



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 16TH SEPTEMBER 2014

**SUBJECT: CAERPHILLY COUNTY BOROUGH LOCAL DEVELOPMENT PLAN
(FIRST REVIEW) UP TO 2031: POPULATION AND HOUSEHOLD
GROWTH OPTIONS**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide elected members with an understanding of the key assumptions that determine the future level of population and housing growth to be accommodated in the county borough through the first review of the Caerphilly County Borough Local Development Plan up to 2031.
- 1.2 To obtain the views of elected members on the level of population and household growth that should be included in the Preferred Strategy in order to inform the amount of housing land that will need to be released up to 2031 through the review process.
- 1.3 To inform elected members of the stakeholder engagement undertaken to date for the review of the LDP and outline how this work has influenced the population and household growth scenarios presented for consideration in this report.
- 1.4 To seek the Scrutiny Committee's views of the use of population and household growth scenario M as a basis for the preparation of the Preferred Strategy which will be considered by Council in early 2015.
- 1.5 To make recommendations to Cabinet and thereafter Council in respect of 1.1 to 1.4 above.

2. SUMMARY

- 2.1 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2031 (LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 2.2 Following the recommendations of the 2013 AMR, the Council resolved on 8 October 2013, to roll forward the LDP to cover the plan period up to 2031 and to commence work on the review of the plan.
- 2.3 Participation and public consultation is essential for effective community and stakeholder engagement in this process. Early discussion on the updated evidence base, alternative strategic options, preferred strategy and related proposals is critical for building consensus in respect of how the plan should be reviewed to meet the county boroughs future development needs.

- 2.4 Fundamental to the review of the LDP for the County Borough is the amount of new development that needs to be planned for up to 2031.
- 2.5 National planning policy states that the starting point for considering how much housing should be accommodated within Local Development Plans should be the Welsh Government household projections. However local authorities are able to deviate from these projections if they have the evidence to support this.
- 2.6 Concerns are raised however regarding the appropriateness of the assumptions used in the WG projections in respect of migration. There nine different scenarios were initially tested to examine the potential impact of different migration assumptions on household growth, however further to early stakeholder involvement a further 4 scenarios have also been tested. On balance it is considered that Population and Household Growth Scenarios E, H and M are the more desirable, realistic and robust options to inform the level of Population and Household Growth up to 2031 and should be used to inform the Preferred Strategy to be considered by the Council in October 2014 and thereafter to be subject of public consultation in the new year.
- 2.7 If members accept the recommendation contained in this report, the revised LDP will need to make provision for the development of 450 to 600 dwellings per annum.

3. LINKS TO STRATEGY

- 3.1 The Single Integrated Plan **Caerphilly Delivers** has been prepared by the LSB and represents a determined commitment by all partners to accelerate change, strengthen partnership working, multi-agency collaboration, and accountability for delivery.
- 3.2 **Caerphilly Delivers** has been developed based on 4 key principles of:
- **Sustainable development** where we promote social justice and equality of opportunity and enhance the natural and cultural environment and respect its limits
 - **Equalities and Welsh language** where we all promote and mainstream equalities and the Welsh language in accordance with our legislative requirements and strategic equality objectives.
 - **Early intervention and prevention goals** with the aim of either preventing matters from getting worse or occurring in the first place, by identifying those in greatest need from their vulnerability, their risk of becoming vulnerable or from otherwise becoming disadvantaged.
 - **Community cohesion** where people from different backgrounds enjoy similar life opportunities, understand their rights and responsibilities and trust one another and are trusting of local institutions to act fairly.
- 3.2 The Local Development Plan is the statutory framework for the development and use of land within the County Borough. It provides the policy framework for the development and conservation needs of the County Borough and is used by the Council to guide and control development. In order to realise the long term Strategic Vision for the county borough the LDP (1st Review) will facilitate the delivery of the land use elements of the five key outputs of Caerphilly Delivers, as follows:
- **Prosperous Caerphilly** - The LDP (1st Review) will seek to increase the economic prosperity of the people and communities of the county borough through the provision of land for employment opportunities, supported by appropriate housing and ancillary facilities and services (including community and health facilities, recreation, leisure etc). Further it will seek to facilitate the provision of a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and protects the environment; where public transport, walking and cycling provide real travel alternatives.
 - **Safer Caerphilly** - The LDP (1st Review) will seek to make Caerphilly County Borough a clean, green, safe and pleasant place to live and work with decent public services. It should enhance the vibrancy and diversity of local communities, in order to ensure good

health and social cohesion. It will facilitate the creation of new developments, which help to enhance social cohesion so that people feel safe and secure and it should deliver high quality design that deters opportunities for crime and anti social behaviour.

