

CONSULTATION RESPONSE



Caerphilly LDP Examination Housing Session – Draft Submission

01/04/2010

Introduction

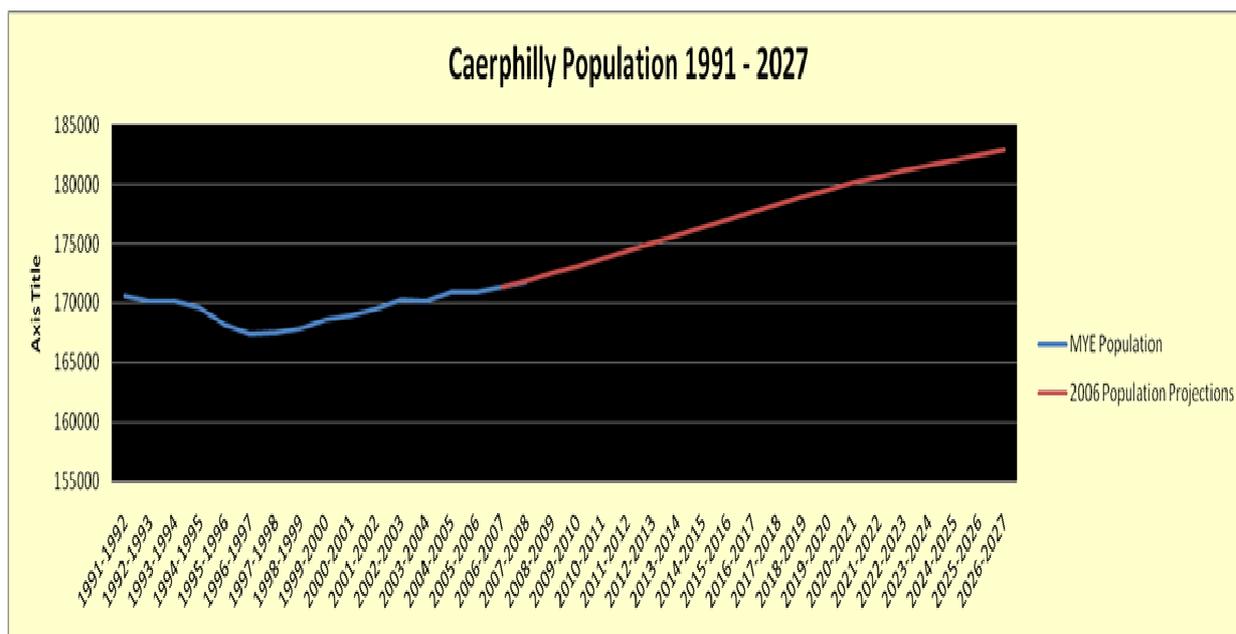
The following evidence has been submitted in order to provide clarity on the HBF's position with regard to the housing requirement and land supply within the LDP. We also believe it is important to set out our views in writing, particularly with regard to the additional evidence provided by the Council after the submission of the Deposit (e.g. various background papers on housing land supply and the 2006 population and households etc), in order to aid in any discussions that arise pertaining to these topics at the forthcoming Examination session.

Population Change within Caerphilly

The Council suggests that the population change within the 2006 population projections is unrealistic for the LDP period and that the trends experienced are unlikely to continue as they are based on a short period in the Council's history. Their view is that the assumptions underpinning the Moderate Growth scenario are robust and can be clearly evidenced through past long-term trends, which are "*generally accepted as being more acceptable than short term trends, which can reflect short term random fluctuations in social or economic events*" (paragraph 4.6 Background Paper ED.13). In effect, they are stating that the methodology used to create the 2006 population and household projections was not the most robust methodology the WAG could have used at that time. However, to our knowledge, the WAG has not stated that they did not use a robust methodology and therefore until they do so, in our opinion we should assume the WAG did use the best and most appropriate methodology available to them in order to undertake the population and household projections. In addition to this, we believe it is worth noting that the current methodology has been accepted by other Local Authorities in Wales, as a suitable methodology with which to inform the housing requirement figures within their respective LDPs.

Notwithstanding the above, we believe it is helpful to look at the trend in population increase within Caerphilly, when discussing how the future population of the area might increase over the plan period. Graph 1 below provides an illustration of the population trends from 1991 to 2006, coupled with the projection forward to 2027. Both sets of data are taken from the Stats Wales website.

