><b>Long-term monitoring and enforcement</b></p>	<p>Once permanent planning permission is granted, there is no requirement for annual reporting. The main control is the AOC. Councils may periodically contact the occupiers of dwellings with AOCs (although in some areas this might not happen at all). Councils can take enforcement action if the dwelling is not being occupied in accordance with the condition and (if applicable) in accordance with the Section 106 agreement.</p>	<p>After a permanent permission is granted, continued occupation depends on meeting OPD performance criteria and managing the site in line with the approved OPD management plan. Residents must submit annual monitoring reports showing progress on ecological footprint, land-based livelihood (65% of basic needs from the site) and management plan outcomes. If targets are not met, the authority can require changes, impose conditions, or in extreme cases require cessation of residential use.</p>

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<b>Time commitment</b>	Applicants must show that the enterprise requires full-time on-site presence (or something close to it). Once permanent permission is granted, the occupier/s must continue to comply with the terms of the AOC, usually to be ‘solely or mainly working in agriculture’. There are appeal decisions and case law on what this might mean in practice, e.g. no. of hours per week.	The OPD policy requires applicants to meet specific performance targets within 5 years. These targets require significant time on the land, but not necessarily full-time. Part-time off-site work is allowed, as long as the OPD livelihood requirement and management plan targets can continue to be met.
<b>Retirement</b>	The RED policy under TAN 6 is different to the approach in England, in that it allows for permission to be granted for a second dwelling on a rural enterprise for a retiring worker, but only in tightly controlled circumstances. This is often called a “retirement dwelling” or “second dwelling for succession”. <i>In addition to this provision</i> , and as in England, most AOCs allow for occupation of the dwelling by someone “last working in agriculture”.	This is one of the more challenging aspects of OPD. The policy does not provide a mechanism to allow a retiring OPD resident to remain on site. OPD is tied to ongoing performance and the obligations continue, regardless of personal circumstances like age, health or reduced capacity. See the One Planet Council <a href="#">position statement</a> on provision for illness, incapacity and disability (and also on Section 106 agreements).
<b>Buying and selling</b>	A dwelling that is subject to an AOC can often be bought or sold on the open market (subject to any restrictions such as a Section 106 agreement). The existence of the AOC needs to be declared. It reduces the market value of the property by up to 40% depending on factors such as the amount of land with the property. The new occupier/s need to continue to comply with the AOC, and they may be expected to provide evidence they can do. In certain circumstances it may be possible to remove or alter the AOC.	OPD plots can be sold on the open market or privately, although there aren’t many examples of this happening. Potential buyers must meet the requirements of the planning conditions and any S106 agreement. TAN6 guidance states: “Where there is a change in ownership of the OPD or any individual holding within larger schemes, a new management plan should be submitted to the planning authority for approval”. See also the One Planet Council <a href="#">position statement</a> on sale of OPD plots.
<b>Clusters or communities</b>	In England, the <a href="#">Ecological Land Co-operative</a> has pioneered an approach whereby they obtain planning permission for multiple RED smallholdings – however, in Wales, the ELC has tended to <a href="#">use OPD planning policy</a> . In Powys, the county council has produced <a href="#">guidance for small-scale horticultural enterprises</a> going down the RED route. This has not changed the underlying RED policy, but indicates the council is more open to considering market-garden (fruit and veg) enterprises, whereas often REDs are linked to livestock enterprises. In 2024, the county council granted planning permission for 3 small farms at Sarn under this approach.	The <a href="#">TAN6 guidance</a> states that OPDs may take a number of forms, such as “single homes, co-operative communities or larger settlements”. It states that where OPDs “involve members of more than one family, the proposal should be managed and controlled by a trust, co-operative or other similar mechanism in which the occupiers have an interest”. In reality, most OPDs take the form of single homes. There is a cluster of 4 OPDs in Carmarthenshire granted under a single permission. There was permission granted for 9 smallholdings at <a href="#">Lammas ecovillage</a> in Pembrokeshire before Wales-wide OPD was introduced.

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<b>Strengths (for applicants)</b>	<ul style="list-style-type: none"> <li>• Broader definition of “rural enterprise” (compared to England) gives more applicants a route in.</li> <li>• Clear guidance in TAN 6 (and detailed RED-specific guidance) helps structure applications.</li> <li>• Retirement dwelling option supports succession on family farms.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a genuine route to build in open countryside.</li> <li>• Clear, measurable sustainability criteria give applicants a defined target.</li> <li>• Ideal for applicants seeking off-grid, land-based, ecological living.</li> </ul>
<b>Weaknesses (for applicants)</b>	<ul style="list-style-type: none"> <li>• Still requires strong functional and financial evidence.</li> <li>• Business plans for new enterprises face close scrutiny.</li> <li>• Not suitable for low-impact or lifestyle-driven projects without a viable enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>• Very demanding lifestyle and long-term commitments.</li> <li>• High upfront workload (management plan, footprint modelling).</li> <li>• Annual monitoring and risk of enforcement if targets aren’t met.</li> </ul>

## FAQs

**What are “pre-commencement” conditions?** Pre-commencement conditions are specific requirements that must be met before any construction or development work begins. These conditions are attached to planning permissions to ensure that certain aspects of a project are addressed prior to starting work. Often they will require certain details to be submitted for approval. Once approved, the requirements of the condition will have been ‘discharged’. Applicants should allow enough time for this process to take place. Failing to comply can render the development unlawful and could lead to enforcement action being taken.

**What constitutes “commencement” of an RED or OPD planning permission?** In both cases, a material operation such as construction or engineering operations, including earthworks associated with site clearance, or trenching for building foundations, can indicate commencement of the planning permission.

**What can be done without planning permission in place?** It is possible to undertake certain agricultural or land management activities without needing express planning permission, for example putting up fences, bringing animals onto the land, planting trees or crops, etc. So it is possible to start a land-based enterprise before RED or OPD planning permission is in place. With OPD, doing so might help to establish the growing or producing credentials of the applicant/s. However, it is important to remember that – even with a ‘head start’ – this does not guarantee that OPD planning permission will be forthcoming.