



**REPORT OF COUNCIL MEETING  
15<sup>th</sup> SEPTEMBER 2009**

**CAERPHILLY COUNTY BOROUGH  
DEPOSIT LOCAL DEVELOPMENT PLAN  
UP TO 2021:**

**COUNCIL CONSIDERATION  
OF REPRESENTATIONS**

**Executive Summary  
Part 1: Key Issues Population & Housing**

**Volume 1 of 6**

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# **EXECUTIVE SUMMARY**



## **EXECUTIVE SUMMARY**

### **INTRODUCTION**

In September 2008 the Council approved the Caerphilly County Borough Deposit Local Development Plan as a basis for the statutory six-week public consultation exercise commencing on the 15<sup>th</sup> October 2008. A further consultation exercise in respect of the Alternative Sites submitted by interested persons and organisations during the Deposit Period was undertaken for a further six-week period commencing on the 28<sup>th</sup> January 2009.

Altogether 1758 duly made representations were received to the Deposit LDP along with 35 representations on the SEA/SA and 531 duly made representations were received at the Alternative Sites Stage.

Consideration must be given to all representations 'duly made' in accordance with the Local Development Plan (LDP) Regulations. In advance of submission of the LDP to the Planning Inspectorate for Examination, the Local Planning Authority must agree any changes it wishes to recommend to the Inspector

### **Council Report 15<sup>th</sup> September 2009**

The Report identifies the issues raised in the consultation process, outlines all the representations made, and provides the response to each. Importantly the report makes recommendations to the Planning Inspector on each issue, together with a reason for that recommendation.

### **OUTCOMES**

The key changes that officers are recommending should be made to the plan as a result of the consultation are listed below for ease of reference.

#### **Revised Affordable Housing Targets:**

As a result of objections to the plan, a viability study has been undertaken to ascertain whether or not the levels of affordable housing proposed in the plan are viable in terms of delivery. As a result of this work the Affordable Housing Target in Strategy Policy SP17 will need to be amended, together with the targets for negotiation for affordable housing contained in Policy CW14.

These are the most significant changes proposed for the plan, and need to be made in order to satisfy the WAG that the Plan is Sound.

#### **Proposed New Policy – Water Protection**

Representations on the plan have identified that there is a legislative requirement to protect the quality of the water environment, which is not adequately covered in national planning guidance. The plan makes reference to the management, protection and enhancement of the water environment, but no specific policy has been included. It is recommended that a new policy on protection of the water environment be included in the Countywide Policies section.

**Minerals:**

In order to fully comply with national minerals guidance the Proposals Map will need to be amended to show:

- Safeguarding areas for all minerals up to settlement boundaries
- Safeguarding areas for limestone and sandstone

**Site Allocations**

The following allocations are recommended for deletion from the plan by officers:

**Housing**

HG1.14 Land fronting South View Terrace, Phillipstown

HG1.25 Navigation Colliery, Crumlin

HG1.57 - Brooklands Road, Pontymister

**Community Facilities**

CF1.38 - Brooklands, Pontymister as an Adult Education Centre

**Leisure**

LE5.7 - Rear of Pencoed Avenue, Cefn Fforest as an area of protection for informal open space

**Employment**

EM1.7 South Extension, Penyfan

In addition the LDP Focus Group recommends the deletion/inclusion of the sites indicated below, contrary to officer recommendations:

**Housing**

HG1.68 – St Ilans Comprehensive, Caerphilly - delete as a housing site

**Leisure**

D61 – Land off Penallta Road – Allocate for leisure use – allotments

**Transport**

Include a requirement in the plan to undertake an economic feasibility study into the proposed passenger rail link from Trehir to the main line at Newport.

**NATIONAL GUIDANCE**

The following policies have been amended as a result of changes in legislation and guidance since the publication of the Deposit LDP:

**CW1 - Sustainable Buildings.**

This policy has been removed as a result of the publication of *MIPPS 01/2009*, as this policy now directly repeats what is contained within national policy and guidance.

**CW4 / CW5 - General Design Considerations**

This is now a legislative requirement, and guidance on Design and Access Statements has been published. The current policy repeats national policy, and therefore, it should be deleted from the LDP.

**MINOR CHANGES**

In addition to the aforementioned, a number of minor changes and conformity changes have been recommended. These changes are not substantive, but serve to improve the clarity of the plan and to rectify minor drafting errors.

**IMPLICATIONS**

It is important to note that in fact none of the proposed changes to the Plan are substantive, but they will ensure that the plan continues to be sound.



# **KEY ISSUES PAPER: POPULATION AND HOUSING**



## Key Issues Paper – Population & Housing

### Introduction

One of the main functions of the LDP is to ensure that there is sufficient land available in the County Borough to provide for all of the services required by residents. These requirements depend on the number of residents so the future population level for which provision has to be made is a key element of the plan. The total number of households for which provision should be made to meet the future population levels requires land to be allocated for housing. Indeed, housing is one of the most significant land-uses that has to be allocated in the LDP. Policies are set out within the LDP to achieve this, namely Policy SP16, which sets out the total housing requirement for the plan period, and Policy HG1, which allocates land for housing.

The importance of delivering mixed tenure communities is a key feature of the national planning guidance that informed the policies of the LDP. The evidence base indicates that there is a significant shortfall in ‘affordable housing’ and the LDP has an important role in setting out the planning policy framework that can be utilised to contribute to the delivery of affordable housing in order to address housing needs. An overall target for the delivery of affordable dwellings is included within Policy SP17, and this is supported by Policy CW14, which sets out a threshold and area specific targets that will be implemented to allow affordable housing to be delivered through the planning system.

This Population and Housing Key Issues Paper together with a series of 5 Supplementary Papers to *Background Paper 6: Population and Housing* seek to address the issues raised in respect of these housing policies.

### Supplementary Papers to Background Paper 6

- BP6 Supplementary Paper 1: WAG 2006 Based Population & Household Projections
- BP6 Supplementary Paper 2: Housing Site Categorisation Exercise
- BP6 Supplementary Paper 3: Housing Land Supply
- BP6 Supplementary Paper 4: Affordable Housing Viability Assessment
- BP6 Supplementary Paper 5: Affordable Housing Targets

### Acronyms used in the report

- HBF Home Builders Federation
- HOVRA Heads of the Valley Regeneration Area
- LDP Local Development Plan
- LHMA Local Housing Market Assessment
- MIPPS Ministerial Interim Planning Policy Statement
- NCC Northern Connections Corridor
- SA Sustainability Appraisal
- SCC Southern Connections Corridor
- SEA Strategic Environmental Appraisal
- SEWSPG South East Wales Strategic Planning Group
- TAN Technical Advice Note
- WAG Welsh Assembly Government

## **SUMMARY OF REPRESENTATIONS**

### **Policy SP16 Total Housing Requirement**

The total housing requirement for which the plan makes provision has been a major source of comment from a range of Representors. In total, 47 representations have been received in relation to Policy SP16, which sets out that the plan has made provision for the development of 8,625 new dwellings. Of the representations received, 23 were in support for the level of growth identified, with 24 representations objecting to the total housing requirement figure identified.

The reasons for objecting to the level of growth were varied, but the primary concern was that the level of growth was too low, having regard to the South East Wales Strategic Planning Group (SEWSPG) apportionment exercise, where Caerphilly was apportioned 9,750 dwellings to be delivered during the plan period.

Furthermore, there were concerns that the 2006-based population projections produced by the Welsh Assembly Government (WAG) indicated that the increase in population in Caerphilly was greater than the LDP makes provision for. This issue is discussed in detail within **Supplementary Paper 1** entitled **WAG 2006-Based Population and Household Projections**, the key arguments of which are summarised within this key issues paper.

A number of other arguments have also been raised in respect of Policy SP16, namely:

- The flexibility assumptions used in the LDP;
- The impact of current market conditions on the total housing requirements;
- The findings of Local Housing Market Assessment (LHMA); and
- The wording of Policy SP16 Total Housing Requirement.

### **Policy HG1 Allocated Housing Sites**

Objections have also been received with regards to Policy HG1, which allocates land for housing. This Key Issues Paper deals only with the broad allocations that comprise policy HG1, such as the distribution and type of allocation in the LDP. Representations on the site-specific allocations that have been made under policy HG1 have been addressed separately.

For the purposes of considering similar issues together, these representations have been categorised as follows:

- The assumptions made in the calculation of housing land supply, especially in relation to windfall and small sites, empty properties and conversions.
- The balance between population, housing and employment land;
- Ecological considerations on housing sites;
- The environmental capacity of the Caerphilly Basin;
- Greenfield/Brownfield status of land and the proportion of each type of land allocated;
- Distribution of sites across strategy areas;
- Flexibility Assumptions;
- Assumptions on sites with planning consent; and

- Housing densities.

Furthermore, a significant concern has been raised particularly on the issue of the delivery of housing sites within the plan. To illustrate that all sites within the LDP are deliverable, a meeting categorising when housing sites were anticipated to come forward within the plan period was held between key stakeholders including the local authority, the Home Builders Federation (HBF) and WAG, the detailed findings of which are included within a **Supplementary Paper 2** entitled **Housing Site Categorisation Exercise**.

To further demonstrate that the housing land can be delivered, an additional **Supplementary Paper 3** entitled **Housing Land Supply** has been prepared to provide an update on the current status of housing allocations and housing completions since the base date of 1<sup>st</sup> April 2007, which was the most recent completed JHLAS at the time of plan preparation.

### **Policy SP17 Affordable Housing Target and CW14 Affordable Housing Planning Obligation**

Overall, the policies seeking to deliver affordable housing provision have been subject to a number of representations. There is merit in considering the representations on Policies SP17 and CW14 together, as the affordable housing target contained in Policy SP17 is based on a calculation derived from the number of dwellings that the implementation of Policy CW14 would generate.

One of the main issues relating to the affordable housing policies was that the viability of delivering these targets has not been demonstrated. A **Supplementary Paper 4** entitled **Affordable Housing Viability Assessment** has been prepared to examine the viability of the targets and thresholds. The key findings of this assessment have been incorporated within the responses within this Key Issues Paper.

More specifically in relation to SP17, a representation has been received from WAG concerning the fact that the affordable housing target (91 units per annum) within the plan does not meet the level of need identified within the Local Housing Market Assessment (516 units per annum). Whilst the LDP target only represents what the planning system can realistically achieve, other mechanisms for delivering affordable housing are set out within a **Supplementary Paper 5** entitled **Affordable Housing Targets**.

Other issues raised in relation to Policy SP17 relate to concerns that the target is too high and how the shortfall in meeting the target would be addressed. There were also concerns on the wording of the policy itself.

With regards to Policy CW14, in addition to viability, objections have been made in respect of the target for affordable housing in each of the strategy areas (40% in the Southern and NCC and 25% in the Heads of the Valleys Regeneration Area). These objections relate to whether these targets are too high or too low, or whether the target should differ within specific settlements. Furthermore, concerns have been raised in respect of the evidence used to justify the affordable housing thresholds.

Other concerns have also been raised about the impact of economic conditions on overall housing delivery and specifically whether the conclusions of the LHMA, which forms part of the evidence base for affordable housing, are still valid.

**Policy Omission**

A representation has also been received in response to the need for a new policy on Rural Exceptions Affordable Housing.

## Part 1: Key Issues Paper – Population & Housing Policy SP16 Total Housing Requirements

### SEWSPG Apportionment

1492.D11	Homebuilders Federation	Object
2068.D1	Homebuilders Federation	Object
2459.D1	Mr D Lewis	Object
4142.D6	Emporium Consultants	Object
4144.D1	The Bird Group of Companies	Object
4146.D1	Urban Train Ltd	Object
4208.D1	Roger Tym and Partners	Object

### Policy Issues

- The SEWSPG apportionment exercise is not based on a robust evidence base.
- There is no mechanism in place to ensure that the apportionment shortfall in Caerphilly is taken account of elsewhere.
- The SEWSPG figure should not be used, as it has not been subject to public scrutiny.
- The SEWSPG figure is flawed as it is derived from an untested initial need calculation.
- The SEWSPG figure apportionment exercise takes insufficient account of out-migration and commuting rates.

### SUMMARY OF REPRESENTATIONS

The representations referring to the SEWSPG apportionment exercise are concerned with the perceived inadequacies in the methodology used in the SEWSPG apportionment figure, which has informed the household requirement figure as set out in Policy SP16. The reasons for these concerns were as follows:

#### Apportionment Exercise not based on a robust evidence base

The present Caerphilly housing allocation accepts the SEWSPG Regional Household Apportionment figure to inform planned house building. The apportionment is not based on a robust evidence base and it is considered that dwelling allocations should not rely on the apportionment numbers.

According to the Apportionment Memorandum housing building allocations by district were derived through a negotiation process among district representatives and not based on any population forecast by district, broad economic or environmental strategy, nor is it supported by any specifically referenced evidence base. It is believed that it is based on previous house-building rates, current land availability and the aspirations of individual authorities.

#### Implementation and Monitoring

It is considered that there is no clear mechanism for the implementation and monitoring of the apportionment of housing in South East Wales. Each district was apportioned a target number of dwellings for construction but there is no mechanism to ensure that each of the districts actually delivers the housing as apportioned.

### **Public Scrutiny**

The housing need calculation for South-East Wales has not been the subject of public scrutiny and therefore it cannot and should not be relied upon.

### **Untested hypothesis, calculations and findings**

The basis of the housing provision within the LDP and Policy SP16 in particular, is considered to be flawed, as it is based on untested hypotheses, calculations and findings.

### **Out Migration and Commuting**

The apportionment exercise continues to provide too few dwellings in Cardiff so that residents who would otherwise work and live in Cardiff are instead accommodated in surrounding district. There is no document or strategy recognising this sprawl out of Cardiff as desirable. In fact, there are negative consequences of such levels of out-migration due to increased energy consumption through the use of more transportation.

According to the 2001 Census, more than 10,300 Caerphilly residents commuted to Cardiff. Between 2001 and 2006, Cardiff accounted for 67% of jobs growth and it is forecast that 60% of post-2006 growth will be in Cardiff. The Caerphilly strategy will not break these jobs growth trends, and commuting between Caerphilly and Cardiff is likely to increase.

### **COMPLIANCE WITH THE LDP**

Collectively the respondents identified that the Deposit Plan failed to adhere to Tests of Soundness **CE2**, **CE1**, **CE2**, **CE3** and **CE4**. The main justification for the responses with regards to the Tests of Soundness is that the concerns were raised that the SEWSPG apportionment exercise was not based on a robust evidence base (CE2) and that there is no mechanism for monitoring it (CE3).

### **DESIRED CHANGES TO THE DEPOSIT LDP**

1. Policy SP16 should be amended to increase the total housing requirement to 9,750.
2. Policy SP16 should be amended to accommodate a higher growth scenario that makes provision for 11,797 dwellings
3. The overall housing requirement be reviewed so that it clearly relates to a credible evidence base, rather than being based on the SEWSPG apportionment.

### **Planning History**

None of the Representors that made representations on the scale of housing growth at Deposit stage had previously made comments on this issue at Preferred Strategy stage.

## COUNCIL ANALYSIS

### Policy Context

Paragraph 9.2.2 of the Ministerial Interim Planning Policy Statement 01/2006 Housing (MIPPS) states “*Within each region local planning authorities should work together collaboratively, and with appropriate stakeholders (for example House Builders and Utility Companies) as necessary, to apportion to each authority the Assembly Government household projections, or agree their own regional policy-based projections.*”

In response to this guidance, the 10 local planning authorities comprising SEWSPG, have undertaken significant work to apportion the household projections to local authorities. A Memorandum of Understanding for the South East Wales Regional Apportionment Exercise has been produced which confirms agreement to the apportionment on a local authority basis, not as a target but as a working hypothesis to provide a regional context for the preparation of LDPs.

Whilst the apportionment exercise has clearly informed considerations on the housing requirement figure contained in the Caerphilly County Borough Deposit Local Development Plan (LDP), it is important to note that the figure derived from the exercise is not a target that has to be achieved. Paragraph 9.2.2 of the MIPPS clearly indicates that local authorities can deviate from the Assembly Government projections where the reasons can be justified. In light of this, it is considered that a moderate growth scenario is more realistic than the high growth figure proposed in Caerphilly for reasons fully explained in Background Paper 6 Population and Housing October 2008, although the over-allocation of land in the plan has ensured that sufficient land is available to meet the SEWSPG apportionment figure.

Given this context, it is recognised that it is not the role of the local authority to justify what is essentially regional work as this falls beyond the remit of the LDP. However, given that the work has informed Caerphilly’s own figures, some justification is given for the criticisms directed towards the apportionment exercise.

### Apportionment Exercise not based on a robust evidence base

There is concern that the apportionment exercise that informs the LDP housing requirement figure is not founded on a robust evidence base. In response to this, it should be noted that there was no standard methodology on how to apportion the household projections per local authority and the approach undertaken in South East Wales was considered most appropriate given the evidence and resources available at the time.

A large number of stakeholders were involved in the apportionment exercise including organisations such as the Welsh Assembly Government, the South East Wales Transport Alliance (SEWTA), the South East Wales Regional Housing Forum (SEWRHF), the South East Wales Economic Forum (SEWEF), the Home Builders Federation (HBF), utility providers and the Business Panel. This ensured that the apportionment exercise took account of the views of all key bodies through the process.

It is recognised that the apportionment exercise primarily took into account factors such as previous house-building rates, land availability and the aspirations of individual authorities. Whilst it was prepared in the context of the Wales Spatial Plan, it could not take into account other economic or environmental strategies where such regional strategies were not in place. Furthermore, it was considered that these factors would be more appropriate to be considered at the local authority level in order to respond to local circumstances and strategies including consideration through the Sustainability Appraisal and Strategic Environmental Assessment (SA/SEA) process. This work has been undertaken at the Caerphilly county borough level as part of the justification of the population and housing figures within the Population and Housing Background Paper (6).

There are also concerns that the apportionment exercise is not based on any population forecast by district. However, the whole purpose of the apportionment exercise was to respond to the fact that no acceptable population or household projections existed at the local authority level at the time. The apportionment exercise could not therefore have taken this into account.

### **Implementation and Monitoring**

Concerns have been raised regarding the implementation and monitoring of the SEWSPG apportionment figure and mechanisms to ensure that the target figure is delivered. The SEWSPG Memorandum of Understanding states that compliance with the regional apportionment will be monitored by SEWSPG and significant variations considered by the Group.

However, a key point to note is that any regional monitoring of this figure is not a matter for the LDP, which has its own monitoring and implementation procedure in place. As part of the LDP monitoring process the local authority will continue to adhere to Technical Advice Note 1 through the preparation of Joint Housing Land Availability Studies which will monitor annual house-building rates and ensure that a 5 year supply of land is available for development.

### **Public Scrutiny**

Concerns have been raised that the apportionment exercise was not subject to consultation. Whilst no formal consultation was undertaken on the Apportionment Exercise itself, key stakeholders were involved in its preparation. Furthermore, it is recognised in the Memorandum of Understanding that the LDP itself is prepared through engagement of a broad range of stakeholders.

Indeed, consultation at the local authority level has occurred on the scale of housing growth to be accommodated within the LDP through the public consultation in respect of the Preferred Strategy, which identified a range of possible future housing growth in the County Borough of between 7,500 and 9,750 new dwellings over the Plan period for which the Plan should make provision. This consultation, in addition to the statutory six-week deposit consultation exercise, has given interested parties sufficient opportunity to voice their opinions regarding the scale of growth at the local level.

### **Untested hypothesis, calculations and findings**

Whilst insufficient explanation is given to justify what is meant by the criticism that the plan is based on an untested hypothesis, calculations and findings, it is considered that these criticisms relate to the methodology. The point has already been made that in the absence of any formal methodology, the approach to apportioning housing figures has been undertaken in South East Wales in the most appropriate manner using the sub-national household projections as a basis.

It is recognised that, as this is the first time such an approach has been employed at sub regional level, the calculations are untested. However, the Memorandum of Understanding identifies that the apportionment exercise is a working hypothesis and will be considered further through the LDP process. At the local authority level, Background Paper 6 fully justifies the assumptions underpinning the housing requirement figures contained within the LDP.

### **Out-commuting and Migration**

A further criticism directed towards the apportionment exercise is that it continues to provide too few dwellings in Cardiff leading to further out-migration and commuting levels, which are not based on any kind of strategy. The apportionment exercise was undertaken under the auspices of the Wales Spatial Plan and the consequential apportionment to each of the local authority areas reflects the sub regional role of South East Wales as the networked city region. Whilst it is conceded that the apportionment exercise was completed in advance of the publication of the Regional Transport Plan, SEWTA were involved in the apportionment exercise with regards to the impact of the apportionment on commuting rates.

The representation, however, is particularly concerned with the apportionment for Cardiff and it is therefore not a matter that is appropriate for the Caerphilly LDP to address.

### **Compliance with the LDP**

Respondents consider that Deposit Plan does not adhere to tests of soundness C2, CE1, CE2, CE3 and CE4. In response to this, it is argued that the housing requirement figure does comply with the tests:

**C2** – No justification has been provided to explain why the respondent considers that the plan does not adhere to this test. The housing requirement figure has been prepared in accordance with national policy in line the Housing MIPPS and therefore complies with test of soundness C2.

**CE1** – No justification has been provided to explain why the respondent considers that the plan does not adhere to this test. The plan is based on a coherent strategy and, through regional working through SEWSPG, is compatible with the Wales Spatial Plan and with plans and strategies prepared by neighbouring authorities.

**CE2** – It is considered that the housing requirement figure in the plan is based on a robust evidence base taking into account not only the SEWSPG apportionment exercise, but also other local considerations. As there was no standard methodology on how to apportion the household projections per

local authority, the method undertaken, which involved a wide range of stakeholders was deemed the most appropriate and credible.

**CE3** – Monitoring of compliance with the apportionment figure will be undertaken by the SEWSPG as set out in the Memorandum of Understanding.

**CE4** - No justification has been provided to explain why the respondent considers that the plan does not adhere to this test. The SEWSPG figure is not a target but rather a figure to inform housing requirements, local authorities have a considerable degree of flexibility to respond to changing circumstances.

The total housing requirement figure in the Deposit LDP has been considered through the SA/SEA process and no substantive evidence has been submitted to challenge the findings of this.

### **CONCLUSION**

The SEWSPG apportionment exercise has informed the housing requirement figure in Policy SP16 of the Deposit LDP and therefore, whilst it was prepared regionally, it is considered appropriate to consider representations made to the exercise.

In the absence of any standard methodology, the apportionment exercise has been undertaken in a coherent manner involving the key stakeholders, with ongoing monitoring of its implementation at the local level proposed. The exercise was appropriate to inform housing requirements on a local level, in tandem with other trends based projections. Insufficient evidence has been submitted to justify that a higher housing requirement figure should be included within the plan.

