

Merthyr Tydfil County Borough Council Local Development Plan (2016 – 2031)

BACKGROUND PAPER POPULATION AND HOUSING REQUIREMENTS

June 2017



Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL
MERTHYR TYDFIL
County Borough Council

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Executive Summary

1. This paper has been prepared in order to assess the likely housing needs (in terms of how many dwellings will be required) of the County Borough up until 2031 in light of work formally commencing on a replacement Local Development Plan in 2016.
2. Eight different scenarios have been assessed in order to highlight a range of possible dwelling requirements that the Council might have to cater for. The scenarios are as follows:
 - Scenario A: Principal projection
 - Scenario B: 10 year average migration projection
 - Scenario C: Zero migration projection
 - Scenario D: Dwelling led projection – 150 per annum (15 year ave. build rate)
 - Scenario E: Dwelling led projection - 253 per annum (current LDP Strategy)
 - Scenario F: Jobs – led projection
 - Scenario G: Zero UK migration projection
 - Scenario H: Positive UK migration projection.
3. The results indicated a range of requirements from approximately 300 dwellings to nearly 4000 dwellings being required between 2016 and 2031 depending on the scenario followed.
4. It is now proposed that 3 scenarios are taken forward for further assessment in advance of the Preferred Strategy consultation.
 - Scenario A: Principal Projection
 - Scenario D: Dwelling led projection – 150 per annum (15 year ave. build rate)
 - Scenario E: Dwelling led projection - 253 per annum (current LDP Strategy)

1. Introduction

- 1.1 This paper forms part of a series of background papers prepared by Merthyr Tydfil County Borough Council (MTCBC) to inform the Preferred Strategy of the Replacement Local Development Plan (LDP) 2016-2031.
- 1.2 One of the main functions of the LDP is to allocate sufficient land to be able to provide all the services required by the residents of the County Borough. The nature and level of the services required depends largely on the population of the County Borough, and the make-up of that population.
- 1.3 The issues of population and housing are fundamental to the LDP as land for housing is one of the most significant land-uses that are allocated in Development Plans. This paper will provide information on population and housing issues in the County Borough and contribute to the evidence base of the replacement LDP.
- 1.4 With regard to population levels within the County Borough, there appears to be a correlation between an increase in population and a certain level of housebuilding. Prior to the mid-2000s, there were only two short periods of time since the 1970s that the population of the County Borough increased. These periods (early 1980s and 1989/90) coincided with a level of housebuilding significantly higher than long term trends (nearer to 200 dwellings per annum than the 120 units that had historically been built).
- 1.5 This paper only addresses the options for population and housing growth. Other housing related issues such as affordable housing and candidate sites will be considered in other background papers that will either be published alongside the Preferred Strategy documentation or with the Deposit Plan.

2 Policy Context

2.1 Planning Policy Wales (PPW) (Edition 9, November 2016) provides the policy framework for the preparation of Local Development Plans. PPW states that local planning authorities must work in collaboration with housing authorities, registered social landlords, house builders, developers, land owners and the community and must take account of the following:

- People, Places, Futures – The Wales Spatial Plan;
- the Welsh Government's latest household projections;
- local housing strategies;
- community strategies;
- local housing requirements (needs and demands);
- the needs of the local and national economy;
- social considerations (including unmet need);
- the capacity of an area in terms of social, environmental and cultural factors (including consideration of the Welsh language) to accommodate more housing;
- the environmental implications, energy consumption, greenhouse gas emissions and flood risk;
- the capacity of the existing or planned infrastructure; and
- the need to tackle the causes and consequences of climate change.

2.2 Paragraph 9.2.2 of PPW states that *"the latest Welsh Government local authority level Household Projections for Wales, alongside the latest Local Housing Market Assessment, will form part of the plan's evidence base together with other key issues such as what the plan is seeking to achieve, links between homes and jobs, the need for affordable housing, Welsh language considerations, the provisions of corporate strategies and the deliverability of the plan."*

2.3 Household projections provide estimates of the future numbers of households and are based on population projections and assumptions about household composition and characteristics. Certain elements of the projections, such as births and deaths, will remain relatively constant throughout the plan period. However other elements, such as migration have the ability to influence outcomes significantly.

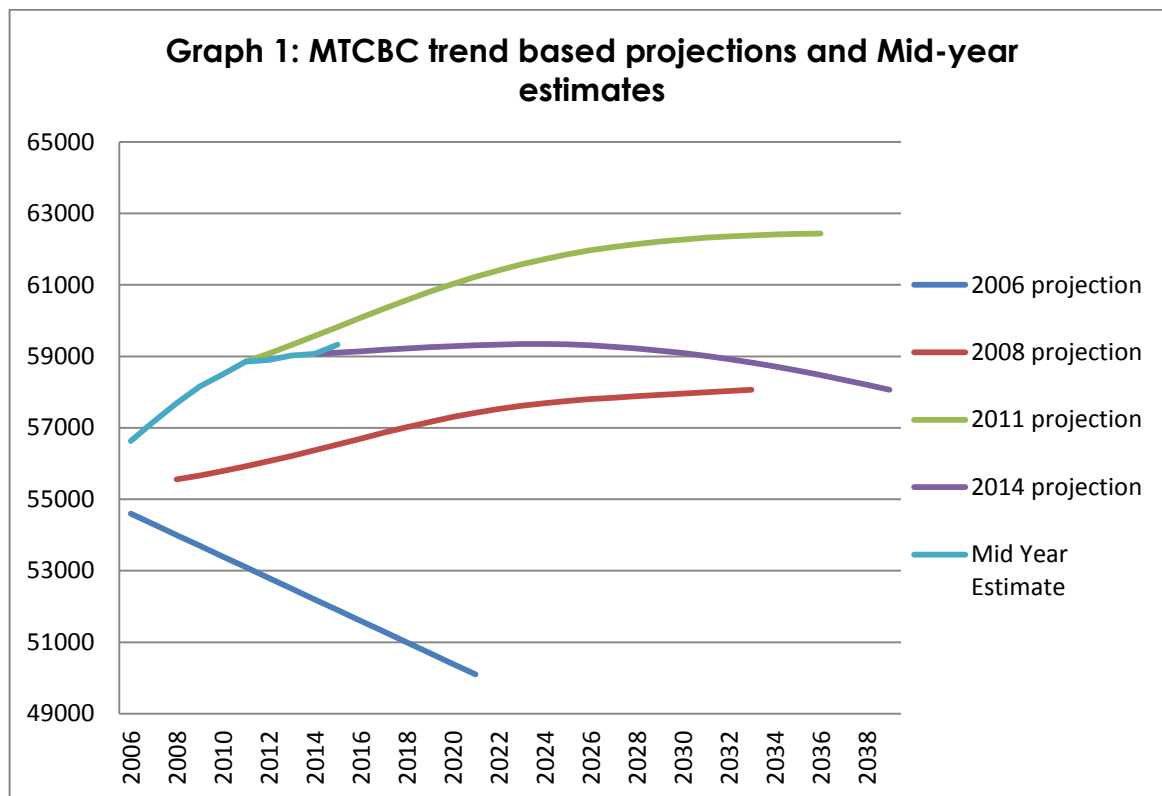
2.4 The level of housing provision to be proposed over a plan period must be considered in the context of viability and deliverability. This is now a key issue in LDP preparation.

2.5 A Strategic Development Plan (SDP) may be prepared for the Cardiff City Region which would address the level of housing growth at a regional level. In preparing the replacement LDP, the Council will need to consider any progress made on an SDP to ensure that there is no conflict between the two documents.

- 2.6 The Cwm Taf Public Service Board (PSB) has recently produced a population needs assessment looking at the health and social care needs for the population of the Cwm Taf area. The report assumes that the population of Merthyr Tydfil will follow the WG projection and decline slightly over the next 25 years. Going forward, it will be important for the PSB to take into account any LDP strategy and any potential consequences for their Population Needs Assessment.

3 Background

- 3.1 As part of the preliminary work that fed into the LDP's first Review Report (April 2016), the baseline data was revisited in order to determine whether or not there have been any changes with regard to issues such as population, and what effect any changes would have on any subsequent versions of the LDP.
- 3.2 When looking at Welsh Governments' most recent population estimates and projections, it quickly becomes apparent that the population figures which the LDP strategy was initially based on varied significantly from what was actually happening in the County Borough. This is shown in the graph below.



- 3.3 Graph 1 illustrates that the expected trend in the Councils' own 2006 projections was to continue a long term trend of population decline, dropping to 50,000 by 2021. During the LDP Examination, the 2008 based Welsh Government (WG) projections were released and suggested that the population decline had already halted and a period of population growth was expected.
- 3.4 The 2011 based projections demonstrated a similar trend, although from a higher base population. This was due to the population of the County Borough being recorded over 2,000 people higher than expected in the 2011 Census. The latest WG projections (2014 based) indicate that the expected growth is actually slowing

down, and from the mid-2020s, the population of the County Borough will actually start to slowly decline.

- 3.5 The difference between the 2011 and 2014 figures can largely be attributed to changes in migration rates from within the UK and overseas. The net migration figure for within the UK increased from a loss of 56 people per annum to a loss of 131 per annum. The migration from overseas, whilst remaining positive, reduced from 133 to 81 per annum.
- 3.6 Birth/Death rates demonstrated a similar pattern in both sets of figures with births exceeding deaths over the first part of the projection timescales, with deaths overtaking births later on (linked to the increasing ageing population).
- 3.7 WG also produces Household Projections in conjunction with the population data, and these figures give an indication of the change in number of households over the projection period. It should be noted however that this figure is not a dwelling requirement, as an adjustment needs to be made to factor in the number of dwellings not occupied (e.g. long term empty properties and second homes). A summary of the last two household projections for Merthyr Tydfil can be seen below in Table 1.

Table 1

Projection	No Households of (base year)	No Households of (final year)	25 year change	Average annual change
2011	24,281	26,218	1,937	+77
2014	24,419	24,500	81	+3

- 3.8 The table illustrates the much lower overall increase in households in the most recent projections (it should be noted that the 2014 figures do increase to 24,836 in 2027 but then decline up until 2039).
- 3.9 Whilst the WG household and population projections are key pieces of data to examine when preparing a LDP, they are only a starting point. It is important that other population/household scenarios are explored, taking account of issues such as different migration rates, housing deliverability and the Councils' own vision and priorities.

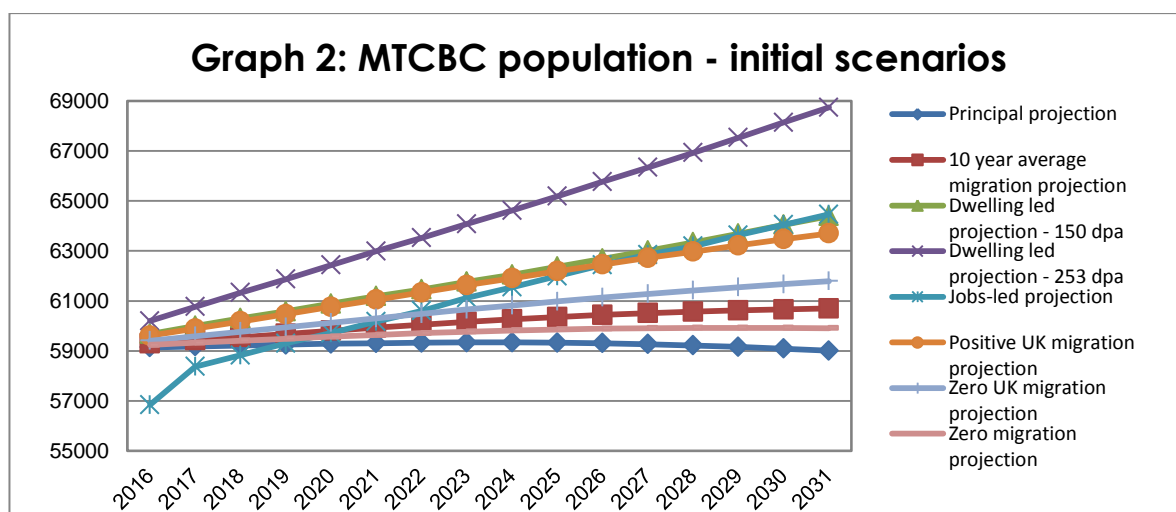
4 Determining Population, Household and Dwelling Growth

4.1 In determining options for population and housing growth in the County Borough, the Council has used POPGROUP, which is a software package that has been developed to forecast population, households and dwellings for areas. The software replicates WG projections and allows users to enter different assumptions such as migration rates and birth/death rates. It also allows users to develop scenarios that are policy led rather than trend based (dwelling/jobs led scenarios). The POPGROUP software also makes the previously mentioned adjustment to convert household change into dwelling requirements.

