

Environment and Sustainability Committee

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Local Development Plans & Population/Household Projections – Welsh Government Position Statement (Planning Division)

LDP Context

- 1 Planning Policy Wales (PPW) alongside Technical Advice Notes (TANs), Minerals Technical Advice Notes (MTANs) and Circulars provide the planning policy framework for Wales.
- 2 In Wales, every local planning authority must prepare a local development plan (LDP) for its area (Planning and Compulsory Purchase Act 2004, sections 69 & 76). The LDP will be the statutory development plan for the local planning authority area, superseding any existing development plan upon adoption. It sets out the authority's strategy for the development and use of land and to provide for the physical and social infrastructure to meet the areas needs, looking 10 to 15 years ahead.
- 3 Local Development Plans Wales 2005 provides greater detail regarding the context for LDPs, their form and content, the need to undertake a strategic environmental assessment, as well as the process for preparing a plan. Critical in the preparation of a LDP is the robustness of the evidence underpinning the plan/policies, ensuring it is sufficiently robust to demonstrate that the plan can be found 'sound' and hence adopted. LDP Wales sets out ten tests which have to be met in order for a LDP to be considered 'sound'. Specifically test CE2 states:

"The strategy, policies and allocations are realistic and appropriate having considered the relevant alternatives and are found on a robust evidence base."
(LDP Wales, paragraph 4.35)
- 4 The responsibility for preparing a LDP resides with the local planning authority. When assessing the evidence base local authorities can either progress individually, or work collaboratively where issues may have wider spatial implications. This is voluntary, not prescriptive. The Welsh Government encourages local authorities to work collaboratively, where appropriate, to provide a robust evidence base, reduce costs and avoid duplication. However, the timing of different LDPs may have a bearing on whether joint working is appropriate and achievable. LDP Wales states:

"Issues of a strategic nature which affect more than one local planning authority will require consultation and collaboration between all authorities likely to be affected."
..... *"Cross boundary work should be integrated into LDPs where relevant."* (LDP Wales, paragraph 2.2.1)
- 5 Upon completion of all the relevant evidence to support the whole plan, not just comparison to the Population and Household projections, and having met the statutory requirements as set out in the Town and Country Planning (Local

Development Plan) (Wales) Regulations 2005 and appropriate European legislation, a local planning authority then submits what it considers to be a 'sound' LDP to Welsh Ministers.

- 6 Following submission an independent Inspector from the Planning Inspectorate Wales is appointed to determine if a LDP can be found 'sound'. The Inspector reviews all representations made on the plan, including any made by the Welsh Government, considers all the evidence supporting the plan, as well as holding a public examination enabling all stakeholders to express their views before issuing a binding report. A clear articulation of how the LDP has taken into account or the reasons for deviating from the Welsh Government's Population and Household projections (if this is the case) will form one element of the Inspector's conclusions and recommendations.

Does the Welsh Government set a housing target for local authorities to achieve in their LDP?

- 7 No.
The Welsh Government does not set a specific level of housing for each local authority. Prior to the 2006 and 2008 projections the former Welsh Office did not calculate Sub-National Population and Household Projections for Wales but published the results of those produced by others. These projections formed the starting point for assessing housing requirements for local authorities. For methodological reasons these projections were at a regional level, not disaggregated to specific local authorities. Within each region local authorities should work together, with appropriate stakeholders, to determine a local authority level of housing provision. (Ministerial Interim Planning Policy Statement 01/2006 - Housing, paragraph 9.2.2).
- 8 For the 2006 and 2008-based population and household projections at a unitary authority level the Welsh Government produced the projections, informed by Technical Advice Groups. The projections provided a more refined evidence base to assist local authorities in preparing their LDP. The projections are trend-based projections i.e. they provide an indication of future growth based on recent trends. They are not policy based forecasts of what may happen, and they do not make allowances for the effects of local or central government policies or socio-economic factors on future population levels and household composition, distribution and change.
- 9 Critical to both sub-national and local authority projections is that they form the starting point when preparing a LDP. Planning Policy Wales (PPW, paragraph 9.2.2) states:

"The latest Welsh Government local authority level Household projections for Wales should form the starting point for assessing housing requirements."
"Local planning authorities should consider the appropriateness of the projections for their area, based upon all sources of local evidence, including the need for affordable housing identified by their Local Housing Market Assessment."
"Where local planning authorities seek to deviate from the Welsh Government projections, they must justify their own preferred policy-based projections by explaining the rationale behind them in terms of the issues listed at paragraph 9.2.1 above (refers to PPW)."

