

## **CAERPHILLY LOCAL DEVELOPMENT PLAN EXAMINATION**

### **HEARING SESSION 2: HOUSING PROVISION**

**Prepared by Boyer Planning on Behalf of R.E Phillips and Partners**

**In respect of Policy SP16 and the Deposit Plan's housing strategy 2049.D28**

#### **Background to submitted Representations**

1. In response to the Deposit LDP, representations were submitted concerning the overall level of housing proposed by Policy SP16 to the effect that the strategic requirement of 8,625 new dwellings between 2006 and 2021 was not the correct level of housing to be provided in the Plan area (representation no 2049.D28). Our representation also demonstrated that the Plan's housing land supply assumptions were not sufficiently robust and would not yield the level of housing required.

2. Central to this submission is the principal tenet of the Welsh Assembly Government's housing objective that everyone in Wales is to have the opportunity to live in good quality, affordable housing, to be able to choose where and how they live<sup>1,2</sup>. This as a policy objective is similarly re-enforced by objectives within the Council's Community Strategy<sup>3</sup> which encourages the housing needs of all to be met, and its Local Housing Strategy<sup>4</sup>, the aim of which is to meet housing requirements through the provision of a range of good quality affordable homes.

3. This objective is rightly incorporated into the Deposit LDP as follows:

Vision Statement - the needs of all the County Borough's residents are [to be] met;

Aims – appropriate housing [is] to be provided; and

Key Objectives – [to realise the Vision and Development Strategy of the Plan, it is to] accommodate sustainable levels of population growth (no1); ensure and adequate and appropriate range of housing sites....to meet all sections of the population (no8).

4. Within this context, Planning Policy Wales defines the factors that local authorities must take into account when determining a Plan's housing requirement<sup>5</sup>. We draw particular attention to the third requirement listed therein, namely the Assembly Government's latest household projections, and the extent to which the housing strategy in the Plan and the level of provision proposed in Policy SP16 is capable of addressing the level of housing that these projections indicate.

5. Since the Deposit LDP was prepared new population and household projections have been published. For the Plan that is to be adopted to be based on a sound strategy and founded on robust and credible evidence base these up to date projections must be taken into account along with other factors to determine whether

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<sup>1</sup> Ministerial Interim Planning Policy Statement 01/2006, para 9.1 [W.34]

<sup>2</sup> Better Homes for People in Wales, A National Strategy for Wales, 2001 [W.7]

<sup>3</sup> Caerphilly Community Strategy [LA.11]

<sup>4</sup> A Housing Strategy for Caerphilly County Borough

<sup>5</sup> Ministerial Interim Planning Policy Statement 01/2006 para 9.2.1[W.34]

the national and local policy objectives listed above are in fact to be met. It is not sufficient for CCBC to cast doubt on their usefulness in favour of earlier assumptions, rather they are required to have demonstrated to the Examination Inspector that they have been properly taken into account and to have outlined options for accommodating the level of housing that flows from them<sup>6</sup>. In our submission ED.13 does not address this satisfactorily, merely seeking to defer consideration of the projections to a Plan Review.

6. Whilst CCBC comment that there exist certain environmental constraints within the County Borough<sup>7</sup> these are not described in terms of an environmental capacity that would prevent a higher level of development being accommodated; rather they are non-statutory policy designations (including Green Wedges, Visually Important Local Landscapes and Special Landscape Areas) which can and should be reviewed alongside consideration of longer term planning and growth requirements as required by national policy and should not unduly restrict acceptable development<sup>8</sup>.

7. In any event, and in respect of the omission sites promoted by our Client, the SEA/SA assessment conducted in relation to them as alternative sites has confirmed that their inclusion within the Plan would not cause harm to the sustainability of the Plan, thus removing the suggestion that there exists an immutable threshold in environmental capacity terms.

8. For these reasons we submit in summary that the housing provision strategy in the Deposit Plan is contrary to the following tests of soundness:

- C2 in that it is not sufficiently robust or flexible to ensure compliance with national policy as set out in Planning Policy Wales;
- CE1 in that it does not flow logically from the proposed spatial strategy of the plan;
- CE2 in that it is not realistic and appropriate having considered the alternative high growth scenario earlier in the plan making process and is not founded on a robust and credible base in terms of population and household projections; and
- CE4 in that it does not provide a reasonable level of flexibility to allow the plan to deal with higher population and household projections.

9. We comment further on these matters in response to the Hearing Session questions below.

### **Is the moderate growth strategy sound?**

10. The Preferred Strategy prepared in April 2007 proposed a high growth strategy to support a population increase to approximately 180,000 from the 2006 base of 171,300 and a new dwelling requirement of 9,500 between 2006 and 2021<sup>9</sup>.