4.2 In accordance with PPW, the 2014 based projections form the basis for one scenario, but it is also appropriate to explore other scenarios where variables such as migration rates are changed. Eight different scenarios have been tested through POPGROUP. The scenarios are as follows:

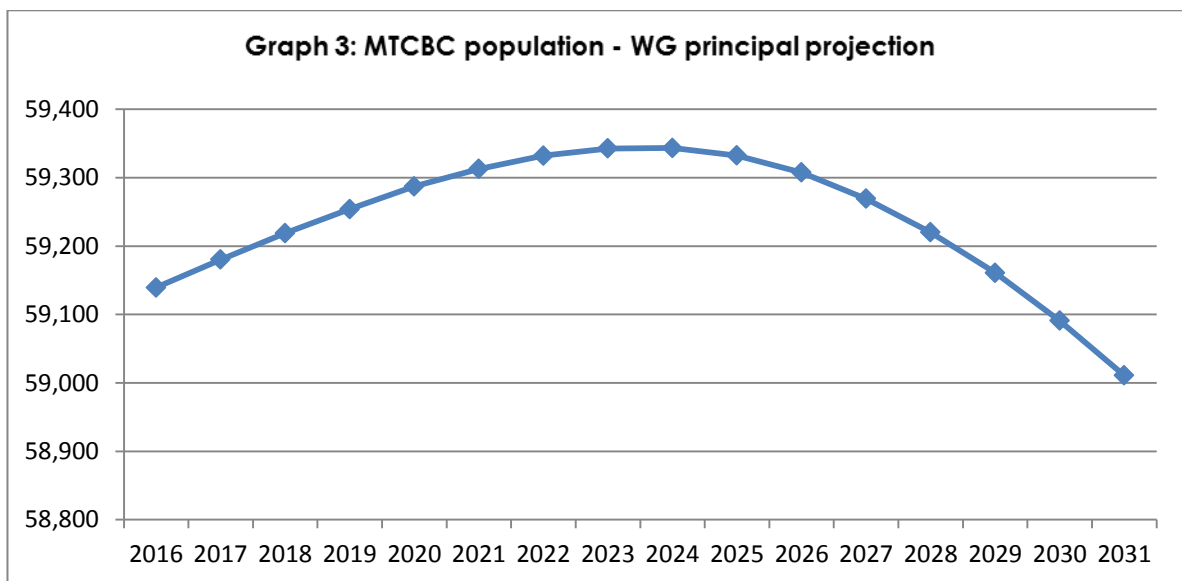
- Scenario A: Principal projection
- Scenario B: 10 year average migration projection
- Scenario C: Zero migration projection
- Scenario D: Dwelling led projection – 150 per annum (15 year ave. build rate)
- Scenario E: Dwelling led projection - 253 per annum (current LDP Strategy)
- Scenario F: Jobs – led projection
- Scenario G: Zero UK migration projection
- Scenario H: Positive UK migration (100 per annum) projection

4.3 The graph below shows the population trends based on the above eight scenarios run using the POPGROUP software. It can be seen from a brief glance at the graph that the different scenarios, using just one different assumption per scenario, can have a significant effect on the projected population of the County Borough.



Scenario A: Welsh Government Principal Projection

4.4 The 2014 based Welsh Government population projections indicate that Merthyr Tydfil's population will grow slightly from 59,139 in 2016 to 59,343 in 2024, but will then decline to 59,011 in 2031. This level of population change results in an increase in the number of dwellings in the County Borough from 26,482 in 2016 to 26,784 in 2031 (347 dwellings – 22 per annum).



4.5 DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 59,011 AND REQUIRE 330 DWELLINGS (22 PER ANNUM).

4.6 In addition to the overall population growth, another key consideration in preparing a Local Development Plan is the age profile of the population and any potential issues that could arise from changes such as an ageing population, or an increase in young children.

4.7 Graph 4 indicates that under the Welsh Government principal projection (essentially a trend based scenario where there is no policy intervention) there will be some significant changes to the age profile of the population by 2031.

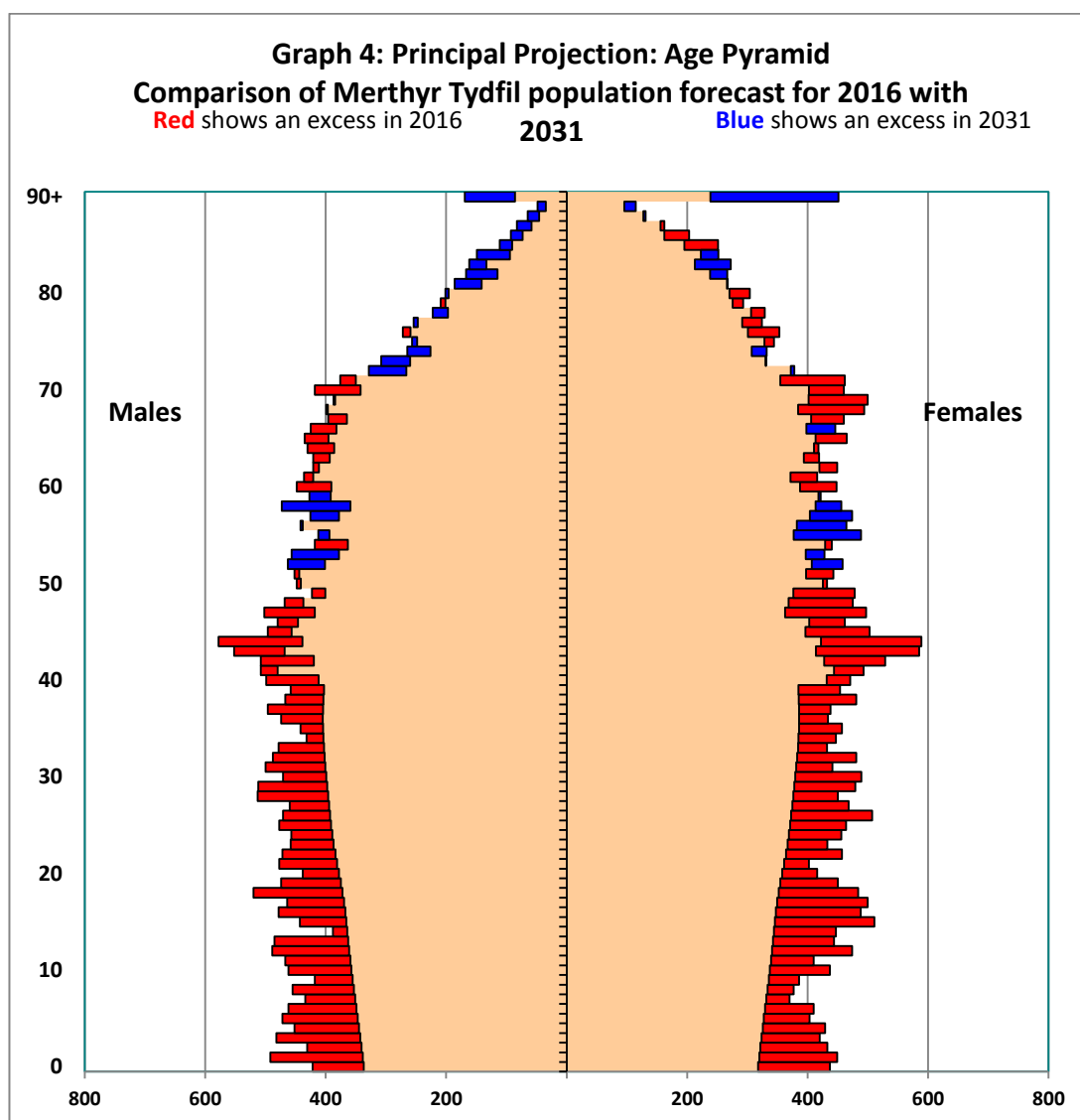
4.8 Between 2016 and 2031, there are decreases in the number of children; young adults aged 20-30; and people aged between 45 and 60. However, there are significant increases at nearly every age, for both male and females, above the age of 60.

4.9 These figures bring to light several potential issues for a Local Development Plan. The considerable increase in the number of older people living in the County Borough raises issues about not just the number of dwellings to be provided, but also the type

of accommodation required. For instance there may be a need for smaller dwellings, with scope for assisted living/sheltered accommodation uses.

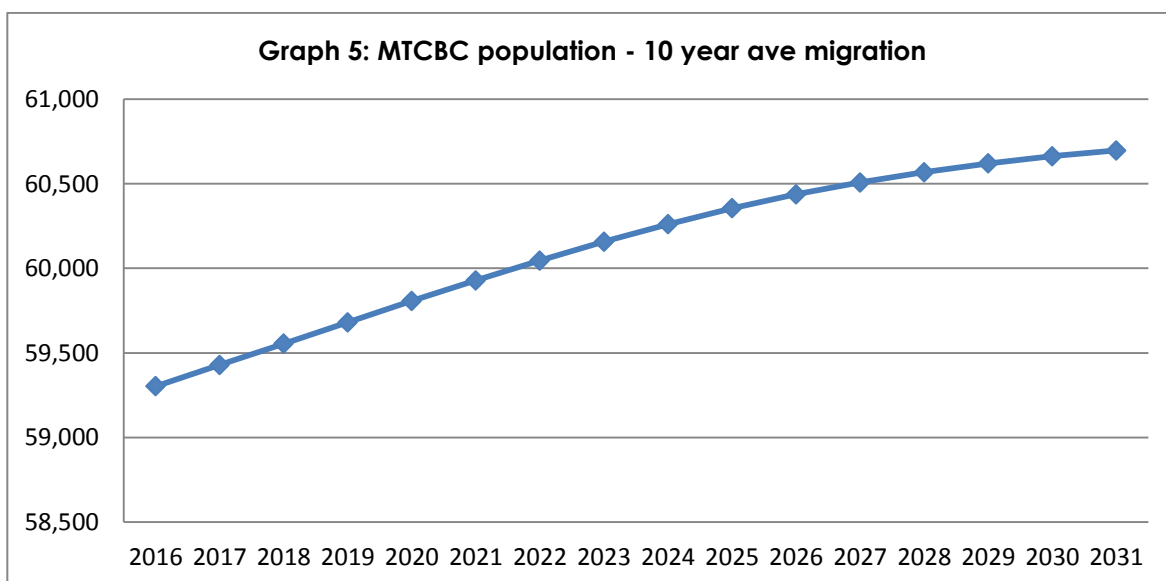
4.10 The decrease in younger children may result in certain schools having lower admissions, and this could potentially result in a school rationalisation programme if certain facilities were to become unviable.

4.11 The reduction in the number of young adults is a trend that has been an issue Merthyr Tydfil for some time. This is an issue for the LDP, and the Plan would almost certainly look to address this by facilitating development that would aim to increase retention of young adults; increasing the supply of good quality, affordable housing; increasing employment opportunities through allocating land for employment uses and improving access to employment opportunities in the wider region.