### **OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representations.**

### **Reason for Recommendation**

The desired changes would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy SP16 Total Housing Requirements

### Population and Household Projections

481.D1	Mr David Edwards	Object
697.D5	Ashtenne Industrial Fund Ltd	Object
1492.D11	Homebuilders Federation	Object
2068.D1	Mr Malcolm Windmill	Object
2012.D18	Caerphilly Greendoorstep	Object
2049.D28	RE Phillips & Partners	Object
2160.D1	Merriman Ltd	Object
2436.D6	Trustees of the Llancaiach Estate	Object
2634.D9	Rhondda Development Company Ltd	Object
2636.D9	Mr Vernon Perry	Object
4045.D1	Envirowatch UK	Object
4115.D9	Messrs A and P Price	Object
4116.D7	Mr A Price	Object
4119.D1	Mr Michael Lewis	Object
4142.D6	Emporium Consultants	Object
4144.D1	The Bird Group of Companies	Object
4146.D1	Urban Train Ltd	Object
4208.D1	Roger Tym and Partners	Object
2534.D2	Hengoed Development Ltd	Support
2632.D5	GB Engineering	Support
2712.D6	Trustees of Joseph Thomas Deceased	Support
2712.D16	Trustees of Joseph Thomas Deceased	Support
2712.D23	Trustees of Joseph Thomas Deceased	Support
3840.D2	Mr and Mrs D Roberts	Support
4002.D1	Bowen Partners	Support
4004.D6	Caerphilly Investments	Support
4005.D8	Mr and Mrs Ian Weedon	Support
4006.D7	Mr and Mrs Thomas-Davies	Support
4008.D5	Gwent Healthcare NHS Trust	Support
4008.D14	Gwent Healthcare NHS Trust	Support
4008.D20	Gwent Healthcare NHS Trust	Support
4010.D3	Mr And Mrs Moyle	Support
4120.D1	Howses Ltd	Support
4120.D7	Howses Ltd	Support
4219.D1	R and J Morris	Support
4219.D10	R and J Morris	Support
4254.D2	Howses Ltd	Support
4254.D6	Howses Ltd	Support
4254.D10	Howses Ltd	Support
4274.D1	Steering Group for the Future of the Caerphilly and District Miners Hospital	Support
4299.D1	Mr Gary Greenhaf	Support
4299.D6	Mr Gary Greenhaf	Support

### **Policy Issues**

- The LDP total housing requirement figure does not reflect the SEWSPG apportionment figure
- The 2006 population projections are higher than the LDP assumes.
- The plan should only make provision for natural change, not migration into Caerphilly.
- The household requirement figure should be amended only to take account of the needs of the 26 to 60 age group, as other age groups would not require owner-occupied housing.
- The under-provision of housing will cause negative social and economic impacts
- The argument that the review of the plan within 5 years will offer the opportunity to review the housing figure is inappropriate.
- Support for the figure of 8,625 units, including the windfall assumptions.

### **SUMMARY OF REPRESENTATIONS**

#### **SEWSPG Apportionment Exercise**

It is considered that insufficient land has been allocated for housing. The apportionment exercise undertaken by SEWSPG suggests that Caerphilly County Borough needs to allocate land to accommodate 9,750 new dwellings over the plan period, whereas the LDP makes provision for 8,625 dwellings. There is no justified reason as to why this is the case. It is considered that provision for at least 9,750 dwellings should be made as this is considered to be an achievable, necessary and realistic target and will take into account the needs of existing communities and infrastructure requirements.

Neither the Deposit LDP or the Population and Housing Background Paper identify how the resultant shortfall in the housing apportionment will be accounted for and it would be more appropriate for the LDP to allocate the higher growth rate figure, in order to ensure the WAG's regional housing target is delivered.

#### **Population Projections**

The Deposit LDP takes into account the 2003-based projections as the most up-to-date projections at the time of plan preparation. The Background Paper states that it is expected that the 2006-based projections will not differ significantly from the Moderate Growth Option that has been selected for the Deposit Plan.

The 2006-based Local Authority Population Projections have now been published and show a higher population level for Caerphilly in 2021. The new Local Authority Population projections state that the population of Caerphilly in 2021 is projected to be 180,700, which is higher than in the Moderate Growth Scenario which assumes a population total of 177,500 in 2021. Indeed, the population projections in the 2006-based projections is more in line with the population identified within the high growth scenario i.e. 181,000.

Taking this into account, it is considered reasonable to assume that the housing requirement will be closer to the high growth scenario of 9,750, given that the 2006-based population projections and the high growth scenario

population projections are relatively the same. It is considered that this will be confirmed by the imminent release of the 2006-based Local Authority Household Projections.

### **Migration Rates**

It is considered that the plan is not sustainable because of the continued increase in house building above the requirements of the resident population of the Caerphilly Basin. There is no obligation to provide housing for residents from outside of the Basin. The natural population change in the Caerphilly Basin is for population decline.

It is also argued that there is no evidence to suggest that in-migration will decline or revert to previous levels. Rather, if the rate of change continues this will give rise to higher rates of population growth and household formation than experienced historically. The plan should make provision for this.

### **Housing requirement assumptions**

The plan has not fully considered the housing requirements of those in partnerships (as opposed to married couples), those who are under 25 who do not seek to buy houses and the elderly who remain in their own houses. It is considered that the housing land allocations do not need to take into account these groups and it is therefore implied that too much land has been allocated.

### **Social and Economic Impacts**

It is considered that the under-provision of housing would have harmful social and economic effects namely that access to decent housing would address social inclusion and that a constrained housing market will have an inflationary impact on land and house prices.

### **Timescales for review**

It is not considered that it is appropriate to take the stance that the plan will be reviewed in 5 years and this will allow for the amendment of the LDP total housing requirement as the plan should consider longer time scales.

### **Support**

There are 23 representations acknowledging support for the total housing requirements proposed in Policy SP16, which makes provision for the development of 8,625 new dwellings.

### **COMPLIANCE WITH THE LDP**

Collectively, it was considered that the plan failed to adhere to Tests of Soundness **P1, P2, C1, C2, C3, C4, CE1, CE2** and **CE4**, although no substantive evidence has been submitted to justify Tests P1, P2, C1, C3 or C4. With regards to the other Tests, it is considered that insufficient land has been allocated for housing and the plan is not sufficiently flexible, thus failing to adhere to Tests C2, CE2 and CE4. Furthermore, it is considered that there is no credible evidence to justify the dwelling requirement to be different from that agreed by SEWSPG (CE2). It is also argued that the proposed housing provision strategy does not flow from the proposed spatial strategy of the plan.

### **DESIRED CHANGE TO THE DEPOSIT LDP**

1. Amend Policy SP16 to allocate land to accommodate 9,750 dwellings.
2. Policy SP16 should be amended to accommodate a higher growth scenario that makes provision for 11,797 dwellings
3. Amend the housing requirement figure so that it reflects natural change rather than allowing in-migration.
4. Amend housing land requirement to reflect the needs of the 26 - 60 year old group only.

### **Planning History**

Several Deposit stage representors also made comments on the scale of housing growth at the Preferred Strategy stage.

### **COUNCIL ANALYSIS**

#### **SEWSPG Apportionment Exercise**

It is argued that insufficient land has been allocated for housing, as the plan has not used the SEWSPG apportionment exercise figure of 9,750 new dwellings over the plan period. As explained in detail in Background Paper 6, the SEWSPG apportionment figure is a 'working hypothesis' based on the regional apportionment of WAG 2003-based projections. As identified in the Housing MIPPS, local authorities can deviate from the Assembly Government projections where the reasons can be justified.

The regional household projection, which is the highest scenario considered as part of the LDP preparation, is high in comparison with recent trends as it assumes a high level of in-migration into Caerphilly and is subject to a high degree of uncertainty. It was therefore considered that a moderate growth scenario is more realistic having regard to past trends. It should be recognised, however, that even though the total housing requirement is lower than the SEWSPG figure, the housing land provision is actually greater than the SEWSPG exercise figure, which indicated that the Plan has sufficient flexibility to accommodate the apportionment figure should growth be higher than is currently thought likely.

With regard to the desired changes to the plan it has been suggested that in addition to meeting the SEWSPG figure, an over-allocation of land should also be factored into any revised figure. The figure of 11,797 (equating to a 20% over-allocation) has been identified. Flexibility assumptions are discussed in more detail elsewhere in this Paper, but in the context of this issue it is considered that, even if it was considered that the high growth scenario (SEWSPG) figure was appropriate to use, an over-allocation of 20% would be too high given that the high growth figure is already considerably higher than past trends would indicate.

#### **Population Projections**

Concerns have been raised that the LDP does not take account of the 2006-based population projections, which indicates that the level of population growth is higher than assumed in the LDP.

At the time of plan preparation the 2006-based household projections were not available and therefore it was necessary to use the 2003-based regional population and household projections as the starting point.

Whilst the 2006 population projections were published in June 2008, late in the Deposit LDP plan preparation process, the corresponding household projections were not published until June 2009. Given that a number of different assumptions inform the household projections, it was not considered appropriate as of June 2008 to assume that just because the population projections were higher than the moderate growth population figure, that the household projections would also be higher than the plan makes provision for. The population projections on their own could not be used to inform the total housing requirements on a local authority basis. Indeed, the Housing MIPPS refers to the use of household projections in assessing local housing requirements rather than population projections.

Within this context, it was necessary to use the 2003-based regional population and household projections as the starting point for considering total housing requirements.

It should be acknowledged that the household projections published in June 2009 project there to be 83,800 households in Caerphilly by 2021, which equates to an increase of 11,300 households in the period 2006-2021. This is notably higher than the LDP total housing requirement figure of 8,625 dwellings, although only slightly above the amount of land that the plan actually makes provision for i.e. over 10,000 dwellings.

Even though these household projections do identify a higher figure with regards to the number of households required, it is not appropriate simply to include this figure in the LDP without giving it due consideration. The Housing MIPPS states that the "*latest Assembly Government National and Sub-National Household Projections should form the **starting point** for assessing housing requirements.*" Given that this is only a starting point, the MIPPS goes on to state that local authorities can deviate from these projections by using their own policy based projections provided that the reasons are justified and the rationale behind their own projections is explained. The robust justification for the housing figure included in the LDP is contained within the Population and Housing Background Paper and the appropriateness of the current figure of 8,625 in response to the 2006-based projections is discussed in more detail in the **BP6 Supplementary Paper 1: WAG 2006 based Household Projections.**

In giving due consideration to the new information, it is worth noting that there are a number of inherent weaknesses with the household projections which mean that further consideration is needed. Firstly, these are the first set of population and household projections that the WAG has produced for unitary authorities since they were established in 1996. It is therefore reasonable to assume that local authorities will wish to evaluate them before making decisions based solely on them.

The projections have been prepared using a new methodology, which reinforces the view that the results must be treated with considerable caution.

There must be an assessment of the results of the projections to examine the extent to which they meet their own objectives, and of how fit they are for the purposes to which they might be put.

The main reason it has formerly not been possible for WAG to publish population, and hence household, projections for unitary authorities is that the projections for authorities with large student populations were unacceptable. It is clear from, for example, the age distribution of the population projection for Cardiff, that the problem of modelling population movements for such areas has not yet been resolved in the present projections.

Furthermore, there is concern because of the assumption of high levels of in-migration in the national projections. This assumption was influenced by the levels of in-migration from the Eastern European countries joining the EU in recent years. It is important therefore to note that there is increasing evidence that this migration flow has now reversed.

In addition, the assumptions in the projections are all based on the experience before the 'Credit Crunch' changed all future expectations on the national economic position. Experts differ in their views on the length of the current recession, but the optimistic assumptions of high future growth rates in all economic variables are now clearly out of date. The main problem facing house-builders now is not one of land shortages, but one of survival. It is unrealistic to base decisions on projections that do not reflect the major changes in the national economy that have occurred.

More detailed justification on the reasons why it would not be appropriate to take forward the household projections is contained with the BP6 Supplementary Paper 1, the conclusion of which is that they have been published too late in the process for them to be taken into account in the preparation of the LDP. In any event, these projections are only intended to form the starting point for considerations on housing requirements, rather than being mandatory.

### **Migration Rates**

The view has been expressed that the plan should only make provision for the requirements of the resident population instead of making provision also for a level of in-migration, as there is no requirement to provide housing for residents from outside of the Caerphilly Basin area.

The assumptions used to inform the total housing requirements are fully explained in the Background Paper 6 Population and Housing. It is not possible to disaggregate the population and household projections on a sub-area basis for the Caerphilly Basin alone, but these issues have been explored on a local authority area basis. The key message is that projections used to inform the LDP include assumptions for both natural change and migration. The option of balanced migration (i.e. the number of people moving in equals the number of people moving out) has been considered but it was concluded that as historic trends for net-migration have been reversed and Caerphilly County Borough is now experiencing net in-migration, this balanced migration scenario is considered to be unrealistic. A balanced

migration position would still result in the need for 7,500 new dwellings, compared to the 8,625 dwellings for which provision is made in the LDP.

From a strategy perspective, the allocation of sufficient land to meet the needs of the population is an important part of helping to sustain existing services and facilities in areas that are still experiencing population decline, most notably in the Heads of the Valleys Regeneration Area. Whilst it is recognised that the representation relates specifically to Caerphilly Basin, which has experienced a net increase in population in recent years, it is important that the whole County Borough is considered holistically.

Furthermore, it is important to note that it is not the role of the planning system to stop in or out-migration into the area. People from outside of the Caerphilly Basin are entitled to move into housing in the area if they so choose.

The argument has been made that there is no evidence to suggest that in-migration will decline or revert to previous levels. The assumptions made on migration rates are explained fully in the Background Paper 6. The key point to note in relation to this issue is that in-migration rates experienced between 2001 and 2006 is the upper end of what is credible, taking into account the recent transitory phenomenon of in-migration from European Union accession countries, which is unlikely to persist throughout the plan period.

### **Housing requirement assumptions**

A further representation has been received suggesting that the total units allocated for housing should be reviewed as those aged 25 and under do not seek to buy houses and those over 60 are likely to remain in their own homes or live in sheltered accommodation.

It should be noted that the projections for households used to inform the LDP total housing requirement figure take into account demographic changes including the trend for children to live with their parents for longer rather than forming a new household and trends for older people to live alone. As such, the housing requirement figures would factor in these trends already.

In any case, given the diverse nature of housing requirements and the dynamic nature of the housing market, it is not appropriate to assume that only those people within a certain age group would require new-build housing. Indeed, not all housing developed on new sites will be general market housing as some sites or proportions of sites will be developed for affordable housing to meet a range of housing needs.

It is not appropriate to consider just the requirements of the type of people who are likely to live on new build housing estates in calculating housing requirements as the Housing MIPPS identifies that consideration should be given to the requirements of the whole housing market given its dynamic nature.

### **Social and Economic Impacts**

With regards to the perceived social and economic effects of the under-provision of housing, it is not considered that this is the case. As already

explained in response to this representation and in Background Paper 6, there is a sound basis for the chosen total housing requirement figure and therefore it is considered that sufficient provision is made within the plan. It should also be recognised that in addressing social and economic issues associated with the increase in population, significant land allocations for employment and community facilities have been made to ensure the needs of the future population is met.

### **Timescales for review**

It is argued that it is not appropriate to take the stance that the plan will be reviewed in 5 years and this will allow for the amendment of the LDP total housing requirement as the plan should consider longer time scales. This is not the stance the Council is taking. The housing requirement figures identified in the LDP are based on robust evidence for the whole plan period, not just the first few years. The requirement to carry out reviews every five years is set out by the Welsh Assembly Government (WAG) and the review will clearly provide an opportunity to consider progress in delivering housing to inform any changes to the housing requirement figure. The point being made in Background Paper 6 is not that the Council is reliant on the review in order to make appropriate provision for housing but rather that a review of the plan is required anyway and this will be an opportunity to assess housing requirements.

### **Support**

The significant support for the housing requirement figure contained in Policy SP16 is noted.

### **Compliance with the LDP**

Whilst respondents indicated that the Plan did not adhere to Tests of Soundness P1, P2, C1, C2, C3, C4, CE2 and CE4, justification for this has only been provided for Tests CE2 and CE4.

**C2** – Sufficient land has been allocated to meet the requirements of national policy, as the sub-regional figures are only the starting point for consideration and local authorities can choose their own figures based on evidence.

**CE1** – The allocations in the plan are based on a coherent strategy and represent the spatial extent of the development strategy that underpins the plan.

**CE2** – There is a sound evidence base to justify the moderate growth rate of 8,625 dwellings rather than the higher SEWSPG figure of 9,750 units as this figure can be fully justified at the local level. Furthermore, the 2006-based projections have been published too late in the process and include basic weaknesses, which mean that there should be caution in paying too much regard to the figures.

**CE4** – Sufficient land has been allocated above what the total housing requirement figure is to allow for flexibility and choice. Indeed, more land has been allocated than the SEWSPG apportionment figure requires. Whilst the land allocation falls below the household requirements from the 2006-based projections, for the reasons explained, little weight should be given to these

figures. However, the 4-yearly review of the plan offers the opportunity to review the plan to take account of any new information if it is deemed to be appropriate.

The level of growth identified in Policy SP16 has been examined through the SA/SEA process and this growth level was considered to be acceptable. It has not been demonstrated that a higher growth figure (plus flexibility allowance) would be acceptable.

### **CONCLUSION**

The decision to include a moderate growth rate total housing requirement figure of 8,625 dwellings is based on robust evidence. The SEWSPG figure of 9,750 has informed the figure included in the LDP and housing land has been provided to meet this higher level of growth.

It is recognised that the 2006-based household projections have been published and that these identify a higher figure than the plan makes provision for. The household projections have been published too late in the plan preparation process to inform the Deposit LDP and in any event have significant weaknesses with regards to the student population and European in-migration in particular. Even if these figures had been published at an appropriate time for account to be taken of them in the Deposit plan preparation process, they would only form a starting point for consideration and their use is not mandatory. **BP6 Supplementary Paper 1: WAG 2006 based Household Projections** provides a detailed discussion of the consideration of 2006 household projections and the implications for the Deposit LDP.

### **OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP.**

#### **Reason for Recommendation**

The desired changes would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

#### **Implications of Council Resolution**

The response to this representation makes reference to the housing supply figure in the Deposit Plan (10,403 dwellings) exceeding the SEWSPG apportionment exercise figure of 9,750 dwellings. The loss of 986 dwellings as a result of the Council resolution to recommend to the Inspector to remove six housing sites will mean that, if a direct comparison is made with the Deposit LDP figure based on the housing supply situation as of 1<sup>st</sup> April 2007, the total land supply figure would equate to 9,417 dwellings. This is slightly below the apportionment figure.

However, it should be noted that BP6 Supplementary Paper 3 on Housing Land Supply considers a more up-to-date position on housing land supply, which takes account of completions in the first three years of the plan period up to 1<sup>st</sup> April 2009, as well as updated assumptions on windfall sites, empty

properties, conversions, small sites and demolitions. If the total units on housing sites recommended for removal were factored into this updated housing supply calculation, the land supply figure would equate to 10,045 dwellings, which is above the SEWSPG apportionment figure.

It should also be noted that five of the six sites will remain as unallocated sites within the LDP defined settlement boundary and therefore future applications for development including housing may be acceptable in principle in the future, subject to taking into account all other material considerations. In light of this, it is considered that the figure assumed for windfall may realistically be higher than identified if site-specific constraints could be overcome, therefore increasing the land supply figure.

In light of the above, it is considered that sufficient land is still available to meet LDP requirements, and therefore the recommendations will have no adverse affect on the soundness of the LDP.

## Policy SP16 Total Housing Requirements

### Flexibility Assumptions

1492.D12	Homebuilders Federation	Object
2068.D1	Mr Malcolm Windmill	Object
2160.D1	Merriman Ltd	Object
2634.D9	Rhondda Development Company Ltd	Object
2438.D6	Trustees of the Llancaiach Estate	Object
4045.D21	Envirowatch UK	Object
4115.D9	Messrs A and P Price	Object
4116.D7	Mr A Price	Object
4119.D1	Mr Michael Lewis	Object
4142.D6	Emporium Consultants	Object
4144.D1	The Bird Group of Companies	Object
4146.D1	Urban Train Ltd	Object
4274.D1	Steering Group for the Future of the Caerphilly and District Miners Hospital	Support

### Policy Issues

- Additional units for flexibility should not be allocated as it is not required by national planning policy and would have environmental impacts, which have not been taken into account through the SEA process.
- Amending the total housing requirement to meet the high growth scenario would also require the flexibility figure to be adjusted.
- Support for the flexibility allowance as this would potentially allow some sites to be developed for a mix of uses.

## SUMMARY OF REPRESENTATIONS

### Conflict with national planning guidance

There is an objection to the total provision of 10,403 dwelling on the grounds that it is contrary to WAG policy on flexibility as such overprovision is not foreseen in either PPW or the TANs. The overprovision shows that the Council has not carried out a proper capacity study of land availability and where development could go. Furthermore, the SEA has not taken into consideration such flexibility. This flexibility is therefore in breach of the Habitats Directive.

### Flexibility assumptions for high growth scenario

The Population and Housing Background Paper states that, 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. The Deposit LDP includes a 21% flexibility on housing sites.

There is evidence to suggest that a higher growth figure would be more realistic. As stated within other representations on total housing requirement for the plan period, it is considered that it is quite possible that a more appropriate development rate for the LDP would be the higher growth rate of 9,750 dwellings. Based on this growth rate the Council's flexibility would reduce to 6.3%, which would be inappropriate for the LDP considering the

methodology and principles adopted by the Council with regard to setting flexibility standards for housing supply. Based on the Council's methodology which assumes a 21% flexibility, if the higher growth rate were adopted, then the land supply would need to be increased by 2,048 houses to a total of 11,798 dwellings.

An alternate representation also identifies that the high growth figure should be used, but a 10% allowance for choice and flexibility should be included with land allocated to accommodate 10,725 dwellings instead.

### **Support**

The Representer supports paragraph 1.83, which allows more flexibility and choice when delivering the 8,625 dwellings required over the plan period.

### **COMPLIANCE WITH THE LDP**

Collectively, the representations argue that the plan does not adhere to Tests of Soundness CE2 and CE4. In relation to CE2, the objection is based on the wider argument that there is no credible evidence to justify the dwelling requirement to be different from that agreed by SEWSPG. With regards to CE4, It is argued that it is quite possible that the housing site flexibility could be insufficient for the plan period.

### **DESIRED CHANGES TO THE DEPOSIT LDP**

1. The housing site flexibility needs to be increased in order to satisfy a total housing requirement of 9,750 dwellings, as required by the higher growth scenario. The percentage adopted by the Council would be acceptable i.e. 21% equating to 11,797 dwellings.
2. The housing figure needs to be adjusted to deliver the step change in housing provision required, including the need to provide affordable housing
3. There should be an allowance for choice and flexibility of 10% requiring land to be allocated to accommodate 10,725 dwellings.

### **Planning History**

#### **UDP**

The issue of assumptions for the over-allocation of land to address the non-implementation of allocated sites was considered by the Inspector as part of the UDP Inquiry. As part of this, the Inspector identified that an allowance of 10% has commonly been made for non-implementation. The Tym Study commissioned by the former Department of the Environment confirms the suitability of such an allowance.

### **COUNCIL ANALYSIS**

#### **Conflict with national planning guidance**

Whilst the Housing MIPPS clearly indicates that development plans should quantify the housing requirement and make adequate provision to meet this, no guidance is provided on whether it is necessary to include an allowance for flexibility and, if so, what this flexibility assumption should be. It is, however, customary practice to allocate more land than is required for housing, although the amount of land to be allocated is a matter for the local authority to determine. In the case of the LDP, a significant level of over-allocation has

been included in order to ensure that the plan has sufficient flexibility to also meet the SEWSPG apportionment figure, as explained in previous representations.

Given that there is no guidance on the issue, the argument that the plan does not comply with national planning guidance holds little weight. The over-allocation of land is not a sign that the plan is not based on a proper study of capacity. Rather, it follows good practice that a plan should offer a choice and range of sites for housing over the plan period.

The housing figure as identified in Policy SP16 has been subject to SA/SEA. It should be noted that it is not anticipated that all 10,403 units for which provision is made in the plan will be developed as it is likely to be the case that some sites are not taken forward, despite them being realistic sites for development.

### **Flexibility assumptions for high growth scenario**

The argument that the plan should meet the high growth scenario is discussed in detail in response to other representations and it is not considered necessary to repeat the arguments here. However, it was concluded that the increase in the housing requirement figure to 9,750 was not justified. It consequently follows, therefore that it is not necessary to increase the land allocation to reflect a flexibility assumption of 10% or 21% as suggested by the respondents.