- **Learning Caerphilly** - The LDP (1st Review) will recognise the importance of modern education facilities and the role that they play in up skilling the population. It will therefore need to protect existing facilities and make adequate provision for sufficient land to be released to enable the improvement of education facilities throughout the county borough.
- **Healthier Caerphilly** - The LDP (1st Review) will contribute to improving public health, by promoting land use developments that contribute to healthy lifestyles and well-being. The plan will therefore make provision for a transportation network that increases the opportunities for walking and cycling and provide a policy framework for the protection and enhancement of recreation and leisure facilities to ensure that they are accessible for all.
- **Greener Caerphilly** - The LDP (1st Review) will protect the environment as a whole whilst balancing the need for new development with the need to conserve valuable resources. Further it will underpin all development with the principle of good design, that meets a diversity of needs; which uses resources efficiently; and which makes adequate provision for recycling and waste management and ensure that new development minimises emissions of greenhouse gases as far as is practically possible in order to mitigate the effects of climate change. Finally it will seek to ensure that resources are used efficiently making the best use of our valuable assets.

4. THE REPORT

- 4.1 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2021(LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 4.2 Following the recommendations of the 2013 AMR, the Council resolved on 8 October 2013, to roll forward the LDP to cover the plan period up to 2031 and to commence work on the review of the plan.
- 4.3 An important feature of the development plan review process is the emphasis on identifying and testing realistic strategy options to deliver the Vision and Objectives of the plan over the plan period.
- 4.4 As the Council already has an adopted plan, there is a need to assess whether the existing Development Strategy for the county borough remains appropriate within the context of the revised plan period up to 2031, and also remains robust within the changing regional context.
- 4.5 Participation and public consultation is essential for effective community and stakeholder engagement in this process. Early discussion on the updated evidence base, alternative strategic options, preferred strategy and related proposals is critical for building consensus in respect of how the plan should be reviewed to meet the county boroughs future development needs.
- 4.6 The Delivery Agreement, Agreed February 2014 (DA) outlines how the Council intends to engage with stakeholders throughout the review of the plan. In line with the DA, a series of targeted stakeholder events took place throughout the spring of 2014, as follows:

29 April 2014
9 May 2014
9 June 2014
23 June 2014

LDP Focus Group
Event with Members of Standing Conference
Stakeholder Event - Developer Workshop
General Consultation Bodies - Workshop

4.7 The purpose of this work was to:

1. Test the existing Adopted LDP development strategy against alternative scenarios to determine if it remains appropriate moving forward;
2. Obtain targeted stakeholder views in respect of the alternative scenarios for population and household growth;
3. Obtain targeted stakeholder views in respect of the development of alternative strategic options; and
4. Inform the Preferred Strategy that will be subject of a further report to Council in January 2015.

The summary of the stakeholder feedback obtained to date through these mechanisms is outlined in Appendix 1 to 3. The Draft Notes of the LDP Focus Group are attached at Appendix 4.

4.8 The comments and observations made, has helped to inform this report in terms of presenting options in respect of the scale of future population and household growth to be accommodated in the county borough up to 2031, for consideration by elected members. Further, this work has provided an indication of the stakeholders' initial views regarding the appropriateness, or otherwise, of alternative spatial options to deliver this growth.

4.9 This report provides an overview of the Population and Household Growth Scenarios that have been considered through this early engagement process. Five preferred growth options are presented for the consideration of members, one of which is highlighted as being the most robust to take forward as part of the consultation on the Preferred Strategy, namely Scenario M the Moderate average household size change and SE Wales migration (10 years), which equates to a need for 600 dwellings per annum up to 2031.