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<sup>6</sup> Letter from WAG Chief Planner to all Chief Planning Officers in Wales, 11<sup>th</sup> July 2009 (para 4)

<sup>7</sup> Population and Housing Background Paper no 6: September 2009, Section 5.5 [SB.31]

<sup>8</sup> Planning Policy Wales (Paras 2.6.13 and 5.3.11 refer) [W.47]

<sup>9</sup> LDP Preferred Strategy April 2007 – Policy SP6, page 39 [SB.7]

11. In contrast the Deposit Plan departed from this to propose a level of housing of 8,625, allowing a population increase to 177,500 by 2021<sup>10</sup>. The actual level of population change over the plan period is therefore in the order of 6,200 persons between 2006 and 2021<sup>11</sup>.

12. As demonstrated below, on the basis of up to date evidence of projected population and household growth the moderate growth strategy is not the most appropriate.

13. **Population Growth:** The 2006-based population projections published in June 2008 at the time when the Deposit LDP was being finalised indicate a population change figure of 9,400 between 2006 and 2021 increasing the overall level of population in the County Borough to 180,700 persons<sup>12</sup>. These projections do not appear to have been available to the Local Authority when it agreed the Deposit LDP<sup>13</sup> but irrespective of this they are the most up to date projection of population growth and we drew attention to them in our original representations. The table below confirms that the level of population change in these latest projections is above that allowed for by the Deposit LDP and is more closely aligned with the High Growth Strategy.

	Population 2006	Population 2021	Population change 2006-2021
Moderate Growth Strategy/Deposit LDP	171,300	177,500	6,200
High Growth Strategy/Preferred Strategy	171,300	181,000	9,700
2006 based population projection, WAG	171,300	180,700	9,400

14. In effect the Deposit Plan allows for only some 65% of the projected population increase to be accommodated. The Local Authority suggest that the 2006 based projections are significantly above previous population estimates that have indicated a stable population in the County Borough<sup>14</sup> and cite a number of unexpected features<sup>15</sup>. The fact that CCBC believe there to be unexpected features is not a good reason to maintain a level of housing that is so dramatically adrift from this up to date evidence. Indeed, the provisional ONS Revised Mid Year Estimates<sup>16</sup> indicate that population growth in Caerphilly is marginally above the projection figure

<sup>10</sup> Population and Housing Background Paper no 6: September 2009, Section 4.4/4.5

<sup>11</sup> Population and Housing Background Paper no 6: September 2009, Para 4.4.12 and Table 4.3

<sup>12</sup> Local Authority Population Projections for Wales (2006 based), page 155 [W.100]

<sup>13</sup> Population and Housing Background Paper no 6: October 2009, Para 4.5.15

<sup>14</sup> Population and Housing Background Paper no 6: Supplementary Paper 1 September 2009, Para 3.1 / Population and Housing Background Paper no 6: October 2008, Para 4.5.4

<sup>15</sup> Population and Housing Background Paper no 6: Supplementary Paper 1 September 2009, Paras 3.4

– 3.5

<sup>16</sup> [www.ons.gov.uk](http://www.ons.gov.uk)

for this year (172,600 persons compared with 172,500 persons). On this basis the moderate growth scenario which deviates significantly from these projections cannot be justified.

15. **Household Growth:** As regards household change, again the moderate growth strategy cannot be justified in the context of up to date household projections.

16. The level of household change projected by the 2006-based Household Projections for Wales<sup>17</sup> equates to 11,300 additional households – increasing from 72,500 in 2006 to 83,800 in 2021. Conversely, the number of households that the Deposit LDP allows to be accommodated would be in the order of 7,500<sup>18</sup>, again allowing for some 65% of newly forming households to be accommodated.

17. Based on the dwelling to household ratio that existed at 2006 of 1.014, and assuming that this remains constant over the period to 2021, the number of houses required to accommodate this level of household change would be 11,473 dwellings.

Area	Households at 2006	Dwellings at 2006	2006 Dwg/HH ratio	2021 Projected no of household	2021 Dwg/HH ratio	Dwelling Change 2006 to 2021
Caerphilly	72500	73500	1.014	83,800	84,973	11,473

18. The inter-relationship between the projected population growth and household change is married together by the assumptions regarding average household size. Within the Household Projections, the average household size in Caerphilly is projected to fall from 2.35 in 2006 to 2.14 in 2021, consistent with the decline in average household size across Wales. It is noted from ED.13 Appendix 2, that the moderate growth rate would constrain the average household size to 2.20 by 2021.

19. Taken together this up to date evidence confirms that the moderate growth strategy cannot be justified as the basis for the adopted Plan. Alternatively this justifies the high growth strategy and its population change being the appropriate basis for the LDP on account of its consistency with the latest projections.