It should be noted that the plan will be reviewed every four years and therefore, if it is identified in the future that the rate of growth is higher than anticipated, there will be the opportunity to review the plan and amend the flexibility assumptions at a later date.

### **Support**

The representation of support is noted.

### **Compliance with the LDP**

It is argued that the plan does not adhere to Tests of Soundness CE2 and CE4.

In relation to CE2, the flexibility assumptions are based on robust evidence as they are based on an appropriate housing requirement figure as explained in response to earlier representations.

With regards to CE4, a sufficient over-allocation of land has been provided to cater for flexibility. Even if house-building rates do exceed expectations and are more in line with the SEWSPG apportionment of 9,750 dwellings, sufficient land has been allocated to meet this. It is therefore considered that the flexibility assumptions do accord with Test CE4.

The plan has taken into account the housing allocation figure as part of the SA/SEA Assessment, and no substantive evidence has been submitted to challenge this.

## **CONCLUSION**

The flexibility assumptions identified in the supporting text of Policy SP16 are considered to be appropriate as they relate to the housing requirement figure, which is based on robust evidence. The main crux of the argument is that the flexibility assumptions should be applied to a higher growth scenario. However, it has already been evidenced that the higher growth figure is not appropriate and therefore it would also be inappropriate for the flexibility figures to be applied to a higher housing requirement figure.

## **OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP.**

### **Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

## **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

### **Implications of Council Resolution**

The response to this representation makes reference to the flexibility assumption of 21%. However, the loss of 986 dwellings as a result of the Council resolution to recommend to the Inspector to remove six housing sites will have an impact on the flexibility allowance assumed in the LDP. If a direct comparison is made with the Deposit LDP figure based on the housing supply situation as of 1<sup>st</sup> April 2007, the total land supply figure would equate to 9,417 dwellings and therefore the flexibility assumption figure would reduce to 8.4%. If instead this was considered against the updated land supply figure assumed in BP6 Supplementary Paper 2 on Housing Land Supply (updated to take account of all 6 sites recommended for removal), the total land supply figure would equate to 10,045 dwellings or a flexibility assumption of 16.5%.

As has been noted in the response, there is no requirement in planning guidance to include an allowance for flexibility, although it is customary to do so. The figure of 10% was deemed appropriate in respect of the UDP, and the revised LDP figure is only marginally lower than that, although in reality based on a more up to date position on housing land supply, the figure is higher than 10%.

In light of the above, it is considered that sufficient land is still available to meet LDP requirements, and therefore the recommendations will have no adverse affect on the soundness of the LDP.

## Policy SP16 Total Housing Requirements

### Market Conditions

4045.D49	Envirowatch UK	Object
4045.D2	Envirowatch UK	Object

### Policy Issue

- The total housing figure in Policy SP16 should be reassessed in light of current market conditions

### SUMMARY OF REPRESENTATION

Unit requirements should be reassessed in light of the credit crunch and dramatic downturn in house building. A full review of housing need and type should be undertaken.

### COMPLIANCE WITH THE LDP

No evidence has been submitted by the Representor with regards to the conformity with the Preferred Strategy or Tests of Soundness.

### DESIRED CHANGE TO THE DEPOSIT LDP

The overall housing figure should be re-assessed in respect of the current market conditions and a full review of need and type should be undertaken.

### COUNCIL ANALYSIS

#### Policy Context

The representor argues that housing figures should be reassessed in light of current market conditions. The representation refers to housing need (defined in TAN 2 as “households lacking their own housing or living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some financial assistance”) and housing requirements (“the total amount and type of housing necessary to accommodate a given (or projected) population”).

The impact of market conditions on housing need is discussed in detail in response to other representations on affordable housing, and it is not considered necessary to repeat these arguments here, other than to note that, whilst evidence from the Local Housing Market Assessment Update (December 2008), indicates that the level of affordable housing need per annum has increased, this does not directly impact on total housing requirements.

In relation to the issue of overall housing requirements, it is important to note that the LDP plan period extends up to 2021 and the house-building industry is liable to experience significant fluctuations in light of market conditions. An examination of past housing completions for the 15-year period 1991 to 2006 shows significant variation, ranging from completions of 266 units at the lowest point to 899 units at the peak. Given the volatile nature of the house-building industry and the experience of past trends, it is fair to assume that the market will recover from the current downturn to a more buoyant position during the plan period.

### **Compliance with the LDP**

The total housing figure reflects a robust consideration of population projections, which is discussed in detail within the Background Paper 6 Population and Housing. These projections take into account key trends over a long period of time. It is not appropriate to look only at a short-term economic downturn as it relates to housing requirement and use this information to make assumptions for a whole plan period. Such an approach would deviate from national planning guidance as set out in the Housing MIPPS, which indicates that a number of considerations must be taken into account when planning for new housing. It is therefore considered that this change would fail to comply with Tests of Soundness C2 (regard to national policy) and CE2 (policies are not founded on a robust and credible evidence base).

No information has been provided on how this proposed change would comply with the Preferred Strategy, Tests of Soundness and SA/SEA Assessment and therefore it is unlikely that the Inspector would have sufficient evidence to make this change to the plan.

### **CONCLUSION**

Whilst it is acknowledged that market conditions have changed since Policy SP16 was written, it is not considered that the change in circumstances undermines the total housing requirement figure as population projections are based on robust assumptions over a longer time period.

### **OFFICER RECOMMENDATION**

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

### **Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy SP16 Total Housing Requirements

### Policy Wording

4045.D16	Envirowatch UK	Object
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### Policy Issue

The term 'unit' should be used rather than 'dwelling.'

### SUMMARY OF REPRESENTATION

There is an objection to the use of the term 'dwelling' when referring to residential requirements. The term 'unit' is more appropriate.

### COMPLIANCE WITH THE LDP

No evidence has been submitted by the representor with regards to the conformity with the Preferred Strategy or Tests of Soundness.

### DESIRED CHANGE TO THE DEPOSIT LDP

The LDP should be amended to replace the term 'dwellings' with 'unit' when referring to residential requirements.

### COUNCIL ANALYSIS

Local Development Plan Wales (2005) states that the policies of the LDP should "*be in plain language, unambiguous and easily understood by all those who need to know about the planning policies and proposals which apply in the area.*" It is considered that the term 'dwelling' is well understood as an alternative word for 'house', although it is a broader term that encompasses other places of residence. The term 'unit', on the other hand, is not specifically understood within the context of housing, as it is often used to refer to factories or shops. It is therefore considered that the inclusion of this change would adversely affect the clarity of the policy wording and could lead to ambiguity.

### Compliance with the LDP

No evidence has been submitted by the representor with regards to the conformity with the Preferred Strategy or Tests of Soundness.

### OFFICER RECOMMENDATION

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

### Reason for Recommendation

The proposed change would adversely affect the clarity of the wording of Policy SP16.

### COUNCIL RESOLUTION

**Resolved to accept the officer recommendation.**

## Policy SP16 Total Housing Requirements

### Para 1.83 - Missing Housing Figures

4045.D46	Envirowatch UK	Object
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#### Policy Issues

- The Plan should contain figures for undeveloped sites and windfall sites

#### SUMMARY OF REPRESENTATIONS

The Plan is legally flawed, because it does not state:

- how many housing units are not completed from previous plans and permissions; and
- the number of windfall sites, which have to be deducted from the Plan provision of 8,625 units.

#### DESIRED CHANGES TO THE DEPOSIT LDP

Tables are required to show:

1. the capacity of future windfall sites coming forward;
2. the numbers of units which have not been completed from planning permissions granted, and allocated land and approved housing units available to use up to present; and
3. an updated housing completion figure, which needs to be deducted from the overall projected housing requirement.

#### COUNCIL ANALYSIS

The representation is correct that the specified information on housing completions and housing land supply are not stated in the Deposit Plan. However, the full details of the calculation of the housing land supply are given in Background Paper 6 Population and Housing (see Table 5.6 in particular).

#### OFFICER RECOMMENDATION

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

#### Reason for Recommendation

The information identified in the representation that is not in the Deposit LDP is available in Background Paper 6 Population and Housing.

#### COUNCIL RESOLUTION

**Resolved to accept the officer recommendation.**

## Policy SP16 Total Housing Requirements

### Local Housing Market Assessment (LHMA)

1492.D11	Home Builders Federation	Object
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#### Policy Issue

- The LHMA which forms the evidence base for the LDP contains insufficient information on market housing requirements as required by national planning guidance

#### SUMMARY OF REPRESENTATION

The representation argues that insufficient regard has been given to the requirement for market housing as required by Technical Advice Note 2: Planning and Affordable Housing (TAN 2). It is considered that a target for the requirement for general market housing should have been provided within the Local Housing Market Assessment (LHMA) as this would set affordable housing need figure in context.

The representation goes on to state that it is likely that the LHMA total housing figure would support the case for a higher total housing figure in Policy SP16. Based on the LHMA estimate of need for affordable housing of 516 units per annum, it has been assumed that a corresponding figure for total housing requirement would be approximately 1,500 dwellings per annum.

#### COMPLIANCE WITH THE LDP

The representor considers that Policy SP16 does not comply with Test of Soundness C2 as it does not have sufficient regard to national guidance, because the Local Housing Market Assessment, which should inform the overall housing target, does not provide an overall target for market housing. It is also considered that, as a result of this, the housing figure could be insufficient for the plan period, which contravenes Tests of Soundness CE2 and CE4.

#### DESIRED CHANGE TO THE DEPOSIT LDP

The Local Housing Market Assessment should be updated to include an overall figure for market and affordable housing and Policy SP16 should be amended to increase the total housing requirement to 9,750.

#### COUNCIL ANALYSIS

##### Planning History

This issue was not considered through the UDP Inquiry as the need to complete Local Housing Market Assessments is linked to changes in national planning guidance on housing.

##### Policy Context

In response to this objection, it should be recognised that the Local Housing Market Assessment (2007) undertaken for Caerphilly by consultants Fordham Research has been prepared in accordance with the Welsh Assembly Government Guidance in respect of the preparation of Local Housing Market

Assessments (March 2006). The Guidance emphasises the importance of understanding the dynamics of the whole housing market.

The Guide itself presents no standard approach for assessing the whole housing market. However, Fordham Research have developed an approach known as the Balanced Housing Market analysis which examines the whole housing market by tenure (owner-occupied, private rented, intermediate and social rented). This assessment balances demand from three sources:

- Newly forming households
- In-migrant households
- Existing households moving within the area

With supply information from three sources:

- Household dissolution
- Out-migrant households
- Existing households moving within the area

Full details on the methodology used within the Balanced Housing Market model is contained within Chapter 12 of the LHMA document.

The model considers two scenarios:

- an unconstrained model where results are driven by demand and not constrained by any target; and
- a constrained model that was based upon the SEWSPG regional apportionment figure (650 dwellings), which, at the time of the preparation of the LHMA provided an indicative figure in a range being considered by the Council.

The unconstrained model indicated an annual shortfall of 700 units, as illustrated in the Table below:

<b>Total annual shortfall or surplus for Caerphilly County Borough</b>					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedroom	3 bedroom	4 bedroom	
Owner-occupation	141	320	-352	256	366
Private rented	61	105	-121	-33	12
Intermediate	-0	89	19	69	176
Social rented	51	128	-45	12	147
<b>TOTAL</b>	<b>252</b>	<b>642</b>	<b>-499</b>	<b>304</b>	<b>700</b>

**Source: Caerphilly County Borough LHMA 2007**

The LHMA unconstrained figure of 700 units for the whole housing market has been broken down into both market sector housing (owner-occupation and private rented) as well as affordable housing (intermediate and social rented). The market sector housing equates to approximately half of the annual housing shortfall.

TAN 2 states that "*local planning authorities should ensure that development plan policies are based on an up-to-date assessment of the full range of housing requirements across the plan area over the plan period.*" The LHMA

has clearly considered market housing requirements in line with TAN 2, and therefore it is considered that this representation, which argues that this figure has not been provided, is unjustified.

This figure of 700 units shown in the LHMA is significantly lower than the figure of 1,500 per annum (25,000 over the plan period) suggested by the respondent, which was a calculation based on meeting the need of 516 units per annum. The arguments as to why meeting the affordable housing need through the development plan is unachievable have been set out elsewhere in this paper and it is not considered necessary to repeat them here. Indeed, the representor recognises that *“the Council is not likely to meet the entire requirement for total housing need over the plan period and there are more factors to consider when calculating housing markets than merely considering housing need.”* The provision of 1,500 units per annum is unrealistic.

Paragraph 9.2.2 of the Housing MIPPS states that the latest Assembly Government projections should be the starting point for assessing housing requirements. However, *“where local planning authorities seek to deviate from the Assembly Government projections, by using their own policy based projections, they must justify the reasons for doing so and explain the rationale behind their own preferred projections...”*

As discussed in earlier sections of this paper and in Background Paper 6 Population and Housing, the housing requirement figure adopted for the Plan is based on wider considerations than those taken into account in the LHMA, which has informed rather than determined the housing provision in the Plan. This is appropriate given both the Housing MIPPS guidance and recognition of the necessary limitations of the LHMA study. The LHMA analysis is based primarily on the results of the household survey undertaken, and therefore is a static analysis at a particular point in time. The report does not contain time-series analysis or projections of the explanatory factors of household formation and dissolution, and therefore cannot be used to support any forecast of future housing requirements. The analysis can only therefore refer to the situation, as it was during the study period, whereas it is known that all of the explanatory variables are changing, many with well-established trends. It is wholly unrealistic to expect that a study of this nature can produce definitive estimates of future housing requirements over the Plan period.

It is worth noting that since consultation on the Deposit LDP has occurred, an update of the Local Housing Market Assessment has been produced (2008). The findings of this assessment indicated that the annual requirement for housing based on an unconstrained model has risen to 777 dwellings, although the increase has been primarily in the affordable sector. Given the limitations of the Local Housing Market Assessment as a data source and the fact that other considerations must be taken into account in the determination of household requirements, it is not considered that the inclusion of a higher figure in the LHMA update undermines the evidence for the housing requirements that have been included in the plan.

### **Compliance with the LDP**

With regards to the tests of soundness, it has been demonstrated that the LHMA adheres to national policy (C2) as set out in the Housing MIPPS and the LHMA Guide. In addition, the housing target included within Policy SP16 is considered to be sufficiently flexible and based on a robust and credible evidence base, which includes the LHMA. This issue is discussed more widely elsewhere in this paper.

### **CONCLUSION**

It has been evidenced above that market housing as part of the total housing requirement figure has been considered in sufficient detail within the LHMA. In line with national planning guidance, this figure has informed Policy SP16 Total Housing Requirements, although its limitations as a data source are recognised. It is consequently considered that the LDP adheres to the tests of soundness with regards this issue.

### **OFFICER RECOMMENDATION**

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representation**

### **Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Housing Land Requirement Calculation

2049.D29	RE Phillips & Partners	Object
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#### Policy Issue

- There is an objection to the calculations informing land supply and the subsequent allocation of land under Policy HG1 with particular reference to assumptions for windfall sites, empty properties, small sites, conversions and considerations for non-implementation.

#### SUMMARY OF REPRESENTATION

There is an objection to the calculations informing land supply and the subsequent allocation of land under Policy HG1 for the following reasons:

##### Windfall assumption

There is an objection to the windfall assumption for which provision is made in the plan on the grounds that windfall sites are finite in nature and will diminish over the plan period. A high proportion of brownfield land is already allocated meaning that these sites will not come forward as windfall sites. The five-year figure is influenced disproportionately by a high number of completions in 2006. Excluding this figure will result in an overall windfall assumption of 540 dwellings rather than 800.

##### Small site assumption

The allowance for small sites of 100 is too high as it looks at a 5 year period rather than a longer term average, which gives an average of 75 dwellings. This period would encompass a complete economic and housing market cycle and is considered to be more robust.

##### Empty Properties

As the planning system is unable to directly influence the number of empty properties that are brought back to use and in the absence of any evidence other than a projection based on past experience it is considered that such a figure should not be included within a land supply estimate.

##### Conversions

The average figure used for conversions is based on a 4-year average, which fails to demonstrate that the annualised average can be sustained in the longer term. Furthermore, unlike the UDP, the LDP does not include a permissive policy towards conversions, which means that conversion schemes are less likely to secure planning permission. However, this figure has been used in the Representor's calculation as a maximum.

##### Non-implementation

In the Representor's own calculation of land supply, a deduction of 10% of sites with planning permission and new sites has been assumed for non-implementation. This is considered necessary due to the allocation of sites with constraints such as Bedwas Colliery.

Taking all these amended figures into account it is argued that there is a shortfall of 817 dwellings to meet the high growth figure. It is therefore considered that more land should be allocated for housing in the NCC area to meet the shortfall in allocations.

### **COMPLIANCE WITH THE LDP**

It is considered that the assumptions are contrary to the following Tests of Soundness:

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

### **DESIRED CHANGE TO THE DEPOSIT LDP**

The Council's housing land supply estimates should be adjusted and new allocations should be made to meet the shortfall.

### **COUNCIL ANALYSIS**

#### **Windfall assumption**

The concerns that the windfall assumption is too high is based on the view that windfall sites are finite in nature and will diminish over the plan period as a high proportion of brownfield land is already allocated. It is not agreed that windfall sites are finite in nature as there will always be a supply of land coming forward for housing whilst housing continues to offer the highest land value. The changing nature of the economy, resulting in surplus employment sites coming forward where appropriate, together with the ongoing restructuring of public sector services is likely to provide an ongoing supply of housing opportunities.

Since the base date of the plan, several major windfall sites have come forward that were not known at the plan preparation stage such as the CATS site in Bedwas and the former Council yard in Abercarn, indicating that the windfall sites will continue to be forthcoming. Furthermore, there are additional sites such as Ness Tar that have not been allocated within the plan for any specific land use, that may come forward for housing by 2021 if constraints to development can be overcome during the plan period.

It is also considered by the representor that the five-year windfall figure is high due to a disproportionate number of completions in 2006. The figure included is a five year average based on the last 5 years at the time of undertaking the calculation. The purpose of taking an average figure is to reflect the fact that windfalls are variable and therefore some years will be higher than others. It is not appropriate therefore to simply discount those figures that are high compared with other years as such an approach would not be considered to be sound.

### **Small site assumption**

It is considered that an allowance for small sites of 100 is too high as it looks at a 5-year period rather than a longer term average back to 1990/1, which gives an average of 75 dwellings. Whilst it is argued that this timescale is appropriate as it encompasses a complete economic and housing market cycle, it is not considered necessary to go back such a long period (17 years) as this is longer than a plan period and would be affected by significant changes in planning policy so is considered less robust than a consideration of just the recent past – 5 years.

### **Empty Properties**

It is argued that the planning system is unable to directly influence the number of empty properties that are brought back into beneficial use and in the absence of any evidence other than a projection based on past experience this figure should not be included within a land supply estimate.

In the absence of any defined methodology on how to calculate housing land requirements, it is considered that it is appropriate to make an assumption for the re-use of empty homes based on past rates as this approach is robust. Whilst it is recognised that it is outside of the control of the planning system, the re-use of empty homes is within the function of the Council and can reduce the requirements for new dwellings. This approach is both sustainable and appropriate in relation to national planning guidance, which encourages the use of previously used land and buildings.

### **Conversions**

A four-year average for conversions has been used rather than a long time period as this was the implementation date of the UDP plan period where policies on conversions have been implemented. Due to changes in national policy, it would be inappropriate to use a longer time frame.

It is argued that as the LDP does not contain a permissive policy towards conversions, fewer schemes will secure planning consent. This is not considered to be the case. Whilst it is recognised that the UDP does contain a policy on the conversion of properties into flats, the criteria included relate to access, amenity, over-development and car parking. All of these issues are considered through more generic LDP policies such as CW3 Amenity and CW6 Design Considerations - Highways. Provided conversions adhere to the relevant development control criteria there is no reason to consider that fewer planning permissions will be granted. The LDP Manual states that unnecessary policies should be excluded from LDPs and this is one such policy area where it is considered unnecessary for a specific policy to be included.

### **Non-implementation**

In the Representor's own calculation of land supply, a deduction of 10% of sites with planning permission and new sites has been assumed for non-implementation. This approach differs from that in the Background Paper 6 Population and Housing, which doesn't make an assumption for non-implementation but rather it over-allocates to allow for choice and flexibility with the view that not all sites will come forward. No substantive justification

has been provided to identify why a figure of 10% has been used in this assumption.

Taking all these amended figures into account it is argued that there is a shortfall of 817 dwellings to meet the high growth figure and therefore more land should be allocated for housing in the NCC area to meet the shortfall in allocations.

The view is not supported, both on the grounds that the different assumptions proposed by the respondent are not considered to be credible and there is robust evidence to suggest that the high growth figure is not appropriate to use in the calculation in any event for reasons already outlined in this paper.

### **Compliance with the LDP**

**C2** – Whilst there is no defined methodology on how to undertake housing land supply calculations it is considered that all assumptions made do accord with national planning guidance

**CE1** –The allocations in the plan derived from the coherent development strategy set out within the plan.

**CE2** – It is considered that there is a sound evidence base to justify the assumptions made in the housing land supply calculation and the alternative assumptions made are not considered to be credible.

**CE4** – It is considered that the over-allocation of land, which is also above the high growth figure, is sufficiently flexible to meet higher levels of growth than currently expected.

The level of growth identified in the plan has been examined through the SA/SEA process and this growth level was considered to be acceptable. It has not been demonstrated that a significantly higher growth figure would be acceptable.

### **CONCLUSION**

It is not considered that the alternative assumptions used to inform a revised land supply calculated are based on credible or robust evidence and therefore the approach identified in Background Paper 6 Population and Housing is more appropriate for the calculation of the housing land supply.

### **OFFICER RECOMMENDATION**

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

### **Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Imbalance between Population and Employment

1492.D5 2012.D16	Homebuilders Federation Caerphilly Greendoorstep	Object Object
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#### Policy Issue

- There is an imbalance between population and employment land due to the de-allocation of employment sites and their release for housing (both windfall and allocations).

#### SUMMARY OF REPRESENTATIONS

The plan is not sustainable because of the imbalance between population and employment. More houses have been built than were proposed in the Caerphilly UDP, the largest unplanned housing site being Penrhos where a total of 500 houses are to be built. On the other hand, many employment sites are proposed to be lost and replaced by housing sites, e.g. HG 1.64, 1.66, 1.67, 1.69, 1.70, 1.71, 1.72, 1.74, and 1.77. The continued increase in population and loss of employment sites and local services is not sustainable.

It is essential that employment allocations and housing be aligned in order to help foster regeneration, to promote a balanced approach to managing future growth and to promote resource efficient settlement patterns. These are key components of the strategy (highlighted in paragraph 1.19 on page 31), which are meant to underpin the policies in the LDP.

#### COMPLIANCE WITH THE LDP

##### Tests of Soundness

It is considered that the plan fails to adhere to Tests of Soundness **P1, P2, C1, C2, C3, CE2** and **CE4**, although no justification has been provided as to why this is the case.

More justification has been provided for **C2, CE2**, and **CE4** - It is considered important that the LDP ensures employment provision and housing is aligned, in order to ensure communities are sustainable. If jobs and housing are aligned, this could help attract future employers by ensuring there is a good labour supply, which in turn could facilitate regeneration and allow prosperity to spread throughout the County Borough. It is important to ensure the LDP is flexible enough in terms of its allocations, in order to realise this. Aligning jobs and housing will also help meet the WAG's sustainable development agenda, by helping to reduce the need to commute and hence lowering emissions generated from travel. It could also promote the use of walking and cycling as alternative means of travel, as it is more likely that people would live in closer proximity to their jobs. As a result, the strategy as it stands could fall foul of the above Soundness Tests and implementing the changes within this representation, would help to ensure these Soundness Tests are met.

##### Preferred Strategy

It is essential that employment allocations and housing be aligned in order to help foster regeneration, to promote a balanced approach to managing future

growth and to promote resource efficient settlement patterns. These are key components of the strategy, which underpin the policies in the LDP.

