

## **BRIDGEND LOCAL DEVELOPMENT PLAN EXAMINATION**

### **HEARING SESSION 2: HOUSING NEED AND SUPPLY**

**Prepared by Boyer Planning**

**In respect of Policy SP12 and the Deposit Plan's housing strategy**

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

1. In response to the Deposit LDP, representations were submitted concerning the overall level of housing proposed by Policy SP16 to the effect that the strategic requirement of 9,000 new dwellings between 2006 and 2021 was not the correct level of housing to be provided in the Plan area as the evidence base did not justify deviation from Welsh Government (WG) projections. Our representation also demonstrated that the Plan's housing land supply assumptions were not sufficiently robust and would not yield the level of housing required either in relation to the Council's preferred requirement or the WG projections.

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

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

Vision – It is the vision of the LDP that by 2021 Bridgend County Borough will be transformed to become a sustainable, safe, healthy and inclusive network of communities comprising strong, interdependent and connected settlements that can offer opportunities for all people living and working in the area.

Key Objectives – OBJ 4c seeks to deliver the level and type of residential development to meet the identified needs of the County Borough ensuring that a significant proportion is affordable and accessible to all.

4. Planning Policy Wales defines the factors that local authorities must take into account when determining a Plan's housing requirement<sup>3</sup>. We draw particular attention to the third requirement listed therein, namely the WG's latest household projections, and the extent to which the housing strategy in the Plan and the level of provision proposed in Policy SP12 is capable of addressing the level of housing that these projections indicate or the level of housing need that the evidence base identifies.

5. We note that the main reason given for adopting the housing requirement is that it links housing projections to economic growth forecasts. In this instance the Cambridge Econometrics (CE) projections identify a decline in growth over the plan period. We believe that such an approach is entirely contrary to overarching economic objectives of the LDP (*"To build a more diverse, dynamic and self-reliant economy and business environment"*),

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

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

<sup>3</sup> Ministerial Interim Planning Policy Statement 01/2006 para 9.2.1[W.34]

Planning Policy Wales (4<sup>th</sup> Edition), National Policy aimed at encouraging economic growth and the efforts of the WG in seeking to encourage growth, moreover it ignores the inaccuracies of such economic forecasting which WG warn against in their Economic Renewal report. Indeed, the Council should be considering positive interventions to encourage growth rather than proceed on the basis of a gloomy economic outlook.

6. For these reasons, which we consider within this statement in relation to the questions asked by the Inspector, we submit in summary that the housing provision strategy in the Deposit Plan is contrary to the following tests of soundness:

- C2 in that it is not sufficiently robust or flexible to ensure compliance with national policy as set out in Planning Policy Wales;
- CE1 in that it does not flow logically from the proposed spatial strategy of the plan;
- CE2 in that it is not founded on a robust and credible base in terms of housing need and supply; and
- CE4 in that it does not provide a reasonable level of flexibility to allow the plan to deal with higher population and household projections.

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

**Qn1a. Does the evidence support the proposed level of housing requirement? In particular:**

**i) Why is the projected dwelling requirement 2,000 less than the 2008- based Welsh Government household projection figure when the projected population is the same?**

8. In the first instance we would note that 2011 mid year estimates have been produced by the ONS which are based on 2011 census data. For Wales in 2011 these indicate a population of 3,063,000 and for Bridgend 139,400 – some 2,400 higher than the CE projections. The population has plainly been growing at a quicker rate than envisaged by any of the projections and must require that additional flexibility is allowed for within the supply to meet this higher level of population growth than envisaged.

9. The main reason stated in the CE report (Examining Alternative Demographic and Labour Market Projections April 2010) for the robustness of the approach is based on the link to economic performance which they note is absent from the WG projections. This is the approach which underlies the CE projection.

10. It is our view that this approach fundamentally conflicts with Welsh Government advice on economic growth. In the first instance, the WG in their 2010 report “Economic Renewal: a new direction” is clear that “*the economy is simply too dynamic to forecast credibly over the long term, with relentlessly changing consumer demands, continuous formation and failure of firms, potentially large global realignments and accelerating innovation.*” Accordingly, it follows that assuming decline over the plan period will be “self-perpetuating” and is routed at the low point of the economy. It is an approach that does not provide for development to contribute towards economic growth either directly (through construction and related jobs) or indirectly (through spin off’s or housing for the workforce).