POPULATION & HOUSEHOLD GROWTH OPTIONS

4.10 Fundamental to the review of the LDP for the County Borough is the amount of new development that needs to be planned for up to 2031. Of critical importance is the future number of households that the plan will need to make provision for. This clearly influences the number of dwellings that will need to be provided over the plan period and the level of new jobs that will need to be created. Appendix 5 outlines a set of frequently asked questions and answers, concerning the need for new housing in the county borough.

4.11 National planning policy states that the starting point for considering how much housing should be accommodated within Local Development Plans should be the Welsh Government household projections. However local authorities are able to deviate from these projections if they have the evidence to support this.

4.12 The latest Welsh Government Population and Household Projections have a 2011 base date and are based on short-term trends for the five years preceding 2011. Whilst this is an appropriate timeframe to inform the projections, the plan period for the review of the LDP runs up to 2031, and therefore some caution needs to be exercised in determining the likely level of growth anticipated for Caerphilly County Borough over a 20 year period based on 5 year trends.

4.13 Population growth is determined by the number of births and deaths in an area, referred to as natural change, and the number of people moving in to, and out of an area, both from elsewhere in the UK and from overseas, referred to as migration.

4.14 The assumptions used to inform the 2011-based projections for both births and deaths are considered realistic. The number of births is expected to decline over the plan period, and although people are living longer, the number of deaths is expected to increase due to the

post war baby boom. Therefore whilst the assumptions are based on short-term trends, they also accord with long-term trends.

- 4.15 Concerns are raised however regarding the appropriateness of the assumptions used in the WG projections in respect of migration. Since the late 1990s migration in the County Borough has been positive and the population decline that had been experienced in earlier decades has been halted. The last 5-years migration rates have however been affected by the recession, and Caerphilly County Borough has experienced a short-term trend of out-migration that is not reflective of longer-term trends. It is therefore considered appropriate to examine alternative assumptions in respect of longer term trends for migration, in order to examine what impact this could have on the future number of people and households in the County Borough.
- 4.16 Nine different scenarios were initially tested to examine the potential impact of different migration assumptions as follows:
- Scenario A : WG 2011 based Principal Projection
 - Scenario B - Ten-Year Average Migration Projection
 - Scenario C - Zero Net Migration Projection
 - Scenario D - Average Migration for SE Wales - 5 year average
 - Scenario E - Average Migration for SE Wales - 10 year average
 - Scenario F - Moderate Migration - 5 year average
 - Scenario G - Moderate Migration - 10 year average
 - Scenario H - Dwelling led - 10 year average completions
 - Scenario I - Dwelling led, continuation of adopted LDP housing requirement
- 4.17 However as a consequence of stakeholder input to the process a further four scenarios have subsequently been tested in response to important issues raised, specifically: 1) the impact of the reducing average household size up to 2031, 2) the need to test a jobs led scenario where people migrate into the area for jobs and the population increases as a result; and 3) the change in household membership rates which would increase the number of single person households in the county borough. Consequently the following scenarios have also been tested:
- Scenario J - Jobs-led
 - Scenario K - Household membership type change and SE Wales migration (10 years)
 - Scenario L - Long term average household size change and SE Wales migration (10 years)
 - Scenario M - Moderate average household size change and SE Wales migration (10 years)
- 4.18 BR3: Population and Housing Growth Options Background Paper (July 2014) discusses each of these options in considerable detail, and concludes that growth options A, B, E, H and M should be subject to further consideration by stakeholders as part of the pre-deposit public consultation stage of the review process.
- 4.19 These five alternative growth options provide clearly different growth scenarios for Caerphilly County Borough up to 2031, and these are summarised below.
- 4.20 By way of context, it is important to note that the 2011 Census indicated that the population of Caerphilly County Borough was 178,800 equating to 74,500 households. To further aid understanding, it is also helpful to note that the Adopted LDP required a minimum of 8,625 dwellings to be developed up to 2021, requiring the development of 575 dwellings a year, but actually made provision for 10,269 new dwellings to allow for flexibility and choice.
- 4.21 Scenario A: WG 2011 based Principal Projection assumes the re-establishment of the long-term trend of loss of population toward the end of the plan period through out-migration and a significant decline in the working age population. This would increase the population of the county borough by 4,500 people by 2031 to 183,300 (79,908 households) and require an

annual house-building rate of 280 dwellings per annum. This would equate to 6,160 new dwellings over the plan period.

