

**WELSH GOVERNMENT**

**Examination Hearing Statement**

**NEWPORT**

**Local Development Plan Examination**

**Hearing Session 2: Housing Provision**

**Wednesday 02<sup>nd</sup> April**

## **(Session 2): Housing Provision**

### **1. Housing requirement - Is there a sound rationale for the identified housing requirement of 10,350 new homes over the Plan period ?**

The Welsh Government (WG) does not object to the level of housing growth proposed over the plan period. The WG is supportive of Council's strategy to increase its labour force through job opportunities and homes in order to deliver the growth strategy and key objectives of the plan, addressing issues such as affordable housing and infrastructure provision.

As economic development and the creation of jobs to boost the Welsh economy is a key Government priority, the WG supports a local planning authority seeking to maximise economic opportunities and prospects for the local community. It would be contrary to national policy to stifle/hinder such development. Therefore, we support the principle of this approach.

It is for the LPA to evidence why it has deviated above the 2008 and 2011 WG household projections, in accordance with PPW (para 9.2.1).

### **Does the demographic and economic-led housing forecast (*SD55 NLP Assessment of Housing Requirements Paper*) provide a robust and credible basis for setting the Plan's housing requirement?**

Yes. The HEaDROOM framework used by Nathaniel Litchfield (NLP) has utilised the PopGroup suite of software. This is used by the majority of local authorities in Wales including the Welsh Government. Local authorities can undertake further modelling to take account of more refined local circumstances, if appropriate, to produce alternative outputs based on evidence.

The technical work undertaken by NLP has tested a range of scenarios that include housing, economic and demographic led forecasts, making recommendations for the housing requirement and job target over the plan period. The report considers that the implications of following the purely demographic led assumptions and trends underpinning the WG08 household projections would result in a dramatic increase in the 64-84 age group and a decline in the working age profile (16-64), a trend that could have an adverse impact on economic activity.

The implications of following these demographic trends would mean that the desired economic growth would result in an increase of in commuting into Newport, which is potentially unsustainable. The economic forecast (Scenario E) attempts to align demographic and economic aspirations resulting in strong levels of growth, with an aspiration to increase the capacity of working age people through housing in the most sustainable locations to boost the economy. In summary, the overarching rationale for the preferred growth

scenario attempts to provide for the delivery of sufficient housing for an increased workforce which is essential to ensure the economic growth can be sustained over the plan period and beyond.

The WG supports this positive approach, although it is for the LPA to evidence the appropriate scale of housing above the WG projections (2008 and 2011).

**Does the Experian Business Strategies economic growth forecast of 7,400 new jobs created in Newport between 2011 and 2026 provide a suitably reliable and authoritative basis for estimating economic growth over the Plan period?**

This is for the local authority to answer.

**Does the evidence constitute a rational basis for departing from the 2008-based WG population and household projections, having regard to the factors identified in PPW at paragraph 9.2.1?**

#### 2008 Household Projections

It is for the local planning authority to evidence and justify the level of housing provision set out in their plan, having regard to PPW (paragraphs 9.2.1 & 9.2.2). This applies equally as to whether they align, or deviate from our latest projections. Any level of provision should also be linked to the key issues the plan is seeking to address, and not just become a mathematical calculation. At the time of both the evidence preparation and consultation on the Revised Deposit Plan, the 2008-based household projections were the latest projections.

Converting the 2008 household projections into dwellings (using a conversion factor of 1:1.04) indicates around 7,400 dwellings are required over the plan period 2011-2026. Policy SP10 makes provision for 11,622 units to deliver a housing requirement of 10,350 over the plan period. The Council are deviating **above** the WG08 house hold projections by around 3000 dwellings.

The Welsh Government supports the technical work undertaken by NLP in embracing a positive approach to national policy in this respect and provides a justification for deviating from the WG08 projections. However, concerns remain in respect of the level and provision of Employment Land in the plan and how this relates to the growth and regeneration strategy.