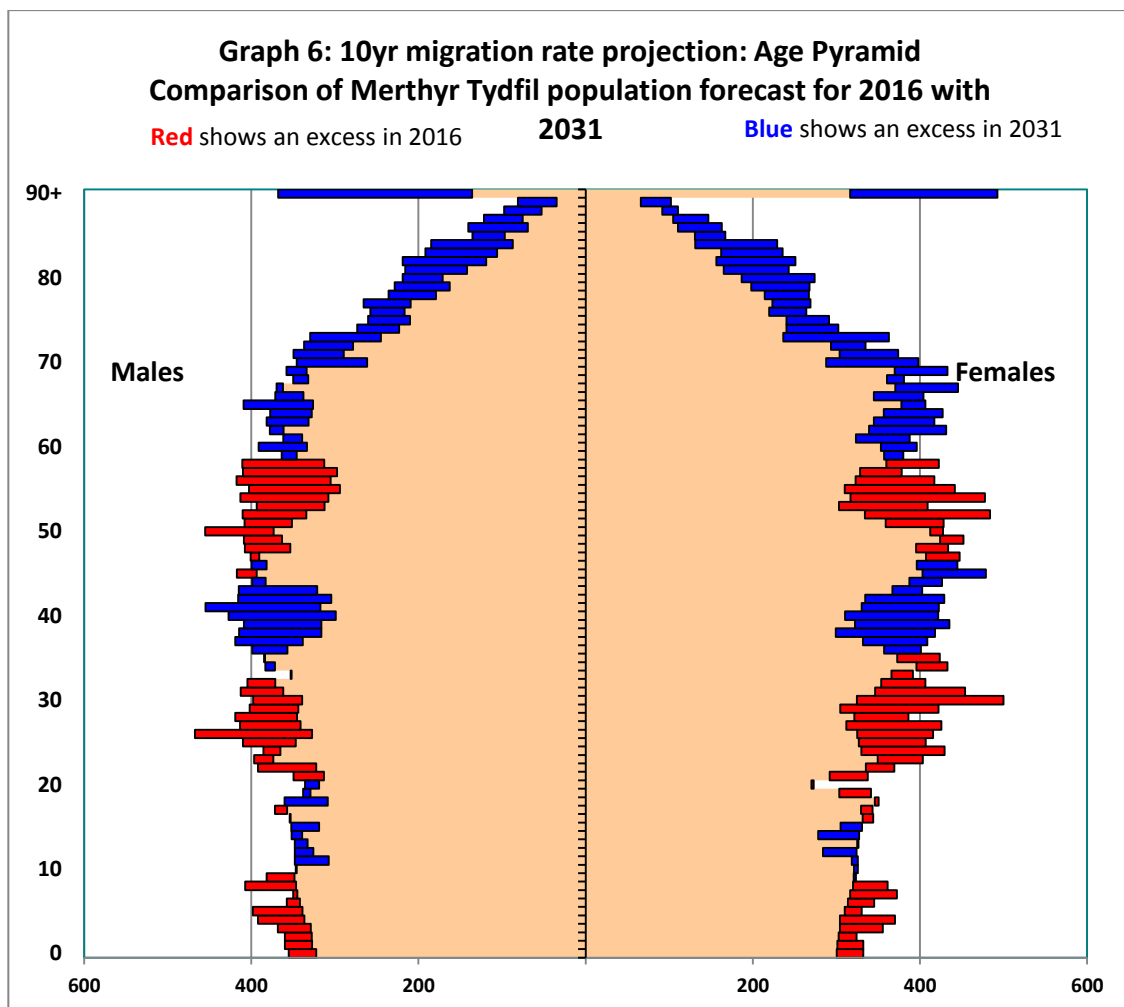
Scenario B: 10 year average migration projection

- 4.12 The principal projection (scenario A) uses trends from the 5 years preceding the base date (2014), and then projects this data forward for components such as migration rates, birth and death rates etc. Whilst these projections do form part of a Plan's evidence base, there are concerns that 5 year trends are too short a period of time to use in projecting forward. For example, in Merthyr Tydfil, the five years prior to 2011 saw an increase in the population primarily down to a peak in international in-migration. Using a 10 year average migration figure may result in a more balanced migration rate being used to project the population as the data used is taken from a longer period of time.
- 4.13 Scenario B indicates that Merthyr Tydfil's population will grow from 59,303 in 2016 to 60,696 in 2031 (see Graph 5 below). This level of population increase results in the number of dwellings in the County Borough increasing from 26,543 in 2016 to 27,423 in 2031, an increase of 956 dwellings (60 dwellings per annum).



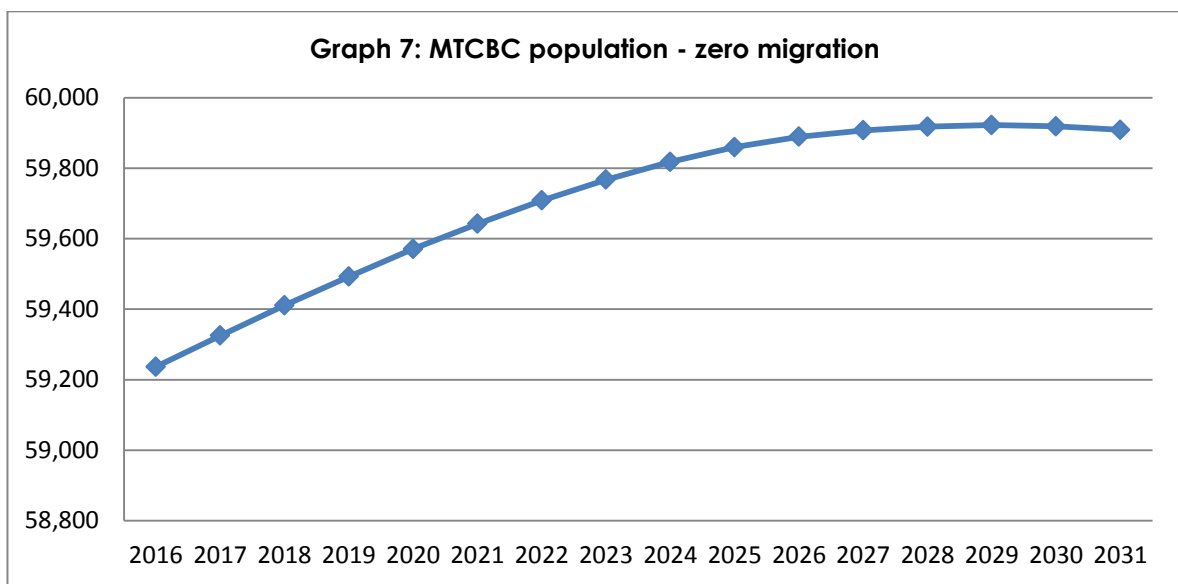
- 4.14 **DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 60,696 AND REQUIRE 900 DWELLINGS (60 PER ANNUM).**
- 4.15 Graph 6 indicates that using a 10 year average migration rate there will still be some significant changes to the age profile of the population by 2031, and this would result in similar trends to the principal projection.
- 4.16 Between 2016 and 2031, there are decreases in the number of most cohorts under 30 years of age, and in people aged between 45 and 60 (although less than the principal projection). There are also increases at every age, for both male and females, above the age of 60.

- 4.17 These figures highlight similar issues to the principal projection. The increase in the number of older people living in the County Borough again raises issues about not just the number of dwellings to be provided, but also the type of accommodation required.
- 4.18 The decrease in younger people is likely to result in schools having lower admissions, and this could potentially result in a school rationalisation programme if certain facilities were to become unviable.
- 4.19 Again, the reduction in the number of young adults is a trend that has been an issue Merthyr Tydfil for some time. Increasing the supply of good quality, affordable housing; increasing employment opportunities through allocating land for employment uses and improving access to employment opportunities in the wider region are some of the ways that an LDP can look to address this issue.



Scenario C: Zero Migration projection

4.20 Scenario C uses a zero migration rate and the population change is purely a result of natural change (birth/death rates). This scenario projects that Merthyr Tydfil's population will grow from 59,237 in 2016 to a peak of approximately 59,900 towards the end of the plan period (see Graph 7 below). This level of population increase results in the number of dwellings in the County Borough increasing from 26,521 in 2016 to 27,076 in 2031, an increase of 618 dwellings (39 dwellings per annum).

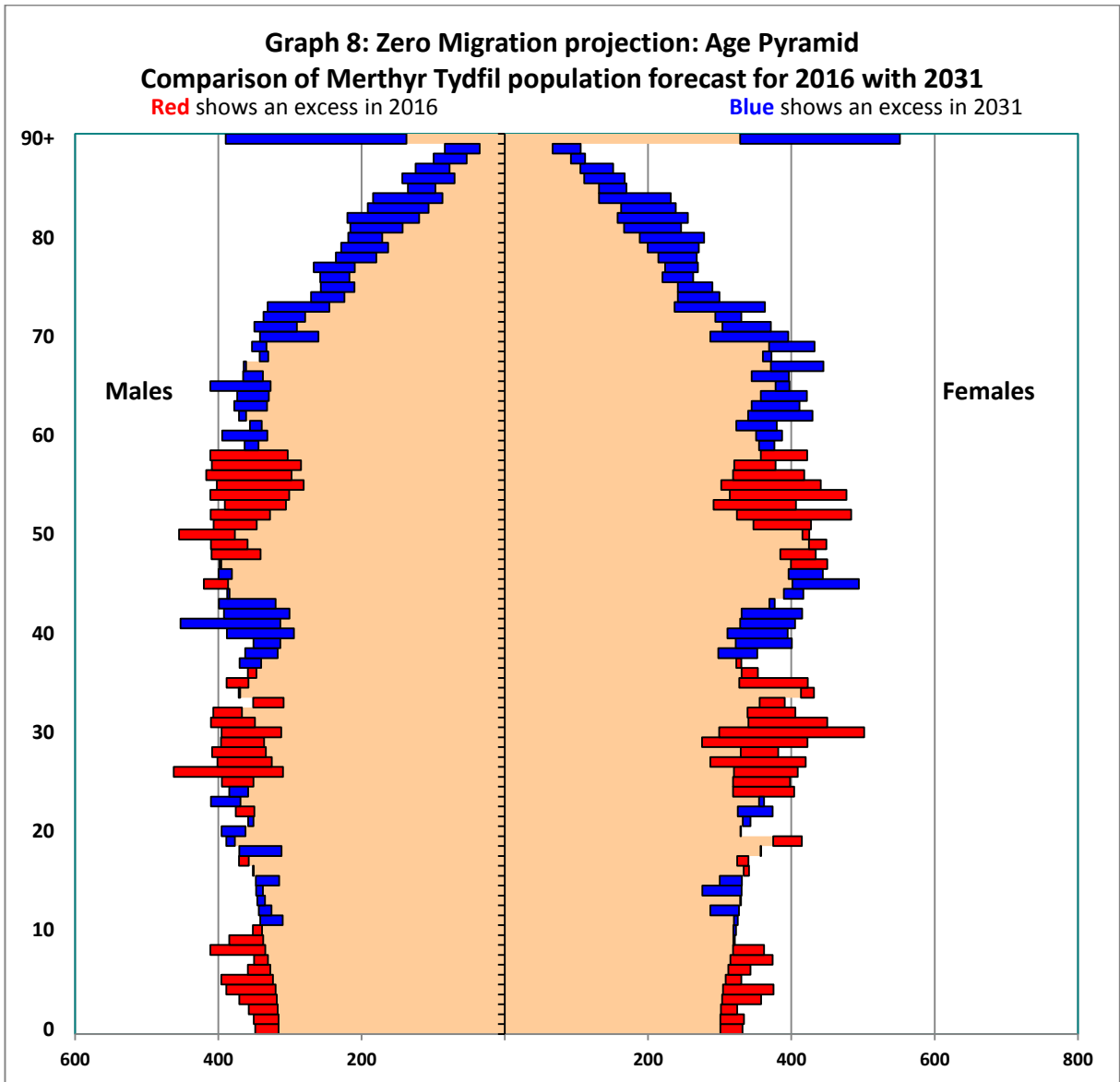


4.21 DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 59,909 AND REQUIRE 585 DWELLINGS (39 PER ANNUM).

4.22 The first issue that can be seen in Scenario C is that again there is a large increase in the elderly population. As in the previous two scenarios, nearly every cohort above the age of 60 shows an increase at 2031. Between 2011 and 2031 there is also a decrease in the majority of cohorts under the age of 30.