### **DESIRED CHANGE TO THE DEPOSIT LDP**

Ensure housing and employment provision is aligned, by providing more employment opportunities where housing is proposed, particularly in the Southern Connections Corridor.

### **Planning History**

The issue of the distribution of employment was considered within the context of the UDP. However, given that the UDP is based on a different strategy, it is considered that the Inspector's conclusions have little relevance within the current context.

### **COUNCIL ANALYSIS**

#### **Policy Context**

Planning Policy Wales makes it clear that local planning authorities should ensure that *“sufficient land suitable for development for enterprise and employment uses and well-served by infrastructure is designated for employment so as to meet both identified and, as yet, unidentified needs; and that new development for enterprise and employment uses is located and implemented in accordance with sustainability principles.”*

Key employment sites should be *“selected in line with sustainable development principles, with preference for the use of previously developed land, proximity to existing urban developments, good accessibility to the public transport and primary road network and good quality telecommunications”* (7.2.2).

#### **Imbalance between Population and Employment**

There appears to be no objection to the amount of employment land allocated; rather that it does not reflect the distribution of housing. In terms of this argued employment and population mismatch, it should be recognised that whilst creating the perfect scenario of everyone working in close proximity to their place of work is a laudable aim, it is unrealistic. The LDP allocates over 100 hectares of land for employment use, albeit the majority of the land is located in the Northern Connections Corridor (NCC), with only 6.9 hectares being located in the Caerphilly Basin. However, there are sound reasons for this spatial distribution. The allocations in the NCC are predominantly comprised of historic allocations that have been inherited from previous plans and are former industrial/mineral sites that have been the subject of reclamation. Reclamation on these sites was undertaken with the assistance of grant funding from the former WDA and as such their after use has been accepted from when the reclamation took place.

In reality the fact these sites are long term allocations and have benefitted from public money, granted in the knowledge of their proposed employment after uses, means that it is not reasonable to reconsider a change to other land uses, unless there are significant grounds to do so. No such grounds exist, as these sites provide appropriate land for employment uses that benefits the county borough as a whole by providing employment

opportunities within reach of the residents of the county borough, particularly those in the Heads of the Valleys Regeneration Area.

It should be noted that the presence of Oakdale Business Park has a significant impact on the figures, particularly in respect of the amount of employment land allocated in the NCC (44.9 Ha), given its sheer scale. However, it is considered that the opening of the Sirhowy Enterprise Way affords the site an enhanced level of accessibility, thereby maximising its potential to offer employment opportunities to a wider catchment than just the NCC.

It is worth noting that much of the employment in the County Borough does not actually take place on protected employment sites due to the variety of employment opportunities in the County Borough, with 55.6% of jobs falling outside of class B uses. The largest sub-sectors for employment are Retail (11.6 % of total employment), Health and Social Work (10.3%) and Education (9.8%). Further information on this is set out within the Background Paper 7 Employment. Provision for 16.8 Ha of commercial development has been made in the plan, two thirds of which is in the Caerphilly Basin, in addition to the identification of a Commercial Opportunity Area in Caerphilly town centre.

Having regard to the examples identified by the respondent where the previous use was employment, it should be noted that in several of the cases (Bedwas Colliery, Windsor Colliery and the Gas Works site), the sites have not been used for employment for a significant period of time. Furthermore, constraints such as the need for reclamation mean that a high value after-use such as housing may be the only viable option in terms of bringing these sites back into beneficial use. Two of the other examples given are a school relocation and a hospital relocation. In both instances, the employment offered by these sites will be relocated elsewhere.

In line with national trends, there has been a change in the type and nature of employment, which has resulted in a number of sites and buildings becoming vacant. New businesses may require different types of employment sites and premises to accommodate the new types of businesses, (e.g. offices instead of factories) resulting in existing sites becoming surplus to requirements. Furthermore, the use of previously developed land such as former employment land for use as housing is in accordance with the guidance in the Housing MIPPS.

In response to the arguments above, it is considered that, when the County Borough is viewed holistically, the employment offer across the County Borough within the emerging LDP is sufficiently generous to offer growth opportunities, whilst allowing those sites that are no longer performing an economic function to come forward for appropriate alternative uses.

### **Compliance with the LDP Preferred Strategy**

It is considered that the current approach with regard to employment complies with the overarching strategy governing the direction of the LDP and the policies that emanate from it. It is argued by the respondent that the alleged mismatch between housing and employment fails to comply with the strategy

components to promote a balanced approach to managing future growth and to promote resource efficient settlement patterns.

### **Balanced approach to managing future growth**

As an integral part of plan preparation the council prepared a settlement strategy for the County Borough, which involved a comprehensive functional analysis of the towns and settlements within the area. This analysis recognised the links between different parts of the county borough and underpins the approach to land allocations contained within the LDP in respect of all land uses including employment and housing land. As a consequence of this analysis the employment strategy embedded within the LDP is balanced, with employment land allocations in all strategy areas.

Whilst it is recognised that a considerable proportion of employment land is focused on Oakdale Business Park in the NCC, this is in a central accessible location, which can serve the needs of the County Borough as a whole.

New employment land has been allocated in the vicinity of all five Principal Towns and all four Key Settlements, primarily on previously developed land. Furthermore, other employment opportunities have been provided through the significant allocation of land for commercial use (29.3 Ha in total), a new hospital and a range of other community facilities. These allocations are distributed across the whole of the County Borough, but, for the reasons already set out, the distribution of land for employment cannot reflect exactly the distribution for housing.

### **SA/SEA Assessment**

No evidence has been submitted challenging the SA/SEA assessments for housing and employment.

### **Tests of Soundness**

In terms of the tests of soundness, no justification has been provided as to why the plan fails to adhere to Tests P1, P2, C1 and C3. With regards to the other tests, it is considered that the sum total of the employment allocations within the plan contribute to the provision of a land supply that is sufficiently flexible (CE4), in addition to a flexible approach to housing sites. It has not been demonstrated that the evidence base used for calculating the employment land requirement is not robust or credible, as the reasons for the distribution of housing and employment have been fully justified (CE2). The approach to employment generally is consistent with national policy as has been argued (C2).

### **CONCLUSION**

It is considered that sufficient land has been allocated across the County Borough for both housing and employment. It is acknowledged that, in terms of the distribution of land, more employment land has been allocated in the NCC (primarily on the Oakdale Business Park plateaus) despite there being a concentration of both existing population and new housing allocations in the SCC. However, the employment land (use class B) broadly reflects the distribution of brownfield sites that have historically been identified for employment use and, through their central location and good links to the rest of the County Borough can serve a wider area than just one strategy area. If

employment is considered more holistically, recognising that the majority of employment is not on designated Class B sites, it will be noted that commercial opportunities are concentrated in the SCC, providing significant employment in addition to the 6.9 Ha allocated for employment use.

**OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

**Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

**COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Environmental Capacity in Caerphilly Basin

2012.D40	Caerphilly Greendoorstep	Object
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#### Policy Issue

- The housing allocations should be re-appraised to determine the environmental capacity of each community

#### SUMMARY OF REPRESENTATION

The plan makes provision for population levels based on rates of net immigration higher than those experienced in the past, despite the fact that the Caerphilly Basin area has no environmental capacity for additional housing.

The housing allocations in the plan should be re-appraised, taking account of the environmental capacity of each community.

#### COMPLIANCE WITH THE LDP

It is considered that the plan fails to adhere to Tests of Soundness **P1, P2, C1, C2, C3, CE2** and **CE4**, although no justification has been provided as to why this is the case.

#### DESIRED CHANGE TO THE DEPOSIT LDP

The housing allocations in the plan should be re-appraised, taking account of the environmental capacity of each community.

#### COUNCIL ANALYSIS

The view has been expressed that the Caerphilly Basin has already reached its environmental capacity and therefore there is no further capacity for more residential development. An environmental capacity justification for preventing any further house building would need to be based upon a robust environmental assessment of the Caerphilly basin, identifying all environmental and ecological constraints to development. No such study has been undertaken and the representor has provided no evidence to support such a stance.

On the part of the local authority, however, all housing allocations have been subject to a robust site assessment process, which considered the ecological value of sites as well as the capacity of infrastructure such as schools and utilities. Furthermore, all sites have been subject to a Sustainability Appraisal and Strategic Environmental Assessment.

#### Compliance with the LDP

No substantive evidence has been submitted to demonstrate that the plan does not adhere to the Tests of Soundness, Preferred Strategy or SA/SEA Assessment.

#### OFFICER RECOMMENDATION

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

#### Reason for Recommendation

The desired change would adversely affect the soundness of the plan.

**COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Ecological considerations on housing sites

4045.D10	Envirowatch UK	Object
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#### Policy Issue

Ecological surveys should have been carried out on housing sites

#### SUMMARY OF REPRESENTATIONS

The Council have not carried out an ecological survey of the allocated housing land to meet the requirements of the European Court and the Habitats Directive.

#### COMPLIANCE WITH THE LDP

No evidence has been submitted by the representor with regards to the conformity with the Preferred Strategy, SA/SEA/AA/Habitats Directive or Tests of Soundness.

#### DESIRED CHANGE TO THE DEPOSIT LDP

Undertake ecological surveys of housing allocations.

#### COUNCIL ANALYSIS

It is considered that the completion of full ecological surveys on all sites included within the plan is unnecessary as part of the LDP preparation process, as ecological surveys only last for two years and therefore would need to be reviewed on a regular basis. In the allocation of land for housing, sites have been subject to a robust site assessment process, which looked at the importance of the site in ecological and landscape terms. Whilst this assessment was not a full ecological survey, data from the South East Wales Biodiversity Record Centre (SEWBREC) was utilised to identify areas of biodiversity importance. Where the need for a full ecological survey has been identified, this has been indicated in Appendix 8 of the LDP. This survey together with any other relevant surveys will be required to be submitted at planning application stage.

All housing sites have also been assessed through the SA/SEA process in accordance with European requirements.

#### Compliance with the LDP

No substantive evidence has been submitted to demonstrate that the plan does not adhere to the Tests of Soundness, Preferred Strategy or SA/SEA process.

#### OFFICER RECOMMENDATION

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

#### Reason for Recommendation

The completion of full ecological surveys should more appropriately be undertaken at planning application stage.

#### COUNCIL RESOLUTION

Resolved to accept the officer recommendation.

## Policy HG1 Allocated Housing Sites

### Distribution of housing sites across Strategy Areas

697.D6	Ashtenne Industrial Fund Ltd	Object
2634.D17	Rhondda Development Company Ltd	Object
2636.D8	Mr Vernon Perry	Object
3722.D1	Mr Ian Michael	Object
3998.D1	Estate of D.O. John	Object
4115.D8	Messrs A and P Price	Object
4116.D9	Mr A. Price	Object
4119.D6	Mr Michael Lewis	Object
4119.D10	Mr Michael Lewis	Object

### Policy Issues

- There has been an under-allocation of land in the NCC compared to its population.
- Insufficient land has been allocated in the HOVRA to allow for a choice of sites.
- Additional land should be allocated in Bargoed to reflect the level of investment in the town.
- More land should be allocated in Ystrad Mynach to reflect its role as a Principal Town.

### SUMMARY OF REPRESENTATIONS

#### Under allocation of housing land in the Northern Connections Corridor (NCC)

There is an under allocation of housing land in the Northern Connections Corridor (NCC) as this area has 36.7% of the County's occupied households yet only 26.7% of the housing allocation. It is considered that this is in conflict with the preferred strategy which seeks to promote a more balanced approach to managing future growth in which *'more significant development opportunities on both brownfield and greenfield sites are therefore proposed for principal towns and key settlements in the Northern Connections Corridor...in order to spread prosperity throughout the County Borough'*.

#### Insufficient land has been allocated in the Heads of the Valleys Regeneration Area

Insufficient land has been allocated in the Heads of the Valleys Regeneration Area (HOVRA), which is considered restrictive, as it will deny a choice of sites. The point is also made that, as 55% of the total proportion of housing for the HOVRA is allocated on brownfield sites that are likely to be constrained, some allocations may not come forward.

#### Insufficient allocation of land for housing in the Principal Towns of Bargoed and Ystrad Mynach.

There is insufficient allocation of land in two principal towns – Bargoed and Ystrad Mynach. It is considered that more land should be allocated in Bargoed due to the lack of variety in the housing available. More housing land is required in Ystrad Mynach to reflect its role as a major focal point for

economic activity, new housing, education, and health and community facilities.

### **COMPLIANCE WITH THE LDP**

It is considered that the distribution of housing as shown in Policy HG1 does not adhere to the **Test of Soundness C2, CE2 or CE4**. It is argued in relation to CE2 that the allocation of additional housing sites in the NCC in line with the distribution of population/occupied households would conform to the objectives of the strategy.

### **DESIRED CHANGE TO THE DEPOSIT LDP**

1. Allocate more housing land within the Heads of the Valleys Regeneration Area
2. Allocate more sites in the Northern Connections Corridor
3. Allocate more land for housing in the Bargoed area
4. Allocate more housing sites in Ystrad Mynach

### **Planning History**

**UDP** - Housing distribution was discussed as part of the UDP Inquiry. However, this was considered within the context of the UDP strategy so the discussion is not relevant to the LDP.

**LDP** - These issues were not raised at the Preferred Strategy stage as the distribution of housing allocations between the strategy areas was not known at the time.

### **COUNCIL ANALYSIS**

#### **Under allocation of housing land in the Northern Connections Corridor (NCC)**

It is accepted that the proportion of sites allocated within the NCC is slightly lower than the proportion of occupied households in this area. However, this distribution can be justified on the basis of the significant housing development that has occurred in the area in recent years.

The UDP strategy defined the NCC as the 'Area of Growth' and the Council allocated a significant number of both Greenfield and brownfield sites within the Mid Valleys area in order to promote growth across this part of the county borough. With the exception of Greater Bargoed, the 'Area of Growth' broadly corresponds with the NCC strategy area. The UDP strategy has proven to be successful, with significant levels of new house building occurring within the area, which has increased the diversity of the house stock.

Indeed, the Joint Housing Land Availability Studies (JHLAS) for 1<sup>st</sup> April 2007 (the last approved study at the time of plan preparation) and the 5 years preceding it indicate that housing completions on sites of 10 or more units (those included in the JHLAS schedule) has been consistently higher in the NCC than other areas.

**JHLAS Housing Completions by LDP Strategy Area**

	<b>Total</b>	<b>HOV Total</b>	<b>HOV %</b>	<b>NCC Total</b>	<b>NCC %</b>	<b>SCC Total</b>	<b>SCC %</b>
2001/2002	441	4	0.9	242	54.9	195	44.2
2002/2003	268	8	3.0	65	24.3	195	72.8
2003/2004	271	11	4.1	187	69.0	73	26.9
2004/2005	291	34	11.7	225	77.3	32	11.0
2005/2006	464	8	1.7	343	73.9	113	24.4
2006/2007	768	22	2.9	395	51.4	351	45.7
<b>Occupied Household Distribution</b>			<b>18.4</b>		<b>36.7</b>		<b>44.9</b>

**Source: JHLAS 2002-2007 and Census 2001**

As shown in the table above, the 2001 census indicates that 36.7% of all occupied households in the County Borough lie within the NCC, yet, with the exception of 2002/2003, the proportion of housing completions in the area have been significantly higher than was proportional for this area.

One of the key components of the LDP strategy is to promote a balanced approach to managing future growth. It is considered that sufficient land has been allocated to meet the needs of all communities, not only in the NCC, but also in the other strategy areas. Indeed, if consideration is given to where the sites are located within the strategy area, it will be noted that these comply with the Strategy as both the Principal Towns (Blackwood and Ystrad Mynach) and the Key Settlements (Nelson and Newbridge) have significant allocations as well as the other settlements in the strategy area having sites allocated which support their role and functions.

In the recent past the Heads of the Valley Regeneration Area (HOVRA) has not experienced any significant levels of inward investment in terms of new housing development. This lack of development in the HOVRA compared to other areas is also recognised and therefore more land than is proportionate has been allocated in this area in order to allow for and encourage development opportunities, which is another key component of the strategy. As a result, proportionately less land has been allocated in the NCC, where significant growth has already occurred.

It is also important to note that, whilst proportionally the figures are low, the actual number of units for which provision is made is still significant. A total of **1,818 units** have been allocated in the NCC in the LDP, compared with only 1,261 units in the comparable area in the UDP. It is recognised that committed sites have been treated differently in the LDP compared to the UDP and therefore the figures are not directly comparable, but it can be used to emphasise the scale of the land allocated in the area.

The environmental constraints in the area must also be considered. There are more limited opportunities for development on brownfield sites within the NCC. The allocation of further land in this strategy area would primarily require the release of greenfield edge of settlement sites with the potential to harm areas of importance in terms of biodiversity, landscape, historic and/or conservation interest.

In light of the above, the slight under-allocation of land in the NCC is justified as this approach complies with the strategy, whilst still ensuring that sufficient land is available.

### **Insufficient land has been allocated in the Heads of the Valleys Regeneration Area (HOVRA)**

This argument has little merit, as there is already an over-allocation of land in the strategy area compared with the proportional population. It is recognised that historically there has been less house building in this area than in other parts of the County Borough and the LDP seeks to address this through the key component of the strategy to promote development in the HOVRA. The LDP allocates 1,648 dwellings across a wide range of sites within this strategy area. Almost every defined settlement in the HOVRA has at least one site allocated for housing, recognising the residential role and function of that community to allow for diversity and choice.

The inclusion of additional land as requested by the respondent is not considered necessary to deliver the strategy. Sufficient land has already been allocated within the HOVRA. The allocation of further land within the HOVRA could result in the LDP failing Test of Soundness CE2 as the inclusion of too many allocated sites within this area may be considered to be unrealistic.

The argument over brownfield site constraints is discussed elsewhere in this paper and therefore it is not necessary to repeat these arguments here. However, it is worth noting that, whilst past rates have been low, recent years have seen increased interest from major house builders in sites in the HOVRA and a number of major sites now have planning consent, as indicated in Policy HG1. This includes several brownfield sites, many of which are now under construction, indicating that such sites will come forward in the strategy area.

### **Insufficient allocation of land for housing in the Principal Towns of Bargoed and Ystrad Mynach.**

The Council considers that sufficient land has been allocated in both Bargoed and Ystrad Mynach in order to reflect their roles as Principal Towns.

#### Bargoed

It is not disputed that there is currently a lack of choice of housing in the town. This is recognised as an issue not only in Bargoed but also across the whole HOVRA area in paragraph 1.5 of the LDP. However, it is considered that sufficient land has been allocated within the LDP in the Greater Bargoed area in order to address this.

Within Bargoed itself, 3 housing sites (129 units) have been allocated, however it is important to recognise that Bargoed has strong links with the neighbouring community of Aberbargoed, where a further 4 sites capable of accommodating 687 units have been allocated. These links have been strengthened further by the recent development of 'Angel Way,' which provides an excellent link between Bargoed town centre and Aberbargoed, including the Aberbargoed Plateau, which has the capacity to accommodate approximately 413 dwellings. It is therefore reasonable to consider Bargoed and Aberbargoed as both being part of one functional area, namely Greater Bargoed. The LDP allocates 7 sites capable of accommodating 816 units within the Greater Bargoed area, approximately half of all units allocated within

the strategy area. This is considered to provide a sufficient range of sites to increase the diversity of the housing stock.

### Ystrad Mynach

Ystrad Mynach also has sufficient land allocated to support its Principal Town status. Three sites are allocated in the town, providing a total of 472 units – two are small in scale but are well related to the town centre and the third is Penallta Colliery, which, as of the base date of 1<sup>st</sup> April 2007, still had 444 of the 580 units granted planning consent remaining. The recently completed Penallta Link Road means that this development is well linked to the services in the town, in particular the employment opportunities at Tredomen. It is considered that this is sufficient to reflect the Principal Town status, particularly when it is noted that there has been significant house building in the area in recent years, most notable at the first phase of Penallta Colliery (136 units) and Twyn Road (78 units).

### **Compliance with the LDP**

It is argued that the Plan fails to adhere to Tests of Soundness **C2, CE2** or **CE4**

C2 – Insufficient evidence has been provided to demonstrate that the plan fails to have regard to national policy in selecting sites as the site assessment procedure followed the search sequence as set out within the Housing MIPPS.

CE2 – Whilst it is recognised that proportionally there are less sites allocated in the NCC than the population distribution would indicate, there is still a wide range of sites available in an area that has seen significant growth in the past. It is therefore considered that in light of the strategic desire to encourage development in the HOVRA, the approach taken in the plan is both appropriate and robust.

CE4 – The significant over-allocation of land across the County Borough has ensured that the housing policy is sufficiently flexible.

As the housing sites were assessed against their compatibility with the strategy as part of the site selection process and the distribution of sites reflect the aims of the strategy, it is considered that the distribution of sites is appropriate in strategy terms.

### **CONCLUSION**

It is considered that the distribution of housing sites across the three strategy areas is appropriate as sufficient land has been allocated in all areas to meet future population needs with a range of sites being identified.

### **OFFICER RECOMMENDATION**

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representations.**

#### **Reason for Recommendation:**

The proposed changes would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

#### **Implications of Council Resolution**

A concern raised in the representations was that insufficient land had been allocated in the HOVRA and in Bargoed in particular. Clearly the loss of two sites (433

dwellings) in the strategy area, the majority of which were in the Greater Bargoed area, will have an impact on the land available in the strategy area. However, it is still considered that there is a sufficient range of sites to ensure that there is a diversity of sites available to attract inward investment. Six sites remain allocated in the Greater Bargoed area, which vary in size and also in type, offering both brownfield and greenfield opportunities. Furthermore, there are 15 other sites outside of Greater Bargoed to allow for new housing development in this area.

Even with the loss of HG1.19 Aberbargoed Plateau and HG1.14 Land Fronting South View Terrace, the distribution of housing allocated in the Heads of the Valleys Regeneration Area when compared to allocations in the rest of County Borough is higher than is proportionate when compared to the existing distribution of households. The remaining land allocation will therefore still ensure that development opportunities in this area are encouraged, which is a key component of the strategy.

Furthermore, in defining settlement boundaries, consideration has been given to the strategic aim of allowing development opportunities in the Heads of the Valleys and therefore it is anticipated that additional land within defined settlement limits will also come forward for housing. Indeed, whilst it is recommended by the Council that the housing allocation be removed, the Aberbargoed Plateau site will remain within settlement limits and therefore could still come forward for development.

It is therefore considered that the removal of two sites in the strategy area will have no adverse affect on the soundness of the plan, as sufficient land is still available for development in the Heads of the Valleys Regeneration Area

Representations have been made that there is an under-allocation in the Northern Connections Corridor and therefore the implications of the loss of two housing sites in the strategy area needs to be considered. With regards to the overall housing provision in the Northern Connections Corridor, it is considered that sufficient land is still available to sustain the area. There are still 23 other allocated housing sites in the NCC, and it is likely that additional sites will come forward as windfalls during the plan period. Notably, the Navigation Colliery site could still come forward as a windfall site if constraints are overcome.

In respect of the proportional distribution of sites between strategy areas, there is a decrease in the share the NCC has from 26.7% of all allocations to 25.4%, although this is considered very marginal and does not therefore undermine the arguments.

It is therefore considered that the removal of these sites will have no adverse effect on the soundness of the plan, as sufficient land is still available for development in the Northern Connections Corridor, as well as sites being available to support the role and function of settlements.