- 4.22 Scenario B - Ten-Year Average Migration Projection assumes the main driver for population change is natural change (births and deaths) , although migration makes a small contribution to the overall population growth. This assumes no increase in population from 2028 onward and a decline in the working age population. This would increase the population by 5,850 people by 2031 to 184,650 (80,478 households) and require an annual house-building rate of 310 dwellings per annum. The dwelling requirements associated with this option would be low when compared to historic housebuilding rates. This would equate to 6,820 new dwellings over the plan period.
- 4.23 Scenario E - Average Migration for SE Wales - 10 year average assumes population growth would be due to a combination of natural change and in-migration leading to a sustained increase in population throughout the plan period. This scenario results in a slight decrease in the working age population. This would increase the population by 13,450 people by 2031 to 192,250 (83,093 households) and require an annual house-building rate of 450 dwellings per annum. This would equate to 9,845 new dwellings over the plan period.
- 4.24 Scenario H - Dwelling led - 10 year average completions assumes population growth would be due to a combination of natural change and in-migration leading to a sustained increase in population throughout the plan period. This scenario results in a slight decrease in the working age population. This scenario would increase the population by 14,200 people by 2031 to 193,000 (83,637 households) and require an annual house-building rate of 475 dwellings per annum. This would equate to 10,450 new dwellings over the plan period.
- 4.25 Scenario M – Moderate Average Household Size Change and SE Wales Migration (10 Yr Average). As the 2001-2011 change in average household size declined at a much slower rate than had occurred in the previous decade (1991-2001), it is appropriate to consider the impact on households if a long term AHS rate of decline is used rather than assuming a rate based on the trends of the last 10 years. In this scenario a moderate AHS has been applied to the Scenario E (*Average Migration for SE Wales – 10yr average*) projection. This would result in the AHS reducing from 2.39 in 2011 to 2.21 by 2031. This reduction has a direct impact on the number of houses to be provided. This scenario would increase the population by 13,450 people by 2031 to 192,250 and require an annual house-building rate of 600 dwellings per annum. This would equate to 12,000 new dwellings over the plan period.
- 4.26 On balance it is considered that Scenario M is the most desirable, realistic and robust option to inform the level of Population and Household Growth up to 2031, for the following reasons:
- The assumptions in respect of births and deaths are realistic having regard for both long and short-term trends;
 - The migration rates that informs this options are realistic and achievable having regard for long-term trends;
 - The Average Household Size reducing to 2.21 over the plan period is realistic when long term trends are take into account;
 - The house building rates of 600 dwellings per annum are realistic having regard to the long-term trends in the county borough;
 - The level of house building proposed is achievable over the plan period having regard for economic cycles within the plan period;
 - This option recognise the need to retain and attract younger working age people in the county borough in order to ensure the future economic prosperity of the area; and
 - This level of growth would help retain and sustain services and facilities. In particular, Scenario H will help sustain school provision over the plan period.
- 4.27 Early stakeholder engagement indicated that
- It would not be desirable to plan on the basis of short-term trends that reflect a period of economic recession; and

- It would not be acceptable to plan for a declining, ageing population as this would adversely impact on the ability of the area to sustain services, facilities and economic growth.
- There was a broad consensus that growth (housing and employment) needs to occur in the county Borough.
- Growth needs to be supported by appropriate infrastructure, including improvements to the road network between New Tredegar and Pontlottyn, consideration of a bypass for Maesycwmmmer and South East Caerphilly. Further consideration is required in respect of the railway network and in particular Machen to Newport, Risca to Newport, Nelson to Dowlais Top and the impact of the electrification of the railways to improve connectivity.
- Flexibility, is key to deliverability.
- New housing needs to cater for all sections of society but in particular affordable housing and housing for an ageing population needs to be prioritised.
- There is the need and desire to improve prospects for the young, providing employment and training so that they remain in the County Borough.
- The Heads of the Valleys Regeneration Area requires additional assistance to help boost home building.
- Any significant growth in the Southern Connections Corridor will result in the release of greenfield sites. The development of such sites needs to be undertaken sensitively to mitigate any landscape and ecological impacts.
- Improvements to the centre of Caerphilly through the creation of the South East By-pass are required to help alleviate the air quality issues in the centre of town.
- Development should be targeted at both the Southern Connections Corridor and Northern Connections Corridor.
- Transport links in all three strategy areas are in need of improvement if the Heads of the Valleys Area is to attract employment and housing growth.