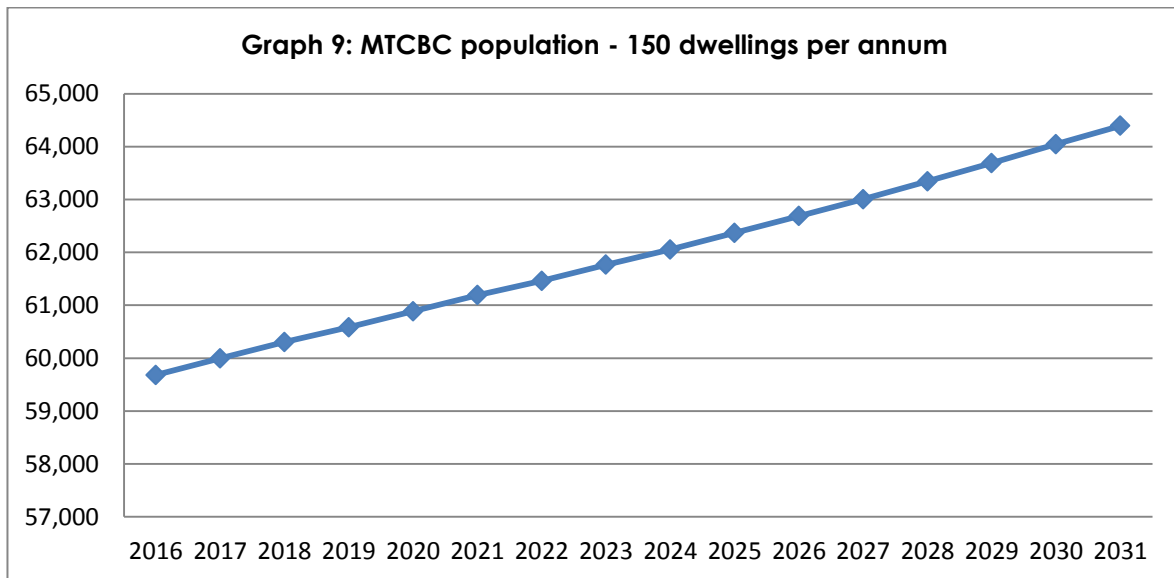
4.23 Again, the data in Graph 8 highlights similar issues to scenarios A and B. The increase in the number of older people living in the County Borough again raises issues about the type of accommodation required and the large decrease in younger people is likely to result in schools having lower admissions.

4.24 Again, the reduction in the number of young adults is a trend that has been an issue Merthyr Tydfil for some time and a matter that could form a key part of any future LDP strategy.



Scenario D: Dwelling led projection (150 per annum)

4.25 Scenario D is a scenario which is led by the number of dwellings built. This scenario assumes that the average build rate of the past fifteen years (150 dwellings per annum) will be maintained until 2031 and outlines the population that would result from this level of increase in dwellings. This scenario projects that Merthyr Tydfil's population will grow from 59,682 in 2016 to 64,394 in 2031 (see Graph 9 below). This level of population increase results in the number of dwellings in the County Borough increasing from 26,699 in 2016 to 28,949 in 2031, an increase of 2250 dwellings (150 dwellings per annum).

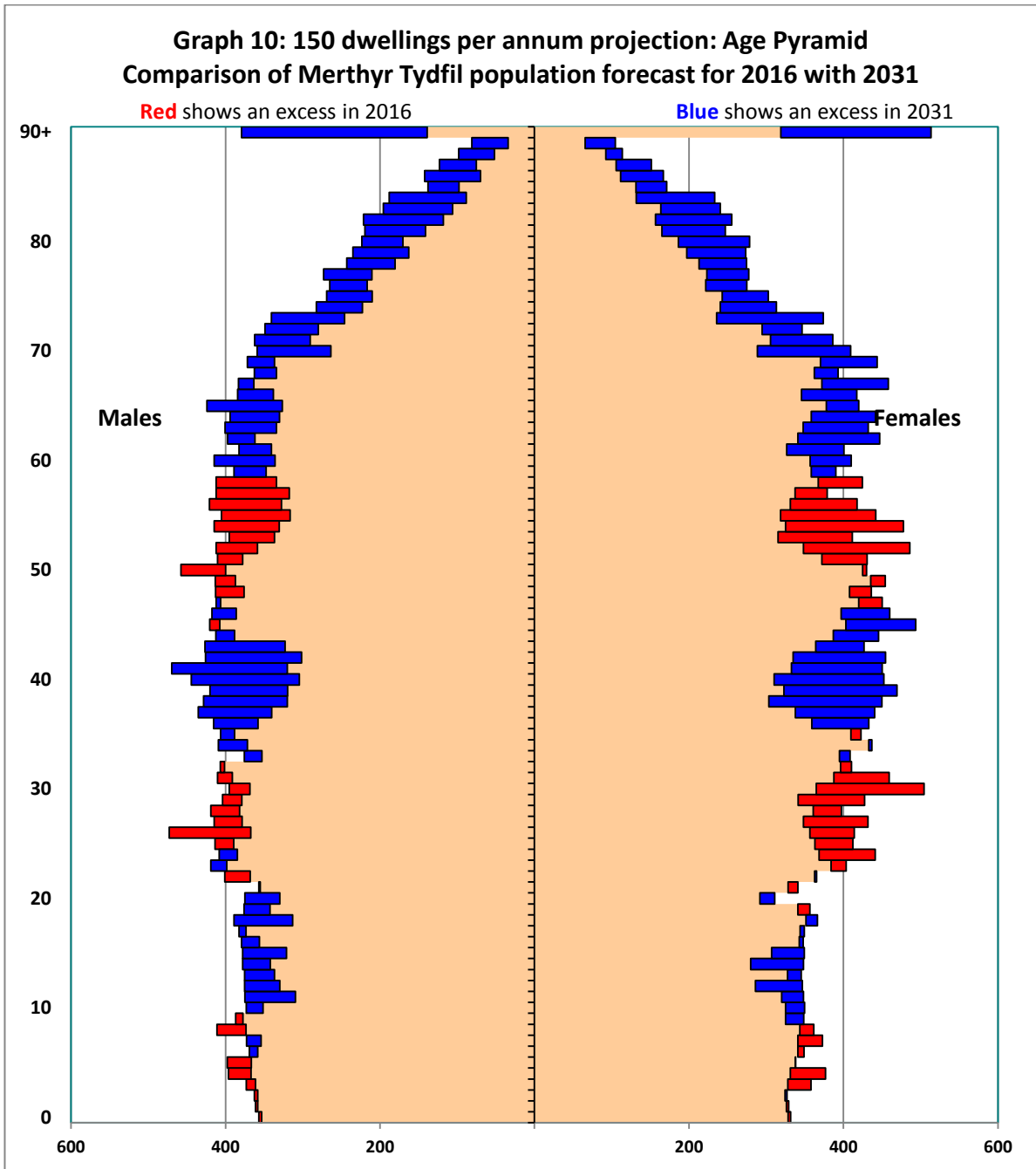


4.26 DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 64,394 AND REQUIRE 2250 DWELLINGS (150 PER ANNUM).

4.27 As you would expect with a scenario where the population has grown more significantly than the other projections, there are far more occurrences where cohorts have grown between 2016 and 2031. The most significant change under this scenario is that there are significant increases of people between the ages of 35 and 45, and of people aged between 10 and 20.

4.28 Graph 10 does however show that, under this scenario, there is still a loss of both males and females in their twenties and there is still a significant ageing population. Given the increase in school aged children, this scenario may have different implications for education in the County Borough. Additional children requiring education in the County Borough may place pressure on the existing schools and could result in the need for extensions to existing secondary schools if there are capacity issues.

4.29 Again, accommodating the ageing population would be a key issue for the LDP, but the fact that this scenario results in an increase of people aged between 35 and 45, could indicate that the increase in house building activity, in comparison to the previous scenarios, and the associated increase in good quality, affordable homes, would make the County Borough more attractive to the working age population and increase Merthyr's capacity to retain that population.

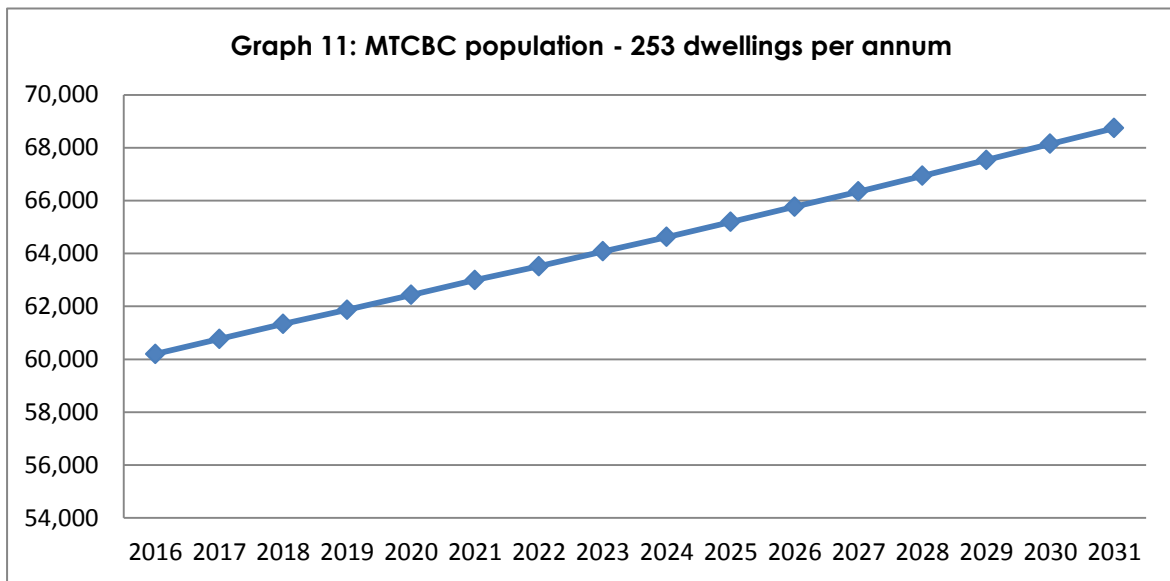


Scenario E: Dwelling led projection (current LDP Strategy - 253 per annum)