- Does the Welsh Government produce only one projection?
- 10 No.
The projections incorporate a high and low variant, either side of the main projection. The purpose of this approach is to acknowledge that if different components are varied, different outcomes will be achieved, for example assuming different fertility rates. A zero migration projection is also produced to provide an indication of projected population growth if there were no migration. The production of variant projections provides greater transparency and provides an indication of uncertainty by allowing users to consider the impact upon the population or households if future fertility, mortality and migration differ from the assumptions made for the principal projection. Variant projections are an internationally recognised method for illustrating the uncertainty association with population projections.
- Do local authorities have access to the data and methodology to produce the projections?
- 11 Yes.
The 2006 and 2008 based Household and Population Projections were developed using technical Advice Groups (TAGs) (the Wales Sub-national Population Projections working Group and the Wales sub-national Household Projection working group). These groups provided a forum for discussing and agreeing the methodology and base data. Officers from local authorities formed the basis for these groups, for example Cardiff Council, Ceredigion, Conwy and Vale of Glamorgan councils. Following discussions and publication of the projections, the Welsh Government enabled all local authorities to have access to the base data and methodology along with access to POPGroup and Housegroup software. Local authorities can therefore undertake further modelling, taking account of more refined local circumstances, if appropriate, to produce alternative outputs. The quality of the evidence will be central to demonstrating if a LDP can be found 'sound'.
- Can local authorities deviate from the Welsh Government's projections?
- 12 Yes.
With access to the projection model, base data and assumptions underpinning the model, as well as a raft of additional evidence collated by a local authority when preparing their LDP, if other evidence indicates a different level of provision this can be a reason to deviate. Critical will be the robustness of such evidence which will be tested by the appointed Inspector through the examination process. The implications for the plan and locality of not following the projections will also need to be clearly articulated.
13. Examples of where this has taken place to date are Cardiff, Ceredigion and Denbighshire councils. Statistical experts from these local authorities have considered the assumptions made in the Welsh Government projections and concluded that local circumstances could indicate a different outcome. Either through in-house modelling or through commissioning external consultants (Cardiff and Edge Analytical) further refined modelling has taken place to arrive at an alternative level of housing growth considered appropriate for their administrative area. Whilst all three examples have yet to reach adopted development plan status, the independently appointed Inspector's for Ceredigion and Denbighshire appear to

agree with the local authorities conclusions. This has resulted in a lower housing provision for Denbighshire as opposed to the latest Welsh Government projections (approximately 1,500 units) with Ceredigion seeking a higher provision. In responding to Cardiff Council's Preferred LDP Strategy, the Welsh Government considered that the technical work undertaken by external consultants would enable the council to be in a strong position to justify their conclusions.

How will the 2011 Census of Population be taken into account?

- 14 The latest Welsh Government projections appropriate to take into account when preparing a LDP are the 2008 based projections. Whilst elements of the 2011 census have been published, the data needed to produce good quality population and household projections based on the 2011 Census will not be available until later in 2013. Therefore there are not as yet comparable population or household projections based on 2011 data. It is anticipated that comparable data (2011-based) will not be available until autumn 2013.
- 15 This does not mean that local planning authorities are unaware of the emerging data and the potential implications it may have for their LDP. Statistical experts from local authorities are engaged with Welsh Government statistical colleagues specifically in understanding the implications of the new data. This means that whilst the 2008 based projections should form the data utilised by local planning authorities when preparing/examining a plan, it is appropriate to understand the implications of the new data and articulate how this has influenced the direction of travel for the level of housing provision in a LDP. It is precisely this course of action which has been followed through Denbighshire's LDP examination, with the council (supported by expertise from Conwy council) indicating that the level of housing provision should be less than the 2008 based Welsh Government projections. It would appear that the independent Inspector has agreed with their approach, methodology and conclusions.