Graph 1 Population of Caerphilly 1991-2027



Source WAG

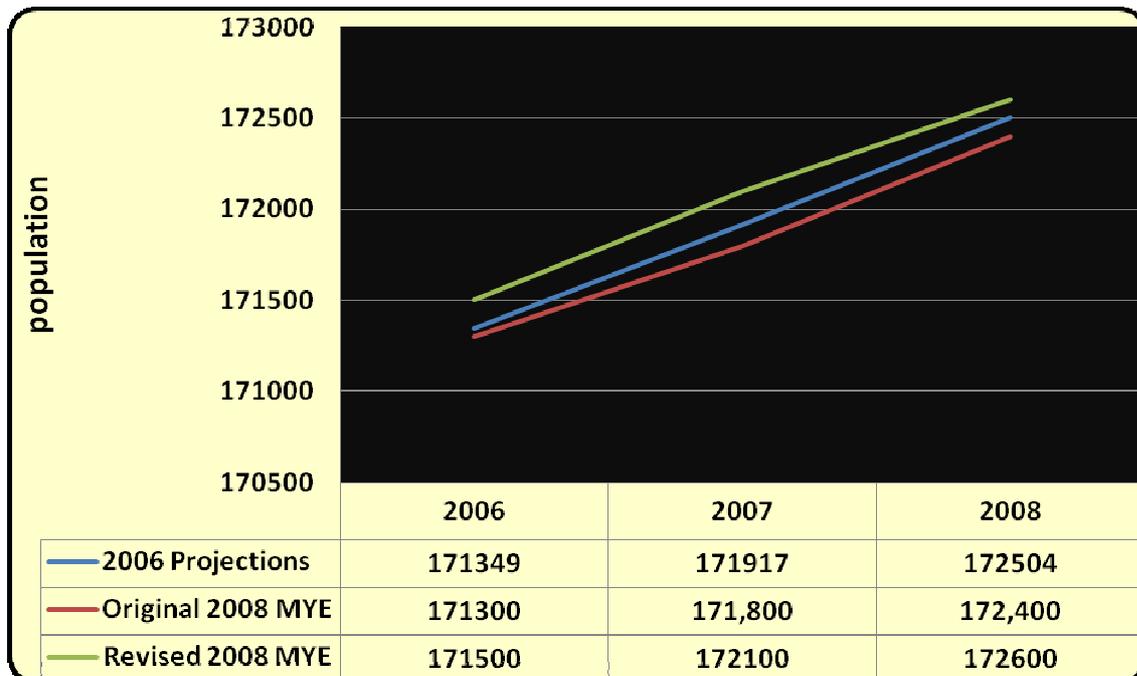
As you can see from the graph, the population has been increasing steadily from 1996 to 2008 (which is the last year of evidence we have to hand - see below) and therefore the projection forward seems to be a sensible continuation of that line, at a similar rate, over the LDP period. As such, in relation to the Council's concerns over short term trends, which in our view have not been substantiated, the graph above clearly shows that the population of Caerphilly has been steadily increasing since 1996, which in fact reflects a relatively long term trend of 12 years.

More Recent Evidence

As we have stated above, the council believes that the 2006 household projections will not reflect what will actually happen to the population of Caerphilly over the LDP period. They also state that the projections do not take account of socio economic factors such as population change and therefore if certain assumptions are changed, the population for Caerphilly could be higher or lower. In light of this, it is useful to consider the latest evidence on recent mid-year population estimates within Caerphilly from the Office for National Statistics, in order to give us an indication of where the population is actually headed in relation to the population that was projected within the 2006 – population projections.

The graph below illustrates three different pieces of evidence in relation to the population of Caerphilly between 2006 and 2008 i.e. the 2006-population projections, the 2008 Mid Year Estimates and the revised 2008 Mid Year Estimates from the Office for National Statistics. As we have shown from Graph 1 above, the increase in population from 1996 onwards compares relatively well with the population projections going forward, however, as you can see from the graph below, the revised Mid-Year Estimates for 2008 indicate an increase over and above the 2006 population projections.

Graph 2 – Population Estimates and Projections for Caerphilly



Source WAG and Office for National Statistics

As you can see from the graph above, the original 2008 MYE for population in Caerphilly sat just below the 2006 population projection figure. However, the revised 2008 Mid Year Estimates for population in Caerphilly are actually higher than the 2006 population projections. Therefore, according to the latest evidence on the population of Caerphilly, the population between the years 2006 and 2008 actually increased over and above the number projected within the 2006 population projections.

As the Council points out, there are some elements of the projections that will be uncertain going forward and we will only be able to verify whether or not these assumptions are correct as and when the time arises. However, taking into account the latest evidence on population within Caerphilly, it seems that the population projections are slightly lower what has actually been experienced.

Considering the above, we believe that according to the most recent evidence to hand, the 2006 population projections would seem to indicate a robust evidence base with which to identify a suitable population for Caerphilly going forward. However, due to the increase in population as indicated by the revised Mid Year Estimates, we believe the LDP should be mindful of any further increases that might occur and the effect this might have on any increased household requirements that might be required as a result.

In light of the above, we do not agree with the council's statement that the WAG 2006-based population and household projections do not warrant any amendments to the housing land provision in the Plan. It is clear from the latest evidence on population that the Council should be providing for a greater level of population than that which is described within the 2006 projections, which does not provide a robust evidence base to deviate from the projections and adopt a lower growth figure. We also do not agree that the Moderate Growth Projection is sufficiently robust to accommodate the changing circumstances afforded by the emergence of the new projections. If the LDP is proposing to deviate from the household projections from the outset, it would not be providing sufficient housing for

the population expected within Caerphilly. Therefore, any flexibility included within the plan might only go to accommodate the shortfall we are already aware of. In addition to this, if the MYE figures continue to show higher population levels than the 2006 population projections going forward, there will not be any flexibility within the plan to accommodate any change in circumstances that will be required as a result.