4.28 The potential land use implications of meeting Scenario **M** now needs to be considered.

4.29 BR3: Population and Housing Growth Options Background Paper (April 2014) provides the methodology for determining the existing housing land supply at 2011 i.e. the base date for the plan. In summary, an allowance is made for sites with planning permission that had not been started, housing completions, units under construction, demolitions, windfalls and contributions from small sites and empty homes brought back into beneficial use.

4.30 Taking this existing land supply into account, there is already provision for approximately 5079 new dwellings as at 2011.

4.31 The additional land that would need to be identified to meet scenario M is thus calculated by subtracting the total housing land supply figure i.e. 5079 from the dwelling requirement (which includes 10% over-allocation to allow for flexibility and choice) to give a dwelling requirement figure for each scenario.

4.32 This dwelling requirement is then translated into land, based on an average density for housing development of 35 dwellings per hectare.

4.33 The land use implications of Scenarios M is therefore as follows:

- Scenario M would require the release of approximately 231 ha of additional land for housing development up to 2031 to accommodate an additional 8100 dwellings. This would make provision for a total of 12,000 dwellings over the plan period.

4.34 In order to help visualise how much land this is on the ground, it is useful to note that the Cwm Calon development in Ystrad Mynach is approximately 27 ha, Ty Du in Nelson is approximately 19 ha, Oakdale Plateau 1 is approximately 30 ha, whilst Bedwas Colliery is approximately 36 ha.

5. EQUALITIES IMPLICATIONS

- 5.1 Stakeholder engagement has been undertaken in line with the Agreed DA, which has full regard for the Citizens Engagement Strategy and the Equalities Strategy of the Council.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no new financial implications.

7. PERSONNEL IMPLICATIONS

- 7.1 None

8. CONSULTATIONS

- 8.1 All comments received have been incorporated in the report.

9. RECOMMENDATIONS

- 9.1 Members are asked to provide their comments on the proposal that Population and Household Growth Scenarios A, B, E, H and M should be subject to further consideration by stakeholders as part of the pre-deposit public consultation stage of the review process.
- 9.2 Members are further asked to provide their comments on the proposal that Population and Household Growth Scenario M be used as the Preferred Growth Option and as a basis to underpin the Preferred Strategy for the Caerphilly County Borough Local Development Plan (First Review) up to 2031 prior to this being presented to Cabinet and Council for approval.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 Scenarios A, B, E, H and M are the most realistic and robust options to test as part of the stakeholder engagement as part of the pre-deposit public consultation stage of the review process.
- 10.2 Scenario M is the most desirable, realistic and robust option to be used as the Preferred Growth Option to underpin the Preferred Strategy for the Caerphilly County Borough Local Development Plan (First Review) up to 2031.

11. STATUTORY POWER

- 11.1 Part 6 Planning and Compulsory Purchase Act 2004.
- 11.2 Town and Country Planning (Local Development Plan)(Wales) Regulations 2005.

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Appendices:

- Appendix 1 Summary of Stakeholder Feedback from LDP Focus Group and Standing Conference Event
- Appendix 2 Summary of Developer Panel Feedback (LDP Developer Panel – Engagement Event)
- Appendix 3 Summary of Stakeholder Panel – General Consultation Bodies Workshop Feedback (Caerphilly County Borough Local Development Plan (First Review) up to 2031 Stakeholder Event 23 June 2014 - Llancaiach Fawr)
- Appendix 4 Notes of LDP Focus Group Meeting (29.04.2014)
- Appendix 5 Frequently Asked Questions

Background Papers:

BR3: Population and Housing Growth Options Background Paper July 2014

[made available in the resource library]

Reports to Council 23rd November 2010 and 8th October 2013