Is the time series data contained in the model appropriate?

- 16 Yes.
Welsh Government Statistical Division currently base the projections on the latest available population estimates and Census information. Annual birth, death and migration estimates are used to produce annual population estimates. The projections are produced using the 'POP Group' and 'House Group' software.
- 17 With regard to time periods, fertility, mortality and migration assumptions are based on trends over the previous 5 years. This time period offers a balance between reducing the volatility of the migration assumptions and obtaining assumptions which reflect recent trends. An increased time period could be used, although this in itself could become less valuable if extended over too long a period. Where local authorities consider an alternative time period preferable this may be appropriate as long as they can justify to the independently appointed Inspector why such an alternative course of action is both 'sound' and pertinent to them.

Can local authorities work together on considering housing projections and distribution?

- 18 Yes.
There is nothing in national planning policy to stop local authorities collaborating when considering the projections. Indeed, PPW (paragraphs 2.21 – 2.2.3) and LDP

Wales (paragraphs 1.9 – 1.12) actively encourages local authorities to work together which could include housing provision and distribution. Local authorities can also produce a Joint LDP, although this is voluntary. Two of the tests of ‘soundness’ against which the plan will be judged specifically relate to this issue (LDP Wales, paragraph 4.35):

TEST C1: *“It is a land use plan which has regard to other relevant plans, policies and strategies relating to the area or adjoining areas.”*

TEST CE1: *“The plan sets out a coherent strategy from which its policies and allocations logically flow and, where cross boundary issues are relevant, it is compatible with the development plans prepared by neighbouring authorities.”*

- 19 In South East Wales, as in other parts of Wales, local authorities have formed officer groups to discuss various elements of the LDP process, including housing provision. Mature dialogue, reflecting the evidence base early in the process can enable a broader planning approach to be incorporated into each LDP. Similarly, the reviews of adjacent local planning authorities’ adopted plans would provide an opportunity for exploring accommodating additional housing levels arising from Cardiff’s plan and strategy. As part of the evidence base to support their LDP, Cardiff commissioned a collaborative piece of work to consider growth levels, both homes and jobs, as well as transport and environmental issues. This collaborative piece of work included all adjoining local authorities, the Home Builders Federation, Welsh Government and key utility organisations. The independent chair (John Davies MBE) reflected the conclusion from the majority of contributors (excluding the HBF) that the middle level of growth (as proposed in Cardiff’s Preferred Strategy) was appropriate. It was not considered to adversely affect the regeneration aspirations of the Valley authorities, but work in harmony with their goals and objectives.

Implications of Populations and Household projections on withdrawn LDPs

- 20 There have been two withdrawn LDPs to date, Cardiff and Wrexham. The reasons for Cardiff’s plan being withdrawn were numerous, although it was not related to the level of housing provision, rather how such provision would be delivered. Wrexham’s LDP was proposing to deviate by approximately 3,500 below the latest Welsh Government projections but this was not supported by any evidence whatsoever. Following three days of public scrutiny it appeared that the council could provide no evidence to justify the provision it was seeking. It had not used the model/data to input local circumstances. This complete absence of evidence, combined with other deficiencies, resulted in the plan being found ‘unsound’.

Delays in the LDP process?

- 21 Those local planning authorities which have incurred delays in the plan preparation process relating to housing do not appear to be influenced by an inability to access data or undertake/commission further technical work, rather an inability to address the issue of identifying land to accommodate development necessary for the plan to address the issues the local authority has identified. Local elections and the political process have also had an impact.

Summary

- 22 The cornerstone of the LDP process is the local authority bringing forward a plan it considers to be ‘sound’, based on robust evidence. Housing provision will be one of

the main issues to resolve alongside what a local authority aspires to achieve. The objective of being a World class European city, as in the case of Cardiff, has implications for the provision of homes to accommodate economic growth. The Welsh Government does not dictate a level of housing provision it provides the framework within which plans are formulated. The Government's role is not to dismiss plans, but to ensure that where plans come forward they do so based on a robust evidence base. This approach to planning is not new and there is no reason why qualified planners cannot undertake this exercise when preparing a plan. The Population and Household Projections are there to assist local authorities, not dictate outcomes.

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