

Population and Housing - Revised Topic Paper 2

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Carmarthenshire Local Development Plan

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1. Introduction

1.1 Carmarthenshire County Council is in the process of preparing a Local Development Plan for its area (excluding that part contained within the Brecon Beacons National Park). The aim of the new Local Development Plan's (LDP) is to make the Development Plan system more relevant, inclusive and engaging to local communities.

1.2 The LDP will set out the Local Planning Authority's proposals and policies for the future development and use of land within its administrative area. Upon adoption, the LDP will supersede the existing Unitary Development Plan (UDP) with decisions on planning permissions primarily based on its content. A Development Plan provides a measure of certainty about what kind of development will, and will not, be permitted during the plan period.

1.3 The Plan will contain detailed policies and proposals, both for the use of land and also the protection of the environment. It will guide investment and the delivery of services and infrastructure and will determine the level of provision and location of new housing and employment opportunities. The LDP provides the framework for considering all land use proposals across the plan period.

1.4 Due regard will be had to national and regional planning policy and guidance in the formulation of outcomes in respect of the LDP's preparation. In formulating the LDP, regard will also be had to strategies and other background documents where relevant.

2. Purpose of this Paper

2.1 This paper supersedes the Population and Housing Draft Topic Paper (May 2009) and in doing so seeks to provide context and data in relation to Population and Housing and the Carmarthenshire LDP. The paper will set out progress towards a definitive and robust set of population and household projections for the LDP and its plan period. It will set out the general context for the County and some of the underlying considerations in the selection and refining process.

2.2 It is intended that this paper will:

- assist in setting out the background for population and housing;
- develop upon the discussion papers and pre deposit the work including the Preferred Strategy;
- inform the ongoing engagement and participation;
- provide clarity in the determination of appropriate levels of growth;
- inform the preparation of the Deposit LDP and subsequent stages of plan preparation; and,
- form part of the evidence trail at the independent examination.

2.3 The paper will assist in outlining the future housing requirement for the LDP.

2.4 This paper may be further updated as the plan progresses. Such updates will ensure that the LDP process is appropriately informed.

2.5 In reading this paper regard should be had to the relevant evidence base including the report on Population and Household Projections (Edge Analytics Ltd) (August 2010) and the Pre-Deposit Preferred Strategy.

2.6 Matters relating to Housing Supply, Gypsy and Traveller Needs and Affordable Housing will be further considered through separate papers/evidence where appropriate.

3. Policy Context

3.1 National Context

Planning Policy Wales Edition 2 – June 2010 (PPW)

3.1.1 The Welsh Assembly Governments (WAG) objectives in respect of housing are set out within the PPW. It identifies the Assembly Governments vision for housing stating that everyone in Wales should have the opportunity to live in good quality, affordable housing, to be able to choose where they live and decide whether buying or renting is best for them or their families. The objective being to provide:

- Homes that are in good condition, in safe neighbourhoods and sustainable communities; and
- Greater choice for people over the type of housing and the location they live in, recognising the needs of all, including those in need of affordable or special needs housing in both urban and rural areas. (PPW Para 9.1.1)

3.1.2 The Assembly Government will seek to ensure that:

- Previously developed land is used in preference to Greenfield sites;
- New housing and residential environments are well designed, meeting national standards for the sustainability of new homes and making a significant contribution to promoting community regeneration and improving the quality of life; and that
- The overall result of new housing development in villages, towns or edge of settlements is a mix of affordable and market housing that retains and, where practical, enhances important landscape and wildlife features in the development. (PPW Para 9.1.1)

3.1.2 Guidance indicates that planning must take account of the following:

- People, Places, Futures – The Wales Spatial Plan;
- Statutory Code of Practice on Racial Equality in Housing – Wales;
- The Assembly Government's latest household projections;
- Local housing strategies;
- Community strategies;
- Local housing requirement assessment (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, including energy consumption and greenhouse gas emissions; and
- The capacity of the existing or planned infrastructure. (PPW: Para 9.2.1)

3.1.3 In assessing housing requirements local planning authorities should utilise the latest WAG projections as a starting point. Local planning authorities should consider the appropriateness of the projections for their area, based upon all sources of local evidence. Any deviations from the WAG projections must be accompanied by a clear justification.

3.1.4 Development Plans should:

- Quantify the housing requirement (both market and affordable);
- Set an affordable housing target;
- Set out a settlement strategy;

- Allocate housing land on the basis of the search sequence specified in 9.2.8 and in the criteria in 9.2.9;
- Include clear policy criteria against which applications for development of unallocated sites will be considered;
- Specify the circumstances in which previously developed sites would be deemed to perform so poorly that their use would not be favoured before that of a (particular) Greenfield site;
- Include clear development control policies to guide the determination of applications, including guidance on design, access, density, off-street parking and open space provision for particular areas as appropriate;
- Specify mechanisms to be used to monitor the take up of housing land;
- Include policies on affordable housing in areas where need has been identified, including any rural areas where exception sites will be considered;
- Include a policy to strictly control new housing in the countryside away from existing settlements or other areas allocated for development; and
- Include policies to indicate where developer contributions will be expected toward infrastructure, community facilities and affordable housing. (PPW: Para 9.2.24)

3.1.5 Planning policy guidance sets out a series of requirements many of which are considered at various stages within the plan making process. They relate across a number of topic areas ranging from the development and selection of a preferred strategy to the selection of specific sites - for example guidance on the criteria used in deciding which sites to allocate for housing will be considered at the appropriate stage in the plan making process.

Planning Policy Wales - Technical Advice Note 1: Joint Housing Land Availability Studies (June 2006)

3.1.6 Joint Housing Land Availability Studies (JHLAS) set out to:

- Monitor the provision of market and affordable housing.
- Provide an agreed statement of residential land availability
- Set out the need for action where insufficient supply is identified.

3.1.7 The production of the JHLAS represents an important part of the LDP evidence base providing valuable information in relation to previous build rates and the supply of housing land. Regard should also be had to Para. 3.3.10 of this Topic Paper.

Planning Policy Wales - Technical Advice Note 2: Planning and Affordable Housing (June 2006)

3.1.8 Land use planning represents one mechanism which can be used to deliver affordable housing, TAN2 sets out to provide practical guidance on the role of the planning system in its delivery. It defines affordable housing for the purposes of the TAN and seeks to advise local authorities on how to determine affordability. It stresses the need to work collaboratively with notable reference to undertaking the preparation of a LHMA in consultation with key stakeholders. It places a requirement on local authorities to:

- Include an affordable housing target based on the identified housing need set out within the LHMA.
- Identify policy approaches to indicate how target will be achieved.
- Monitor the provision of affordable housing.