As we have stated above, we will only be able to verify whether or not these assumptions are correct as and when the time arises. Therefore, we believe the most appropriate course of action would be to plan for the proposed population forecasts, as described by the 2006 population and household projections and then use the review mechanism of the LDP system to assess how the population has changed in comparison at the first formal review stage.

Contributory Factors to Population Change

Net In-Migration

The Council states within Background Document ED13 that if the net in-migration trend does not continue the population level may not increase to the anticipated levels indicated by both the 2003 and 2006 based projections.

In order to highlight possible reasons for net in-migration not continuing, the Council states that in-migration from east European countries is believed to be in reverse. However, there is no evidence provided by the Council to show that this is in fact the case within Caerphilly. The Council also states that international migration levels throughout the period 2001-2006 are unlikely to be repeated during the plan period. However, again, there is no evidence provided to corroborate this assumption and it might well be the case that this pattern of migration does happen again over the plan period. In addition to this, in relation to net in migration flows, the Council states that even though they consider the in-migration of populations from east European countries to be transitory, they also state it will *"...undoubtedly be replaced by other population movements..."* (paragraph 4.5.9 of Background Paper 6). Therefore, even if it were the case that in-migration to Caerphilly from east European Countries is reversing, the Council specifically states that it will be replaced by in-migration elsewhere. As such, we do not believe there is sufficient evidence to state that current levels of international migration will be reversed over the LDP period.

Conflicting view points on the Population and Household projections

Throughout the various background papers relating to population and household projections, the Council states that the WAG 2006-based population and household projections do not provide sufficient evidence to require major changes to the Deposit LDP. The Council also states that the Moderate Growth Projections advanced in the Deposit plan are considered to reflect a more realistic and plausible level of population growth over the plan period that is consistent with long-term trends. Indeed, within Background Papers SB32 and ED.13 there are various paragraphs of information where the Council aim to describe how the population and household projections should not be used to inform the housing figure over the plan period.

However, despite this, within paragraph 5.2 of ED.13 the council states that it is not possible to say what level of housing requirement they would have agreed, had the 2006 projections been available when the Deposit LDP was being prepared. This clearly suggests that the Council might have chosen a different housing requirement figure if they had considered the 2006 projections before submitting the LDP to the Planning Inspectorate.

In order to support this theory, the Council goes on to state within paragraph 5.7 of Background Paper SB32, that they

(a) may have agreed to make provision only for natural change, in which case the allocated land supply would remain sufficient throughout the Plan period.

In light of this, the Council clearly states that, had they fully taken account of the projections before the Deposit LDP was submitted, they might have included a figure that planned for the natural change element of the 2006 population projections. As such, this suggests that the current housing requirement figure within the LDP might have been increased, if the 2006 population and household projections were used to inform the Deposit LDP. This also suggests that the Council believes there might be sufficient substance to assumptions on natural change within the 2006 projections, which could have dictated the need for a higher dwelling requirement figure within the LDP.

However, despite this, to suggest a growth strategy based solely on natural change does not seem to correspond with what is written within Background Paper 6, paragraph 4.4.3; where the Council states that it would not be appropriate to base the LDP on assumptions that do not include in-migration, as it becomes self-fulfilling, i.e. if houses are not provided within the County Borough, then people will have no option other than to move away from Caerphilly. Therefore, from this it seems that if the Council had taken account of the 2006 population and household projections before the Deposit LDP was submitted, they might have included a figure than planned for the natural change element of the projections, but would also have assumed an element of in-migration, as they believe it would not be appropriate to plan for zero or out-migration over the LDP Period.

To further corroborate this, Background Document ED13 states that the population projection in the Deposit LDP assumes a net in-migration of 165 persons per year. Therefore, considering the Council thought it appropriate to continue to plan for positive net migration within the current LDP growth strategy, we cannot understand why the Council would have planned for only the natural change element of the 2006 projections, as the LDP strategy is clearly one that aims to continue to attract people into Caerphilly.

Notwithstanding the above, to further confuse matters, the council then explains within paragraph 2.20 to 2.26 of Background Paper ED.13 that the natural change assumptions within the 2006 population projections are actually not robust and state that *"...this high level of natural change may not be realised."* paragraph 2.26

In light of the above, we are confused as to what the Council's position is in relation to the WAG population and household projections. On the one hand they state that the projections are not appropriate for Caerphilly and therefore no substantial changes are required to the Deposit Plan as a

result. Then on the other hand, they state that had they considered the 2006 projections before the Deposit LDP was submitted, the dwelling requirement within the LDP might have been different to the one proposed.