20. **Interactions with neighbouring authorities:** The table overleaf provides the current housing proposals for authorities within South East Wales, covering variously Preferred Strategies and Deposit Plans.

<sup>17</sup> Local Authority Household Projections for Wales (2006 based) [W.101]

<sup>18</sup> ED.13 Appendix 4

	2006 based population projections		Change 2006-2021	Housing Proposals 2006-2021
	2006	2021		
Caerphilly	72.5	83.8	11.3	8.6
Blaenau Gwent	30.5	34.5	4	3.0
Rhondda Cynon Taf	97.9	111.6	13.7	14.8
Merthyr Tydfil	23.6	25.6	2	3.9
Cardiff	130.7	157.9	27.2	27.4
Monmouthshire	37.5	45.1	7.6	5.2
Vale of Glamorgan *	51.8	62.8	11	7.5
Torfaen	38.6	42.4	3.8	6.6
Newport **	59.2	68.6	9.4	9.6
Total Housing	542.3	632.3	90.0	86.6

\* extrapolated from requirement of 7500 over 15 year period 2011-2026

\*\* extrapolated from requirement for 640 dwellings per annum between 2011-2026

21. This demonstrates that in comparison with the level of household change between 2006 and 2021 of 90,000, the collective housing proposals fall short of being able to accommodate this. It should be noted that the actual difference between household growth and dwellings proposed is greater than the 3,400 indicated by the table on account of the need to apply the household to dwelling ratio and also adjustments to take account of vacancy, demolitions and second homes.

22. In any event, this demonstrates that the under provision that exists in the Deposit LDP relative to the 2006 based household projections is not being compensated for by neighbouring authorities or within the sub-region.

### **Is the overall level of provision for new housing over the plan period acceptable?**

23. The level of housing provided for by the Deposit LDP is not acceptable in the context of the preceding section. There is in our submission a clear evidence base that would support a higher level of housing under Policy SP16 for the Plan area. This is confirmed in ED.13 which indicates a level of housing in the order to 12,400 would be required on account of the up to date evidence base.

24. If the Plan does not provide an adequate level of housing provision this would have harmful social effects; contrary to national planning policy and the Plan's own objectives.

25. It is the Assembly Government's objective to tackle social exclusion and to reverse social inequalities. This is shared by the Caerphilly Community Strategy. Access to decent housing is at the heart of social inclusion. Underprovision of housing through the planning system will undermine this with the greatest impact will fall upon low income households and young people looking to become active in the housing market. Ultimately, underprovision leads to incidences of overcrowding and concealed households and poor quality housing; to the detriment of social progress and inclusion.

26. As it is not the case that this under provision is being compensated for elsewhere in the Housing Market Area – or indeed elsewhere in the sub-region – there exists no prospect of the need and demand as evidenced by the latest household projections being satisfied. Rather it will be suppressed, contrary to the vision for the County Borough where all the population's needs are to be met by an appropriate level of housing. Not providing sufficient housing will:

- fail to meet existing housing need; and
- give rise to incidences where people who could otherwise access housing would fall into housing need.

27. In overall terms, there will be insufficient open market housing and a worsening of the need for affordable housing. Where the level of housing proposed is already below that indicated to represent the shortfall of affordable housing required in the Plan area<sup>19</sup> this cannot be a sustainable or sound proposition.

28. It is imperative that the Plan adopts a robust approach to housing provision so as to avoid the harmful effects that will occur under the present approach.

29. CCBC advance an argument that its land supply is sufficiently robust to accommodate a higher level of housing<sup>20</sup>. The level of housing supply which the Deposit Plan identifies appears after the *Further Focused Changes* to amount to 10,652 additional dwellings on a 1<sup>st</sup> April 2009 base date<sup>21</sup>. We do not agree that this land supply is capable of achieving satisfactorily this higher level of housing as suggested for the following reasons.

30. In the first instance this level of supply is below the amount of housing implied by the latest projections and indicated by CCBC to be approximately 12,400 additional dwellings over the Plan period. Accordingly, in our submission the Deposit Plan fails to demonstrate that it is sufficiently capable of meeting the housing requirement derived from a credible evidence base. The alternative, which we advocate, is for the Plan to adopt this higher level of housing at this stage as a strategic requirement so as to be more resilient – it is more effective for the Plan to respond to changing circumstances and a lower demand for housing in the event of the projections not being realised through monitoring, and thereafter managing an identified supply of housing land, than to have to increase provision and identify additional sites through a review process.

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<sup>19</sup> Caerphilly County Borough LHMA Update 2008

<sup>20</sup> ED13, para 6.2

<sup>21</sup> ED13, Appendix 4

31. Secondly, the housing land supply assumptions contain a great deal of uncertainty and we comment upon this in the following paragraphs.