11. This lack of credibility in long term forecasting, is demonstrated by CE figures provided for the pre-deposit consultation which indicated that overall employment in the

County Borough is projected to increase by 3,846 between 2006 and 2021. Yet, slightly further in the preparation of the LDP (but within the LDP period) CE's figures indicate that there will be a decline in jobs. This clearly shows the problems identified by the Welsh Government in their Economic Renewal paper and it is our view that the plan should be able to respond to increased growth scenarios and in any event should be actively encouraging growth – to both meet identified needs and to help stimulate the economy.

**iii) To what extent does it relate to the Council's assumption that all the additional dwellings will be fully occupied with none of the vacancies that occur in the existing stock and, if so, is that justified?**

12. If the dwellings stock increases, applying the same % of vacancy rates would plainly give a greater number of vacancies. We have seen no evidence that the Council are planning for reduction in this proportion, rather it is an assumption being made.

**iv) To what extent is the variation explained by any other factors and are these justified?**

13. Please refer to our answer to Qn1a (i).

**Qn2a. How in principle might an additional 1,000 to 1,100 dwellings be allocated whilst remaining in accord with the spatial strategy?**

14. It is our view that additional dwellings could be readily allocated in accordance with the strategy. Such an approach is strongly supported by the evidence of need which plainly demonstrates that higher levels of development are required and it is our view that not meeting this need would be very harmful to the future requirements of the Borough. Accordingly, the strategy can remain unaltered but would benefit from a closer balance between need and supply.

15. Any development within the Borough, either inside or outside the SRGA's would be extremely beneficial to the town and would help meet need and national policy. It is our view that the present approach will result in a "double whammy" whereby there is a lack of growth outside the SRGA's and a lack of deliverable land identified within the SRGA's.

16. Accordingly, we believe that it is entirely appropriate for additional growth to be accommodated within and adjoining those settlements identified by Policy PLA1 (Settlement Hierarchy and Urban Management) on sites that are deliverable.

**Qn2b. What is the specific justification for these higher figures in terms of:**

**i) Housing need?**

17. The evidence base presented by the Council clearly indicates a significant level of housing need at 1,514 per annum. However this was reduced to a level of 292 per annum (Housing background paper revision May 2012). The reason given for this was that it would be more realistic in relation to the Council's preferred build rate of 600 per annum. I would note that this reduced rate does not reflect the housing need, rather it remains at 1,514.

18. Further, the reduced "need" of 292 dwellings per annum reflects 49% of the required annual build rate proposed in the LDP. Whilst the HBF will submit evidence on viability, it is our opinion that this level is not achievable in Bridgend.

19. It is clear from the evidence base that there is a substantial level of housing need. The only way to move towards meeting this is to increase the amount of housing provided

within the plan period in order to deliver additional affordable housing to meet need. The Council's only argument contrary to this is that the level of housing need should be reduced to reflect their requirement in the LDP.

**ii) Any flexibility allowance in excess of the defined need?**

20. It is our view that a significant flexibility allowance is required in light of the problems experienced within the Borough in terms of bringing land forward for development throughout the timeframe of the Unitary Development Plan.

21. There are a significant number of sites that have contributed towards the five year land supply for much of the past decade, yet there has been no progress on but are forecast to contribute towards the 9 years remaining of the LDP. This includes sites that are subject to constraints including the Maesteg Washery (250 dwellings), Princess Way (150 dwellings), Brackla (96 dwellings), and Porthcawl Regeneration Site (1,350 dwellings).

22. Moreover, with regards to 550 dwellings forecast to be brought forward at the Ewenni Regeneration Area along with the 130 dwellings at the Police land (Cowbridge Road) (these form part of a single development brief prepared by the Council which notes incremental development would not be acceptable), we note that the Development Brief prepared highlights the constraints due to the various ownerships involved, contamination, lack of funding for remediation and flood constraints.