## Policy HG1 Allocated Housing Sites

### Greenfield/Brownfield status

50.D4	Mr Stuart Banks	Object
2160.D2	Merriman Ltd	Object
2195.D4	Mr Morgan Thomas	Object
2438.D2	Trustees of the Llancaiach Estate	Object
2634.D16	Rhondda Development Company Ltd	Object
2636.D7	Mr Vernon Perry	Object
4045.D9	Envirowatch UK	Object
4045.D17	Envirowatch UK	Object
4045.D48	Envirowatch UK	Object
4045.D56	Envirowatch UK	Object
4115.D7	Messrs A and P Price	Object
4116.D4	Mr A Price	Object
4119.D2	Mr Michael Lewis	Object

### Policy Issues

- All Greenfield allocations without planning consent or where consent has not been implemented should be deleted.
- White land within urban areas should be used in preference to Greenfield sites.
- Not all brownfield sites promoted as candidate sites have been taken forward as allocations.
- The proportion of brownfield sites is too high in HOVRA.
- Too much Greenfield land has been allocated in HOVRA.
- More brownfield sites should be allocated in the NCC, as there is land available.
- The proportion of brownfield sites is too high in the NCC.

## SUMMARY OF REPRESENTATIONS

### Greenfield Allocations

There is an objection to the allocation of all Greenfield sites that do not have planning permission. Furthermore, where land has been undeveloped for a long time the consent should be revoked and the site de-allocated.

It is also considered that the white land within the urban areas should be allocated before any Greenfield sites are allocated. If this white land is not able to be used it should be returned to open countryside if on the edge of the settlement and if within the urban area be used for allotments or informal amenity area or agricultural extensions into the urban area or wildlife areas.

A further representation argues that all brownfield sites submitted through the candidate site process should have been taken forward as allocations

### Heads of the Valleys Regeneration Area

There is a strong objection to the allocations in the HOVRA, which attracts 45% of speculative development onto finite natural resources of green fields and biodiversity. This is contrary to the Habitats Directive and Aim 11 of the LDP.

There is a counter-objection that 55% of the total proportion of housing for the HOVRA is allocated on brownfield sites as these are likely to be constrained and could result in the under development of the allocations made in the Deposit Plan.

### **Northern Connections Corridor**

In this strategy area 67% of dwellings are allocated on brownfield land, which is considered low given the availability of brownfield sites in the NCC as well as the fact that 97% of dwellings identified in the SCC have been allocated on brownfield land.

Conversely, it is argued that the proportion (67%) of brownfield sites allocated in the NCC is too high. Whilst the emphasis should be on the redevelopment of previously developed land there is an over concentration on brownfield sites which will prevent the LDP strategy from being delivered by including sites which are not viable and providing the necessary range and a choice of housing.

### **COMPLIANCE WITH THE LDP**

Collectively, it is considered that the plan fails to adhere to Tests of Soundness **P1**, **C1**, **CE2** and **CE4**. However, only CE2 has been justified on the grounds that the inclusion of more Greenfield sites in the NCC will provide a better range and choice of housing sites and include allocations that are viable and deliverable.

### **DESIRED CHANGE TO THE DEPOSIT LDP**

1. Delete all allocations on Greenfield land that either have no planning permission or have been undeveloped for a long time.
2. Review allocations to ensure that white land is allocated prior to Greenfield sites.
3. Reassess all the allocations in the HOV Strategy Area to meet government requirement to utilise brownfield sites before Greenfield and delete the 45% level of Greenfield development from the plan.
4. Allocate more housing land within the Heads of the Valleys Regeneration Area.
5. A greater number of brownfield sites should be allocated for housing in the NCC, in order to increase the proportion of brownfield housing allocations.
6. In order to provide a range and choice of housing stock more Greenfield sites should be allocated for housing in the Northern Connections Corridor.

## **COUNCIL ANALYSIS**

### **Policy Context**

The Housing MIPPS states that in identifying sites to be allocated for housing in development plans, a search sequence should be followed starting with the re-use of previously developed land and buildings within settlements, then settlement extensions and then new development around settlements with good transport links. The MIPPS also goes on to state that in deciding which sites to allocate consideration should be given to the ability to build sustainable communities and to provide sufficient demand to sustain appropriate local services and facilities.

The LDP strategy and the allocations that are derived from the strategy follow the premise set out in the MIPPS to use previously developed land in the first instance. However, the other consideration that the sites selected should sustain local services and facilities has also factored in determining what sites should be taken forward,

particularly in areas that have experienced population loss in the past and which need a greater choice of housing to allow people to remain in communities and help to sustain the population.

More general comments regarding the strategy as it relates to the use of brownfield and Greenfield land in each of the three strategy areas is set out in the responses to SP1, SP2 and SP3. The representations addressed here are those that relate specifically to the sites allocated in the plan and their previously developed land status.

### **Greenfield Allocations**

In response to the objection to the allocation of Greenfield land that does not have planning consent or where the permission has lapsed, it is considered that it would be inappropriate to remove all the allocations of this nature in the plan. Whilst a search sequence in accordance with the Housing MIPPS has been adopted, it has been necessary to allocate a small number of Greenfield sites where no appropriate brownfield land is available in order to sustain communities and meet housing requirements. The amount of Greenfield land allocated without planning consent is minimal (only 12% of all allocations as of the base date of 1<sup>st</sup> April 2007, although this figure will now have decreased further due to the granting of consent of several other sites since the base date). With regards to the de-allocation of land where consent has lapsed, it should be recognised that the granting of planning consent indicates that a site is suitable for residential development and therefore it would be unrealistic to remove the allocation and bring other sites forward instead. The key point to recognise is that in many situations, there are no appropriate brownfield sites within the settlements that could be allocated instead as otherwise they would have already been allocated in line with the search sequence.

The second point requests that white land within the urban areas should be allocated before any Greenfield sites are allocated. It is argued that if white land can not be used, if it is on the edge of the settlement it should be returned to open countryside and if it is within the urban area, it should be used for allotments, informal amenity, wildlife areas or agricultural extensions into the urban area.

It should first be recognised that a vast majority of land within settlements is 'white land' i.e. it is not subject to a particular policy designation. However, importantly this does not mean that white land does not have an existing use. Undeveloped land within settlements is often used for leisure purposes or is important in visual amenity terms, even though it may not be subject to a formal designation. A policy framework protecting land for leisure purposes is set out within the development plan. Furthermore, white land within settlements may also be Greenfield as per the definition set out within Planning Policy Wales. The argument that white land should be allocated in preference is therefore not logical.

With regards to the objection that not all brownfield candidate sites have been taken forward as allocations, it should be noted that just because a site is brownfield, it does not necessarily mean that it is suitable for development and/or conforms to the development strategy. Brownfield sites have been allocated in preference to Greenfield sites, but only where such brownfield sites are deemed to be appropriate.

### **Heads of the Valleys Regeneration Area**

One of the key components of the strategy is to promote development opportunities in the HOVRA to allow for development. In this context, allocations have been made

in all settlements in the HOVRA where appropriate land was available. The provision of land for housing is a key tool in terms of sustaining communities. The designation of land for housing within these areas serves to provide for the development of a wider range of housing in communities that typically have a limited choice. It is anticipated that the provision of new housing development will act as a catalyst for the wider regeneration of these settlements. Given the desire to make provision for housing in all communities in the HOVRA, it has been appropriate in some instances to allocate Greenfield sites where no suitable brownfield opportunities exist.

With regards to the objection that too much Greenfield land has been allocated for housing in the HOVRA, it should be noted that in line with the search sequence for the allocation of sites, appropriate brownfield land has been allocated where sites are available. However, settlements in the HOVRA are characterised primarily by steep valley terraced housing and the topography of the land is such that in some areas few brownfield development opportunities are available. Furthermore, there are fewer significant brownfield sites in the HOVRA than in other parts of the County Borough, meaning that it is necessary to look towards greenfield sites in order to ensure sufficient land is allocated to meet the requirements of the population.

It should also be noted that several of the significant Greenfield sites allocated in the HOVRA already have planning consent (e.g. Bedwellty Road, Aberbargoed - 180 dwellings, Carn Y Tyla Terrace, Abertysswg – 133 dwellings, Land adjacent to Brynglas, Pontlottyn – 56 dwellings). Given the fact that the principle of development has already been established on these sites through the granting of planning permission, it would be unrealistic and inappropriate to remove these sites as allocations.

All sites allocated in the plan have been subject to a robust assessment procedure including consideration by the Countryside and Landscape Services. Sites with significant ecology value have not been taken forward as allocations. However, where features of ecological importance have been identified on sites that have been allocated, the need to protect these features and undertake appropriate ecological surveys to inform development are both requirements set out within the Appendices of the plan as a means of minimising and mitigating against any adverse effects on biodiversity. It is important to note that biodiversity value is not just limited to Greenfield sites as some brownfield sites may have significant value too. Brownfield sites have therefore also been subject to the robust sites assessment. Furthermore, all sites allocated for housing have been subject and Sustainability Appraisal and Strategic Environmental Assessment.

Having regard to the above, it is considered that the amount of Greenfield land allocated in the plan for housing is justifiable given land availability and the other objectives of the plan.

In response to the counter-objection that too much land has been allocated on brownfield sites as these are likely to be constrained and could result in the under development of the allocations made in the Deposit Plan, it is considered that this is not the case. As has already been stated, the allocation of brownfield land is in accordance with national planning guidance. Whilst it is recognised that in some instances there will be an additional cost associated with the reclamation of brownfield sites, this is not the case with all sites. It should be noted that the largest

allocation in the Heads of the Valleys Regeneration Area – Aberbargoed plateau – has already been reclaimed. Additional work is being undertaken to determine the viability of sites identified within the LDP and it is anticipated that the findings of this viability assessment will indicate that the brownfield allocations in the HOVRA are deliverable.

### **Northern Connections Corridor (NCC)**

In the NCC, it is argued that the amount of housing land allocated on brownfield sites is too low (67%) given the availability of brownfield sites in the area and the high proportion allocated in the Southern Connections Corridor (SCC). It should be recognised, however, that the strategy for the NCC and SCC differ; within the NCC development is focused on both brownfield and greenfield sites, albeit utilising brownfield sites in preference, whereas in the SCC development is primarily limited to brownfield sites. This is due to the SCC is under considerable development pressure arising from growth in the M4 Corridor and has limited capacity for development without causing undue environmental harm. A large part of the SCC has been shown to be highly valued and environmentally sensitive. As a consequence there is a need to consolidate development within the SCC to within existing settlements. In addition, the SCC has significantly more large brownfield opportunities than in the NCC.

The respondent has provided no evidence in terms of the availability of brownfield sites within the NCC. As was the case in the Heads of the Valleys Regeneration Area, appropriate brownfield sites have been used in preference to Greenfield sites in line with national guidance. However, in order to ensure that sufficient land is allocated to reflect the role and function of settlements, it has been necessary to allocate Greenfield sites. The high percentage of Greenfield sites was due to several Greenfield sites having consent or being subject to planning applications (e.g. Hawtin Park, Pontllanfraith – 194 dwellings, Pennar Lane, Newbridge– 63 dwellings and Land west of Old Pant Road, Panside – 56 dwellings).

In response to the opposing argument that the previously developed land figure is too high, it is considered that this figure is appropriate having regard for available land and national planning policy. It should be noted that the largest brownfield site in the area – Penallta Colliery, Ystrad Mynach has an overall capacity of 580 dwellings and is already under construction. 444 dwellings were remaining as of 1<sup>st</sup> April 2007, the base date of the plan. There have also be a number of other significant brownfield housing developments in the strategy area over the Unitary Development Plan period. (e.g. the former Rover factory in Tiryberth, the former Gossards factory in Blackwood), which again demonstrate that brownfield sites within the NCC are viable and can be delivered.

### **Compliance with the LDP**

All sites allocated in the plan have been subject to Sustainability Appraisal and Strategic Environmental Appraisal and no substantive evidence has been submitted to challenge these findings.

Whilst it is argued that the plan fails to adhere to Tests of Soundness P1, C1, CE2 and CE4, only CE2 has been subject to any justification where it is argued that the inclusion of more greenfield sites in the NCC will provide a better range and choice of housing sites and include allocations which are viable and deliverable. It has been demonstrated in the response above, that in order to comply with national

planning policy and the strategy, it is necessary to allocate brownfield land and it is considered that the allocations put forward are both appropriate and realistic, given that there has been significant experience of viable brownfield development in this strategy area.

As the allocations of land for housing have been derived from the strategy, it is considered that the amount of brownfield land allocated does accord with the strategy and any significant change to this distribution would not only fail to adhere to the strategy but also would fail to comply with the Housing MIPPS in promoting the use of brownfield land in preference to greenfield land.

### **CONCLUSION**

The allocations in the plan have been prepared in accordance with national planning policy that promotes a search sequence in the allocation of land, starting with previously developed land. It is recognised that some greenfield land has to be allocated in order to: ensure that sufficient land is allocated to meet total housing requirements; and achieve the aim of sustaining local communities by targeting development to reflect the role and function of settlements. It is considered that the amount of greenfield and brownfield land allocated within the plan is balanced and meets the component parts of the strategy by ensuring that a range of housing sites are available in all strategy areas.

### **OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

### **Reason for Recommendation**

The desired changes would not adhere to the development strategy

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Sites with Planning Consent

4045.D51	Envirowatch UK	Objection
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#### Policy Issue

- Sites with planning permission should not be listed as allocations.

#### SUMMARY OF REPRESENTATION

Sites that have been granted planning permission should not have been included as Greenfield allocations, but should be in a list of undeveloped sites with planning permission.

#### COMPLIANCE WITH THE LDP

No information has been provided on how this proposed change would comply with the Preferred Strategy and Tests of Soundness

#### DESIRED CHANGE TO THE DEPOSIT LDP

Sites with planning permission be removed from the Policy and included in a separate list of undeveloped sites with planning permission.

#### COUNCIL ANALYSIS

National planning policy does not provide guidance on how to address sites with planning consent with regards to housing allocations. However, the LDP has approached the allocation of land for housing by allocating within Policy HG1 both sites with and without planning consent. The base date used for the determination of whether a site had planning consent was 1<sup>st</sup> April 2007, which was the date of the last published Joint Housing Land Availability Study at the time of plan preparation.

During a plan period, it is often common for the planning status of sites to change as planning consents lapse or sites without planning consent are granted permission. This process is dynamic.

If sites with planning consent are allocated under Policy HG1, the housing allocation ensures that the principle of residential development would be acceptable through the lifetime of the plan, even if the planning consent expires.

The option suggested by the representor i.e. the listing of undeveloped sites with planning consent separately would mean that the sites in question would not be formally designated for housing and therefore, should the consent lapse, it could potentially mean that the site could be developed for another use. Sites with planning consent have been used in the calculation of housing land supply. However, if they were not formally designated and then were developed from an alternative use, it could be argued that the housing requirement figures were unsound. The allocation of these sites under HG1 ensures that these allocations are maintained for housing throughout the lifetime of the plan or until such time as they are formally reviewed.

#### Compliance with the LDP

The sites with planning consent that have been taken forward as allocations are only those that accord with the strategy. These sites can play an important part in supporting the role and function of settlements. The fact that sites have been granted

planning consent is a sign that these sites are considered to be realistic and deliverable in accordance with Test of Soundness CE2.

**CONCLUSION**

The approach adopted in the LDP is considered to be sound as it provides certainty to developers as to the principle of land for housing development, irrespective of its planning status, throughout the plan period. The Representor's proposed change would remove this level of certainty and therefore it is not considered that this approach is robust.

**OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

**Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

**COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Housing Densities

154.D13 4274.D7	Mr Christopher Brimble Steering Group for the Future of the Caerphilly and District Miners Hospital	Object Object
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### Policy Issue

- A higher density development on housing sites should be promoted in the Caerphilly Basin area
- The flexibility of densities in Paragraph 3.205 is supported.

### SUMMARY OF REPRESENTATION

The proposed development densities of housing sites in the Caerphilly Basin are too low. The increase of densities on well located sites with the Caerphilly Basin will remove pressure to develop on less centrally located sites during the plan period. The density of some sites in the plan (such as HG1.68 St Ilan's) is as low as 15 units/hectares, which is considered exceptionally low, whereas a density of 50 units/hectare would normally be expected.

There is support for the flexibility of densities as set out with Paragraph 3.205, which indicates that higher or lower number of units, could come forward.

### COMPLIANCE WITH THE LDP

It is considered that the housing densities shown in the plan do not adhere to the Tests of Soundness P2, C2, C3, CE3 and CE4. In responding to a wider argument on the role of higher densities as part of a master plan for the Caerphilly Basin, it is considered that the Deposit Plan does not appear to go far enough or consider in sufficient depth the interaction of separate sites and complementary land uses.

### DESIRED CHANGE TO THE DEPOSIT LDP

Increase the proposed development densities for sites in the Caerphilly Basin.

### COUNCIL ANALYSIS

National planning guidance does not prescribe a required density for residential development. It is recognised in the Housing MIPPS (2006) that increases in density help to conserve land resources, but paragraph 9.3.4 of the guidance states "*where high densities are proposed the amenity of the scheme and surrounding property should be carefully considered.*"

It was necessary as part of the site selection process to determine an average density to be used in the calculation of site capacity (refer to Section 2 of LDP Background Paper 14: Site Assessment Methodology). On the basis of past densities from recent planning applications, the average density was determined to be 35 units a hectare. This is an increase from the UDP where average densities were only 25 units a hectare. The average density chosen to inform the plan is based on evidence including constraints that may affect the developable area of a site.

However, in determining the capacity of sites for inclusion within the plan, account was also taken of the number of units identified as within planning applications or

within pre-application enquiries to ensure that the densities identified were realistic and founded on a credible evidence base, adhering to Test of Soundness CE2.

The reasoned justification for Policy HG1 in each of the Strategy areas indicates that *“the proposed number of units identified for each site is indicative and higher or lower densities may be acceptable where the proposed development addresses other policy considerations including design, sustainability and comprehensive development.”* This policy is deliberately flexible in order to allow for higher densities were appropriate, which could well include suitable sites in the Caerphilly Basin where the densities comply with other policy considerations. This approach is considered to comply with Test of Soundness CE4, as it is flexible enough to deal with changing circumstances.

There is no apparent conflict between the provision of higher densities in the Caerphilly Basin and the strategy, as higher densities are considered to comply with the role and function of settlements and also higher densities could potentially reduce the impact of development on the countryside. However, it is considered that it would be unsound to increase the densities of sites identified within the Caerphilly Basin as the figures would not be founded on a robust evidence base (CE2), nor would they offer the degree of flexibility that exists within the current policy as it stands (CE4).

The representor makes particular reference to the density at St Ilan's Comprehensive to illustrate the point that some densities in the Caerphilly Basin are too low. It should be noted that the St Ilan's site is proposed for a mixed-use development incorporating the relocation of schools, leisure and housing. The area of the site to be released for housing will be much less than the total site area of 12.67 hectare and therefore the density of development will be considerably higher than the 15 units/hectare stated by the respondent.

The Council does not support the assertions that the plan fails other tests of soundness either as it can be demonstrated that housing allocations in the plan has been subject to an Sustainability Appraisal and Strategic Environmental Assessment, complying with Test of Soundness P2. The density of housing allocations also complies with Tests of Soundness C2 and C3 insofar as regard has been had to both the Wales Spatial Plan and national policy.

## **CONCLUSION**

It is considered that the increase of densities in the Caerphilly Basin would be unsound as the change would not be based on robust evidence such as past development densities and indicative capacities. In addition, the change would be unnecessary as the allocations in Policy HG1 are considered to be sufficiently flexible to allow higher densities to come forward as appropriate.

## **OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

## **Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

## **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy HG1 Allocated Housing Sites

### Deliverability

1492.D8	Home Builders Federation	Object
2282.D11	Welsh Assembly Government	Object
4142.D6	Emporium Consultants	Object

### Policy Issues

- Concern over the deliverability of sites in the Southern Connections Corridor
- The need for greater clarification on how housing policies are deliverable

## SUMMARY OF REPRESENTATIONS

### Deliverability of housing sites in the Sothern Connections Corridor (SCC)

The sites in the SCC have been reviewed and the deliverability of about 853 new homes is questioned. Failure to deliver these homes would create a major gap in the supply of housing in the area likely to have the highest demand.

HG1.53 Land adjacent to Pen-y-Cwarel Road Wyllie - 56 units  
 HG1.54 Land north east of Llanarth Street, Wattsville - 30 units  
 HG1.62 Former petrol filling station, Trethomas - 10 units  
 HG1.64 Bedwas Colliery, Bedwas - 630 units  
 HG1.69 Cardiff Road/Pentrebane Street, Caerphilly - 127 units.

It is argued that site constraints and the failure of these sites to come forward in a buoyant market indicate that they are unlikely to be delivered in current economic conditions.

It is considered necessary to review the deliverability of brownfield sites in order to assess the likelihood of these sites coming forward, given the constraints and policy aspirations of the Council and the WAG. An increase in the amount of Greenfield land for housing could reduce the costs associated with development and could also ensure the LDP provides an adequate range and choice of housing for the people of Caerphilly

### Deliverability of housing policies

Whilst is not considered to be fundamental to the soundness of the LDP, there is a lack of certainty or clarity on the deliverability of the strategy and housing policies.

## COMPLIANCE WITH THE LDP

With regards to the deliverability of housing sites in the Southern Connections Corridor, it is argued that the Plan fails to meet Tests CE1, CE2 and CE4.

It is considered that an urgent review of the brownfield allocations would help to prove whether or not they are viable and deliverable housing allocations given the policy aspirations and constraints identified. This would satisfy Soundness Test CE2.

It is reasonable to assume that Greenfield sites would have less onerous constraints than the current brownfield allocations in the SCC . If more Greenfield sites were allocated, it could help to ensure the allocations in the SCC are delivered, as development pressures in this area are greatest. It could also help to ensure an appropriate range of choice of housing is made available. This would satisfy Soundness Test CE4.

There are concerns regarding the wider deliverability of policies in the plan that Tests of Soundness CE2, CE3 and CE4 have not been met.

### **DESIRED CHANGE TO THE DEPOSIT LDP**

1. Allocate sites that can be demonstrated to be deliverable in the plan period, such as the Tin Works site at Waterloo.
2. Ensure that current brownfield allocations are viable and able to be delivered and increase the amount of Greenfield land allocated for housing in the Southern Connections Corridor to ensure flexibility.
3. The plan would benefit from a more explicit demonstration of how and when development will be realised over its lifetime, greater clarity on the timing, linkages to infrastructure and funding sources, albeit at a strategic scale, would add clarity and certainty.

### **COUNCIL ANALYSIS**

It should be noted that the issue of the deliverability of the plan as a whole, alongside flexibility and implementation is considered in another representation. However, the response included in this paper considers only the issue of deliverability in the context of housing.

#### **Housing site categorisation exercise**

As part of process to demonstrate the deliverability of sites, a meeting was held between the local authority, Welsh Assembly Government and the Home Builders Federation in May 2009 to categorise those sites allocated in the LDP with the intention of providing an agreed statement of when sites allocated for housing in the Deposit Local Development Plan were likely to come forward within the 15-year plan period.

The classification of sites in the plan was broadly reflective of the format of the Joint Housing Land Availability Study (JHLAS), with sites being categorised on the basis of which of the three five-year blocks of the plan period sites are likely to come forward. As part of the exercise a paper was circulated to participants setting out the methodology and terms that all parties should adhere to. In order to be consistent with the JHLAS methodology, it was considered appropriate to examine:

- whether the site has valid planning consent;
- the availability of necessary infrastructure;
- whether there is a realistic prospect of the site being sold for development where the land is not already owned by developers or a public body with its own firm plans for building;
- the financial viability of development; and
- any other constraints to development.

In a pre-meeting to the main categorisation exercise, a local authority team of senior development control and strategic planning officers categorised each of the allocated sites on the basis of current applications, pre-application discussion and knowledge of site constraints. As part of this meeting, it was agreed that all sites were realistic propositions for housing development within the lifetime of the LDP, with the majority of sites identified as being capable of delivery in the first and second 5-year periods of the plan – up to 2016.