Local Housing Market Assessment Guide – 2006

3.1.9 The guide sets out advice and guidance to allow local authorities in their role as strategic housing bodies to understand their housing markets. LHMA's and the Housing strategy represent important elements of the evidence base and will assist in supporting the affordable housing policies contained within the LDP.

Statutory Code of practice on Racial Equality in Housing – Wales

3.1.10 PPW identifies the requirement for local authorities in preparing its development plan to take account of racial equality in housing. This Statutory Code of Practice sets out the legal framework and good practice in relation to housing.

National Housing Strategy: Better Homes for People in Wales 2001

3.1.11 Provides the vision for the future of Welsh housing stating that ‘everyone in Wales should have the opportunity to live in good quality, affordable housing; and to be able to choose where they live and whether buying or renting is best for them and their families’.

3.2 Regional Context

People, Places, Futures - Wales Spatial Plan Update 2008

3.2.1 The Wales Spatial Plan (WSP) provides the overarching policy context for future spatial development and planning in Wales setting out cross cutting national priorities. It seeks to ensure that what is done in Wales is integrated and sustainable with the actions within an area supportive of each other and which jointly move towards a shared vision for the area. It is a material consideration in the preparation of the LDP.

3.2.2 Carmarthenshire is located within three areas identified within the WSP:

- ❖ Pembrokeshire - The Haven;
- ❖ Swansea Bay - Waterfront and the Western Valleys; and
- ❖ Central Wales

3.2.3 Each spatial plan area sets out a policy statement for housing within the given area identifying the priorities for the region.

3.2.4 *Swansea Bay – Waterfront and Western Valleys* – In making reference to the location and pattern of development the update places emphasis on the settlement hubs whilst also seeking to revitalise and sustain smaller centres and valley communities, with housing cited as a key influence. Housing should be attractive, affordable and sustainable.

3.2.5 *Pembrokeshire – The Haven* – Contains an emphasis in respect of key settlements setting the pattern for future housing distribution through the approach contained within the UDP and its framework. Includes recognition of the importance of housing as a mechanism to revitalise and sustain smaller centres and communities. Housing should be well designed, affordable and sustainable.

3.2.6 *Central Wales* - A key priority is to ensure access to affordable housing (to buy or rent) in locations which are convenient for local work and services and by ensuring a range of housing types are available in a choice of high quality environments.

South West Wales Regional Planning Group

3.2.7 Membership of the South West Wales Regional Planning Group (SWWRPG) comprised of the neighbouring authorities of Ceredigion, Neath Port Talbot, Swansea, Pembrokeshire, Pembrokeshire Coast National Park and Brecon Beacons National Park, as well as attendees from the WAG, has allowed the development of an information sharing forum facilitating effective cross border and collaborative working. The formation of the subsequent pathfinder group has allowed members to develop and share their experiences and expertise to mutual benefit.

3.2.8 The SWWRPG continues to represent an appropriate mechanism for cross border collaboration in the region. In this regard scope exists for a working group to consider regional aspects relating to population and housing including matters relating to

apportionment with the outputs and agreements utilised as part of the LDP's preparatory process.

3.3 Local Context

Carmarthenshire Unitary Development Plan – Adopted July 2006

3.3.1 As part of the preparation of the Unitary Development Plan (UDP) Carmarthenshire County Council produced a set of population projections for the plan period through to 2016. It sought to introduce a strategic approach aimed at stemming out migration forecasting a further increase in population growth of 24,830 by 2016 to 176,318. This compares with the official figure of 178,000 at mid 2006 subsequently produced by the Office of National Statistics.

3.3.2 The UDP sought to ensure that an adequate supply of land will be readily available for all appropriate housing developments and that there will be a range and choice of housing available to meet the needs of the present and future population of the plan area.

3.3.3 In doing so it identified a requirement for sufficient land to be allocated to accommodate approximately 11,300 homes over the plan period, of which the existing supply, namely those sites with consent as at 2001 JHLAS base date and allocations from the 3 previous development plans (5+ sites), contributed 5818 with windfall/conversions, small sites and Planning and Development Brief sites contributes some 3494 units. This left a residual requirement of 1988, namely that part met by new UDP allocations. An additional 861 units was then allocated within the UDP on sites of 5 or more to provide an appropriate degree of flexibility in the plans housing provision, providing a final resultant supply of 12,161 dwellings for the plan period.

3.3.4 Residential allocations were distributed within the context set out through the Strategic Sustainable Settlement Framework (See the Strategic Spatial Options and Settlement Hierarchy Paper for further information).

3.3.5 The adopted UDP incorporates a policy framework which largely reflects planning policy and guidance, delivering housing provision in a manner consistent with the guidance but also in line with the content of the Wales Spatial Plan and its aspirations.

Carmarthenshire County Council – A Step on the Ladder (January 2005)

3.3.6 Identifies affordable housing as a key priority of the Council and provides an informative guide to all interested parties involved in the planning, design, development and delivery of affordable housing in Carmarthenshire.

Carmarthenshire County Council – Local Housing Market Assessment: 2007 Annual Review

3.3.7 Assembly government guidance highlights the role of Local Housing Market Assessments (LHMA) and that they will form the evidence base for affordable housing policies within the LDP.

3.3.8 Local authorities should work in partnership with local stakeholders to produce the LHMA. (PPW: Para 9.1.4) In accordance with the requirements contained within guidance the authority must have an understanding of the housing market to inform and develop a sound and robust LDP. The LHMA represents an important part of the evidence base for not only the LDP through aiding an understanding a range of housing issues within the plan area but also informs the Council's Housing Strategy.

3.3.9 Some of the main points extracted from the LHMA 2009 Annual Review are as follows:

- Entry level house prices have fallen to a level £89,000 (just above that of 2005) bringing it in reach of three quarters of households.
- Net annual income of £23,888 required to purchase an entry level property.
- Total number of dwelling units in Carmarthenshire has increased to 80,743 with 1,796 properties (2% of stock) empty for more than 6 months, according to Council Tax records.
- Future housing requirements in terms of affordable homes of 743. Represents a notable fall from the 1332 identified in 2007.

Joint Housing Land Availability Study – 1st April 2009 (July 2010)

3.3.10 The provisions of TAN2, requires all authorities in Wales to prepare a Joint Housing Land Availability Study (JHLAS) for its area. This ensures that sufficient land is genuinely available, to provide a five year supply of land for housing. A study group constituting representatives from WAG, Homebuilders Federation, the County Council and other representative bodies is responsible for agreeing the sites and details pertaining to each.

3.3.11 The JHLAS as at the 1st April 2009 identified Carmarthenshire as having a 5 year supply of land sufficient for 3861 dwellings. Between 1st April 2008 and 31st March 2009, a total of 263 dwellings were completed on large sites. A further 77 dwellings were estimated to be completed on small sites.