Despite this, given the Council has stated that they might have proposed a figure that planned for the natural change element of the 2006 projections and they also believe it is appropriate to assume a certain level of positive net migration (as they have done within the current LDP dwelling requirement), we believe it is reasonable to assume that the dwelling requirement figure within the LDP might have more closely resembled the figure within the 2006 household projections, if the council had considered the 2006 projections before they submitted the LDP to the Inspectorate.

We believe these conflicting viewpoints need further explanation from the Council. In terms of the soundness of the LDP going forward, either the 2006 Population and Household Projections will have implications on the dwelling requirement over the plan period, or they will not. We do not believe it is appropriate to state that the 2006 Population and Household Projections *might* have implications to the soundness LDP, however, it will be adopted anyway and then dealt with at a later stage.

Council's position with respect to the LDP Review

Despite the conflicting viewpoints on the validity of the 2006 Population and Household Projections, the Council has consistently stated that even if the projections are correct, progressing the Deposit LDP to adoption now is unlikely to cause any serious problems before the first review of the Plan is undertaken.

We disagree with this for a number of reasons:-

Firstly, we believe this is a fundamental departure from the guidance which relates to producing a sound LDP. We do not believe authorities should be given the option to use the review to adopt potentially unsound plans, with a view to making them sound at the review stage.

In terms of the assessing soundness, we believe the plan should be adopted considering its soundness over the 15 year period and not over the 4 year period leading up to the first review. If this course of action is allowed, we are concerned it will lead to a situation where more and more authorities use it as a vehicle for not taking account of important evidence, which might warrant controversial albeit necessary changes to the LDP and its policies. This might not only have an impact on housing matters, but might also impact on many other policy areas, (including particularly contentious policy areas) dealt with by the LDP.

Effectively, the Council is suggesting that the population projections might be correct and the LDP might need to plan for that amount of housing over the LDP period. However, instead of taking account of that now, they propose to adopt the plan and wait until 2015 to establish whether or not the population and household projections should have been the basis for the LDP dwelling requirement.

We believe this is not only contrary to National Guidance, but might be a very risky strategy to pursue, particularly taking into account the latest revised mid-year estimates, which indicate that the population over 2006-2008 is increasing at a faster rate than projected within the 2006-projections.

Secondly, the Council states that:-

- An increase of population and housing of the scale indicated would have fundamental implications for both the development strategy and the proposals adopted. (Paragraph 5.3 Background Paper ED13)
- There will be a requirement to demonstrate the continued soundness of the plan, particularly in relation to the satisfactory SA/SEA of any additional allocated housing sites that are increasingly difficult to find in terms of sustainable development. (Paragraph 5.3 Background Paper ED13)

However, if the population and household projections prove to be correct at the first review, the Council will need to undertake this substantial change to the LDP anyway, at the review stage. In addition to this, there is also a distinct lack of information or evidence within the Council's submissions to state how this significant piece of work will be handled, if it were conducted at the review.

In our view, the most appropriate time to do this piece of work would be now, before the plan is adopted. We believe the process of development planning should be considered over the long term and not just for the next 4 years. This is supported by the fact that the guidance states the authority should be adopting a plan that will be sound over the next 15 years.

In light of the above, we do not believe it would be appropriate for the Council to adopt an LDP that is not proven to be sound over the entire plan period. In our view, if the 2006-population and household projections justify the need for further changes to the housing requirement and land supply figures within the LDP, we believe this work should be done before the plan is adopted.

Flexibility and soundness over the LDP period

In terms of soundness over the LDP period, the Council states that the LDP includes sufficient flexibility to ensure the proposals would be sound until the first review is undertaken. However, in terms of the use of flexibility with LDPs, the tests of soundness state that the LDP should be reasonably flexible to enable it to deal with changing circumstances.

In this respect, we do not believe the LDP's flexibility should be used to deal with potential shortfalls that we are already aware of. A potential danger of doing this is highlighted by the evidence above, which describes how the revised MYE for Caerphilly show a higher population at 2008 than the population shown within the 2006 projections

As Soundness Test CE4 states, the LDP should be reasonably flexible to enable it to deal with any **change** in circumstances that might arise, which we believe means that the plan should be flexible enough to deal with things **should circumstances change**. In our view the balance of evidence we have at present suggests that the 2006 population and household projections should be the basis for

the dwelling requirement figure within the LDP. We believe this is corroborated by the Council's acknowledgment that if they considered the 2006 projections before submitting the plan for examination, there is a chance the dwelling requirement might have been different.

Therefore, in order for the LDP to be reasonable flexible, we believe it should be based on the evidence we have to hand at present and then be flexible enough to adapt and change, should this evidence change. We do not believe the LDP should be adopted based on an assumption that the current evidence might prove to be incorrect in 4 years time. We also do not believe it is appropriate to use the flexibility within the LDP in order to allow it to retrospectively adapt to the evidence we thought it should have been based on in the first instance.