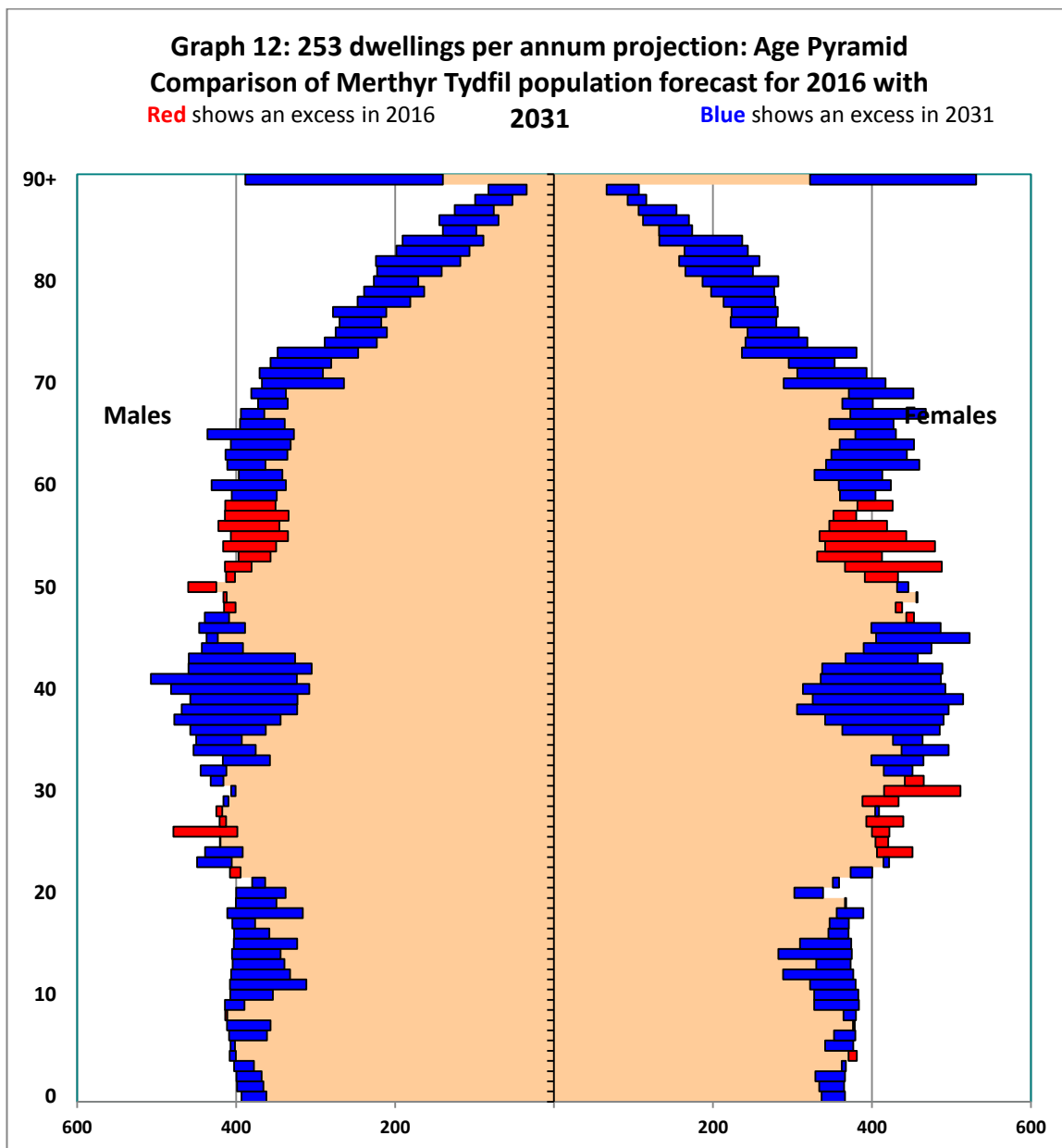
4.30 Scenario E is another scenario which is led by the number of dwellings built. This scenario assumes that the current LDP strategy requirement of 253 dwellings per annum will be maintained until 2031 and outlines the population that would result from this level of increase in dwellings. This scenario projects that Merthyr Tydfil's population will grow from 60,000 in 2016 to 68,742 in 2031 (see Graph 11 below). This level of population increase results in the number of dwellings in the County

Borough increasing from 26,905 in 2016 to 30,700 in 2031, an increase of approximately 3,800 dwellings.

- 4.31 Over a potential LDP period of 2016 to 2031, the total population would increase nearly 15%. An increase of this proportion would have greater implications for infrastructure providers and other community facilities than the other scenarios outlined in this document.

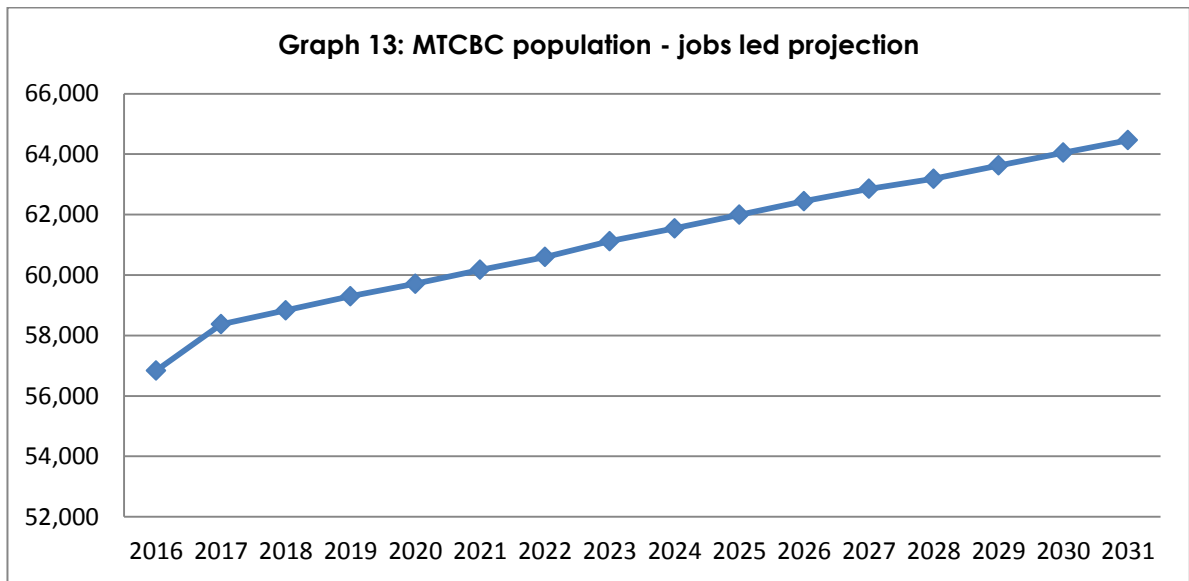


- 4.32 **DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 68,742 AND REQUIRE 3795 DWELLINGS (253 PER ANNUM).**
- 4.33 As you would anticipate with a scenario where the population has grown at this level, there are only a few cohorts where there has been a decrease between 2016 and 2031. Following on from the previous dwelling led scenario, there is significant growth in the number of working age people in the County Borough, and increases in both young males and females up to the age of 20.
- 4.34 Scenario E would have similar implications for a Local Development Plan compared to the previous scenario, but on a larger scale. The even larger increase in school age children would almost certainly place significant pressure on existing schools and would likely require significant funding to address this issue through building new schools.
- 4.35 Whilst there is still a significant proportion of ageing population, the substantial increase of people aged between 30 and 50 is likely to require a greater amount of suitable family accommodation (this would tie in with the greater increase in younger children).



Scenario F: Jobs-led scenario

4.36 Scenario F is led by the number of jobs forecast in the County Borough up to 2031. This projection is not constrained by population, rather it takes the number of jobs forecast in the area and translates the effect of that on the population level. This scenario projects that Merthyr Tydfil's population will grow from 56,838 in 2016 to a peak of 64,464 in 2031 (see Graph 13 below). This level of population increase results in the number of dwellings in the County Borough increasing from 25,560 in 2016 to 28,966 in 2031, an increase of 3164 dwellings (198 dwellings per annum).



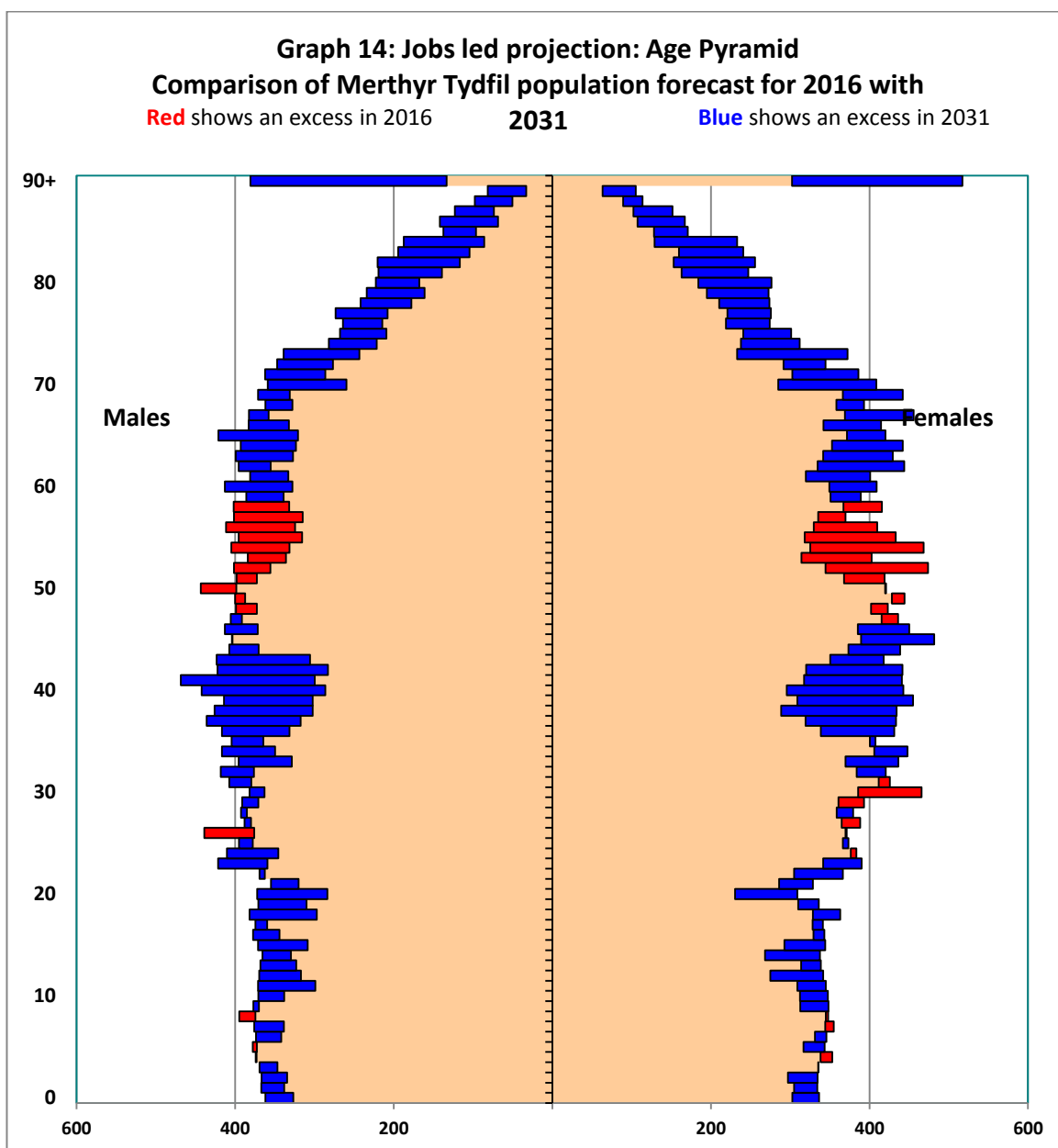
4.37 DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 64,464 AND REQUIRE 2970 DWELLINGS (198 PER ANNUM).

4.38 As you would expect with a jobs led scenario there is an increase in the number of people aged between 30 and 50, however there are decreases of males and females in their fifties. There are also moderate increases in children of school age.

4.39 Appendix 1 of this document contains a graph showing the jobs forecast data (November 2015) and highlights how volatile this data can be. Accordingly, caution should be used when using this data to assess housing need.

4.40 The increase in the number of older people living in the County Borough again raises issues about the type of accommodation required and the increase in school aged children may result in pressure on schools in the County Borough

4.41 The reduction in the number of young adults is a trend that has been an issue Merthyr Tydfil for some time and a matter that could form a key part of any future LDP strategy.

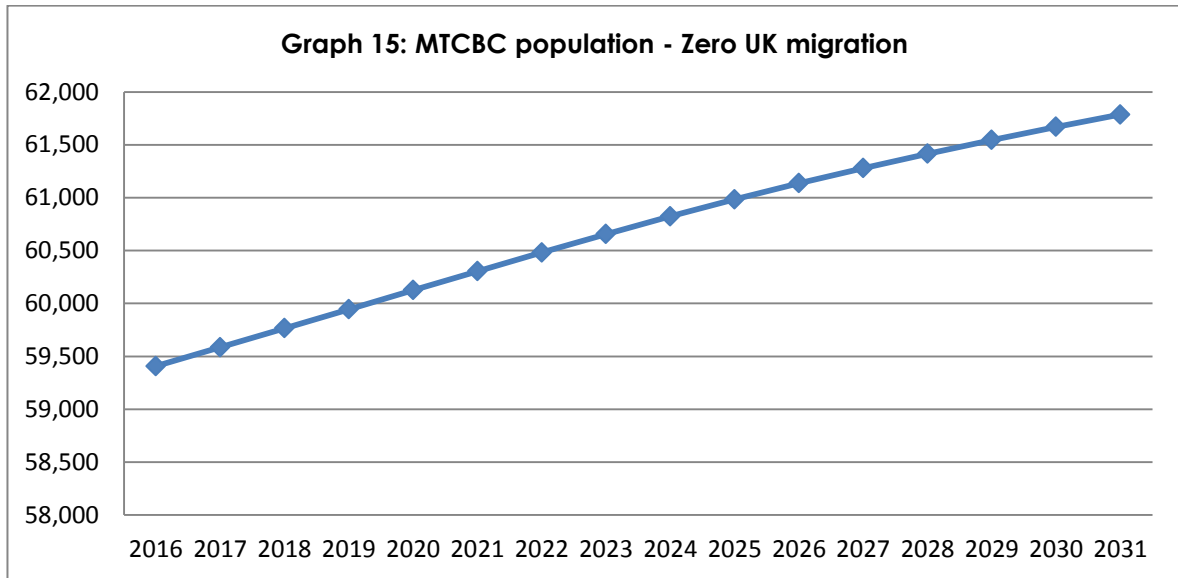


Scenario G: Zero UK Migration projection

4.42 Scenario G has been generated by assuming a zero net in-migration from within the UK (1600 people in and out per annum) as opposed to the loss of 131 people per annum in the principal projection. This scenario would partially address the issue of losing people to elsewhere in the UK, a trend that has occurred in Merthyr Tydfil for decades.