23. In the case of Parc Derwen (NE Bridgend), in the 2002 Joint Housing Land Availability Study the site was forecast to contribute 300 dwellings by 2007 (and by implication have around 1200 completions by now). In the 2003 study, the site contributed 350 dwellings to the five year supply. By the 2006 study, it was assumed to be contributing 590 dwellings to the five year supply (which were forecast to be complete by 2012). However, by 2011 there had only been 8 completions. This underscores the importance of a flexibility allowance. We are aware that the development of the site is actively progressing however we draw attention to concerns in relation to the disposal of WG land interests on site. The WG control a significant share of the site, they have sought to dispose of the land but it is our understanding that they had not been able to agree a price for this.

24. We have not considered all sites in detail, but based on the above examples, there is considerable doubt over the contribution of at least 2,400 dwellings during the plan period. These are the same sites that have consistently been relied upon to contribute towards a five year supply, yet have not delivered any completions.

**Qn2c. Could housing provision at these levels be accommodated within the LDP spatial strategy or would it require a different strategy?**

25. As detailed in response to Qn2a the additional housing provision could be accommodated within the LDP spatial strategy, it would require further releases of land both within and adjoining the Primary Key Settlements and Main Settlements outside of the Strategic Regeneration Growth Areas.

26. It is our view that this can be achieved within the strategy set out, in fact a higher level of housing would be a closer fit with the vision and objectives of the LDP, WG guidance on economic growth, as well as the aspirations of the Wales Spatial Plan for Bridgend. We intend to provide evidence in relation to omission sites that would contribute towards this strategy.

**Qn3b. Are there particular reasons why windfall completions were higher in those years and are these conditions likely to be repeated during the LDP period?**

27. For completeness we have reviewed the 2004 JHLAS schedule (which is one of the years with a stated higher completion rate of windfalls) which sets out completions on units over 10 dwellings for the period 2003 / 2004. During this time period the evidence base suggests that there were 152 completions on windfall sites.

28. The 2004 JHLAS schedule shows that there were 417 completions on large sites, comprising the following 406 dwellings (along with 11 completions on smaller sites).

Broadlands	-	204
Gasworks Terrace	-	17
BP garage	-	18
Ysgol y Ferch Oskar	-	47
Bocam Park	-	74
South of Hendre Road	-	46

29. I note that all of these sites are identified within the UDP and were either allocated within that plan or the earlier Local Plan. This does not seem to tie in with Table 12 of the Housing Background Paper (May 2012 revision) nor the Council's definition of a windfall site at 5.3.1 as a site that is "not specifically allocated for housing". Therefore we do not believe that this is a robust basis for the windfall assumption and skews the figures upwards as suggested (850.7). Accordingly, we would question the accuracy of other figures for windfall completions within Table 12.

**Qn3d. What effect may the non-delivery of some allocated sites within the early years of the LDP period have on overall delivery?**

30. It is evident that continued non delivery of sites in the early years would inevitably result in a significant backlog of dwellings to be completed in the later years of the plan.

31. In their phasing strategy the Council are reliant upon a step change in housing from the low levels of delivery of the first five years to future years. In the first transition this has not happened as there is a reliance upon sites (as set out above) that have proven undeliverable to date.

32. Continued under performance will inevitably result in an increased residual requirement and the only way that this can be addressed is to increase the supply of readily available land for development.

**Qn3e. Can the housing on the Porthcawl Waterfront site realistically be built and sold within the remaining years of the LDP period?**

33. For context, we note that in the last 10 years there have been 93 recorded completions in total on large sites (over 10 units) in JHLAS's. However, in 2007 the Council forecast there would be 643 completions in Porthcawl. At the same time, development rates on unconstrained sites have been high.

34. We note that any confidence in the delivery of the site in forthcoming years is reduced by the recent withdrawal of potential developers (and retail occupiers). The Council's approach is founded on an agreement being reached with a new developer for the sale of the site and a revised Owners Agreement to reflect the increased financial risk being taken by the Council. Thus the Authority will not commence the infrastructure works until a developer has been identified and a formal contract entered into.