This schedule of sites formed the basis for the main categorisation exercise. It should be noted that no formal agreement was reached on the categorisation of sites, as work examining the viability of sites had not been completed at the time. It was subsequently advised by the HBF, however, that the only significant concerns relate to the deliverability of a small number of major sites where the constraints to the development are considered to be significant (primarily Navigation Colliery, Bedwas Colliery and Waterloo Works). It is agreed that the sites in question will be more difficult to develop than other sites within the plan by virtue of known constraints to development. However, there is no significant evidence to demonstrate that the sites will not be delivered within the plan period up to 2021 and it is likely to be the case that the work currently being undertaken on viability will demonstrate that the sites will be viable in particular economic conditions.

### **Deliverability of housing sites**

The deliverability of a number of sites within the plan is further evidenced by virtue of the fact that planning consent has been granted on them. Since the base date of the last JHLAS of 1<sup>st</sup> April 2007, a total of 9 additional sites have been granted planning consent (in some cases subject to S106). These are distributed across all 3-strategy areas. In addition, planning applications have now been received on two other major sites, indicating that even in the current market, developers are interested in progressing sites. Further details on the current status of all sites allocated within the plan will be provided in the Supplementary Paper on Housing Land Supply, which will be written on completion of the 2009 JHLAS.

Furthermore, it should be noted that as part of the robust site assessment procedure undertaken, a range of key stakeholders such as statutory undertakers have been consulted, and the constraints to development highlighted through this consultation have been identified within Appendix 8 of the Plan. By highlighting all of the constraints early in the development process, this will ensure that developers are aware of the costs associated with development so that this can be taken into account early in the development process.

### **Deliverability of housing sites in the SCC**

Concerns are raised that particular sites are not deliverable as part of an argument constructed which attempts to demonstrate that the Tin Plate Works Machen site should be allocated instead (this site is subject to a separate response). The main argument is that these sites have not come forward during buoyant economic conditions despite three of the sites having the benefit of planning consent. It is therefore argued that they are unlikely to be delivered in the future, resulting in a shortfall of approximately 850 units as a result.

All of the sites in question have been considered as part of the housing site categorisation exercise and it was concluded by officers that all sites have the potential to be delivered within the remaining 12 years of the plan period. Two of the sites with planning consent are also included within the 5-year land supply in the last approved JHLAS 1<sup>st</sup> April 2007 (the third did not have consent as of that date). JHLAS study group members including the HBF, WAG, the local planning authority and representatives of house builders agreed this position.

Even if planning consents have not been implemented to date, the principle of residential development has already been established and it is realistic to assume

these sites will come forward on this basis. Whilst it is recognised that economic conditions are less conducive to house building than in past years, it is likely that the economy will recover within the remaining years of the plan period.

Furthermore, the Affordable Housing Viability Assessment undertaken to establish the level of affordable housing that would be viable in all market areas demonstrates that the Caerphilly Basin area in particular continues to be strong despite current market conditions.

### **Compliance with the LDP**

With regards to the Tests of Soundness, it is considered that the plan, together with further information in the form of the viability assessment and housing categorisation exercise demonstrates appropriately that the sites allocated for housing are both realistic and deliverable within the remaining 12 years of the plan period (CE2).

It is also considered that the plan does adhere to CE1 as the plan sets out a coherent strategy from which the location of housing sites is derived.

Furthermore, the over-allocation of significant land for housing will ensure that the housing land requirement will be met even if a small number of sites are not implemented. Given that 12 years of the plan period are still remaining and that many of the site allocated have the benefit of planning consent, it is considered that the plan has sufficient flexibility for sites to be delivered in the future (CE4).

### **CONCLUSION**

The housing sites allocated in the plan are deliverable and the further evidence in the form of the housing categorisation exercise and the viability assessment demonstrate this. Furthermore, evidence of new sites being brought forward through the planning process supports the assertion that sites are deliverable. Given the significant over-allocation of land for housing, it is considered that the plan is sufficiently flexible to ensure that the required housing can be delivered, even with the non-implementation of some sites.

### **OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

### **Reason for Recommendation**

It has been demonstrated on the basis of further evidence that the housing allocations in the LDP are deliverable.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

**SP17 Affordable Housing Target****Policy Wording**

697.D7	Ashtenne Industrial Fund Ltd	Object
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**Policy Issue**

- The policy text should include a definition of affordable housing, which includes social rented and intermediate housing as well as low cost housing for sale.

**SUMMARY OF REPRESENTATION**

It is considered that Policy SP17 should include a definition of affordable housing to include social rented housing and intermediate housing, as well as low-cost housing for sale.

**COMPLIANCE WITH THE LDP**

It is considered that the plan fails to adhere to Tests of Soundness **C2**, **CE2** and **CE4**, although no substantive evidence has been provided to justify this.

**DESIRED CHANGE TO THE DEPOSIT LDP**

Include a definition of affordable housing to include social rented housing and intermediate housing, as well as low-cost housing for sale.

**COUNCIL ANALYSIS**

The definition of affordable housing is set out within TAN 2: Planning and Affordable Housing. The glossary within the TAN categorically states "*intermediate housing differs from low cost market housing, which the Assembly Government does not consider to be affordable housing for the purpose of the land use planning system.*" In light of this, it is considered that the inclusion of low-cost market housing within any definition of affordable housing would be contrary to the WAG definition and therefore to include an amended definition would be unacceptable.

Furthermore, WAG guidance states that LDPs should not repeat national planning policy and therefore it is considered to be unnecessary in any event for Policy SP17 to include any definition.

**CONCLUSION**

It is inappropriate to include a definition of affordable housing in the LDP, which encompasses low cost market housing as this is contrary to the guidance set out in TAN2.

**OFFICER RECOMMENDATION**

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

**Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

**COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## SP17 Affordable Housing Target

### Affordable Housing Target

1492.D13	Home Builders Federation	Object
2049.D23	RE Phillips & Partners	Object
2282.D1	Welsh Assembly Government	Object
2438.D4	Trustees of the Llancaiach Estate	Object
2634.D10	Rhondda Development Company Ltd	Object
2636.D11	Mr Vernon Perry	Object
4115.D10	Messrs A and P Price	Object
4116.D8	Mr A Price	Object
4119.D4	Mr Michael Lewis	Object
697.D7	Ashtenne Industrial Fund Ltd	Object

### Policy Issue

- The affordable housing target might not be achieved in total as it assumes that maximum targets will be achieved on all sites, which may not be the case due to viability issues.
- In setting the affordable housing target, regard has not been given to viability as required by TAN 2.
- The affordable housing target does not meet the level of need identified in the Local Housing Market Assessment.
- The affordable housing target is considered too high in light of market changes.

## SUMMARY OF REPRESENTATIONS

### Viability

Policy SP17 does not comply with national guidance as TAN 2 states that the affordable housing target “*should take account of the anticipated levels of finance available for affordable housing, including public subsidy, and the level of developer contribution that can realistically be sought*”. The target in the LDP is not supported by an assessment of viability or a consideration of the availability of finance and is therefore contrary to national planning guidance.

### Shortfall in meeting Affordable Housing Target

Even though the Council has stated within the policy that it will provide ‘approximately’ 1,360 affordable dwellings, the explanation of why the figure is an approximation is not clear. In this respect, a further paragraph should be added to the reasoned justification to this policy explaining why the affordable target is an approximation and why it might not be achieved in total. The Council could fall short of the 1,360 affordable housing target on the basis that the calculations used to arrive at the figure assume the maximum affordable targets will be achieved. The Deposit Plan recognises that due to viability constraints, the maximum targets will not be achieved on all sites across the County Borough and therefore, it is reasonable to accept that the affordable housing target might not be achieved in total.

### **Target does not meet LHMA need**

'Planning Policy Wales' (as amended by Ministerial interim Planning Policy Statement 01/2006 Housing) requires local planning authorities to make appropriate provision for affordable housing. Increased provision of affordable housing is a key policy goal for the Assembly Government and meeting the housing requirements of all sections of the population is a stated key objective of the LDP.

The affordable housing target ("approximately 1,360 affordable dwellings") falls significantly short of the need identified in the Council's 2007 Local Housing Market Assessment (LHMA) for 516 homes per annum (i.e. 7,740 over the plan period). The LDP itself fails to quantify the actual level of identified need for affordable housing (paragraph 9.2.23 of Planning Policy Wales), but this information is provided in section 6 of the LDP Background Paper 6 'Population and Housing' (i.e. need is identified as 516 affordable dwellings per annum, and the LDP proposes provision of 91 per annum – Para 6.9.1).

Whilst the Council considers this target to reflect 'what can realistically be delivered through the planning system', the options for increasing the affordable housing target (as set out in section 6.9 of the LDP Background Paper 6) should be re-considered in order to provide additional affordable housing in those areas where the greatest need has been identified in the LHMA, particularly regarding the allocation of land for housing. Such a re-consideration could test the flexibility of the strategy and consider the implications.

### **Target is too high**

The affordable housing target should be reduced to 811 units, which equates to 20% of the total number of units. The current target is too high as it was derived from the LHMA which was undertaken prior to the drop in house prices and land values.

### **COMPLIANCE WITH THE LDP**

Collectively, it is considered that the plan fails to adhere to Tests of Soundness **C2** and **CE2**.

It is considered that the affordable housing policy (CW14), which underpins Policy SP17, is not based on a robust and credible evidence base and does not have sufficient regard to national policy.

A revised target would be more realistic and more capable of being delivered within the plan period.

### **DESIRED CHANGE TO THE DEPOSIT LDP**

1. Amend Policy SP17 Affordable Housing Target by revising the target taking into account the revised affordable proportions within Policy CW14 Affordable Housing Planning Obligation; and the issue of the economic viability of the housing site allocations in the plan.
2. The options for increasing the affordable housing target should be re-considered in order to provide additional affordable housing in those areas where the greatest need has been identified in the LHMA, particularly regarding the allocation of land for housing.
3. The LDP should quantify the actual level of identified need for affordable housing in accordance with paragraph 9.2.23 of Planning Policy Wales.
4. Reduce the affordable housing target in SP17 to 811 units.

## COUNCIL ANALYSIS

### Viability

It is argued that Policy SP17 does not comply with national guidance as the LDP target is not supported by an assessment of viability or a consideration of the availability of finance and is therefore contrary to the requirements of TAN 2.

Whilst it is acknowledged that the targets and thresholds set out within the Deposit LDP were not subject to full viability assessment prior to inclusion within Policies SP17 and CW14, the viability of targets and thresholds was considered as an integral part of plan preparation. The LHMA prepared by Fordham Research, who have significant experience not only in the field of housing needs assessments but also in viability assessments, put forward a recommendation of a 40% target as a maximum on the grounds that *“no developer would ever go higher.”* Furthermore, Fordham also suggest a threshold range of 10-15 dwellings. The robust evidence justifying such recommendations was at the time considered to be appropriate upon which to base targets.

The targets and thresholds in the plan are maximum levels rather than minimums in order to allow for some level of flexibility in their delivery to take into account current market conditions and the most up to date information on levels of need. At the time of plan preparation, the view was that a full viability assessment should be considered at planning application stage where more detail would be known about the cost and type of development.

Since the Deposit LDP was published, the issue of viability testing has gained more prominence by virtue of a High Court decision against Blythe Valley. In this judgement, developers successfully challenged Blyth Valley Borough Council on the grounds that they had not complied with planning guidance when setting an affordable housing target as they had relied solely on the assessment of housing need when setting the percentage. It is acknowledged that the relevant English planning guidance (PPS3) explicitly requires an economic viability study to be undertaken as part of the process of setting thresholds and the percentage of housing required. The Welsh guidance in TAN 2, although less explicit, also identifies that viability should be considered in setting the target: *“when setting site-capacity thresholds and site specific targets local planning authorities should balance the need for affordable housing against site viability. This may involve making informed assumptions about the levels of finance available for affordable housing and the type of affordable housing to be provided.”*

Clarification has been sought from the Welsh Assembly Government on the need to undertake a viability assessment in the Welsh context and it has been identified that there is a necessity to undertake such a study. In light of this advice, the Council have been instrumental in progressing regional work on behalf of the South East Wales Strategic Planning Group (SEWSPG) to establish common methodology for South East Wales local authorities to undertake viability assessments. To this end, Three Dragons were appointed to set out a methodology for undertaking viability assessments at a local authority level. A steering group comprising representatives from local authorities including Caerphilly, the Home Builders Federation and house builders, Registered Social Landlords and WAG was set up to gain agreement on this methodology and all parties are signed up to the principle.

Using the regional methodology, which promotes the use of the Three Dragons Development Appraisal Toolkit (DAT), the local authority has undertaken its own viability assessment to determine whether the site-specific targets and thresholds, which inform the target set out in Policy SP17, are appropriate. The detailed findings of this assessment and recommendations are explained within BP6 Supplementary Paper 4 entitled the Affordable Housing Viability Assessment.

In accordance with the methodology, various scenarios have been tested to examine viability across the County Borough taking into account a number of variables including:

- density;
- sub-markets;
- the level, mix and tenure of affordable housing;
- other planning obligations;
- the availability of grant funding;
- the impact of the Code for Sustainable Homes requirements; and
- economic conditions.

The study concludes that there is no single percentage of affordable housing that works well in all situations due to the significant differences in the housing markets across the County Borough. What is clear, however, from the findings is that, with the exception of the Caerphilly Basin area, the area specific targets identified in the Deposit LDP (40% in the Southern and Northern Connections Corridors and 25% in the Heads of the Valleys Regeneration Area) are too high to be viable and therefore the evidence indicates that the targets should be reduced in most areas.

Based on this robust assessment of viability, the following targets for affordable housing are recommended :

- **40%** of the total number of dwellings proposed on sites within the Caerphilly Basin (excluding Aber Valley);
- **25%** in the Northern Connections Corridor (excluding Newbridge); and
- **10%** in the Rest of Caerphilly County Borough (including Newbridge but excluding the Heads of the Valley Regeneration Area)

This proposed decrease in the area specific targets for affordable housing has a consequential affect on the County Borough wide affordable housing target in SP17 as the calculation of this target is based on the area specific targets in CW14. The revised affordable housing target, which takes account of the viable levels of affordable housing, has been re-calculated in BP6 Supplementary Paper 5 on Affordable Housing Targets. This Paper employs the same methodology for the calculation as previously undertaken in the Population and Housing Background Paper and indicates that, in order to reflect the findings of the viability assessment, the figure for affordable housing to be delivered by the planning system would need to decrease from 1,360 dwellings over the plan period to 913 dwellings.

### **Shortfall in meeting Affordable Housing Target**

The representor questions why the Affordable Housing Target in SP17 is an approximation. In response to this, it should be recognised that it is not possible to accurately predict how many dwellings will be built in any given year as this is influenced by a number of factors such as economic conditions. By including the

term 'approximately' in the policy it allows for a certain degree of flexibility in its delivery.

It is recognised that the affordable housing target as included within the Deposit LDP has been calculated by assuming that those housing sites that were not already committed as of the base date of 1<sup>st</sup> April 2007 would deliver the maximum level of affordable housing set out with Policy CW14.

However, as discussed earlier, it is necessary to amend the affordable housing target that can realistically be delivered by the planning system in light of the viability assessment. This revised lower target is based on robust evidence of what it is viable to achieve, and therefore it is more realistic to assume that the target will be achieved in its entirety as, unless there are exceptional abnormal costs or significant other planning obligation requirements, there will be an expectation that the maximum level of affordable housing be achieved as this target is based on appropriate evidence.

However, in the exceptional circumstances where site-specific targets for affordable housing cannot be met in full, the shortfall could potentially be met from other sources. The first potential source is from sites that already had planning consent as of 1<sup>st</sup> April 2007. In calculating the target, whilst those affordable units that had been secured via Section 106 have been factored into the calculation, there was no assumption that the maximum affordable housing could be achieved on those sites that already had planning consent under the UDP policy framework, as these sites could potentially be delivered in advance of the LDP.

However, should planning consent expire on those sites that were committed as of the 1<sup>st</sup> April 2007, it will be appropriate for an element of affordable housing to be sought on applications for the renewal of planning consent or new applications. This is set out within the Affordable Housing SPG. Many of these sites will not have been subject to an affordable housing requirement before as they would have been below the UDP affordable housing threshold of 35 units. The application of the new threshold on previously committed sites may consequently provide affordable housing on more sites than assumed in the calculation, therefore having the potential to meet any shortfall in the target resulting from an under-provision on other sites.

Secondly, in calculating the affordable housing target, assumptions were made on securing affordable housing on windfall sites and the new housing sites required to meet a housing requirement of 8,625 units (as explained in the Population and Housing Background Paper) rather than on the total housing that the plan makes provision for i.e. over 10,000 dwellings. If house-building rates do exceed the housing requirement figure of 8,625, more affordable housing will consequently be delivered as a result, therefore helping to meet any shortfall in the target.

Another point to note is that the affordable housing target has been calculated on the basis that no Social Housing Grant will be available as part of the Section 106 agreements as Social Housing Grant is a limited resource and will not be available for every scheme. However, the viability assessment indicated that if SHG were available, this would mean that significantly higher levels of affordable housing could be achieved. In light of this, the delivery of Section 106 sites using SHG is likely to bring forward more units than anticipated.

On the basis of this, it is reasonable to assume that, as the target will be revised to take account of viability, this target is now more achievable. However, even if a small number of sites fail to deliver the maximum amount of affordable housing due to exceptional constraints, this shortfall could be met through previously committed sites that were not anticipated to generate affordable housing at the time of plan preparation. Furthermore, there is the potential for some sites to generate more affordable housing than identified in Policy CW14 through the use of SHG. It is therefore not considered necessary to insert a paragraph explaining why the target might not be achieved in total.

### **Target does not meet LHMA need**

The representors raise concern that the affordable housing target of 1,360 affordable dwellings falls short of the LHMA requirement of 516 homes per annum, or 7,740 units over the plan period. To address this the options for increasing the affordable housing target (as set out in section 6.9 of the LDP Background Paper 6) should be re-considered in order to provide affordable housing in those areas with the greatest need, particularly regarding the allocation of land for housing.

In response to this, the first point to recognise is that the planning system can only play a limited role in delivering affordable housing and indeed the affordable housing target only reflects what the planning system can realistically achieve through Section 106 obligations.

A key point to note is that it will never be possible to meet the affordable housing need as the need figure of 516 units per annum as identified in the 2007 LHMA is almost as much as the annual house-building rate of 575 units. Indeed, if you refer to the most recent update of the LHMA (2008) it will be noted that the housing need figure of 706 units now actually exceeds the annual house-building rate. It not desirable for every house to be built within the plan period to be affordable as this would fail to adhere to the MIPPS aim of encouraging mixed communities, nor is it realistic for a number of other reasons, most notably the lack of finance.

The level of affordable housing need is, to a certain extent, a result of the significant loss of affordable housing stock through the Right to Buy scheme. Records from Data Unit Wales identified that a total of 2,614 council houses were sold as part of the Right to Buy scheme since Caerphilly was formed in 1996, with only 62 council houses being constructed within the same period. A significant amount of Council housing stock would also have been sold prior to 1996 in the predecessor local authorities of Islwyn and Rhymney Valley. The LDP, which covers only a 15-year period, cannot and should not be expected to address a housing need resulting from a decline in housing stock over a much longer period.

The ability to secure affordable housing through the planning system is dependent upon planning applications being submitted upon which affordable housing can be secured. As a result of the downturn in the housing market, there has been a significant fall in the number of planning applications being submitted to the local authority, from a peak of 1,923 in 2004/05 to only 1,125 in 2008/09. There was a specific drop in the number of major residential applications (10 or more dwellings) being submitted to and being determined by the Council.

<b>Date</b>	<b>Applications Received</b>	<b>Decisions Made</b>	<b>Major Applications decided</b>
2004/05	1,923	1,826	41
2005/06	1,637	1,648	51
2006/07	1,593	1,479	54
2007/08	1,420	1,465	48
2008/09	1,125	1,160	31

**Source: Quarterly Return on Planning Statistics**

Ultimately the market and, in particular, the development finance of sites will determine what contribution the private sector is able to make in respect of affordable housing provision and this is outside the control of the planning system. Indeed, within the current economic circumstances, it may be the case that the allocation of additional land for housing will not facilitate further affordable housing as sites may not come forward for development at least within the current market, although this is unlikely to be the case for the whole plan period, as the market is projected to recover during this time frame.

However, regardless of the economic climate, the expectation that a significant level of affordable housing provision will be provided purely on the back of private sector development is an unrealistic and unachievable aim as the amount that can be delivered through this mechanism will always be limited by issues of viability.

The representor suggests that further consideration should be given to approaches for delivering affordable housing in the areas of greatest need. Within Caerphilly, the greatest need is within the SCC.

Other options for increasing affordable housing were considered as part of the Background Paper. These included increasing site-specific targets, redistributing housing across the strategy areas to allocate more land in more buoyant markets and increasing the total housing land allocation.

It must be recognised that whilst ensuring an adequate and appropriate range of housing sites are available across the County Borough in the most suitable locations to meet the housing requirement of all sections of the population is one key objective of the LDP, there are a number of other objectives that must also be balanced. Other objectives include accommodating sustainable levels of population growth, encouraging the re-use of appropriate brownfield land and protecting and enhancing valuable landscapes and sites of nature conservation. In this context, it would not be appropriate to prioritise affordable housing above all other objectives where the pursuit of affordable housing is likely to have a negative impact on other elements of the plan.

As explained in detail in Background Paper 6 and evidenced by the viability assessment, it is not appropriate to increase the amount of affordable housing on a site-specific basis, as this would not be viable. Furthermore, the other option of redistributing housing from the Heads of the Valleys Regeneration Area, where a lower proportion of affordable housing is sought, to the Northern and Southern Connections Corridors is considered inappropriate as this would undermine the one of the key components of the strategy which seeks to encourage development to the

HOVRA where there is a need to diversify housing stock and regenerate these communities.

The third option, increasing the total land allocation is also considered inappropriate. The representor implies that the allocation of more land in the area of greatest need, namely the SCC, would deliver more affordable housing. There are a number of reasons that, when considering this proposal within the wider planning context, mean that this approach would not be appropriate or based on a robust evidence base.

Firstly, there is no substantive justification that more housing should be allocated, for the reasons set out elsewhere in this paper. To allocate land purely to bring forward affordable housing is considered to be wholly inappropriate, as this would necessitate the allocation of sites that are not acceptable in planning terms and/or in terms of the LDP strategy.

Flood risk is a particular concern in this context. A significant part of two Principal towns in the SCC – Caerphilly and Risca-Pontymister - lies within Zone C of the flood plain. There are also significant parcels of land in the residential areas of Llanbradach, Bedwas and Machen that are affected by flood risk.

In allocating sites for housing, the precautionary approach has been adopted in seeking to avoid development in the flood plain. It is acknowledged that the representation from WAG recognises the tension between flood risk and finding locations for affordable housing but they consider that both can be managed and appropriate alternatives found. However, in reality, this would be difficult as, coupled with flood risk as a constraint to development, are a number of other constraints including ecology, landscape value and topography and the availability of appropriate infrastructure.

In the Lower Islwyn part of the SCC, the topography of the area is such that there are few development opportunities other than prominent extensions onto the mountainside, much of which is designated a Visually Important Local Landscape, or within the flood plain.

Whilst the Caerphilly Basin is constrained less by the topography, further allocations within the area would inevitably result in the release of greenfield sites, which would be contrary to the approach for utilising brownfield sites as advocated in the Housing MIPPS, as the existing brownfield sites considered suitable for development and realistically likely to come forward within the plan period have already been allocated, meaning the only available land for housing would be on greenfield sites. The Greenfield areas on the edge of settlements in the Basin are not considered appropriate for development as they have been designated as Special Landscape Areas on the basis of a robust assessment process. These SLA designations seek to protect areas of landscape importance, in line with one of the key objectives of the LDP.