32. **Windfall Sites:** The Council's windfall allowance – which equates to 807 dwellings over the 15 year period - pays no regard to the fact that windfall opportunities are by definition finite and that available opportunities will diminish over the plan period.

33. The average drawn from the five year period in Table 5.1 of the Background Paper is influenced disproportionately by the number of completions in 2006. Were this year excluded, the average rate of windfall development would be 36 dwellings per annum rather than the 54 underpinning the supply estimates.

34. Accordingly we suggest a lower windfall allowance of 540 dwellings be incorporated into the land supply calculation as set out in our original representations.

35. **Allowance for small sites:** For similar reasons the capacity of small sites is finite, particularly as development opportunities within established settlement boundaries diminish. It is evident from the JHLAS that the long term average between 1990/91 and 2008/2009 is 75 dwellings per annum and not the 100 dwellings per annum that the plan assumes. We proposed that this figure be incorporated into the land supply calculation.

36. **Empty Properties:** The dwelling requirement equates to additional dwellings to the existing housing stock. To rely upon reductions in vacancy in effects double counts this element of the existing housing stock.

37. It is inevitable that, at any one time, a proportion of the housing stock will be vacant and will therefore not make a contribution to meeting housing needs. To a large extent vacancy is a natural consequence of transactions within the housing market and the process of renewal, conversion or redevelopment. Such vacancies comprise of *transactional vacancies* which is regarded as necessary for mobility in the housing market and long term *problematic vacancy* which refers to property that is in a poor condition where vacancy is likely to be prolonged<sup>22</sup>.

38. On this basis we do not see how the LDP is able to rely upon a reduction in vacant private sector property as it has no policy influence over this and such incidences will continue to exist at any one time. Therefore, the extent to which the LDP can influence or moreover rely upon an assumption that vacant premises will be brought back into use is highly questionable and in any event they are represented already within the size of the existing dwelling stock.

39. Accordingly, in our judgment, the Plan should not assume that 180 additional dwellings will be provided by this source.

40. **Conversions:** For these reasons given in our original representations we consider the conversion allowance of 263 dwellings should be treated as a maximum level of housing from this source.

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<sup>22</sup> DOE (2006) Vacant Dwellings in the Private Sector

41. In Appendix 1 we have included a revised housing land supply estimate derived from the revised 2009 base date.

42. **Monitoring and Review:** CCBC's approach to plan making is to monitor population and household growth to determine whether the latest projections are correct – akin to a *wait and see* approach to planning. This conflicts with sound planning and we reject this approach as a basis for the LDP. In the alternative we propose the credible approach is to Plan on the basis of the up to date evidence which support a higher housing requirement – approximately 12,400 additional dwellings - and to monitor and manage supply thereafter in response to circumstances that develop over the plan period.

43. In any event, none of the monitoring indicators identified in Appendices 17, 18 or 19 of the Deposit LDP would allow CCBC to monitor and assess whether its assumptions regarding population and household growth actually transpire to be less than the latest up to date evidence. Rather it will have to await the next set of projections in order to assess how matters have progressed in the meantime. This represents short term incremental planning rather than long term strategic planning as required by the LDP with harmful effects having been brought to bear in the meantime.

44. For these reasons we underscore the need for a robust and sound Plan to be adopted at the outset.

**Is the balance of reliance on brownfield land versus greenfield sites acceptable?**

45. The principal driver in the Plan's housing strategy should be the achievement of a robust and sound level of housing. The strategy should not be driven solely by the desire to achieve the highest possible proportion of development on previously developed land and so limit the overall level of housing and resist suitable, achievable and deliverable greenfield opportunities.

46. In the circumstance described in these representations where the housing requirement should be increased, the fact that this will lead to increased greenfield allocations should not be seen as a negative factor, rather they are legitimate proposals required to achieve the policy objective of meeting the housing needs of the whole population.

**OJ/06.805**  
**26<sup>th</sup> March 2010**



## APPENDIX 1: REVISED HOUSING CALCULATION

	Total no. of units	
	CCBC	Boyer Planning
Completed 1 <sup>st</sup> April 2006 – 1 <sup>st</sup> April 2007	852	852
Units under construction 1 <sup>st</sup> April 2007	332	332
Allowance for windfall sites 2007-2021	800	540
Allowance for small sites 2007-2021	1400	1050
Empty properties brought back into use	180	nil
Allowance for conversions	263	263
Allowance for demolitions	-231	-231
Committed sites allocated in the Plan / New Sites allocated in the Plan	7056	6351*
Total number of units	10,652	9157
Housing Requirement	8625	12400
Capacity of housing land	10403	9157
Excess of capacity over requirement	1778	-3243
Allowance for choice and flexibility %	20.6	-26.2

Includes non-implementation allowance of 10% as per deposit Plan representations.