4.43 This scenario projects that Merthyr Tydfil's population will grow from 59,407 in 2016, to a peak of 61,786 in 2031 (see Graph 15 below). This level of population increase results in the number of dwellings in the County Borough increasing from 26,587 in

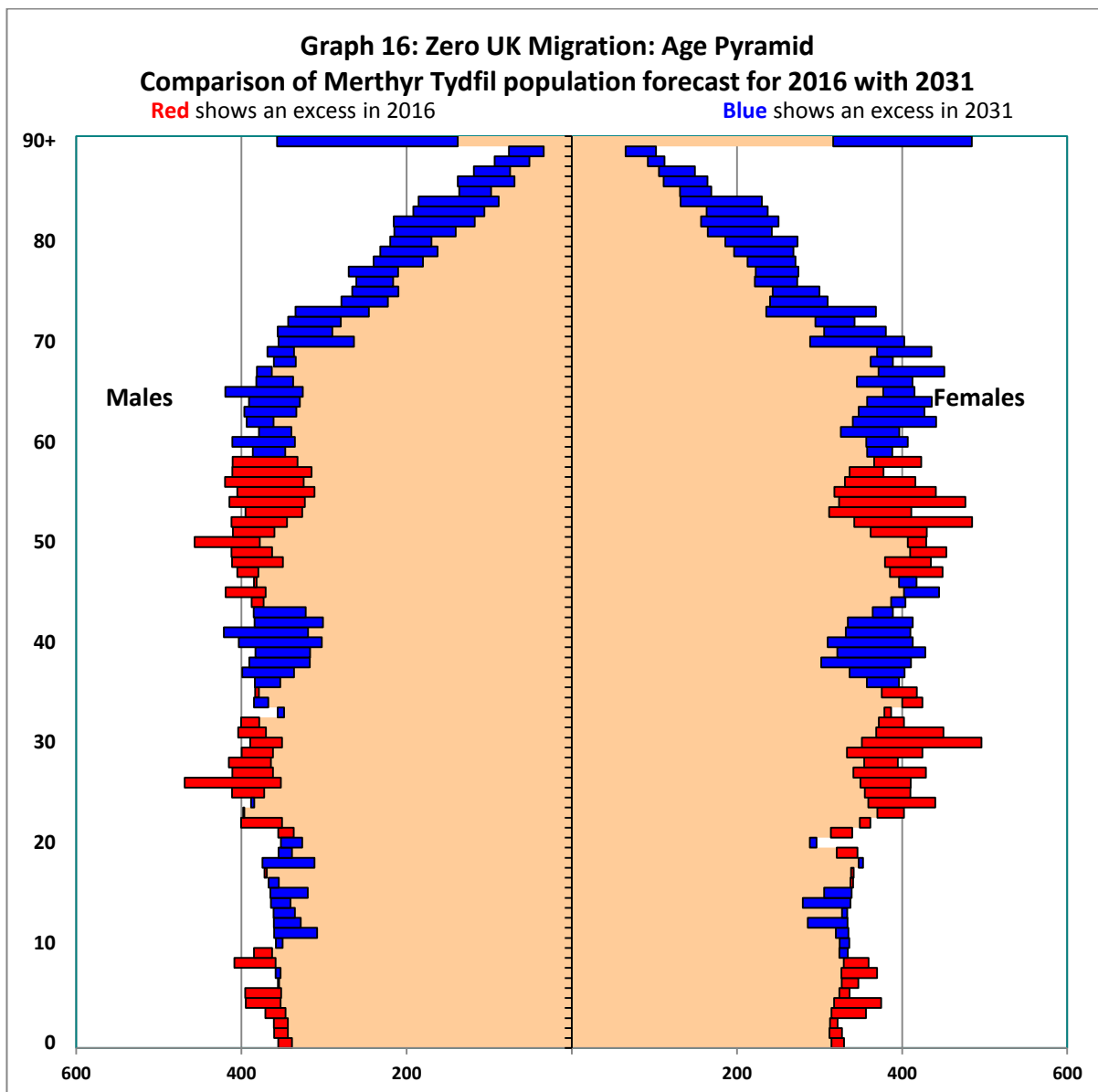
2016 to 27,861 in 2031, an increase of approximately 1370 dwellings (86 dwellings per annum).



4.44 DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 61,786 AND REQUIRE 1290 DWELLINGS (86 PER ANNUM).

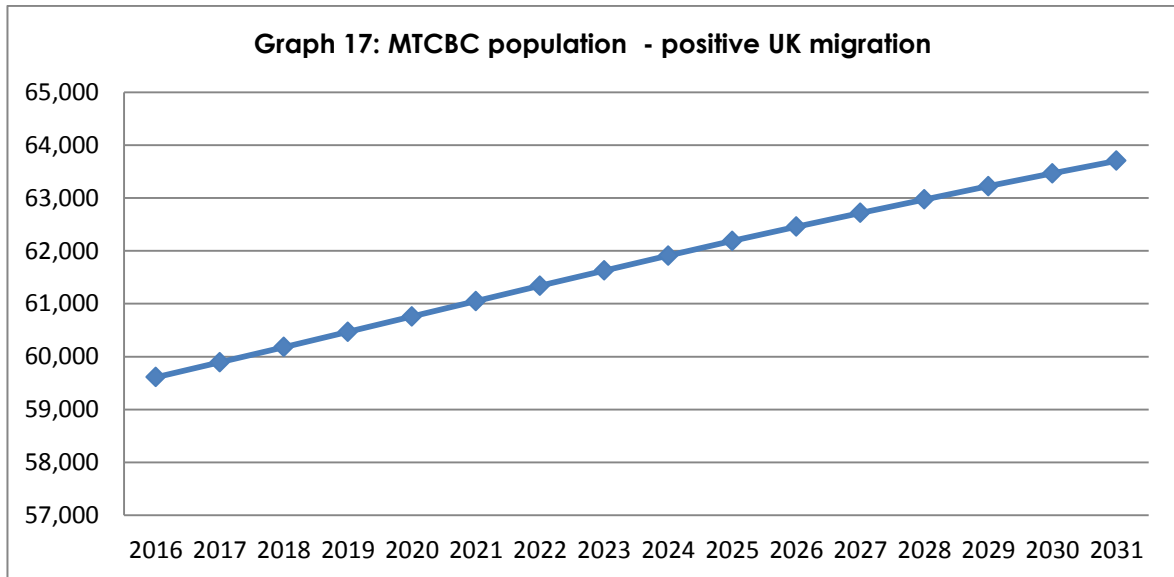
4.45 As can be seen from Graph 16, there will still be a loss of people in their twenties which has been a long term issue in Merthyr Tydfil. This could indicate that a more ambitious scenario would need to be followed in order to fully address this particular issue.

4.46 If this scenario was followed, there would still be similar issues as with the principal projection in terms of reduction in terms of young children (although there would be some increases in secondary age children) and an increase in the ageing population.



Scenario H: Positive UK Migration

- 4.47 Scenario H has been generated by assuming a net in-migration from within the UK of 100 people per annum, as opposed to a loss of 131 people per annum contained in the principal projection (essentially taking Scenario G a step further).
- 4.48 This scenario would address the issue of losing young adults to elsewhere in the UK, a trend that has occurred in Merthyr Tydfil for several decades. This scenario projects that Merthyr Tydfil's population will grow from 59,611 in 2016, to a peak of 63,703 in 2031 (see Graph 17 below). This level of population increase results in the number of dwellings in the County Borough increasing from 26,669 in 2016 to 28,646 in 2031, an increase of approx. 2000 dwellings (132 dwellings per annum).

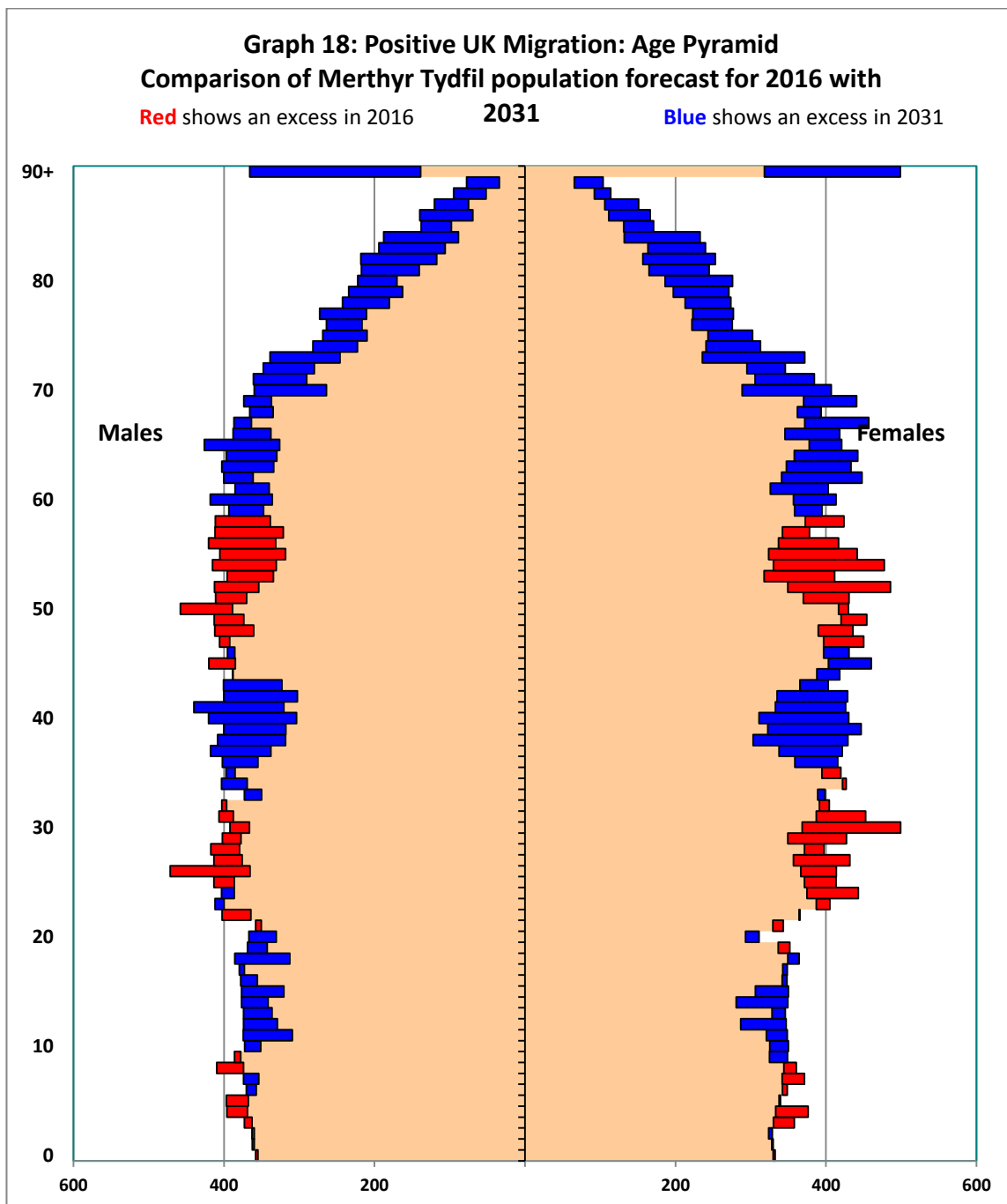


4.49 DURING AN LDP PERIOD OF 2016-2031, THE POPULATION OF THE COUNTY BOROUGH WOULD REACH 63,703 AND REQUIRE 1980 DWELLINGS (132 PER ANNUM).