In relation to flexibility over the LDP period, the Council has acknowledged that, should the population projections prove to be correct, the LDP will not include sufficient flexibility within the land supply over the LDP period. In this context, the Council states within paragraph 5.6 of Background Paper 1 (October 2008) that "...even if the projected household increase were to occur, the allocated land supply would remain sufficient until 2020". This is corroborated by paragraph 3.6 of background Paper ED.13 which states that if the level of household growth arising from the WAG 2006- based population and household projections actually takes place the total housing land provision in the Deposit LDP would be sufficient for between 13.3 years to 14.1 years. In our view, what these statements prove is that the land supply would not cover the whole of the plan period, if the 2006 population and household projections proved to be correct.

These concerns are further corroborated by paragraph 5.7 of Background Paper 1 (October 2008) which states, "*It may be noted that although **these scenarios would not allow any element of housing land supply for flexibility and choice**, there is in fact no Planning Guidance that requires such provision to be made.*" (Bold emphasis is ours). As you can see from this quote, the Council confirms that if the projected increase in households within the 2006 projections does occur, the LDP would not allow any element of flexibility and choice within the housing land supply.

In terms of the above, it is worth noting that the Council does suggest that there is no planning guidance that requires 'flexibility' provision to be made within LDPs. However, we would disagree with this, as soundness test CE4 specifically states that LDP's should include reasonable flexibility. This also does not correspond with the statements made by the Council within paragraph 4.9 of Background Paper ED.13 and Paragraph 4.5.13 of Background Paper 6, on the benefits of including flexibility within the LDP - i.e.

- "*One of the major strengths of the Deposit LDP is the ability of the plan to be flexible and in particular the recognition in the plan that there is a need to provide a flexibility allowance for housing land supply in order to provide for flexibility, choice and changing circumstances.*" (4.9 Background Paper ED.13)
- "*First, in making provision for housing land in the Plan it is necessary to allocate land for more than the estimated requirement in order to provide for choice and flexibility of sites.* (4.5.13 Background Paper 6)

Consideration of the 2006 Population and Household Projections

In terms of the Deposit LDP, a six-week public consultation period was held between Wednesday 15th October and Wednesday 26th November 2008. Whilst the Deposit LDP was being prepared, the Council were also preparing various background papers, one of which was Background Paper 6 – Population and Housing, which was dated October 2008 and released as evidence to support LDP Deposit consultation.

Within Background Paper 6 (October 2008), paragraph 4.5.15 identifies that the 2006-based population projections were being prepared, which would replace the 2003-based regional projections and would require authorities to justify deviations from them. The paragraph then goes on to state that *“Although the publication of the updated projections is currently (May 2008) imminent, the results were not available for the Caerphilly Deposit LDP, which therefore rather takes the earlier projections into account.”*

However, despite this statement from the Council, the Background Paper is dated October 2008 and the local authority population projections were released in June 2008. Therefore, whilst the Deposit LDP and Background Papers were being prepared, the Council had four months to consider the implications of the population projections and how they might impact on the housing requirement. Therefore, we do not believe it is appropriate to state that the population projections were not available for the Deposit LDP.

In terms of the 2006-based household projections, these were released to all local authorities on the 12th June 2009. Along with this release, the Welsh Assembly Government released a letter of clarification to local authorities explaining the significance of the projections. In terms of the Caerphilly LDP, we believe paragraph 4 of that letter is significant. It states that, *“For authorities that have reached deposit stage they should provide evidence to the Inspector when submitting the LDP for examination setting out the implications of the national household projections for the deposit Plan and options for addressing them. Where the only realistic option involves, in the authority’s view, a fundamental change to the deposit LDP, bearing in mind the implications for the soundness of the deposit Plan, they should seriously consider the value of submitting the Plan for examination.”*

In terms of the Deposit LDP, the Council submitted what it considered to be a sound plan for Examination on 7th October 2009, four months after the release of the 2006 household projections and the clarification letter from the WAG. Therefore, we do not believe it is appropriate to state that the 2006 household projections were not available to the Council before they submitted the Deposit LDP.

In terms of WAG guidance, the WAG clarification letter clearly states that any evidence submitted with the LDP must justify the reasons for deviating from the household projections and clearly set out the rationale behind the Council's own projections (paragraph 3 refers). In this context, we do not believe the background evidence submitted with the LDP does specify sufficient justification for not accepting the 2006 population and household projections. In light of our evidence above, it is clear that there is a lot of conflicting evidence within the Council's background papers over the implications of the 2006

household projections and the effect this might have on the soundness of the LDP over the 15 year plan period. It is also clear from the background papers that the Council believes there might have been grounds to change the dwelling requirement as a result of the 2006 population and household projections, had they considered them before submitting the plan for examination.