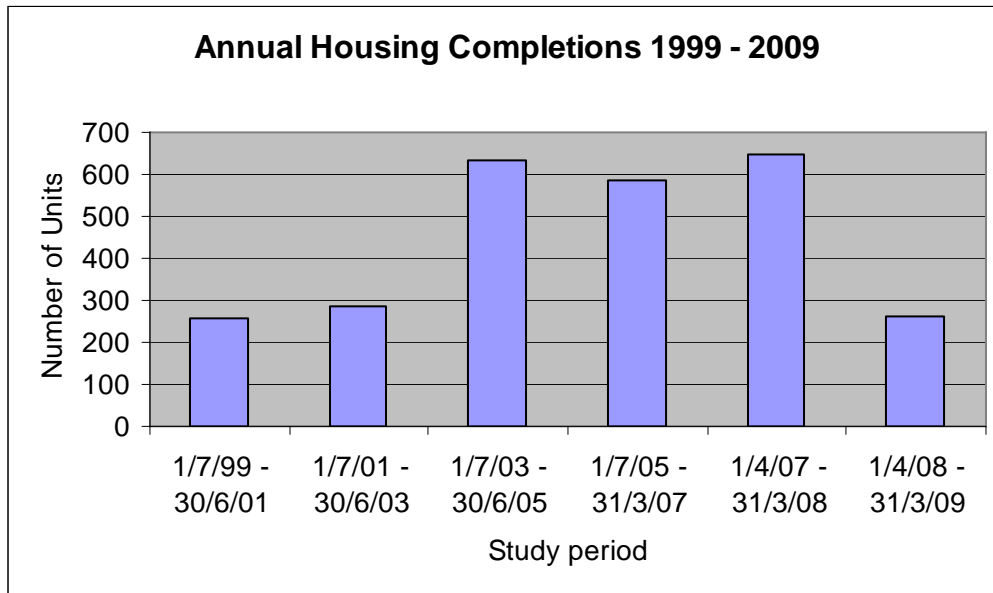
3.3.12 As at 01st April 09 there were 3475 plots agreed as available over the next five years on large sites in the County of Carmarthenshire with a further 386 units (based on the UDP average annual figure) expected to come forward on small sites.

3.3.13 The number of units under construction on large sites at 01st April 2009 was 175

3.3.14 The number of units assessed to be in Category 3(i) was 6786, with 13 units in Category 3(ii). There were no units identified on sites in Category 2*.

3.3.15 The 2009 study reveals a notable drop off in house completions from the previous year with 263 units completed as compared with 647 in 2007-2008. The study also identifies 175 dwellings as being under construction (U/C) a figure which is comparable to the 170 U/C in 2007-2008. This hints at a continuation of the low completion levels into the 2009-2010 study. This should not however be considered in isolation with the recent New House Building and Social Housing Sales release from Stats for Wales showing that whilst the number of new dwellings completed continues to fall (a decrease of 13 per cent during 2009-10 compared with the previous year), the number of new dwellings started during 2009-10 has increased by 8% on 2008-09 (at an all Wales level).

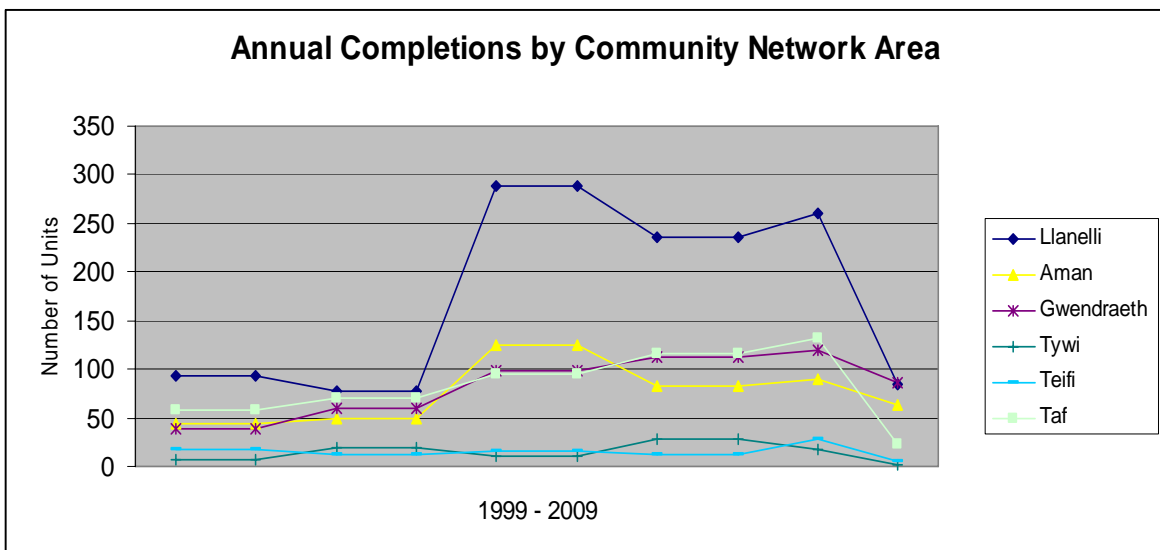
3.3.16 The following identifies completion levels within Carmarthenshire between 1999 and 2009. It should be noted that the average annual completion rate for the 2005-2007 study has been calculated over a 21 month period reflecting the reduced study length.



Source: JHLAS

3.3.17 The above highlights overall average throughout the above 10 year period (9.75 year average) of 455 dwellings per annum or 38 units per month. The study periods between 2003 and 2008 providing an annual completion level of some 650 based on a 4.75yr average. This is opposed to a pre 2003 annual average of some 272 which in itself reflects the current levels as shown in the 2008-2009 study.