4.50 This scenario generates similar results to the jobs led scenario in that there is an increase in the number of people aged between 30 and 40; however there are decreases, albeit smaller than other scenarios, of males and females in both their twenties and fifties. There are also smaller decreases of young children and moderate increases in children of school age (see Graph 18 below).

4.51 The increase in the number of older people living in the County Borough again raises issues about the type of accommodation required and the increase in school aged children may result in pressure on schools in the County Borough

4.52 The reduction in the number of young adults is a trend that has been an issue Merthyr Tydfil for some time and a matter that could form a key part of any future LDP strategy.



4.53 Dwelling requirement summary

Table 2

Scenario	Population at 2031	Dwelling requirement 2016-2031	Requirement per annum
Scenario A: Welsh Government Principal Projection	59011	330	22
Scenario B: Projection using a 10 year average migration rate	60696	900	60
Scenario C: Projection using zero migration rate	59909	585	39
Scenario D: Dwelling led scenario (past 15 year build rate)	64394	2250	150
Scenario E: Dwelling led scenario (meeting current LDP requirement)	68742	3795	253
Scenario F: Jobs led scenario	64464	2970	198
Scenario G: UK Zero Migration	61786	1290	86
Scenario H: Positive UK Migration	63703	1980	132

5. Housing Land Supply

- 5.1 In order to identify the amount of dwellings that land will need to be allocated for in the LDP, information on housing commitments and allowances for windfall sites, small sites, empty properties, demolitions and conversions need to be examined. This section will explain the methodology behind these calculations and identify how much land would be required in order to meet the various scenarios.
- 5.2 The methodology set out below largely takes into account the same type of assumptions that other local authorities have used when calculating land supply for their LDPs. It is important to consider the approach taken by other local authorities as taking account of the plans, policies and strategies of neighbouring authorities is a requirement of an LDP.
- 5.3 Part of the County Borough lies within the Brecon Beacons National Park. Housing requirements for this area are examined as part of the National Parks' own Local Development Plan.

Dwelling completions

- 5.4 The number of units completed since the base date of the replacement LDP is as follows:

Table 3

JHLAS year	Large site completions	Small site completions	TOTAL
2016 /17	143	30	173
TOTAL	143	30	173

Units under construction

- 5.5 41 units were under construction at 1st April 2017, (2017 Joint Housing Land Availability Study). This needs to be factored in to the housing land supply calculation.

Allowance for small sites

- 5.6 The assumptions for small sites are based on past trends and are set out within the table below. Historically, small site completions have averaged around 25 per annum for a long period of time. Table 4 shows that whilst completions did tail off between 2014-2016, they picked back up to 30 in 2017, however as land becomes more scarce, using a slightly smaller assumption would be appropriate (based on the previous 5 year average).

Table 4

JHLAS year	Small site completions
2008	23
2009	29
2010	34
2011	36
2012	33
2013	23
2014	22
2015	15
2016	14
2017	30
TOTAL	259
10 year average	26
5 year average	21
Small site assumption for remaining 14 years (using 5 year average)	295

5.7 Small sites are developments of less than 10 dwellings including self-build, net gains from conversions of a single dwelling into two or more units and conversions of non-residential buildings such as shops into residential.

Allowance for large windfall sites

5.8 For the purposes of this paper, windfall sites are defined as sites that have a capacity of at least 10 units that have been developed but were not allocated for housing at the time the application was submitted in either the current adopted LDP or the previous Merthyr Tydfil Local Plan. Sites that were granted permission as windfall sites in the Local Plan, but were then allocated in the LDP to reflect their permission have been classified as windfall sites rather than allocated sites.

Table 5

JHLAS year	Windfall completions
2008	9
2009	5
2010	58
2011	24
2012	2
2013	5
2014	35
2015	24
2016	51
2017	35
TOTAL	248
10 year average	24.8

- 5.9 By their nature, windfall sites are unknown, and basing this assessment on past rates over the previous 10 years which reflects the end of Local Plan period and the start of an LDP period may provide an appropriate methodology for making this assumption of housing supply. However, the figures contained in the table above may be somewhat distorted as the increase in windfall sites during the last several years reflects site actually being delivered that were originally granted consent prior to LDP adoption.
- 5.10 Given the size and geography of the County Borough, it would be reasonable to assume a significantly reduced contribution from large windfall sites during the next LDP period. It would be reasonable to envisage that the most likely source of large windfall sites would take the form of 100% affordable housing sites through the Social Housing Grant programme.
- 5.11 These schemes have made up a significant proportion of windfalls in the recent past, and given their usual scale (approx. 20-30 units), it would be reasonable to assume approximately 3 or 4 such sites coming forward, contributing 100 units over the Plan period. As they are 'unknowns', it is the intention for large windfall sites to provide extra flexibility on top of existing commitments and allocations.

Empty properties, demolitions and conversions

- 5.12 Bringing long term empty properties back into use has wider regeneration benefits than purely just increasing the number of dwellings delivered. However, as there has only been one instance of an empty property scheme delivering units in the last 15 years (13 properties were brought back into use in 2011/12 through WG funding), it is not appropriate to make an assumption of them contributing to the housing supply calculation.
- 5.13 Similarly, demolitions are of such a small scale in Merthyr Tydfil, it is not considered necessary to include them in the calculation.
- 5.14 Conversions are subsumed in the small site completions data as the vast majority would be single dwellings into flats or conversion of non-residential to residential.

Sites with planning permission/JHLAS sites

- 5.15 The JHLAS site schedule (see Appendix 2) includes sites over 10 dwellings with a valid planning permission as of the base date (1st April 2017), or sites allocated in the LDP. Of the sites included in the schedule, a total of **591 units** have been agreed to be able to contribute to the 5 year land supply figure after being considered by the development industry and the Planning Inspectorate, and therefore, their delivery can be assumed to be a realistic assumption.

Housing Supply Calculation

Table 6

ASSUMPTION	TOTAL NUMBER OF UNITS
Large site completions 2016/17	143
Small site completions 2016/17	30
Units under construction 1 st April 2017	41
Allowance for small sites	295
Allowance for windfall sites	100
Sites with Planning permission/JHLAS sites	591
TOTAL HOUSING SUPPLY	1200

5.16 The above table highlights how much housing can realistically be assumed to be delivered up until 2031. In order to determine how much land needs to be allocated in the replacement LDP the following section will examine how much additional land would need to be allocated to meet the dwelling requirements of the various population scenarios looked at in Section 4.

6. Housing Land Requirements

- 6.1 In determining the amount of land to be allocated in the replacement LDP, it is necessary to consider the number of dwellings required under each of the population scenarios identified in Section 4 of this report.
- 6.2 The calculations will take into account the information collated on housing supply in the previous section and, to avoid double counting, it will be assumed that the sites with permission/JHLAS sites will not be allocated. However, if it is determined that some, or all of these sites should be allocated to ensure that principle of housing on them is established in the longer term, then the total land supply figure can be amended accordingly.
- 6.3 The current LDP over-allocated by 5% over the actual dwelling requirement in order to ensure that there was sufficient flexibility in the Plan to assist housing delivery. The amount of over-provision is not prescribed in national guidance, but it is best practice for local authorities to provide a minimum 10% over-allocation (this approach has been taken by most South East Wales local authorities). In order to maximise the likelihood of delivering a strategy with a focus on using previously developed land, the total housing provision in the LDP will provide a 25% flexibility allowance.
- 6.4 The land required to meet each of the scenarios has been calculated by subtracting the total land supply from the dwelling requirement (including 25% flexibility allowance) to give a figure for the additional dwellings that will be required. This has been converted into a land requirement based on an average density for housing of 35 dwellings per hectare (based on densities achieved on a range of housing sites).

Table 7

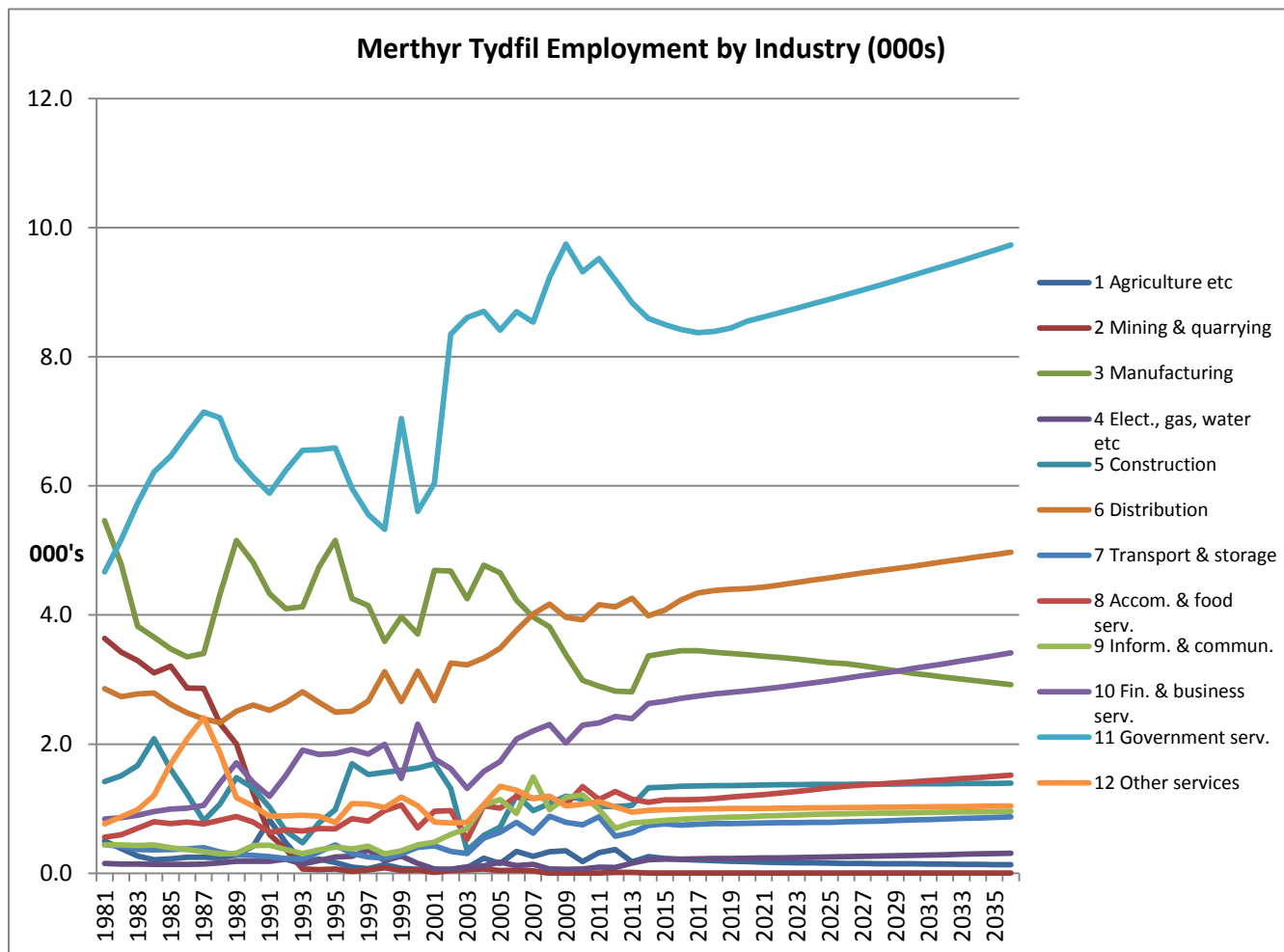
Scenario	Dwelling requirement	Per annum	Total Housing provision required (inc. 25% flexibility)	Existing supply	Additional housing provision required	Land required to meet scenario (hectares)
A: Principal projection	330	22	413	1200	0	0
B: 10 year migration rate	900	60	1125	1200	0	0
C: Zero migration rate	585	39	732	1200	0	0
D: dwelling led (past build rate)	2250	150	2813	1200	1613	46
E: dwelling led (Current LDP strategy)	3795	253	4744	1200	3544	101
F: Jobs led	2970	198	3713	1200	2513	72
G: Zero UK migration	1290	86	1613	1200	413	12
H: Positive UK migration	1980	132	2475	1200	1275	36