In light of the above, we do not believe the Council has taken full account of National Guidance in the progressing the LDP to adoption. The clarification letter from the WAG dated 11th June 2009, specifically states that local authorities should consider the implications of the projections before submitting the plan to the Inspectorate. In addition to this, paragraph 8.3.1 of the LDP Manual states that “...*fundamentally unsound plans should not be submitted for examination*”. Therefore, considering the 2006 population and household projections were available to the authority before the Deposit LDP was submitted for Examination, and considering the Council’s evidence within the background papers submitted with the Deposit LDP, we do not believe the Council has had taken full account of the implications of the 2006 projections to the dwelling requirement and land supply over the LDP period.

SEWSPG Housing Apportionment

In terms of the SEWSPG apportionment, one of our concerns highlighted at the Deposit stage was that there does not seem to be an explanation of what the authority plans to do with the balance of housing that would be left from the figure proposed within the SEWSPG apportionment and the figure proposed within the Deposit LDP. We believe this needs further explanation.

In addition to this, if both the SEWSPG apportionment and Deposit LDP dwelling requirement were based on the 2003 household projections, environmental capacity and policy requirements, we do not understand how or why the dwelling requirement within the Deposit differs from the figure provided within the SEWSPG apportionment. We believe this also needs further explanation.

Within Background Paper 6, paragraph 4.4.10 states that the High Growth Scenario assumes an increase in the net migration level from 120 to 330 persons per year, or 5,000 persons over the Plan period. Therefore, together with the natural change component, this would imply a population for Caerphilly of 181,000 in 2021, which paragraph 4.4.11 of Background Paper 6 states “...*is close to the Council’s estimate of that resulting from the Regional Housing Apportionment exercise, i.e. 180,000, which is thus about the highest level that would be considered credible on the basis of local considerations.*”

In the context of the above, it would seem that the Council is making an assumption that the household requirement given within the SEWSPG apportionment would require a net migration level of 330 persons per year. This is corroborated somewhat by paragraph 4.5.2 of Background Paper 6, where it states that, it is recognised that the Regional Housing Requirement is based on many uncertain factors, not least the assumptions on future levels of international migration.

However, there is no evidence to state that the dwelling requirement figure for Caerphilly within the SEWSPG apportionment was based on a net migration assumption of 330 persons per year. Surely, if a net migration assumption of 330 persons per year was one of the components of change that

informed the dwelling requirement for Caerphilly within the SEWSPG apportionment, given what the Council has stated within the various background papers, they would not have considered that figure to be appropriate in the first place.

On the face of it, in terms of deviating from the SEWSPG apportionment figure, the Council seems to have assumed a figure for net migration they believe is not plausible to accept, then associated this with the SEWSPG apportionment figure and used it as the reason for not adopting the SEWSPG apportionment figure. In light of this, it is difficult to ascertain how the dwelling requirement figure for Caerphilly within the SEWSPG apportionment was chosen and therefore why it should differ from the dwelling requirement within the LDP, if both requirements are based on capacity, policy aspirations and the 2003 household projections.

Further to our concerns with the SEWSPG Apportionment, within a report written by the SEWSPG titled - **SEWSPG Report: Apportionment of Regional Household Projections Draft Version 0.3 - 17 May 2006, (document attached with submission)** the assumed average annual housing completion figure for Caerphilly was given as a range between 667 and 767 dwellings per year. In this context, the Memorandum of Understanding document (SEW.7), states under the heading of the meeting held on the 22nd May 2006 that it was *“agreed that the apportionment of households indicated in the appendix of the paper presented should be accepted as the basis for local authority participation in on-going discussions on the SEW Strategic Development project and progressing individual LDPs.”* Therefore in light of this, it is clear that the original apportionment had proposed a housing requirement for Caerphilly ranging from 667 to 767 dwellings per year.

Further to this, the Memorandum of Understanding (SEW.7) states that at a SEWSPG Officer Meeting on the 12th June 2006 it was *“agreed to further revise apportionment figures for Torfaen CBC and Caerphilly CBC according to meeting discussions.”* In this respect, considering the minutes of the meeting on 12th June 2006, **(document attached with submission)**, Caerphilly Council (represented by Roger Tanner) stated that *“the 750 per year projected for Caerphilly was nearing acceptable limits and that the preference would be for 650 per year.”* Following this, an action was proposed by David Holtham of Cardiff Council to amend the apportionment figures accordingly.

In light of the above, as the housebuilding industry was not involved within the apportionment at this stage, it is unclear why the housebuilding figure for Caerphilly was changed from 767 per year, which were considered to be acceptable limits, to 650 per year. We believe this needs further explanation from the Council.

Affordable Housing

In terms of affordable housing, we are concerned that the local authority has not had sufficient regard to the need for affordable housing within their overall housing requirement. The Local Housing Market Assessment for Caerphilly shows a need of 516 units per year for affordable housing and in this context, within paragraph 6.5.1 of Background Paper 6, the council acknowledges that there is a need to maximise the provision for affordable housing..