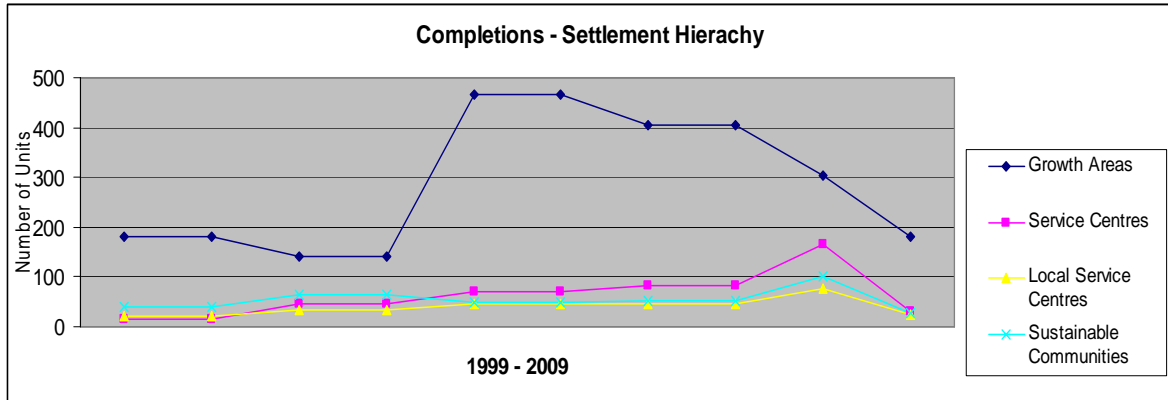
3.3.18 The following takes the annual completions and applies them to the County's Community Network Areas. It illustrates the role of the Llanelli area (including Burry Port/Pembrey and Llangennech) as a driver in housing provision particularly over the period of economic strength and provides an insight into the focus on the area by the major house builders. The drop off in completion levels is an indicator of a number of contributory factors particularly in relation to Llanelli where the economic slow down has been accompanied by environmental considerations in respect of the Burry Inlet.



Source: JHLAS

3.3.19 The settlement hierarchy as identified within the Pre-Deposit Preferred Strategy defines a settlement framework through which the housing requirements would be delivered. In this regard the following figure illustrates the important of the role played by

the ‘Growth Areas’ (Llanelli, Ammanford/Cross Hands and Carmarthen) in terms of completions. It also shows the susceptibility of such areas to market conditions or other influencing factors. It illustrates that completion levels throughout the County were at their peak between 2003 and 2007 with other tiers within the hierarchy experienced a largely steady increase prior to a drop off through the 2009 study.



Source: JHLAS

Carmarthenshire Urban Housing Capacity Study

3.3.20 The emerging study seeks to identify Potential Housing Capacity from; UDP housing Allocations, Planning and Development Brief Sites and Planning Applications, it also looks at contributions from previously developed sites. The study seeks to apply a notional density in respect of each site where an actual site figure is not known by virtue of current planning consent. It demonstrates that Carmarthenshire has the potential to deliver some 10,196 units. However in establishing this potential it recognises the varying degrees of constraint which may directly affect a given sites potential to contribute. In this regard it categorises potential sites into 3 levels of constraint:

- Unconstrained or partially constrained development
- Constrained development which could potentially effect the delivery of the site
- Sites unlikely to come forward for development

3.3.21 Having regard to these constraints, the study identifies a split between the three levels as follows:

Unconstrained or partially constrained development	Constrained development which could potentially effect the delivery of the site	Sites unlikely to come forward for development
4078 dwellings	5719 dwellings	399 dwellings

3.3.22 When taking those sites unconstrained or partially constrained development and those constrained development which could potentially effect their delivery and applying them to the settlement hierarchy as identified within the Pre-Deposit Preferred Strategy there is a potential capacity for some 60 % (5,945 dwellings) within the Growth Areas, whilst the Service Centres and Local Service Centres provide potentially for some 13% each with 1,243 and 1,259 dwellings respectively. Sustainable Communities in potential capacity terms provide for some 14% or 1,350 dwellings.

3.3.23 It should be noted that the figures used in respect of the study reflect those at the time of writing and may differ from those contained within the final published document.

4. Developing Population and Household Projections for the LDP

4.1 The Discussion Papers and Topic Papers

4.1.1 The Discussion Papers set the context for the preparation of the LDP through individual topic areas, developing on, and identifying some of the potential issues, options and objectives for the area. They represented an important first step in the development of a robust evidence base and the preparation of the preferred strategy. These papers were not intended to be exhaustive in content but were intended inform on some key strategic land use policy issues within the County and facilitate a response.

4.1.2 This paper supersedes the Population and Housing Draft Topic Paper (May 2009) and seeks to provide context and data in relation to Population and Housing and the Carmarthenshire LDP. The original topic paper outlined the 2006 based Unitary Authority Projections (WAG) and applied their outputs in the formulation of household projections. This paper and the supporting evidence (Population and Household Projections – Edge Analytics August 2010) reviews and re-appraises the use of these projections.

4.1.3 It is considered prudent particularly in the interests of preparing a robust and sound LDP which is capable of delivering for Carmarthenshire that these projections be reviewed and re-appraised to consider their validity and appropriateness. Further sections will point to the detail of this review and its outcomes.

4.1.4 Topic and Background papers together with relevant the evidence base is available to view on the Councils website via the following link:

<http://www.carmarthenshire.gov.uk/English/environment/planning/Planning%20Policy%20and%20Development%20Plans/Local%20Development%20Plan/Pages/LocalDevelopmentPlanhome.aspx>

4.2 2006-based Local Authority Population Projections – WAG

4.2.1 June of 2008 saw the publication for the first time by WAG population projections at a Unitary Authority level. The publication of this data reflects the need for those who plan for the future to deliver services and to help frame sustainable policies to consider the population by age and sex. The projections are trend based and provide estimates of the size of the future population, and are based on assumptions about births, deaths and migration. The projections use the 2006 estimates as the base for projecting the population for each unitary authority over a 25 year period, namely 2006 – 2031.

4.2.2 They represented a new approach to the development of population projections. The 2006-based Local Authority Population Projections – Technical Report (WAG) set out in detail the methodology and model used to calculate the projections. The technical report can be viewed on the WAG website via the following link:

<http://wales.gov.uk/topics/statistics/headlines/pop2009/hdw20090324/?lang=en>

4.2.3 This technical report set out that the projections are trend based and that the process of demographic change is cumulative with projections becoming increasingly uncertain the further forward they are carried. In order to illustrate the impact demographic change can have on some populations and the uncertainty associated with projections a number of variant proposals were also been published alongside the principal projection. These included the Higher and Lower variants as set out below. These illustrate the impact that small changes in assumptions can have, and in particular the cumulative nature of these changes.

4.2.4 A further variant sought to demonstrate the impact that the size of migration flows may have. It highlighted that migration assumptions can be more critical than fertility and mortality assumptions. In this regard a scenario of no migration (natural change only) would see population within the County remaining largely stagnant with a slight fall of 680 during the plan period. These variant projections are purely illustrative and should not be seen as higher and lower thresholds. [WAG Technical Report P.4]

4.2.5 *Population by Age* – Life expectancy within the County has been showing an increase with a growth in the elderly population and a more modest in child age groups. These projections indicate that there is likely to be an increasing population aged 65+. The population of working age, (a key group in terms of economic activity and labour supply) is projected to increase by 2.5% over the plan period.