**Do the latest WG projections (expected end February 2014) necessitate any adjustment of the identified Plan housing requirement?**

No. The 2011 household projections were published on the 27<sup>th</sup> February. Converting the 2011 household projections into dwellings (using a conversion factor of 1:1.04) indicates around 8,900 dwellings are required over the plan period 2011-2026, an increase of 900 dwellings above the WG08 projections.

The housing requirement in the LDP represents a deviation of 1,450 above the WG2011 household projections.

The table below shows that the 2011 projections show both a higher population at the start and the end of the plan period when compared to the WG08 figures. In addition there is an increase in annual net-migration and a significant change in average household size over the plan period. The average household size is considerable higher and is not projected to decrease to the extent shown in the WG08 projections.

<b>Welsh Government: Planning Officer (Plans Branch) Comparison</b>			
<b>2008 Household Projections</b>		<b>2011 Household Projections</b>	
Base Population 2008	Population 2026	Base Population 2011	Population 2026
139,662	150,165	145,785	161,372
Annual Net Migration		Annual Net Migration	
-190		+290	
Household Size 2008	Household Size 2026	Household Size 2011	Household Size 2026
2.28	2.17	2.35	2.30
Household Requirement (4% vacancy rate)		Household Requirement (4% vacancy rate)	
Households 2011	Households 2026	Households 2011	Households 2026
61,008	68144	61,261	69,248
7400 dwellings		8,300 dwellings	

The latest projections are trend based and are characterised by a period of economic decline, difficulties in accessing finance, lower house building rates and an increase in people remaining within existing homes which has resulted in lower levels of household growth for the majority of local authorities compared to the previous 2008 based household projections. The projections are not policy based and do not make allowances for the effects of local or central government policies such as regeneration or economic growth.

The WG government considers it inappropriate to replicate previous patterns strongly influenced by negative economic factors. LPAs should take a positive approach and maximise economic opportunities and the consequent implications for housing provision. The WG supports Newport's positive approach to planning for the future.

It may be inappropriate for those local authorities who are planning for economic growth to reduce housing provision in the LDP as this could hinder

the ability to deliver homes, jobs and the key infrastructure necessary to meet the needs of their communities and businesses.

### **Would an overestimation of housing need in the Plan lead to problems in terms of implementation and realistic monitoring?**

The authority is pursuing an aspirational growth scenario which comprises of an annual of build rate of 400 units p/a in phase one of the LDP, and 840 units p/a in the remaining two phases. We note that based on the ten year average past build rate (450 p/a) these figures appear challenging, however, build rates of in excess of 700 units have been achieved in the past.

We note that completions in the plan period to date are 966 units. This is a shortfall of 240 units on the required rate of 1200 completions. It is essential any shortfall is delivered as soon as possible to avoid increasing further, the build rates in later phases of the plan. In addition, all LDP's should demonstrate that they can provide a 5 year housing supply from adoption and throughout the plan period, in accordance with PPW (paragraph 9.2.3). It is for the authority to demonstrate the plan complies with national policy.

If, after careful consideration of the evidence, the housing trajectory highlights under-delivery in the early years of the plan appropriate alternative sites should be identified to remedy this deficiency. Such sites should align with the spatial strategy, be based on principles of sustainability and deliver on the key issues identified in the plan. A clear understanding of phasing and ensuring there are no outstanding barriers to development is crucial.

It is also vital that the monitoring framework includes key triggers and action points so that any significant shortfalls do not arise and that appropriate action can be in place in advance to avoid such a situation. The flexibility allowance and how this relates to delivery should also avoid this scenario.

The Minister for Housing and Regeneration announced a revision to TAN 1 which will seek to reconcile tensions between plan preparation and maintaining a 5 year land supply.

## **2. Spatial distribution of housing provision and site selection**

### **What rationale underpins the Plan's approach to the spatial distribution of housing provision over the Plan period? What factors have been balanced in coming to this view?**

We note the Council is pursuing a sustainable development strategy with a focus on regeneration, maximising use of brownfield land. The concentration of growth is in the Eastern Expansion area including Llanwern Steelworks.