In terms of affordable housing need, paragraph 6.6.2 of Background Paper 6 states that it would be unrealistic to project the shortfall of affordable units over the 15-year plan period, as house prices and incomes likely to change in the future. However, there is no evidence provided by the council to suggest when house prices and incomes are going to improve in the future. In addition to this, an update to the Local Housing Market Assessment written in December 2008, states that the figure for affordable housing need has now increased to 706 units per annum. Therefore, despite the Authority building an average of 754 units over the two year period (approx) since the LHMA review, the requirement in terms of affordable housing need has increased by 238 units per year. Therefore, the evidence shows that despite the authority believing the affordable housing need will reduce over the plan period, it is actually increasing.

When considering the level of affordable housing need, we believe it is important to highlight that Council are proposing to build 575 dwellings per year over the LDP in total and therefore, it would seem that there is very little scope to account for the additional housing need going forward. In addition to this, if the 2006 household projections prove to be correct, the Council would also be providing fewer homes for the projected population over the LDP period, which would add even further to the level of housing need as the LDP progresses. We believe it is important to point out that this would still be the case even if the Council's proposal to carry out significant changes to the LDP at the first review was accepted, particularly considering the level of need has increased since the first assessment was undertaken.

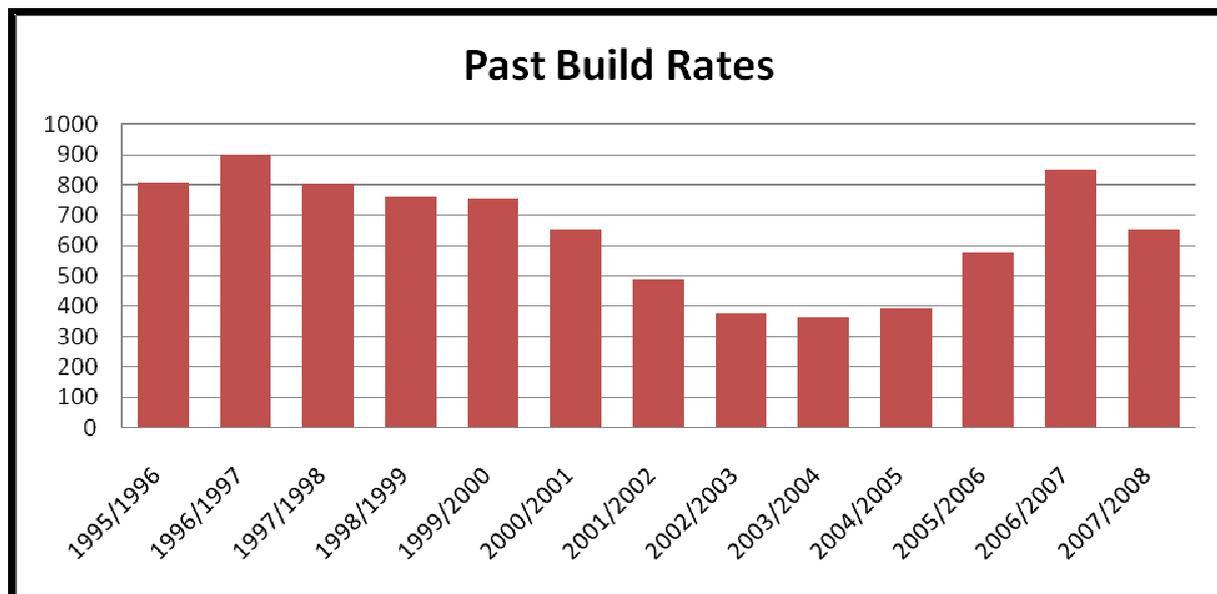
The need to consider affordable housing when deciding whether or not to adopt the WAG 2006 household projections is a clear requirement of National Guidance. Within the clarification letter released by the Welsh Assembly Government on 12th June 2009, paragraph 3 states that *"It is for local planning authorities to consider the appropriateness of the projections for their area, based upon all sources of local evidence, including the need for affordable housing identified by the Local Housing Market Assessment (LHMA)."* (Bold emphasis is from the WAG). As you can see, the WAG believes the need for affordable housing should be a key factor in deciding whether or not to adopt the WAG household projections. However, despite this, we cannot find any evidence within background papers SB32 and ED.13, to explain how the need for affordable housing has been considered along with any decisions made with regard to the 2006 household projections. In light of the rising need for affordable housing in Caerphilly and the requirements of National Guidance, we believe this needs further explanation from the Council.

Housing Delivery and Past Build Rates

The Council states that it can be helpful to look at longer term trends, when assessing the development characteristics of the County Borough. In this context, in terms of making an assessment of the amount of housing that has been delivered within Caerphilly, it is helpful to look at past build rates over the years since the period 1995-1996 to date, which coincides with the start of the steady population increase as described above. Over this period, according to the 2008 JHLAS for Caerphilly, past build rates averaged 650 per year and were consistently above the 650 mark for

all but 4 years out of the 13 years considered. Graph 3 below provides a helpful display of this information.