4.2.6 *Population – Migration* – The migration of people between Carmarthenshire and the rest of the UK is anticipated to indicate that more people will be arriving than departing. These projections set Carmarthenshire as experiencing the highest net inflow of local authorities in Wales. There is however expected to be a trend towards a negative international net migration with more people leaving than arriving.

4.2.7 *Total Population* – Highlights that the total level of population within Carmarthenshire by 2021 is set to increase to 199,246, which equates to a population growth of approximately 12%. The natural growth of population as indicated within the WAG variant projection shows that population within the County is remaining largely level with a slight decline of 680 over the plan period. The impact of migration on population is therefore clear and has a significant influence on population growth during the plan period.

4.2.8 The principal projection illustrates that the County's population could grow by 21,203 over the plan period. It indicates a largely consistent pattern of growth over the plan period equating to a population increase of approximately 1,410 persons per annum.

**Table 1: Population Projection 2006 – 2021
(2006-based Local Authority Population Projections)**

	Age Group	2006	2011	2016	2021
Persons	0-4	9,179	10,110	10,298	10,250
	5-9	9,983	9,842	10,795	10,979
	10-14	11,530	10,802	10,653	11,622
	15-19	11,501	11,605	10,888	10,729
	20-24	9,334	10,165	10,263	9,550
	25-29	8,565	9,453	10,286	10,389
	30-34	9,143	9,102	9,991	10,823
	35-39	11,350	9,886	9,862	10,748
	40-44	12,640	12,121	10,659	10,649
	45-49	12,071	13,231	12,716	11,262
	50-54	12,051	12,687	13,856	13,344
	55-59	13,465	12,710	13,353	14,529
	60-64	12,130	13,892	13,185	13,834
	65-69	9,755	12,059	13,821	13,192
	70-74	8,345	9,208	11,436	13,161
	75-79	7,035	7,323	8,270	10,363
80-84	5,657	5,535	6,012	6,981	
85-89	2,968	3,595	3,712	4,260	
90+	1,341	1,626	2,136	2,583	
	Total	178,043	184,955	192,191	199,246

4.2.9 In order to illustrate the potential for uncertainty with the population projections mentioned above the following variant projections were also run alongside the WAG principal projection:

- Lower Variant – lower fertility rates and higher mortality rates.
- Higher Variant – higher fertility rates and lower mortality rates.
- Natural Change Variant – zero migration (in or out).

**Table 2: Variant Population Projections 2006 – 2021
(2006-based Local Authority Population Projections)**

	2006	2011	2016	2021
Lower	178,043	183,023	188,509	193,878
Higher	178,043	186,872	195,814	204,498

4.3 2008-based Local Authority Population Projections - WAG

4.3.1 Published in May 2010 the 2008-based projections are based on the revised population and migration estimates that were published by the ONS on May 13th 2010 as part of their long-term programme of work to improve migration and population statistics.

4.3.2 The WAG summary report summarises the 2008-based population projections for Welsh local authorities. It explains what population projections are, how they should and shouldn't be used, the approach taken and the broad methods used. See the attached link to view.

<http://wales.gov.uk/topics/statistics/publications/popprojsu08/?lang=en>

4.3.3 The 2008 based projections indicate that the County's population between 2008 and 2021 of 17,677.

4.4 2003 based National and Sub National Household Projections

4.4.1 Housing Projections had been previously supplied by WAG in the form of the 2003 based Sub National Projections at a regional level. This was supplied to the Strategic Planning Groups with the intention that the sub national figure would be subsequently apportioned between the group's respective authorities. The relevant group for Carmarthenshire is the SWWRPG.

4.4.2 Each group (in considering the WAG figures) did so with varying levels of confidence. With regard to the SWWRPG, the regional figure was not accepted and each authority subsequently agreed to undertake its own projections, which were to be aggregated up to regional level. Any issues relating to apportionment between authority areas and the current unitary authority projections will be further considered through the SWWRPG working group.

4.5 2006 based Local Authority Household Projections - WAG

4.5.1 The Assembly published the 2006 based Unitary Authority Household Projections in June 2009 based on the local authority population projections (see above). This represented the first time that household projections have been published at Unitary Authority level in Wales.

4.5.2 Household projections provide estimates of the future number of households, and are based on assumptions about future population growth and household composition and size. WAG emphasises that the assumptions are based on past trends and the projections only

indicate what may happen should recent trends continue. Projections done in this way do not make allowances for the effects of local or central government policies or socio-economic factors on household formation rates or future population levels. Household projections are based on population projections which are themselves based on assumptions about future births, deaths and migration. As a result they provide an indication of future demand for household spaces as a result of population growth.

4.5.3 The WAG household projections show an increase in Carmarthenshire by 27,900 or 35.8% by 2031. This represents average annual household growth of 1.2%. They indicate that the average household size in Carmarthenshire is projected to decrease from 2.25 persons per household to 1.95 persons per household by 2031. By comparison, the average household size in Wales is projected to decrease from 2.30 in 2006 to 2.03 by 2031.

**Table 3: Projected Households by Type, Carmarthenshire, 2006-2031
(2006 based Local Authority Household Projections)**

	<i>thousands and %</i>						
	2006	2011	2016	2021	2026	2031	%change, 2006 to 2031
1 person	24.8	28.3	32.2	36.1	40.1	43.7	76%
2 person (no children)	24.8	26.8	28.8	30.5	31.6	32.5	31%
2 person (1 adult, 1 child)	3.0	3.7	4.3	4.9	5.4	5.9	96%
3 person (no children)	5.3	5.3	5.2	5.0	4.8	4.7	-12%
3 person (2 adults, 1 child)	5.1	5.3	5.4	5.4	5.5	5.5	8%
3 person (1 adult, 2 children)	1.9	2.2	2.5	2.9	3.2	3.5	82%
4 person (no children)	1.2	1.1	1.0	0.9	0.8	0.7	-45%
4 person (2+ adults, 1+ children)	7.0	6.6	6.2	5.9	5.6	5.4	-23%
4 person (1 adult, 3 children)	0.6	0.7	0.8	1.0	1.1	1.2	83%
5+ person (no children)	0.2	0.2	0.2	0.1	0.1	0.1	-60%
5+ person (2+ adults, 1+ children)	3.8	3.4	3.1	2.9	2.7	2.5	-34%
5+ person (1 adult, 4+ children)	0.2	0.2	0.3	0.3	0.4	0.4	99%
All Household Types	78.0	83.9	90.0	95.9	101.3	105.9	36%

Source: Household projections for Wales (2006-based) – Local Authority Report

4.5.4 The above table shows that WAG are forecasting that the number of new households in the County will increase from 78,000 to 95,900 during the plan period. This represents an increase of some 17,900 or 23%. This potential requirement if taken simply indicates a need for 17,900 new dwellings equating to some 1,193 units per annum which far exceeds the maximum build rates demonstrated through the land availability study. It also exceeds the requirement highlighted within the Preferred Strategy which sought to apply a range based upon a requirement of 13,405 (893 dwellings per annum).