The principle of sustainable development is embedded within Planning Policy Wales (PPW). All aspects of sustainable development should be taken into account when determining the scale and location of development i.e. economic and social factors as well as environmental issues. The local

authority should explain how the strategy represents the outcome of such deliberations, supported by a Sustainability Appraisal/SEA, based on robust evidence.

PPW (paragraph 9.2.9) sets out criteria which local planning authorities should consider when deciding which sites to allocate for housing in their plan. It is for the authority to demonstrate how it has taken such matters into consideration.

**Is there a sound rationale for the level of reliance on brownfield land to deliver the housing requirement?**

PPW (paragraph 9.2.8) sets out national policy in this respect. It is for the authority to demonstrate how it has embedded this principle into plan preparation and the strategy/choice of sites.

The LPA need to demonstrate delivery, taking into account viability issues.

**What evidence demonstrates that all housing allocations are soundly based on a methodical, consistently applied, robust and objective site selection process, taking into account considerations concerning site suitability, availability and deliverability?**

The methodology used and application is a matter for the local authority to justify.

**Do the housing allocations and policies provide a sufficient range and choice of housing sites and opportunities across the Council's area in locations consistent with the objectives of the Plan? Is the Plan sound as regards the approach taken to new housing provision in settlements outside the main Newport urban area?**

This is for the local authority to answer.

**What risks or problems has the Council identified associated with the level of reliance on brownfield sites – and how does the Plan seek to deal with these?**

This is for the local authority to answer.

### **3. Land supply**

**What evidence demonstrates that the allocated sites are capable of yielding the identified housing target?**

This is for the authority to answer.

**Does the Plan identify with sufficient clarity how it makes provision for**

**11,622 units in order to deliver the Plan requirement of 10,350 units – have dwelling completions on large sites from 1.4.11 to 30.9.12 (518 units) been excluded from the H1 existing commitments site schedule?**

Yes. The Welsh Government considers that Policy SP10 House Building Requirement and Site Allocation Policy H1 are sufficiently clear. The proposed changes as introduced in Doc SD6: Suggested Changes to the Revised Deposit LDP address our Deposit Representation in this respect (Deposit Rep, Category Di).

It is considered that the supporting H1 tables aid the clarity of the plan in explaining in some detail as to what sites contribute to the various housing supply components, the flexibility allowance and the proportion of affordable expected to be delivered in the plan period. The WG also consider that the assumptions in terms of windfall and small sites are reasonable and are based on past completions.

The authority should be able to confirm that there is no double counting between commitments and completions.

**How have questions of housing mix and density on allocated sites been approached? What assumptions regarding this are reflected in the identified allocated site capacities?**

This is for the authority to answer.

In addition, the authority's density policy (H3 Housing Mix & Density) does not include a minimum density target. It should do. PPW 9.2.12 states that the plan should include clear development management policies, including density.

Monitoring indicator OB4 MT6 has a minimum density trigger of 30dph and above. If this is what the council considers relevant to local context and sufficient to deliver both good design and the most sustainable use of land, this is figure should be included in the policy.

**On what basis has the anticipated yield of each site been calculated?**

This is for the local authority to answer.

**Have significant site-specific constraints (e.g.: flooding; ecological or Environmental constraints; topography; access/infrastructure requirements) been properly taken into account in each case? What evidence demonstrates this?**

This is for the local authority to answer.

**Is policy H1 sufficiently clearly worded as a housing site allocation policy?**

Yes. The Welsh Government considers that Policy SP10 House Building Requirement and Site Allocation Policy H1 are sufficiently clear. See previous comments.

**Are the anticipated total capacities/unit yields for each site identified in policy H1 intended to operate as maxima, or simply best estimates? Does policy H1 need to be clearer on this?**

Given the majority of sites within H1 have the benefit of planning permission (that may/may not be subject to a future renewal) or are under construction, this clarification could only apply to new housing allocations (page 68). It would be helpful to understand what assumptions inform the site capacity of allocated sites. It would not be appropriate to have maxima/ceiling that would restrict the number of units that could come forward on allocated sites. For example there may be constraints that will need to be overcome which could benefit from flexibility numerically in delivery.

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