7. Conclusions

- 7.1 As set out in national guidance, this paper has considered the most recent Welsh Government (WG) projections as the starting point for population and housing requirements. The 2014 projections show a noteworthy difference from the 2011 data in that there is slower growth, with a small decline, in the population, towards the end of the projection period, contrasting with steady growth shown in the 2011 projection.
- 7.2 As the WG projections use the preceding 5 years data to project forward, there is always a chance that there can be significant changes between projections, as components such as migration rates can change quickly and have a sizeable effect on the figures.
- 7.3 As national guidance also states, local authorities need to take a range of considerations into account when planning for the future requirements of the residents of the County Borough. Accordingly, this paper has looked at a range of population scenarios and what this could mean for a replacement Local Development Plan, particularly in relation to dwelling requirements.
- 7.4 Eight scenarios have been tested; five derived from the 2014 projections; two dwelling led scenarios which consider the impact on population if the current LDP strategy was achieved, and if past build rates were continued; and a jobs based forecast.
- 7.5 These options have been analysed and an amount of land required to deliver the scenarios has been calculated. It is now proposed that 3 scenarios are taken forward for further assessment in advance of the Preferred Strategy consultation.
- Scenario A: Principal Projection
 - Scenario D: Dwelling led projection – 150 per annum (15 year ave. build rate)
 - Scenario E: Dwelling led projection - 253 per annum (current LDP Strategy)
- 7.6 The principal projection is the starting point in line with national policy. Whilst the 2014 projection shows a lower level of growth (with a slight decline from the mid-2020s onwards) than the 2011 figures, it is likely that the 2014 data is more reflective of long terms trend in Merthyr Tydfil. 2011 data had a high level of overseas in-migration (reflective of 2006-2011), as there was a spike in migration into the County Borough from within the European Union. Also the 2011 data had a much lower rate of out-migration to other parts of the UK. The 2014 projection contained figures for these components of change much more in line with longer term trends.

- 7.7 This scenario would require very little additional housing and taking into account predicted housing supply, would not actually need any additional land allocated. The appropriateness of this option needs to be considered as it is questionable whether it would comply with other Council strategies and wider regeneration plans.
- 7.8 The average build rate scenario needs to be considered as by its nature it as option of housing growth that is likely to be deliverable. Additionally, the POPGROUP modelling indicates that housebuilding at this level would be likely to address the long term issues of a net out flow of people to elsewhere in the UK.
- 7.9 In terms of the overall population of the County Borough, there would be an increase of nearly 5,000 people (approx. 8%), and there would need to be an additional 46 hectares of housing land released. Further assessment is needed to ascertain the wider consequences of following such an option.
- 7.10 The current LDP strategy scenario also warrants consideration as it is the most ambitious scenario and shows a vastly differing situation than the principal scenario. This level of housing delivery (253 dwellings per annum) would facilitate significant positive in-migration from the UK, and see the population increase by over 8,000 (an increase of nearly 15%).
- 7.11 This option would require an additional 101 hectares of housing land. Further assessment of this option is needed as there are potential concerns about the deliverability of this scenario, both in terms of housing delivery and other associated infrastructure/facilities.

APPENDIX 1



APPENDIX 2

MTCBC JHLAS SITE SCHEDULE

Sites of 10 or more units at April 1st 2017

Sites with planning permission or in Adopted LDP

PRIVATE SECTOR

BEDLINOG														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/10/0078	ADJ SHINGRIG ESTATE, TRELEWIS	48	300	129	13.76	2	0	0	40	40	47	127	0	0
P/06/0477	MAEN GANOL, TRELEWIS	0	30	30	2.3	0	0	0	0	0	0	0	0	30
MERTH LDP	ADJ PLEASANT VIEW, BEDLINOG	0	10	10	0.5	0	0	0	0	0	0	0	0	10
P/14/0130	EAST OF COMMERCIAL STREET, BEDLINOG	0	59	59	3.91	0	0	0	0	0	0	0	0	59
MERTH LDP	SOUTH OF CWMFELIN, BEDLINOG	0	70	70	5.0	0	0	0	0	0	0	0	0	70
TOTAL	BEDLINOG	48	469	298	25.47	2	0	0	40	40	47	127	0	169

CYFARTHFA														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
MERTH LDP	BEACON HEIGHTS	2	135	18	3.95	3	5	5	5	0	0	15	0	0
P/09/0217	CRUD YR AWEL, HEOLGERRIG	0	10	3	0.5	0	2	1	0	0	0	3	0	0
P/06/0553	CYFARTHFA MEWS, SWANSEA ROAD	15	51	4	1.6	4	0	0	0	0	0	0	0	0
P/06/0242	RHYDYCAR LEISURE CENTRE	0	28	28	0.75	0	0	0	14	14	0	28	0	0
MERTH LDP	R/O BRONDEG, HEOLGERRIG	0	70	70	3.32	0	0	0	0	0	0	0	0	70
MERTH LDP	CLWYDYFAGWR, SWANSEA ROAD	0	48	48	1.79	0	0	0	0	0	0	0	0	48
MERTH LDP	ADJ CASTLE PARK	0	160	160	5.76	0	0	0	0	0	0	0	0	160
MERTH LDP	WINCHFAWR ROAD	0	30	30	2.8	0	0	0	0	0	0	0	0	30
MERTH LDP	FORMER GELLIDEG FLATS	0	53	53	1.03	0	0	0	0	0	0	0	53	0
MERTH LDP	UPPER GEORGETOWN PLATAEU	0	70	70	2.24	0	0	0	0	0	0	0	0	70
TOTAL	CYFARTHFA	17	655	484	23.74	7	7	6	19	14	0	46	0	378

DOWLAIS														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/07/0445	ADJ TREVOR CLOSE	0	28	28	1	0	0	0	0	0	0	0	28	0
P/11/0069	PROJECT HEARTLAND, DOWLAIS	0	450	450	12.4	0	0	0	0	0	0	0	0	450
P/11/0031	ST JOHNS CHURCH, DOWLAIS	0	20	20	0.6	20	0	0	0	0	0	0	0	0
P/15/0229	VICTORIA HOUSE, DOWLAIS	19	25	0	0.5	0	0	0	0	0	0	0	0	0
TOTAL	DOWLAIS	19	523	498	14.5	20	0	0	0	0	0	0	28	450

GURNOS														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/04/0506	ADJ GWAELODYGARTH HOUSE	1	20	0	0.5	0	0	0	0	0	0	0	0	0
MERTH LDP	GOITRE LANE GURNOS	0	190	190	6.7	0	0	0	0	0	0	0	0	190
TOTAL	GURNOS	1	210	190	7.2	0	0	0	0	0	0	0	0	190

MERTHYR VALE														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/11/0057	PROJECT RIVERSIDE	0	160	150	9.12	0	0	10	40	40	40	0	30	0

MERTHYR TYDFIL LOCAL DEVELOPMENT PLAN 2016 - 2031

BACKGROUND PAPER: POPULATION AND HOUSING REQUIREMENTS

P/07/0290	R/O OAKFIELD STREET, ABERFAN	0	50	50	1.13	0	0	0	0	0	0	0	0	50
MERTH LDP	ADJ GRAYS PLACE, MERTHYR VALE	0	10	10	0.26	0	0	0	0	0	0	0	0	10
TOTAL	MERTHYR VALE	0	220	210	10.51	0	0	10	40	40	40	130	30	60

PENYDARREN														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
MERTH LDP	THE GREENIE, PENYDARREN	0	60	60	1.73	0	0	0	0	0	0	0	0	60
MERTH LDP	R/O HAYDN TERRACE, PENYDARREN	0	70	70	2.19	0	0	0	0	0	0	0	0	70
TOTAL	PENYDARREN	0	130	130	3.92	0	0	0	0	0	0	0	0	130

PLYMOUTH														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/10/0160	FORMER ABERCANAID PRIMARY SCHOOL	3	13	0	0.19	0	0	0	0	0	0	0	0	0
MERTH LDP	R/O UPPER MOUNT PLEASANT TROEDYRHIW	0	10	10	0.81	0	0	0	0	0	0	0	0	10
MERTH LDP	GETHIN TIP	0	150	150	10.9	0	0	0	10	20	20	50	0	100
MERTH LDP	P & R MOTORS	0	24	24	0.98	0	0	0	0	0	0	0	0	24
TOTAL	PLYMOUTH	3	197	184	12.88	0	0	0	10	20	20	50	0	134

MERTHYR TYDFIL LOCAL DEVELOPMENT PLAN 2016 - 2031

BACKGROUND PAPER: POPULATION AND HOUSING REQUIREMENTS

TOWN														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
MERTH LDP	FORMER MARDY HOSPITAL	34	125	82	3.88	10	25	25	22	0	0	72	0	0
MERTH LDP	GOATMILL ROAD	0	160	160	3.58	0	0	0	40	40	40	120	40	0
MERTH LDP	ST TYDFILS HOSPITAL	0	60	60	2	0	0	0	0	0	0	0	0	60
MERTH LDP	ADJ BRADLEY GARDENS	0	110	110	3.06	0	0	0	0	0	0	0	0	110
P/14/0256	FORMER SANDBROOK HOUSE	0	13	13	1.12	0	2	3	3	3	2	13	0	0
MERTH LDP	TWYNYRODYN	0	180	180	5.76	0	0	0	0	0	0	0	0	180
TOTAL	TOWN	34	648	605	19.4	10	27	28	65	43	42	205	40	350

TRESHARRIS														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
MERTH LDP	NORTH OF TWYNYGARREG ROAD, TRESHARRIS	0	25	9	0.9	0	5	4	0	0	0	9	0	0
MERTH LDP	CILHAUL	0	50	50	1.22	0	0	0	0	0	0	0	0	50
MERTH LDP	OAKLANDS, TRESHARRIS	0	85	85	3.76	0	0	0	0	0	0	0	0	85
TOTAL	TRESHARRIS	0	160	144	5.88	0	5	4	0	0	0	9	0	135

VAYNOR														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
MERTH LDP	SWEETWATER PARK, TREFECHAN	8	90	2	1.54	2	0	0	0	0	0	0	0	0
TOTAL	VAYNOR	8	90	2	1.54	2	0	0	0	0	0	0	0	0
TOTAL	PRIVATE SECTOR	130	3302	2745	125.04	41	39	48	174	157	149	567	98	1996

MTCBC JHLAS SITE SCHEDULE

Sites of 10 or more units at April 1st 2017

Sites with planning permission or in Adopted LDP

PUBLIC SECTOR														
PARK														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/14/0295	FORMER LABOUR EXCHANGE AND PROMENADE	0	24	0	0.66	0	0	24	0	0	0	24	0	0
TOTAL	PARK	0	24	0	0.66	0	0	24	0	0	0	24	0	0

PLYMOUTH														
LPA REF	ADDRESS	UNITS BUILT SINCE LAST STUDY	TOTAL UNITS	UNITS RMNG	Ha RMNG	Cat1	2018	2019	2020	2021	2022	Cat2	Cat3	Cat4
P/14/0193	FORMER ST PETER AND ST PAUL CHURCH, ABERCANAID	13	13	0	0.3	0	0	0	0	0	0	0	0	0
TOTAL	PLYMOUTH	13	13	0	0.3	0	0	0	0	0	0	0	0	0

TOTAL	PUBLIC SECTOR	13	37	0	0.96	0	0	24	0	0	0	24	0	0
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TOTAL	PRIVATE AND PUBLIC SECTOR	143	3339	2745	126	41	39	72	174	157	149	591	98	1996
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