4.5.5 The significance of this variation and the need to develop a set of projections for both population and household which reflect not only the variables and factors informing projections but the plan area itself with its character and distinctiveness, but are also robust and deliverable has required a 'roots and branch' review of the projections for the County. This will be outlined further in subsequent stages of this paper and supporting evidence.

4.6 2008 based Local Authority Household Projections - WAG

4.6.1 Issued just prior to the publication of this paper and too late for effective consideration the 2008 based Local Authority Household Projections whilst indicating a lower household requirement still projects a requirement of some 1,146 units per annum. The projections identify a percentage change within the County of 33% (2008 – 2033).

4.7 Pre-Deposit Preferred Strategy

4.7.1 The Preferred Strategy sought to utilise the WAG 2006 based Population Projections by Unitary Authority (referred to above). In utilising the WAG figures three potential projections were produced. These included the Principal WAG Projection and two variant projections based on lower and higher fertility and mortality assumptions. It was accepted that such projections need to be subject to review to ensure their validity.

4.7.2 In accepting the principal WAG population projection, a household requirement was formulated retaining household headship rates at their 2004 level, a requirement of **13,405** was proposed for the plan period. This translated to a range of 12,735 – 14,075 if a 10% variance is applied (+/-5%). This was subsequently identified through strategic policy SP5 Housing.

5. Re-appraising and Reviewing the LDP Projections

5.1.1 The preparation of the Local Development Plan (LDP) necessitates the formulation of viable options for growth, an important part of which is that associated with the preparation of robust and deliverable population and household projections.

5.1.2 Having used the WAG 2006-based Local Authority population projections in the preparation of the preferred strategy the authority has in order to robustly comply with statutory regulations in respect of the preparation of LDP's, commissioned Edge Analytics Ltd to assess the appropriateness of the (WAG) population and household projections for Carmarthenshire and their forecast growth during the plan period (2006 – 2021). In terms of context WAG's 2006-based Household Projections positioned Carmarthenshire with the second highest projected increase in household numbers; a 36% increase to 2031. This trend is continued within the 2008 projections which indicate a 33% increase by 2033 (second only to Cardiff). In June 2010, following important revisions to migration estimation methodologies by the Office of National Statistics, WAG published revised mid-year population estimates for 2002-2008 and new 2008-based sub-national projections. Mid-year estimates for Carmarthenshire have changed little from their original level but sub-national projections have reduced due to a slightly lower impact of net migration to the county.

5.1.3 Regard should be had to the Population and Household Projections Report (August 2010) produced by Edge Analytics Ltd in respect of the revised projections for the County. Copies of the report are available as part of the Councils evidence base via the Councils website at www.carmarthenshire.gov.uk. The report seeks to examine the appropriateness of the WAG projections to Carmarthenshire and in so doing produces a set of alternative population projections which are subsequently translated into household requirements. In doing so 5 alternative scenarios have been developed. In undertaking to review and reappraise the projections for the County the Council has identified an opportunity to test the robustness of the population and household assumptions that drive the projections and to assess their appropriateness to the county with its distinctive rural/urban mix. It has sought to achieve this through an analysis of the local drivers of demographic change and the development of alternative population and household projections for its six Community Areas (previously referred to as Community Network Areas). The identification of these community areas is reflective of their use through the community planning process and a reflection of their ability to readily define geographical areas and link across other key documents such as the LHMA. It is hoped that the use of these areas in the projection analysis provides a means of testing the validity of projections against areas 'local character' and show a more appropriate assessment of the likely impact of demographic change upon such a diverse County as Carmarthenshire recognising local factors and

issues. It should be noted at this stage that the projections in relation to the specific community areas are intended as a test of the validity and appropriateness of the WAG projections and will not be used to direct the scale of growth to particular settlements. This is in recognition of the existence of a number of factors including boundary inconsistencies with settlements or groups of settlements siting in different community areas and infrastructural and environmental implications on the potential for growth.

5.1.4 Regard should be had to the above paper in respect of the alternative projections. Some the key points and the 'preferred scenario' are identified in the following paragraphs including extracts from the above paper.

5.2 Revised LDP Projections

5.2.1 Since 1991, Carmarthenshire's population growth has been driven by net migration with a consistent negative contribution from natural change. This is a pattern that is reproduced in each community area.

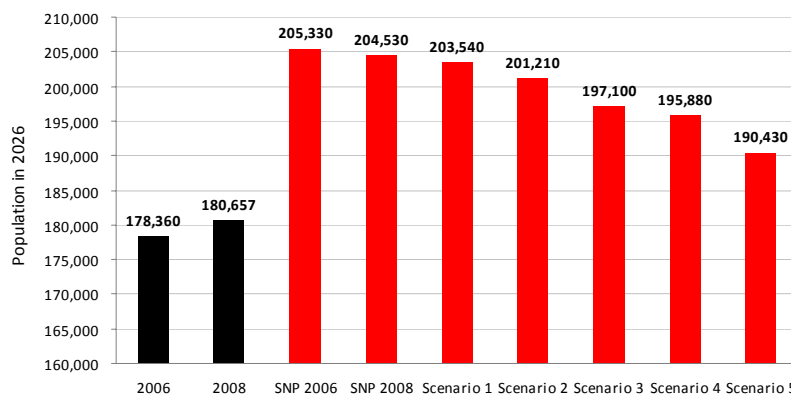
5.2.2 WAG's 2006-based sub-national projections estimated a long-term, annual net migration component of + 1,579 for Carmarthenshire, driving a 17% increase in the county's population from 180.7k in 2008 to 210.6k in 2031. This population growth translated into a 36% increase in household numbers in the equivalent household projection, a 28k increase 2008-2031.

5.2.3 WAG's 2008-based sub-national projections reduced the likely long-term, annual net migration component to +1,402 whilst slightly increasing the contribution of natural change to the county's future population growth. This reduced the 2031 projection for Carmarthenshire to just 209.8k.

5.2.4 The most recent demographic evidence suggests that the economic recession has had a significant impact upon population mobility. Stagnation in the housing market, both in terms of new developments and house moves, has resulted in a much reduced impact of net migration. The +400 net migration estimates for Carmarthenshire in 2009 was its lowest since 1993.

5.2.5 Using evidence from the last six years of demographic components of change, five alternative 'net-migration' scenarios have been produced to illustrate the potential long-term impact upon Carmarthenshire's population growth profile. These are compared to the 2006 and 2008-based sub-national projections.