Graph 3 – Past Build Rates in Caerphilly – Longer Trend



Source:- Caerphilly JHLAS 2008

As you can see from the graph above, past build rates were constantly above the 650 mark up to 2001, but then dipped for 4 years before rising once again to a similar level. In light of this, in terms of delivery, we believe it is entirely plausible for the LDP to include a housebuilding figure akin to the level given within the 2006 household projections (750 per year), as the evidence shows that it is clearly a deliverable housing building figure within the authority.

Land Supply

Inclusion of new sites

Our main point of concern with the land supply is that, as we believe the housing requirement figure will need to be increased, we believe the Council will need to find additional land to accommodate this increase. The additional land should also include a suitable flexibility allowance, which the Council recognises as being essential in order to ensure the LDP is deliverable. It is clear from the current LDP that the Council considers a flexibility allowance of 23% to be appropriate and therefore it seems sensible that this level of flexibility should be taken forward with any new land supply figure included within the LDP.

Evaluation of existing sites

A key question within the matter to be discussed at the examination asks whether or not the sites have been subjected to a robust assessment of availability/deliverability. In this context we cannot find any information within the examination library to state this has been done.

Considering the reliance on brownfield land within the Strategy, particularly the Southern Connections Corridor, we believe the LDP should provide explicit evidence that these sites can come forward and can deliver a range and mix of housing, including affordable housing for the residents of Caerphilly. We are particularly concerned with sites within the SCC, due to the fact that many of them have significant constraints and the Council has additional expectations on these sites to delivery increased affordable housing and other planning obligations (e.g. Code for Sustainable Homes level 3 plus 6 credits, transport requirements etc). As such, without a robust piece of evidence to prove that these sites can yield sufficient land value to absorb the planning obligation requirements and overcome the potential remediation works, whilst also leaving sufficient residual land value to allow the site to be sold for development, we believe it is unclear whether or not the housing allocations would be capable of supporting the strategy and provide sufficient capacity to deliver the necessary amount and type of housing required.

In order to highlight the issue to hand, we believe it is helpful to look at the characteristics of the supply, with particular regard to the brownfield land allocations. In terms of overall supply, nearly a quarter of it (approximately 24%) is made up of brownfield land without planning consent, however within the SCC, this figure rises to 45%. Therefore, nearly half of the land supply within the SCC is made up of brownfield land without planning consent, where many of these sites have significant constraints.

In light of the above, as the SCC is the area of Caerphilly that will be under the most pressure for development, will require major financial input from developers to overcome the various site constraints and will be required to support the highest expectations of the Council in terms of planning obligations requirements, we believe this raises concerns with the land supply in terms of its viability and deliverability. National guidance states that LDPs must be have a clearly deliverable strategy, which is based on sound and robust evidence. However, with regard to the land supply, we do not believe the Council has provided sufficient evidence to state with confidence that it will be capable of delivering the stated amount of housing, particularly within the SCC, given the constraints and additional requirements that will potentially have an effect on the viability of the sites. We believe needs further consideration by the Council.

Windfall sites and small sites allowance

Within Background Paper SB34, there is an allowance for windfall sites of 1599 units and an allowance for small sites of 1100 units over the plan period, making a total of 2699 dwellings. At present, the total land supply in Caerphilly is 10652 dwellings and therefore, this suggests that 25% of the housing supply is proposed to be made up of sites from unknown sources.

In this respect, taking into account the information on land supply without planning permission above, this would suggest that nearly half of the current land supply is made up of brownfield land without planning permission and sites from unknown sources. Therefore, we believe this raises some questions, particularly with regard to certainty, on the availability of viable and deliverable land to accommodate the housing requirement figure and also to support the affordable housing requirements.

In addition to the information above, in terms of small sites, Table 3 within Background Paper SB4, shows a clear reduction in the delivery of small sites over the five year period. Therefore, we believe it is reasonable to suggest that the level of small sites is reducing and might be lower over the next 15 year period.

Empty Properties

It is unclear how the figure for empty properties has been calculated as there is no Empty Property Strategy within the examination library to explain the nature of these properties and how the authority intends to tackle the problem going forward. We believe this requires further explanation from the Council.

Closing remarks

- In light of the above, we do not believe the Council has provided sufficient evidence to justify deviating from the 2006 household projections within the Deposit LDP. We believe the housing requirement within the LDP should be based on 2006-projections as a minimum, however, the Council should be mindful of the requirement for affordable housing and the evidence which indicates that population levels are actually rising more quickly than proposed within the 2006 projections.
- In terms of land supply, we believe the current supply will need to be increased in order to account for the increase required in the dwelling requirement.
- We also believe there are uncertainties within the current land supply, in terms of the viability and deliverability of the sites and their ability to provide a range and choice of housing.
- For the reasons described above, we do not believe it is appropriate to allow the LDP to be adopted based on unsound evidence and allow any changes to be made at the first review in order to rectify the situation.

Thank you for taking the time to consult the HBF at this stage of the process.

Yours sincerely,



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