Furthermore, Sites of Importance for Nature Conservation (SINC) are located to south, east and west of Caerphilly town, and, in the interests of conserving important features of biodiversity, it is not deemed appropriate to promote Greenfield extensions to Caerphilly. A number of sites seeking extensions to the various towns and villages in the SCC have already been considered as part of the candidate site process and have been deemed unsuitable for residential development by virtue of

site-specific constraints and/or their conformity with the development strategy. Only those sites deemed appropriate for development have been taken forward as allocations and these have primarily been on brownfield sites.

It is not therefore appropriate to undermine other policy requirements to bring forward sites to deliver affordable housing as not only would such an approach be unsustainable, but also will undermine the whole ethos of the development plan which seeks to “*guide growth and change within the context of sustainable development while protecting and enhancing local character and sensitive environments*” (LDP Wales, Para 1.2.iii)

It is considered that, in any event, further land does not need to be allocated as a significant proportion of affordable housing is being delivered and will continue to be delivered throughout the plan period by a number of measures outside of the control of the planning system.

The Council recently produced an Affordable Housing Delivery Statement (AHDS), which sets the direction and targets for affordable housing in the County Borough in the period 2007 to 2011. The AHDS identifies that over the 4-year period to 2011, a total of 917 affordable units could realistically be delivered. Having regard to existing planning consents and Section 106 agreements, it is found that only a quarter of all affordable housing is delivered through the planning system (Section 106 sites), with the remainder being delivered from other measures including RSL building programmes utilising Social Housing Grant, empty homes initiatives, mortgage rescue schemes and the use of Strategic Capital Investment Fund (SCIF) money. This demonstrates that, whilst a significant proportion of affordable housing is being delivered in the County Borough, this is mainly outside of the control of the planning system.

The assumptions made for the 4-year One Wales period have relevance for the remainder of the LDP plan period. To demonstrate this, a Supplementary Paper on Affordable Housing Targets has been prepared which considers all the mechanisms being utilised by the Council and its partner RSLs to deliver affordable housing. This paper identifies that, whilst the contribution from Section 106 cannot meet the identified need as identified in the LHMA, when considered alongside the number of other measures currently being employed, the overall contribution is more significant in meeting this need.

In response to this, it is considered appropriate to amend the Policy and reasoned justification to show not only what is being delivered through the planning system, but also the significant contribution being delivered through other mechanisms. This approach will still adhere to TAN 2 guidance by including an affordable housing target for affordable housing to be provided through the planning system, whilst setting out within a corporate plan the Council's other delivery mechanisms. The inclusion of a target illustrating the contribution from all measures will provide a better indication of the effectiveness of the local authority in addressing need. An appropriate target for the delivery of affordable housing through all mechanisms has been calculated within BP6 Supplementary Paper 5 and it is reasonable to assume that 3,650 affordable units can be delivered through the plan period through all methods of delivery.

Another point raised by the representor is that the LDP itself fails to quantify the actual need identified in the 2007 LHMA as required by the Housing MIPPS. This point is accepted as, whilst the level of need from the LHMA is clearly stipulated within the Population and Housing Background Paper, the plan itself does not repeat this figure. However, given that Paragraph 9.2.23 states that development plans should quantify the housing requirement (both market and affordable), it would be appropriate to include reference to the LHMA figure in the LDP itself.

### **Target is too high**

With regards to the argument that the affordable housing target is too high and should be reduced to 811 units, or 20% the total number of units, it should be noted that no substantive evidence has been submitted as to why 20% is an appropriate figure. The respondent feels that the LHMA conclusions are out of date given the change in economic circumstances. A rebuttal of this argument is contained elsewhere in this paper and it is not considered necessary to repeat it. It is therefore considered that, in the absence of any robust evidence, it would be inappropriate to amend the target in light of the arguments in this representation, although it is worth noting that the target is being revised based on the evidence from the viability assessment.

### **Compliance with the LDP**

C2 – It is considered that the Affordable Housing Viability Assessment that has been undertaken, as well as proposed amendments to the wording of reasoned justification to specify the level of affordable housing need, will ensure that the plan adheres to national policy as set out within the Housing MIPPS and TAN 2.

CE2 - Amendments to the affordable housing targets are recommended based on a full assessment of viability to ensure that the target is based on robust and credible evidence derived from an agreed regional methodology prepared by Three Dragons. A consideration of all measures for the delivery of affordable housing, rather than only what the planning system can achieve would also be based on appropriate evidence as set out within *BP6 Supplementary Paper 5: Delivery Mechanism for Affordable Housing*.

### **CONCLUSION**

With regards to concerns over the apparent shortfall between affordable housing need and supply, it is apparent that the planning system has only a limited role, but, alongside other mechanisms to deliver affordable housing as set out *BP6 Supplementary Paper 5: Delivery Mechanism for Affordable Housing* it is clear that the Council, as a corporate body, will go some way to meeting the significant level of affordable housing need identified. In this respect it is appropriate to amend the target to illustrate what all mechanisms of affordable housing delivery can achieve, as well as setting out the level of need that exists and the contribution the planning system can make taking into account viable policy approaches.

The findings of the Affordable Housing Viability Assessment undertaken indicates that the overall affordable housing target in SP17, which is informed by area specific targets, is unlikely to be delivered. In this respect, whilst not a substantive change, it is appropriate to recommend revisions to the target and reasoned justification to take into account new information from the viability study. Reference should be made to

a figure of 913 units to be delivered through the planning system as this is considered to be appropriate on the basis of the Viability Assessment.

#### **OFFICER RECOMMENDATION**

1. That the Council recommend to the Planning Inspector that Policy SP17 be amended to provide an affordable housing target based on all measures being utilised by the Council to deliver affordable housing as follows:

*“The Council will seek to deliver 3,650 affordable dwellings between 2006 and 2021 in order to contribute to mixed communities.*

2. That the Council recommend to the Planning Inspector that Paragraph 1.85 be amended to quantify the level of affordable housing need as follows:

*1.85 The Council aims to ensure that everyone in the County Borough has access to a good quality home that meets their housing requirements and the provision of a choice of housing that is affordable to the local population is vital in achieving this. A shortfall of affordable housing is a significant issue facing residents in the County Borough. Indeed, the Local Housing Market Assessment (2007) indicates that there is a Borough-wide shortfall of 516 affordable units per annum.*

3. That the Council recommend to the Planning Inspector that Paragraph 1.86 be amended to include an indication of the number of affordable dwellings likely to be delivered through the planning system based on the findings of the Affordable Housing Viability Assessment as follows:

*1.86 The target of 3,650 dwellings to be delivered within the plan period reflects the number of units that can be delivered across the County Borough using a range of delivery mechanisms in response to levels of need. The planning system, through the use of planning obligations, is one method of securing ‘affordable housing’ and it is anticipated that 913 units can realistically be delivered through planning obligations during the lifetime of the plan.”*

#### **Reason for Recommendation**

1. The desired change would adversely affect the soundness of the plan
2. The proposed change is not substantive but would improve the clarity of the LDP and would comply with national planning guidance. Importantly the change would not affect the soundness of the plan.
3. The proposed change is not substantive but would set the context for the policy. Importantly the change would not affect the soundness of the plan.

#### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

#### **Implications of Council Resolution**

The loss of six housing sites has implications on the way that the affordable housing target has been calculated as the calculation, as set out within BP6 Supplementary Paper 5, is based upon achieving affordable housing on a realistic assumption on

new housing sites that are required to meet the housing requirement of 8,625 dwelling, rather than all allocated housing sites. The distribution of housing sites by sub-market area as defined in the Viability Assessment (BP6 Supplementary Paper 4) informs the calculation. Based on a revised distribution, the affordable housing target has been calculated to be 3,800 dwellings, 950 units of which can be delivered through planning obligations.

It will be noted that despite the recommendations to remove sites, the affordable housing target is now higher. The reason for this is because the highest number of units that have been recommended for removal is in areas where a lower level of affordable housing would be viable. As a result, the overall distribution of units in Caerphilly Basin, where a higher level of affordable housing can be sought has increased, consequently increasing the affordable housing target overall.

Given that the affordable housing target is now higher than previously identified, it is considered that the recommended removal of housing sites will not affect the soundness of the plan in respect of affordable housing.

**CW14 Affordable Housing Planning Obligation****Affordable Housing Targets and Thresholds**

1492.D14	Home Builders Federation	Object
2049.D1	RE Phillips & Partners	Object
2068.D2	Mr Malcolm Winmill	Object
2160.D3	Merriman Ltd	Object
2438.D5	Trustees of the Llancaiach Estate	Object
2438.D9	Trustees of the Llancaiach Estate	Object
2459.D2	Mr D Lewis	Object
2500.D5	P D Edenhall Ltd	Object
2534.D7	Hengoed Developments Ltd	Object
2632.D6	GB Engineering Ltd	Object
2634.D11	Rhondda Development Company Ltd	Object
2634.D18	Rhondda Development Company Ltd	Object
2636.D6	Mr Vernon Perry	Object
2636.D10	Mr Vernon Perry	Object
2712.D2	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D12	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D17	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D20	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D21	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D22	Trustees of Joseph Thomas Davies (Deceased)	Object
4002.D6	Bowen Partners	Object
4002.D7	Bowen Partners	Object
4004.D11	Caerphilly Investments Ltd	Object
4005.D6	Mr & Mrs Ian Weedon	Object
4006.D2	Mr & Mrs Thomas-Davies	Object
4006.D9	Mr & Mrs Thomas-Davies	Object
4008.D10	Gwent Healthcare NHS Trust	Object
4008.D16	Gwent Healthcare NHS Trust	Object
4008.D17	Gwent Healthcare NHS Trust	Object
4010.D7	Mr & Mrs Moyle	Object
4045.D12	Envirowatch UK	Object
4045.D13	Envirowatch UK	Object
4045.D14	Envirowatch UK	Object
4115.D6	Messrs A and P Price	Object
4115.D11	Messrs A and P Price	Object
4116.D5	Mr A Price	Object
4116.D10	Mr A Price	Object
4119.D5	Mr Michael Lewis	Object

4119.D3	Mr Michael Lewis	Object
4120.D5	Howses Ltd	Object
4120.D6	Howses Ltd	Object
4144.D2	The Bird Group of Companies	Object
4146.D2	Urban Train Ltd	Object
4219.D6	R & J Morris	Object
4219.D12	R & J Morris	Object
697.D11	Ashtenne Industrial Fund Ltd	Object
4013.D3	Miss Katrina Phelps	Comment
4045.D28	Envirowatch UK	Support

### Policy Issue

- 25% affordable housing is too low and should increase to up to 100% in villages where there is need.
- Requirement for 40% in NCC/SCC should be a minimum rather than a maximum in order to address need.
- Comment on the provision of affordable housing in Oakdale.
- In setting targets and thresholds for affordable housing, TAN 2 states that account should be taken of the availability of public subsidy, developer contributions that can realistically be sought and site viability. This does not appear to have been considered.
- The 40% Affordable Housing requirement in the NCC and SCC is too high and could stifle development.
- These percentages could have a detrimental impact on the viability of brownfield sites in particular.
- The site size threshold is inappropriate having regard to the size of sites coming forward in the latest JHLAS.
- The high proportion of housing may impact upon the overall delivery of housing.
- The policy should be amended to state that abnormal costs should be considered during negotiations.
- General support for the policy.

### SUMMARY OF REPRESENTATIONS

#### Affordable Housing Targets are too low

There is an objection to the 25% affordable housing target in the Heads of the Valleys Regeneration Area on the grounds that this is considered to be too little. It is argued that affordable housing should be up to 100% in villages where there is need. Furthermore, it is argued that a 40% requirement in the Northern and Southern Connections Corridor is also not enough and it is considered that this should be a minimum rather than a maximum.

#### Provision of affordable housing in Oakdale

Affordable housing should be provided rather than executive housing in order to respond to local housing needs in the Oakdale area.

#### Viability

Whilst it is accepted by most representors that it is appropriate for new housing development to include an element of affordable housing, it is considered that Policy CW14 does not comply with national policy/guidance, as the site size threshold for

the provision of affordable housing is not supported by a robust assessment of viability in accordance with TAN2.

In addition, the target proportions for affordable housing identified by the policy are not supported by a robust assessment of viability in accordance with TAN2. This assessment is distinct from the site-by-site assessment undertaken at planning application stage and it is inappropriate for the local authority to place the onus on the developer to prove that the local authorities own LDP policies are viable and to require developers to undertake complex viability assessments on each site, to ensure the Council's own policies are implementable on the ground.

It is considered that the targets for affordable housing are too onerous and may stifle development. There is a particular concerns with regards to brownfield sites upon which there will be many constraints which could require significant costs to overcome. Many of these constraints have already been identified by the Council on the relevant sites, but the costs associated with the remediation works have not been assessed.

### **Threshold for affordable housing provision**

TAN 2 (2006) paragraph 10.6 states that information from a Joint Housing Land Availability Study could form the basis for determining site-capacity thresholds. The TAN goes on to state that, this will indicate the proportion of housing completions expected to be provided on different size sites. As an example, the TAN describes that if 90% of all housing completions are expected from sites of less than 5 units, then it may be appropriate to seek affordable housing on sites of 3 or more dwellings. Again, the TAN stipulates that site viability will be a critical factor to be considered in determining thresholds, particularly on small sites.

In this context (using the example given within the TAN), in order to justify an affordable housing threshold of 10 units, 90% of all housing completions should be expected from sites less than 17 dwellings. However, the latest JHLAS for Caerphilly (2007) indicates that just 29% of all housing completions are expected from sites less than 17 dwellings. Further analysis of the figures within the TAN shows that 34% of dwellings are expected from sites below 20 units and 66% of dwellings are expected from sites above 20 units.

Considering the above, it is considered that the affordable housing thresholds of 10 units and 0.3 ha in gross site area, set within Policy CW 14 are unjustified. They do not relate to the guidance given within TAN 2, which sets out a suitable methodology with which to calculate affordable housing thresholds.

### **Impact on overall housing delivery**

The policy should consider the potential impact of such a requirement on the overall levels of housing delivery. It is considered that affordable housing can be best met by accelerating or unblocking general supply as the affordable element can only be delivered once the more conventional housing is delivered.

### **Abnormal Costs**

It is argued that either Policy CW14 or the supporting paragraphs should refer to the negotiation of affordable housing on development sites. In particular, there should be reference that the abnormal costs associated with development will be considered in negotiations.

**Support**

There is a representation of general support for the policy.

**COMPLIANCE WITH THE LDP**

Collectively, it is believed that the plan fails to adhere to Tests of Soundness **C2**, **CE1**, **CE2** and **CE4**.

It is considered that the policy contravenes Soundness Test C2 as it does not take account of national guidance on the formulation of affordable housing policy as the local planning authority is required by TAN 2 to take account of site viability when setting thresholds and targets. Also, the thresholds set within the policy do not have sufficient regard to the methodology given within TAN 2.

With regards to Soundness Test CE2, it is argued that as the impact of the affordable housing targets on site viability have not been properly taken into account in setting the affordable housing targets and thresholds and therefore, the policy is not based on a robust and credible evidence base.

With regards to CE3, it is argued that revised targets would be more realistic and capable of being delivered.

**DESIRED CHANGE TO THE DEPOSIT LDP**

1. Reconsider the 40% affordable housing requirement in the Southern and Northern Connections Corridors.
2. The affordable housing proportion targets of 25% and 40% within Policy CW14 should be justified, as required by national guidance, to prove that they would not have an adverse impact on the viability of developing the housing sites allocated within the Deposit LDP or they should be removed.
3. The affordable housing site thresholds within Criteria A, B and the related text in Criterion C of policy CW14 should be justified as required by national guidance or removed.
4. The policy should be revised to take into account viability and reflect an overall assessment of need based on a robust LHMA.
5. Reconsider the affordable housing target of 40% in the Northern Connections Corridor
6. The affordable housing target should be reduced to 20% in all three strategy areas.
7. Add additional paragraph to policy CW14 "In circumstances where there are significant abnormal costs required to bring the site forward for development, the Council will consider these costs when negotiating the affordable housing to be provided" amend final sentence (Para 1.17) "The development strategy seeks to address the issue and the plan aims for a maximum target of 40% affordable housing on housing sites in the SCC"
8. Amend the affordable housing policy (CW14) to allow for more flexible affordable housing targets
9. Paragraph 1.11 be amended to read as follows:" The development strategy seeks to address the issue and the plan sets a threshold target 40% affordable housing, or more where needed, on housing sites in the NCC."

## **COUNCIL ANALYSIS**

### **Affordable Housing Targets are too low**

The objector considers that the affordable housing area-specific targets in the Deposit Plan are too low and that up to 100% should be sought where there is evidence of need. In response to this, as has already been identified in the response to representations on SP17, it is considered that viability should be taken into account when setting site-specific targets.

The representor has not provided any substantive evidence to justify their claim that a higher amount of affordable housing would be deliverable. However, since the publication of the Deposit LDP, a viability assessment has been undertaken, which provides robust evidence that seeking a higher level of affordable housing than shown in the LDP would not be viable. In light of this evidence, it would be inappropriate to make the change suggested by the representor to increase the targets.

It is appreciated that there is a significant level of affordable housing need within settlements within the County Borough. However, the LDP should only include planning policies that are deliverable. 100% affordable housing sites have been allocated on three sites in the LDP but this is only where the site is realistically likely to come forward by virtue of planning consents, the availability of social grants and where the land is in public sector ownership. Other 100% affordable housing sites are likely to come forward within the plan period through Registered Social Landlord build programmes utilising Social Housing Grant, but this is outside of the control of the planning system so it is not appropriate for the LDP to promote this.

### **Provision of affordable housing in Oakdale**

The representor makes the point that in the area of Oakdale, affordable housing should be provided rather than executive housing in order to respond to local housing needs. In response to this, it is acknowledged that Oakdale is located within the NCC, where a net shortfall of affordable housing has been identified. Consequently, where planning applications for housing that are over the prescribed threshold are submitted, an element of affordable housing will be sought in order to respond to this affordable housing need. Indeed, affordable housing has already been negotiated on the Brynhoward Terrace housing allocation (HG1.26), which has been granted consent (subject to a Section 106 agreement) since the LDP was deposited.

It should be noted that in the interests of delivering mixed communities, which is a key element of the Housing MIPPS, it would not be appropriate to deliver only affordable housing in Oakdale, or in any other location in the County Borough, as the plan seeks to make provision to address all housing requirements, not just for those in affordable housing need. Furthermore, the designation of a site for 100% affordable housing would only be appropriate where it is realistically likely for the site to come forward for this use. Notwithstanding this, should an RSL seek to promote a site for 100% affordable housing in Oakdale or elsewhere in the County Borough, this would be supported as a means of addressing affordable housing need provided the site was acceptable in planning terms.

## Viability

As already explained within the response to Policy SP17, the need for a viability assessment to demonstrate that the targets and threshold in the plan are viable has been accepted by the Council and this work has now been carried out. The findings of the study are set out within *BP6 Supplementary Paper 4: Affordable Housing Viability Assessment*.

With regards to the targets themselves, as has previously been explained in response to representations on SP17, it is evident that, with the exception of Caerphilly Basin, the affordable housing requirements of 40% in the Northern and Southern Connections Corridors and 25% in the Heads of the Valleys Regeneration Area are not viable. In this context it is appropriate to suggest amendments to the targets in line with the recommendations of the Viability Assessment as follows:

- **40%** of the total number of dwellings proposed on sites within the Caerphilly Basin (excluding Aber Valley);
- **25%** in the Northern Connections Corridor (excluding Newbridge); and
- **10%** in the Rest of Caerphilly County Borough (including Newbridge but excluding the Heads of the Valley Regeneration Area)

The implementation of these targets has been demonstrated to be viable in a scenario where Social Housing Grant is not available. However, if grant is available higher levels of affordable housing would be viable and it is necessary to write into the reasoned justification, as well as within the Affordable Housing SPG, that where Social Housing Grant or equivalent public sector funding is available, a higher level of affordable housing would be sought.

It is noted that the recommended sub-areas for policy implementation does not accord exactly with the strategy area boundaries, rather they are based upon areas of similar house prices as identified by Three Dragons in the Development Appraisal Toolkit. In this respect, given the variability of house prices and the fact that viability differs across strategy areas, it has been necessary to recommend policies that relate to different geographical areas rather than strategy areas, as was the case in the Deposit LDP policy. This approach is considered more deliverable and will ensure that affordable housing is maximised as appropriate.

Issues were also raised with regards to the viability of the site size threshold. A threshold of 10 units can be justified based on past sites that have come forward for development, as explained in more detail in the section below. With regards to the viability of a threshold of 10 units, this is an issue that has been looked at in more detail in the Affordable Housing Viability Assessment *BP6 Supplementary Paper 4: Affordable Housing Viability Assessment* and it is found that this threshold is appropriate.

A particular concern with regards to viability relates to the inclusion of brownfield sites within the plan, which could require significant costs to overcome. In response to this, it is important to note that in undertaking the Viability Assessment, assumptions were made on average build costs using the most up-to-date data from the BCIS. These build costs take account of both brownfield and Greenfield developments. Indeed, the presumption in favour of brownfield development as required by planning policy is likely to skew the data towards the brownfield build

costs, as evidenced in the 2007 and 2008 JHLAS where there are considerably more brownfield sites coming forward than greenfield sites.

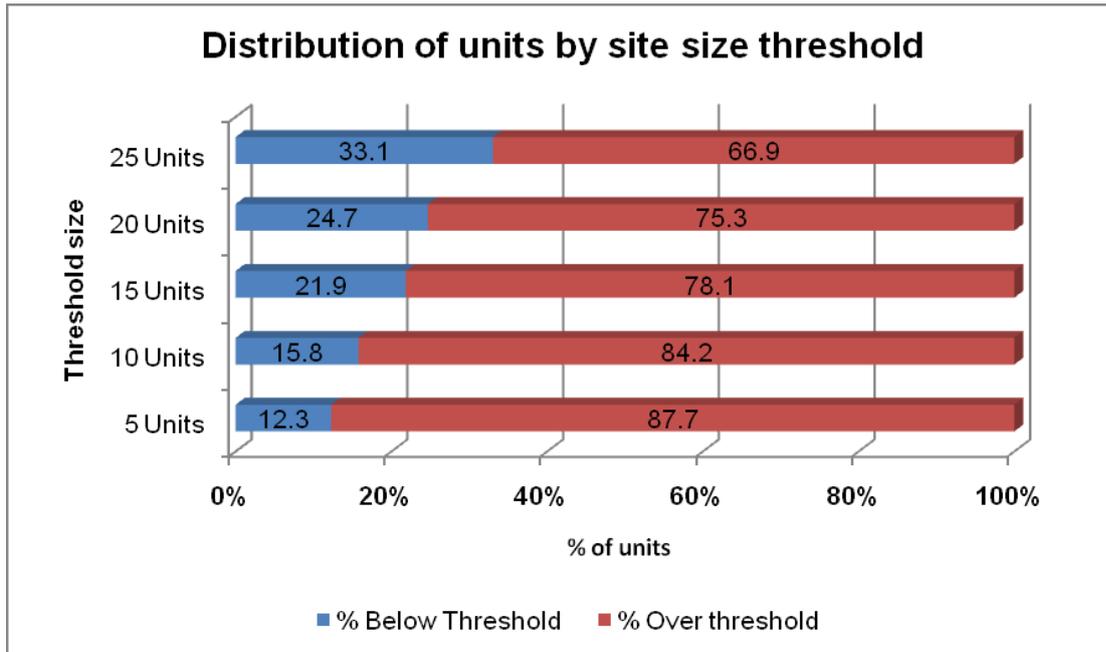
It is also important to note that where there are exceptional development costs as a result of factors such as a significant contamination, if this can be demonstrated by developers, a lower level of affordable housing may be negotiated as appropriate. Within this context, the specific concerns with regards to brownfield sites and viability are unfounded as the plan adopts a robust but flexible approach.