Figure 4: Growth Scenarios, Carmarthenshire's population in 2026



Annual Net Migration assumptions

SNP 2006:	+ 1,579
SNP 2008:	+ 1,402

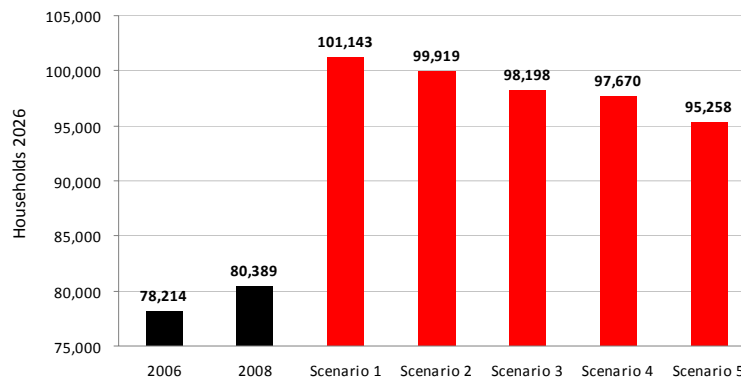
Scenario 1: + 1,407 (2004-2008 history)
 Scenario 2: +1,265 (2005-2008 history)

Scenario 3: +1,104 (2005-2009 history)
 Scenario 4: + 1,040 (2007-2009 history)
 Scenario 5: + 756 (2008-2009 history)

Scenarios 3-5 include a constraint to ensure 2009 mid-yr estimate is reproduced by the projection.

5.2.6 Household projections are driven by population projections and projected household membership rates. The alternative population projections and 'local' membership rates have been combined to produce household projections for Community Network Areas, summarised for Carmarthenshire as follows:

Figure 5: Growth Scenarios, Carmarthenshire's household numbers in 2026



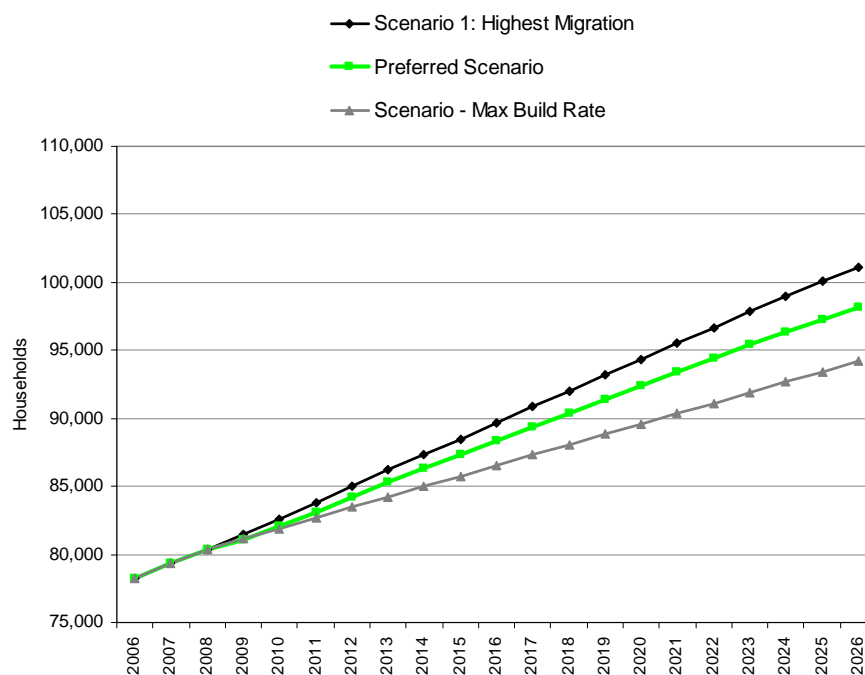
5.2.7 Extending the demographic analysis to community areas has produced a picture of population and household change for Carmarthenshire which illustrates the county's diverse character. The analysis has shown that there are significant differences evident in the projected trajectories of population growth between areas, the impact of population ageing and the profile of household growth by household type. Substantial increases in single-person households are expected, driven by the accelerated ageing of Carmarthenshire's population.

5.2.8 Whilst the long-term impact of migration remains unclear, the long-term forecast of changes in household membership rates also adds a significant element of uncertainty to the county's household projections. The analysis presented in the above report has shown that the trend in membership rates contributes up to 40% of household growth, with population change a further 60%.

5.2.9 It has been possible to inform the trend analysis with an examination of the potential impact of local 'capacity' upon housing development. Using a recent history of 'completions' statistics by community area a maximum (max) build rate of 807 units per year has been derived for Carmarthenshire. If this 'max' build rate were to be achieved in each year to 2026, a population estimated somewhere between the 'lowest' migration scenarios would result; 190-195k in 2026.

5.2.10 **Preferred Scenario** - Based on the evidence presented in the report, it is recommended that **Scenario 3** is adopted as the preferred scenario which informs the LDP. This uses the most recent evidence to derive its assumptions on future migration streams but strikes a balance between the very high net migration experienced mid-decade and the situation in 2009, which recorded the lowest net-migration to Carmarthenshire since 1993.

5.2.11 The preferred scenario of household growth is significantly lower than that estimated in the 'high migration' (Scenario 1). However, it is significantly above that of the 'capacity constrained' scenario which applies 'max' build rates through to 2026.



5.2.12 The preferred scenario identifies a population growth for the plan period of **14,380** which forecasts population levels as 192,740 in 2021. This is in contrast with the 2006 based WAG projection and 2008 based WAG projection which forecast 199,080 and 198,330 respectively. Detailed breakdown of the population projections and the methodology are available within the above paper. The following table illustrates the alternative projections and their respective outcomes interms of population change over the plan period.