35. Furthermore the 1<sup>st</sup> Phase application P/08/235/BCB is only subject to a resolution to grant and has been awaiting the signing of the legal agreement since 2009. It is our experience that such delays only occur where a site is not economically viable. Irrespective of the non-signing of the legal agreement it is important to highlight that the application does not cover the whole Porthcawl Regeneration site, rather will provide up to 450 residential dwellings. The applications for the remaining 900 dwellings are yet to be submitted, and could not be built until the required infrastructure for phase 1 has been provided. Also given the timescales involved in bringing forward the 1<sup>st</sup> phase it is also prudent to note that the evidence base with supporting information for the scheme is now around 5 years out of date and would need review.

36. As well as the lack of formally approved planning applications we are also aware of the HBFs stance on the site who consider that given the lack of developer interest and considering the length of time the site has remained in the 5 year supply without development, all of the 1,350 dwellings should be moved to category 3(i), until there is firm evidence to prove it will be developed in the next 5 years.

37. In assessing all of the above it is our opinion that given the constraints, current market, lack of past build rates and infrastructure requirements it is unlikely that housing on the Porthcawl Waterfront site will realistically be built and sold within the remaining years of the LDP period. With this in mind alternative unconstrained sites which can deliver housing within the plan period should be brought forward.

**Qn3f. As there are less than 9 years remaining of the LDP period, what delivery of housing can realistically be expected on the Porthcawl Waterfront site in that period and what annual rate of development would this imply?**

38. Given that the original regeneration strategy was conceived in the late early 2000's in the intervening period (at least a decade) there has been no development. Nor has there been any change in circumstance that would indicate that development is likely.

39. Given the lack of development in Porthcawl in recent years and the lack of progress on site over a period which included the peak of the housing market, we do not believe that there is any prospect of the site delivering completions during the plan period.

40. However, whilst we agree with the HBF that the 1,350 dwellings should be removed from the 5 year housing land supply until a developer is confirmed, as a very best case / optimistic scenario for development on site it could provide a limited number of dwellings (around 100 dwellings – based on historic completions in Porthcawl over the past 10 years) in the last few years of the plan period (based on the proposed build rates from the 2011 JHLAS). Though this would be subject to a number of constraints being overcome, including securing a developer, finalising the formal consent, submission of reserved matters, relevant infrastructure being provided and an upturn in the market.

**Qn3g. How would the intended 5 year phases bear upon the maintenance of a minimum 5-year supply of housing land as required by Planning Policy Wales?**

41. In practice such an approach would cause difficulties in accurately assessing a five year supply for a period that “crossed” the phases.

**Qn3h. Using existing information would the Council please indicate, by means of a trajectory, when housing commitments and allocations are now expected to be delivered to show how numbers will be distributed across the LDP period?**

42. We would welcome the opportunity to comment further on the trajectory.

**Qn3i. Having regard to historic rates of delivery, how likely is it that the higher supply figures implied by implementation of the LDP flexibility allowance, and the still higher figures sought by others, can be achieved?**

43. Completions have been more or less at the level required by the UDP (as set out in recent JHLAS's). However, I would note that completions would have been significantly greater had land not been constrained – in particular there exist a number of large sites that have been forecast to contribute towards the supply for around a decade but have consistently failed to do so.

44. Our clients are confident that they (and other major house builders) could build to the necessary levels if the correct conditions prevail – a key element in this will be unconstrained and deliverable land supply. To that extent, the key factor in increasing build rates is to ensure that sufficient suitable sites are made available.

45. To that extent we would note that basing the household requirement on projections taken at the low point of the recession will inevitably result in a gloomy outlook – it is strongly the view of our clients that there should be flexibility to ensure that the planning system not only responds positively to any future changes in economic outlook but also that through encouraging construction and growth actively contributes towards future economic growth.

**Requested Change**

46. That the housing requirement is amended to reflect the WG 2008 Household projections to read:

*“Provision will be made for the development of 11,660 new dwellings in Bridgend County Borough up to 2021”*

47. That the supply of land is increased to meet the household projection (11,659) and sufficient land is allocated in addition to this to include a 20% non-implementation allowance. Furthermore the assumption from windfall sites should be reduced to 240.

***Boyer Planning  
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