### **Threshold for affordable housing provision**

It is considered that the argument in relation to the calculation of an appropriate threshold based on the last JHLAS holds little weight. Whilst TAN 2 does state that the information from a JHLAS could form the basis for determining site thresholds, the example given in TAN 2 is simply to highlight that if most of the sites to be delivered in an area are small then a small threshold should be chosen – something that is relevant to more rural authorities. The example in TAN 2 is not positing a preferred relationship between the size of sites and the threshold selected for all authorities.

Indeed, whilst the representation seeks to demonstrate that only a small number of sites coming forward are on sites of less than 17 dwellings (the figure of 17 being proportionally related to 10 dwellings as per 5 and 3 dwellings in the TAN 2 example), the whole picture of sites coming forward has not been looked at. By simply looking at forecasted completions within the JHLAS schedule, which only shows sites of 10 or more dwellings in Caerphilly (although some rural authorities can use the figure of 5), the figures are likely to be skewed towards a larger site threshold. If instead, small sites (under 10 dwellings) were also noted, there would be a different picture. However, it is not possible to do this as no agreed five-year forecasts are undertaken on small sites to determine when they are expected to come forward, as this is not a requirement of TAN 1 on Joint Housing Land Availability Studies.

In light of this, in setting appropriate thresholds for the LDP, it was considered more appropriate to consider sites that have come forward over a longer timeframe – 3 years – rather than just a snapshot of one year. This assessment indicated that over 3 years approximately 84% of all units granted consent were on sites of 10 dwellings or more. If the threshold was decreased to 5, this equated to only 3.5% more sites coming forward, as shown on the chart below. Given that based on past rates these figures would only marginally increase, it is considered that a threshold of 10 units would be appropriate. The justification for this threshold is explained in more detail with *BP6 Supplementary Paper 4: Affordable Housing Viability Assessment*.



As part of the Viability Assessment, a notional site size of 1 hectare was used for testing purposes. However, as part of the detailed analysis, consideration was also given to the viability of sites of 10 or more dwellings or 0.3 hectares to ensure these were also viable. The findings of the Viability Assessment indicated that this size of site was viable, therefore providing further evidence that a threshold of 10 was appropriate.

Other factors have also determined the setting of a threshold of 10 dwellings, including the recommendations from the Local Housing Market Assessment and the fact that 10 units would also reflect the classification of a 'major' site in planning terms. It also the minimum capacity of sites allocated in the plan.

### **Impact on overall housing delivery**

Representors are concerned that the affordable housing requirements will have a negative impact on the delivery of overall levels of housing. In response to this, it should be noted that the purpose of the affordable housing policy is not to stifle development. Rather, it is to ensure that mixed communities are delivered through addressing affordable housing need.

It is recognised that an approach to affordable housing that is too stringent may result in sites not being brought forward for development. However the revised targets are based on robust evidence of viability and are considered to be appropriate. It is not considered that the targets would have a negative impact.

By including site-specific requirements for affordable housing within the plan, this will ensure that developers and landowners have certainty with regards to the Council's requirements for affordable housing. These requirements should then inform the price that developers pay for land.

However, the inclusion of these targets will not negate the need for a site-specific consideration of viability at planning application stage. If a developer can demonstrate to the satisfaction of the local authority that affordable housing at the

levels identified in the plan would result in a development becoming unviable, it may be appropriate to seek a lower level.

### **Abnormal Costs**

In response to the representation seeking reference to the negotiation of affordable housing and consideration of abnormal costs in either Policy CW14 or the supporting paragraphs, it is considered that this is not necessary as the issues are covered in sufficient detail within the Supplementary Planning Guidance prepared on Affordable Housing Obligations. The LDP itself makes reference to the fact that further detail is contained on affordable housing within the SPG and it is considered that this is sufficient.

### **Support**

The representation of support for Policy CW14 is noted.

### **Compliance with the LDP**

There were collective objections to Tests of Soundness C2, CE1, CE2 and CE4.

C2 – It is considered that the Affordable Housing Viability Assessment that has been undertaken will ensure that the plan adheres to national policy as set out within the Housing MIPPS and TAN 2.

CE1 – No justification has been provided to explain why the respondents consider that the plan does not adhere to this test. It is considered that the plan is based on a coherent strategy and, through regional working is compatible with the Wales Spatial Plan and with plan and strategies prepared by neighbouring authorities

CE2 – The recommendations set out within the Viability Assessment are based on a robust and credible assessment of viability

CE3 – By revising the affordable housing targets in line with evidence on what is viable, this will ensure that the policy can be implemented.

### **CONCLUSION**

The representations received on Policy CW14 relate to both the area specific targets for affordable housing and the threshold of 10. With regards to the targets, representations have been made that the level of provision required is both too low and too high. The Affordable Housing Viability Assessment has demonstrated that it would not be viable for a higher level of affordable housing to be provided. However, it has also demonstrated that, with the exception of the Caerphilly Basin, the affordable housing targets in the Deposit Plan cannot be justified and therefore a lower level should be sought in all other market areas.

The threshold of 10 dwellings can be fully justified on the basis of a consideration of the types of sites coming forward, as required by TAN 2, and the findings of both the LHMA and the Viability Assessment. It is considered that this approach is robust.

The representation seeking reference to abnormal costs is also considered to be unnecessary as this is something covered in more detail within the SPG on affordable housing and, in the interests of avoiding repetition, this reference does not need to be within the plan itself.

**OFFICER RECOMMENDATION**

1. That the Council recommend to the Planning Inspector that Policy CW14 be amended in light of the findings of the Viability Assessment to read:

*“Legal agreements will be required to ensure that there is provision of an element of affordable housing, in accordance with an assessment of local need, for all allocated and windfall housing sites that:*

- A Accommodate 10 or more dwellings; or*  
*B Exceed 0.3 ha in gross site area, or*  
*C Where the combined product of adjacent housing site proposals would exceed the thresholds set in A or B above*

*Where there is evidence of need, the Council will seek to negotiate the following affordable housing targets of:*

- 40% of the total number of dwellings proposed on sites within the Caerphilly Basin (excluding Aber Valley);*
- 25% in the Northern Connections Corridor (excluding Newbridge); and*
- 10% in the Rest of Caerphilly County Borough (including Newbridge but excluding the Heads of the Valleys Regeneration Area)*

- 2.28 *There is a significant need for affordable housing in the County Borough and therefore seeking appropriate levels of affordable housing is justified as a means of contributing to mixed, balanced and sustainable communities through the provision of housing for all sectors of the population.*
- 2.29 *These targets should be treated as indicative as, at planning application stage, site-specific requirements will depend on the current market conditions having regard for the most up to date Local Housing Market Assessment, recent Viability Assessments and information from the Council’s Housing Division. The targets assume that no grant or public subsidy will be used. Should grant funding be available, a higher level of affordable housing may be sought.*
- 2.30 *Further information on affordable housing requirements is provided in the Council’s Supplementary Planning Guidance on Affordable Housing.*

The recommended amendment to this Policy would also require associated changes to Paragraphs 1.6, 1.11 and 1.17 of the Strategy section of the LDP.

2. That the Council recommend to the Planning Inspector that no change be made to the plan in respect of the representation requiring increases to the affordable housing targets.
3. That the Council recommend to the Planning Inspector that in respect of representations requiring further justification for the affordable housing threshold set out in Policy CW14 that no change be made to plan.

4. **That the Council recommend to the Planning Inspector that no change be made to the plan in respect of the representation requiring a reference to be inserted on abnormal costs.**

**Reason for Recommendation**

1. The proposed change is not substantive but would comply with national planning guidance and improve the delivery of the policy. Importantly the change would not affect the soundness of the plan.
- 2-4 The desired changes would adversely affect the soundness of the plan.

**COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

**CW14 Affordable Housing Planning Obligation****Local Housing Market Assessment**

2049.D1	RE Phillips & Partners	Object
2438.D5	Trustees of the Llancaiach Estate	Object
2438.D9	Trustees of the Llancaiach Estate	Object
2534.D7	Hengoed Developments Ltd	Object
2632.D6	GB Engineering Ltd	Object
2634.D11	Rhondda Development Company Ltd	Object
2634.D18	Rhondda Development Company Ltd	Object
2636.D10	Mr Vernon Perry	Object
2712.D2	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D12	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D17	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D20	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D21	Trustees of Joseph Thomas Davies (Deceased)	Object
2712.D22	Trustees of Joseph Thomas Davies (Deceased)	Object
4002.D6	Bowen Partners	Object
4002.D7	Bowen Partners	Object
4004.D11	Caerphilly Investments Ltd	Object
4005.D6	Mr & Mrs Ian Weedon	Object
4006.D2	Mr & Mrs Thomas-Davies	Object
4006.D9	Mr & Mrs Thomas-Davies	Object
4008.D10	Gwent Healthcare NHS Trust	Object
4008.D16	Gwent Healthcare NHS Trust	Object
4008.D17	Gwent Healthcare NHS Trust	Object
4010.D7	Mr & Mrs Moyle	Object
4115.D11	Messrs A and P Price	Object
4116.D5	Mr A Price	Object
4116.D10	Mr A Price	Object
4119.D3	Mr Michael Lewis	Object
4120.D5	Howses Ltd	Object
4120.D6	Howses Ltd	Object
4219.D6	R & J Morris	Object
4219.D12	R & J Morris	Object

**Policy Issues**

- Since the LHMA was produced, land values and house prices have fallen so the figures in the plan can no longer be justified. It is considered that housing is now more affordable to a wider sector of the population and therefore need would not be as great.

- The LHMA, which forms the evidence base for the policies, is not robust, particularly in relation to assumptions made on existing households falling into need.

## **SUMMARY OF REPRESENTATIONS**

### **LHMA is out of date**

The representations raise concerns that the Local Housing Market Assessment (LHMA) is now out of date as it was carried out in 2007 when market conditions were different to those prevailing at the current time. It is considered that in light of the fall in house prices, housing is now more affordable to more of the population and therefore the targets in Policy CW14 should be reduced to reflect the current position.

### **LHMA is not robust**

TAN 2 identifies that LHMA's are a vital component of developing a sound and robust approach to policy formulation. However it is considered that the Caerphilly Local Housing Market Assessment 2007 does not draw robust conclusions in respect of an affordable housing shortfall for the Borough. The findings of the study with regards to the assumptions made on existing households falling into need is considered inappropriate and distorts the overall findings. These figures do not correlate with the housing waiting list data on priority need or other data.

It is argued that housing waiting list data (source: Welsh Housing Statistics) indicates that in the three months to June 2008 there were 70 households that were eligible and in priority need having been made unintentionally homeless and a further 36 eligible but not homeless, equating to 424 households 'in need' per annum, which is lower than the 516 units which Fordham Research identify.

The respondent also argues that Table 8.12 of the LHMA, which provides data on movements from the private sector (owner occupation and social rented) to social rented is a better source for calculating need than the methodology that has been used. If this was used instead, this would result in a decrease in the number of existing households falling into need from 810 households (LHMA) to between 361 and 506 households, which has the net effect of reducing the shortfall of affordable housing from 516 to between 67-212 units. The representor calculates that this would result in a shortfall only in the SCC area, with a surplus of housing in both the NCC and Heads of the Valleys Regeneration Area.

### **COMPLIANCE WITH THE LDP**

Collectively the representations consider that Policy CW14 does not comply with Tests of Soundness **C2**, **CE1**, **CE2** and **CE4** as the policy is based on evidence from Local Housing Market Assessment (LHMA), which is now out of date. It is therefore considered that the policy is not realistic or capable of being delivered. It is considered that the policy position regarding the site size threshold and the target perception is unsound in the absence of an assessment of viability.

### **Consultation**

Fordham Research, who undertook the LHMA for Caerphilly, has been consulted with regards to the objection in relation to the robustness of the methodology employed to undertake the LHMA. Their comments on this issue are incorporated in the analysis below.

## **DESIRED CHANGE TO THE DEPOSIT LDP**

1. The target for affordable housing should be reduced to 20% in all areas.
2. The policy should be revised to take into account viability and reflect an overall assessment of need based on a robust LHMA.

## **COUNCIL ANALYSIS**

### **LHMA Out of date**

It is acknowledged that at the time that the LHMA was undertaken the so-called 'credit crunch', and the consequent downturn in the housing market in the UK was just beginning. The LHMA produced in 2007 does not therefore fully consider the impact of credit crunch on the housing situation.

The representors argue that housing is now more affordable. However, the Council disagrees, as evidence suggests that more people are now in need. It has been widely reported that the 'credit crunch' has resulted in a significant decrease in the availability of mortgages. This, coupled with increases in unemployment in light of current market conditions, has resulted in a current decrease in the number of people able to enter the market sector and an increase in those in affordable housing need.

This is evidenced by the most recent update of the Local Housing Market Assessment Update (December 2008), which was completed after the publication of the Deposit LDP and was not therefore considered in the preparation of the LDP. With regards to affordable housing need, the update indicated that, in response to amended financial information, there was now a need for 706 affordable dwellings per annum. This equates to an increase of 190 affordable dwellings more than shown in the original study. The fact that more people are now in affordable housing need than they were at the time of the original study is further support that a 40% threshold can be justified to reflect local need.

Another key point that must be considered is that the LDP plan period extends up to 2021 and the house-building industry is liable to experience significant fluctuations in light of market conditions. An examination of past housing completions for the 15-year period 1991 to 2006 shows significant variation, ranging from completions of 266 units at the lowest point to 899 units at the peak. Given the volatile nature of the house-building industry and the experience of past trends, it is fair to assume that the market will recover from the current downturn to a more buoyant position during the plan period.

Furthermore, there is a degree of flexibility within Policy CW14 to ensure that it can respond to changing circumstances. It should be noted that the site-specific requirements are indicative targets and will depend on the current market conditions having regard for the up to date evidence.

Another key point to make is that the Council has now completed an Affordable Housing Viability Assessment, which considers the affordable housing policies in current (June 2009) market conditions. The findings of this, as discussed, are that the current affordable housing targets need to be adjusted to take account of viability. However, this study is independent of the LHMA and does not undermine the findings of the LHMA which considers need rather viability. In the current market

therefore, whilst the targets do need to be revised in light of viability, the conclusions of the LHMA in respect of need continue to be valid.

### **Robustness of LHMA**

With regards to the alternative figures provided by the respondent, it will be noted that the representor attempts to compare housing waiting list data from June 2008 with data from the 2007 LHMA. There are two concerns regards the comparison that has been made:

The first is that the date from the waiting list does not relate to the same period of time as the LHMA survey and therefore a direct comparison cannot be made.

Secondly, the figures given from housing list data relates only to those who were homeless and/or in 'priority housing need' (vulnerable households, households with dependent children and homeless as defined by the 1996 Housing Act) rather than those who were in 'need' as per the definition of TAN 2 which defines housing need as *"households lacking their own housing or living in housing which is judged to be inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some financial assistance."* In light of this there will clearly be fewer households listed as being in priority need than the total number of households in need.

Whilst the LHMA Guide does identify that the housing register can be used as a potential source of information about the nature and extent of need, it is recognised that in high demand areas, the register may underestimate need as the chances of households applying for housing are related to their likelihood of being housed.

With regards to the other assertion that movements from the private sector to social rented is a better source of data for calculating need than the methodology that has been used, it should be noted that both data sets were derived from the same source – the household survey undertaken as part of the LHMA. However, by looking only at those people who have moved in the past, it fails to take account of those who are living in unsuitable accommodation but are unable to move or newly arising need. The methodology that has been employed by Fordham looks at the components of need having regard to affordability in order to provide a holistic figure.

### **Consultation Response by Fordham Research**

Fordham Research, who undertook the Caerphilly LHMA, have examined the criticisms regarding their methodology undertaken in LHMA and have made the following response, which is summarised below.

The representor does not deny that there is an affordable housing need in Caerphilly, but suggests that it only exists in the southern part of the Borough. In terms of setting an affordable housing target it does not matter where in a borough the housing need arises, so long as there is a net need. If that is the case then an affordable housing target is justifiable. It is normally the case that where the housing need arises is not where it can be met: new sites for housing often arise in Greenfield locations, whereas need is often highest in densely built up parts of a borough.

Both Fordham Research and the respondent agree that there is no net housing need in the north of the borough, but the respondent claims that there is a surplus of affordable housing in the centre of the Borough, whereas Fordham say that there is

a net need. Fordham's analysis is much more robust than the respondent (Pioneer Services on behalf of R. E. Phillips and Partners) and this has been proved at a number of inquiries in England where Pioneer have objected to Fordham Research's Housing Needs Studies/LHMAs. These criticisms have never been accepted by Planning Inspectors.

An example of this is at the Exeter Local Plan Inquiry (Report of April 2004). This Inspector specifically stated: *"The HNS has in my view been approached in a conscientious and generally systematic manner (Para 4.508) and 'I do not consider that the HNS is deficient in any way that seriously prejudices the formulation of fair and adequate provision for affordable housing in the Local Plan (Para 4.508)"*

### **Compliance with the LDP**

**C2** – The LHMA adheres to national policy as set out within the Housing MIPPS and LHMA Guide

**CE1** – No justification has been provided to explain why the respondents consider that the plan does not adhere to this test. It is considered that the plan is based on a coherent strategy and, through regional working is compatible with the Wales Spatial Plan and with plan and strategies prepared by neighbouring authorities.

**CE2** – It is considered that the LHMA forms a robust evidence base upon which to base affordable housing policies as it has been prepared in accordance with the guidance.

**CE4** – It is considered that Policy CW14 is sufficiently flexible as to allow for a lower level of affordable housing to be negotiated where appropriate.

### **CONCLUSION**

Whilst it is acknowledged that market conditions have changed since the original LHMA was produced in 2007, the LHMA Update 2008 indicates that more households are now in affordable need, rather than less as asserted by the representor.

It is considered that the LHMA has been produced on the basis of a robust methodology that has been tested at other development plan inquiries and has been found to be appropriate. The alternative methods put forward by the representor which show affordable housing to be less, fail to assess housing need in a holistic and robust manner and these findings are not considered to be sound. In any event, even if such a methodology were appropriate, the fact remains that there would still be a significant affordable housing need overall on which it would be appropriate to base affordable housing policies.

### **OFFICER RECOMMENDATION**

**That the Council recommends to the Planning Inspector that no change should be made to the LDP in respect of the representations.**

#### **Reason for Recommendation:**

The desired change would adversely affect the soundness of the plan.

### **COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**

## Policy Omission

### Rural Exceptions Affordable Housing

4117.D5	Forestry Commission	Object
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#### Policy Issue

- A rural exceptions affordable housing should have been included in response to rural housing need.

#### SUMMARY OF REPRESENTATION

It is argued that a new affordable housing policy relating to rural exceptions should be included in the plan. Affordable housing is a key issue which needs to be addressed in the LDP and one to which the Welsh Assembly Government is strongly committed. The plan should make provision for the delivery of affordable housing by the inclusion of a rural exceptions policy in addition to quota policies.

#### COMPLIANCE WITH THE LDP

It is considered that the plan does not adhere to Tests of Soundness **C2** and **CE2**. The inclusion of a rural exceptions policy would make the plan more robust in its approach to meeting affordable housing needs throughout the LDP period and would reflect the provisions of national policy set out in Planning Policy Wales and TAN 2.

#### DESIRED CHANGE TO THE DEPOSIT LDP

Include a definition of affordable housing to include both social rented housing and intermediate housing, which should include low-cost housing for sale.

#### COUNCIL ANALYSIS

##### Planning History

##### UDP

A similar representation concerning the need for a rural exceptions affordable housing policy was considered at the UDP Inquiry. At this time the Council argued that the inclusion of a rural exceptions policy was unnecessary because within existing settlement boundaries there is considerable scope for the development of affordable housing and this would be sufficient to meet the needs of local people both urban and rural.

This view was not supported by the Inspector who concluded that a policy would be necessary to address the need for affordable housing within settlements “*which are relatively small and are unlikely to provide too many opportunities for larger-scale schemes which would trigger the application of Policy H3*”. In light of the Inspector’s comments, a Policy on Rural Exceptions for Affordable Housing was included in the UDP.

##### Policy Context

National planning policy, as set out in the Housing MIPPS, identifies that “*the special provision of rural exceptions sites must be considered to help ensure the viability of the local community*.” The Council have considered the need for a rural exceptions policy in the preparation of the Local Development Plan. This is discussed in detail within section 7 of the Population and Housing Background Paper.

Paragraph 10.1 of TAN 2 states that “*the development plan must indicate the amount of housing which will be delivered by the policy approaches, which may include...rural exceptions sites.*” It is clear from this statement that the inclusion of a policy *may* be included as part of the policy approach to address affordable housing need, it is not a requirement.

The premise of a rural exceptions affordable housing policy as identified in national policy is that it seeks to address a need in rural areas for affordable housing. Whilst it is recognised that large parts of Caerphilly County Borough is rural in nature, the vast majority of the resident population of the area live within the linear urban settlements, which typify the South Wales Valleys. Only a small proportion of the resident population live in individual farmsteads, hamlets and villages, which are located sporadically throughout the surrounding countryside.

Policy H4 of the UDP was introduced as a result of recommendations made by the Inspector in the Inspectors Report on the UDP Inquiry. The justification for the inclusion of such a policy was that within the smallest settlements there were unlikely to provide too many opportunities for larger-scale development schemes which would trigger the application of UDP Policy H3, which sets a threshold of over 35 units for the requirement of affordable housing.

Within the context of the LDP, the threshold has been reduced to 10 dwellings or 0.3 hectares. This means that there will be considerable scope for the development of affordable housing on allocated housing sites and windfall sites, in addition to other sites than may come forward through measures outside of the planning system. Due to the close proximity of the existing settlements to the countryside, it is considered that the housing needs of local people (both urban and rural) can be addressed without the need for a rural exceptions policy.

Furthermore, whilst it is recognised that rural exceptions affordable housing is acceptable in national policy terms, in the interests of promoting mixed sustainable communities as advocated in the Housing MIPPS, it is considered most appropriate to focus development on existing settlements where services and facilities are available. This is particularly important for those living in the social rented sector, where instances of car ownership is lower than market sector housing. Such an approach would also accord with the LDP strategy, which seeks to target development to the role and function of settlements.

Another key point to note is that the UDP policy has never been utilised as no planning applications for rural exceptions affordable housing have ever been submitted to the local planning authority. Paragraph 7.3.3 of the LDP Manual states that “*unnecessary policies should be excluded.*” It is considered in light of the evidence that the inclusion of a rural exceptions policy within the LDP would be unnecessary.

It is acknowledged that the level of affordable housing need across the County Borough is significant. However, the role of rural exceptions policies in delivering affordable housing is likely to be minimal, as national guidance requires that where such sites come forward they should be small in scale. In addition, based on past experience, the fact that no units have ever been secured through the use of this policy indicates the minimum role that such a policy could play.

Instead, the Council is committed to a number of other measures to increase affordable housing both through the planning policies set out in CW14 and SP17 as well as other measures outside of the remit of the planning system, which are discussed in the Affordable Housing Delivery Statement.

**Compliance with the LDP**

It is not considered that the omission of a rural exceptions policy makes the plan unsound as in determining this position regard has been had to national policy (Test of Soundness C2), where the provision of a policy is a consideration not a requirement.

There is no evidence to support the inclusion of such a policy in the plan (Test of Soundness CE2).

**OFFICER RECOMMENDATION**

**That the Council recommend to the Planning Inspector that no change should be made to the LDP in respect of the representation.**

**Reason for Recommendation**

The desired change would adversely affect the soundness of the plan.

**COUNCIL RESOLUTION**

**Resolved to accept the officer recommendation.**