Table 4: Alternative Population Projections 2006 – 2021

	2006 Pop	2008 Pop	2021 Population						
			SNP 2006	SNP 2008	1	2	Scenarios 3	4	5
Aman	27,760	28,150	31,810	31,700	31,550	31,190	30,450	29,970	29,720
Gwendraeth	30,270	30,530	32,770	32,670	32,540	32,120	31,600	31,390	30,370
Llanelli	56,200	57,190	63,850	63,610	63,310	63,530	62,490	62,640	61,280
Taf Myrddin	35,520	35,950	39,480	39,300	39,080	38,780	38,480	38,560	38,240
Teifi	11,060	11,330	12,720	12,670	12,620	12,400	12,250	12,520	12,170
Tywi	17,550	17,500	18,450	18,380	18,280	17,640	17,470	16,830	16,410
Carmarthenshire	178,360	180,650	199,080	198,330	197,380	195,660	192,740	191,910	188,190

	Increase 2006-2021						
	SNP 2006	SNP 2008	1	2	Scenarios 3	4	5
Aman	4,050	3,940	3,790	3,430	2,690	2,210	1,960
Gwendraeth	2,500	2,400	2,270	1,850	1,330	1,120	100
Llanelli	7,650	7,410	7,110	7,330	6,290	6,440	5,080
Taf Myrddin	3,960	3,780	3,560	3,260	2,960	3,040	2,720
Teifi	1,660	1,610	1,560	1,340	1,190	1,460	1,110
Tywi	900	830	730	90	-80	-720	-1,140
Carmarthenshire	20,720	19,970	19,020	17,300	14,380	13,550	9,830

	% Increase 2006-2021						
	SNP 2006	SNP 2008	1	2	Scenarios 3	4	5
Aman	14%	14%	13%	12%	10%	8%	7%
Gwendraeth	8%	8%	7%	6%	4%	4%	0%
Llanelli	13%	13%	12%	13%	11%	11%	9%
Taf Myrddin	11%	11%	10%	9%	8%	8%	8%
Teifi	15%	14%	14%	12%	11%	13%	10%
Tywi	5%	5%	4%	1%	0%	-4%	-7%
Carmarthenshire	11%	11%	11%	10%	8%	8%	5%

Source: Population and Household Projections - Edge Analytics Ltd

5.2.13 The household projections for the Carmarthenshire LDP are set out in the table below this illustrates an overall projected increase in households of 15,197 over the plan period. Detailed breakdown of the household projections and the methodology are available within the above paper.

Table 5: Carmarthenshire LDP – Household Projection

	2006	2008	2011	2016	2021	2026	Change 2006-2026	
1 person	24,895	26,243	28,158	31,712	35,441	39,307	14,412	58%
2 person (no children)	24,855	25,582	26,505	28,231	29,610	30,559	5,703	23%
2 person (1 adult, 1 child)	3,015	3,278	3,643	4,203	4,716	5,210	2,195	73%
3 person (0 children)	5,293	5,294	5,231	5,123	4,854	4,553	-740	-14%
3 person (2 adults, 1 child)	5,142	5,198	5,244	5,249	5,256	5,284	142	3%
3 person (1 adult, 2 children)	1,904	2,023	2,185	2,481	2,804	3,081	1,177	62%
4 person (0 children)	1,238	1,195	1,112	984	831	711	-528	-43%
4 person (2 adults, 1+ children)	7,026	6,843	6,527	6,056	5,707	5,432	-1,593	-23%
4 person (1 adult, 3 children)	635	673	726	823	935	1,028	392	62%
5+ person (no children)	232	217	193	159	127	102	-131	-56%
5+ person (2+ adults, 1+children)	3,772	3,622	3,375	3,046	2,805	2,573	-1,199	-32%
5+ person (1 adult, 4+children)	206	220	241	281	325	360	154	75%
Total	78,214	80,389	83,142	88,347	93,411	98,198	19,984	26%

Source: Population and Household Projections - Edge Analytics Ltd

Table 6: Household Projections by Community Area

Scenario 3

Category type	2006	2008	2011	2016	2021	2026	Change 2006-26	
Aman	12,140	12,485	12,875	13,789	14,689	15,561	3,421	28%
Gwendraeth	13,003	13,351	13,746	14,518	15,220	15,827	2,824	22%
Llanelli	24,917	25,618	26,455	28,212	30,066	31,962	7,045	28%
Taf Myrddin	15,610	16,051	16,714	17,725	18,670	19,531	3,921	25%
Teifi	4,898	5,108	5,330	5,741	6,127	6,461	1,563	32%
Tywi	7,646	7,774	8,022	8,362	8,640	8,855	1,210	16%
Carmarthenshire	78,214	80,389	83,142	88,347	93,411	98,198	19,984	26%

Source: Population and Household Projections - Edge Analytics Ltd

5.3 Implications and Considerations

5.3.1 In adopting the preferred scenario as the basis for growth within the County during the plan period there are a number of considerations which influence not only its selection but have implications in relation to its delivery and that of any alternative projections. Such considerations are discussed briefly here and where applicable and appropriate will be further drawn out through evidence.

5.3.2 It is acknowledged that the preferred scenario still represents a notable increase in population over the plan period which when translated into household numbers indicates a requirement of some 15,197 units. By way of context, the UDP sought to allocate 11,300 residential units (approx 750 per year) and the Preferred Strategy at the top end of its range allowed provision for 14,075 dwellings. In capacity terms it is worth noting that even a max level of completions (based on the outcomes of previous JHLAS) per annum of 807 would fall short of the 1,013 p.a. suggested by scenario 3. The revised projection does however represent a fundamentally more realistic and deliverable target than that of circa 1,190 pa required as a result of the WAG projections.

5.3.3 In arriving at a preferred scenario in terms of population change and household requirements the study clearly identifies the levels of un-certainty exhibited in all such projections including those issued by WAG, and indeed how amendments as a result of

changes in trends can significantly influence the outcome of the projections particularly over a long period. This is demonstrated through changes in migration and the affect that can have on a County such as Carmarthenshire with a population growth that is largely migration led.

5.3.4 The need to reflect realism, accuracy and deliverability must be paramount if the plan is to be viable and relevant, with the Council having regard to the potential impact any level of growth would have. This is intern directly related to deliverability, as should the level of growth required result in conflict with other objectives or indeed constraints then this would need to be reconciled.

5.3.5 In this respect it is clear that the County is a diverse mix of urban and rural areas with a range of settlements which reflects that mix. Consequently whilst there is recognition of the role previously developed land should play in meeting land use requirements this is balanced with the realisation that delivery cannot always be accommodated upon such sites. Consequently there is an increased potential for a higher take up of Greenfield sites should a high growth figure be adopted. This may increase the risk of encroachment into the countryside and potentially impacting upon areas of landscape value which would be contrary to the content of PPW.

5.3.6 Regard must be had to the impact on infrastructure and those areas of identified nature conservation value. In this respect increases in growth levels would need to be balanced in delivery and impact terms against the requirement to protect and enhance areas of nature conservation value.

5.3.7 Migration as a key driver of population growth within the county is itself influenced by policy. With natural population change fairly stagnant migration is the key driver of growth. Whilst a simplistic concept, it could be argued that the notion of 'allocate it and they will come' is pertinent particularly in a County whose natural population change shows little sign of growth. In this respect the suggested growth requirements represent a sensible balanced reflection of migrations role and the need to accommodate a robust but flexible level for potential growth which whilst reflecting the above considerations, also allows for such movement of population as well as providing for the indigenous population.