

**Cynllun Datblygu Lleol Cyngnor Bwrdeistref Sirol Merthyr Tudful (2016-2031)**  
**Merthyr Tydfil County Borough Council Local Development Plan (2016-2031)**

PAPURAU CEFNDIR | BACKGROUND PAPER  
**HOUSING LAND SUPPLY AND TRAJECTORY**

Rhagfyr 2018 – December 2018



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## **Executive Summary**

1. This paper has been prepared in order to demonstrate that the dwelling requirement of the LDP (2250 dwellings by 2031) can be delivered; how the spatial distribution of housing has been influenced by any need identified in the Local Housing Market Assessment; and that the Council can demonstrate a minimum 5 year land supply upon adoption of the Plan.
2. This paper justifies the elements contained within the total housing provision, including justifying large and small windfall site assumptions.
3. The relationship between housing need identified in the Local Housing Market Assessment (LHMA), and the spatial distribution of housing allocated in the LDP is also examined, including justifying any clear discrepancies.
4. Section 5 and the data contained in Appendix 1 examines the likely trajectory of housing provision coming forward over the Plan period, and concludes that the dwelling requirement will be met, and that the Council will have an appropriate level of housing land supply.

## **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 Deposit version of the Replacement Local Development Plan (LDP) 2016-2031.
- 1.2 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 why the level of housing proposed in the Plan is appropriate; how the level of housing proposed corresponds with levels of identified need; how the spatial distribution of housing corresponds with identified housing need; and outline the ability of sites to be delivered over the Plan period.
- 1.3 The best available information (including Joint Housing Land Availability Study (JHLAS) data and information from landowner/developers where available) has been applied to produce this assessment of new housing provision across the County Borough over the Plan period. In particular, the first five years following 2018 are based on up-to-date JHLAS data that has been agreed following consultation with the development industry. In undertaking this exercise it will be demonstrated that the requirement to maintain a 5 year land supply will be achieved throughout the Plan period.

## **2. Background**

- 2.1 The strategy of the replacement LDP requires the delivery of 2250 dwellings over the Plan period, in order to sustainably grow the County Borough's population by approximately 8% by 2031. This strategy is based on a level of house-building which follows past build rates in the County Borough that have been delivered over the last 10-15 years. The 10 year average prior to the base date of the Replacement LDP is 156 dwellings per annum, and the 5 year average is 121 dwellings per annum.
- 2.2 As such, the strategy is considered to be achievable, as the level of housing required has consistently been delivered in the County Borough, and ambitious as the strategy will enable the population to grow, in contrast to the Welsh Government trend based population projections, which indicate population decline in Merthyr Tydfil.

### 3. Housing Provision

3.1 To ensure the dwelling requirement of 2250 homes is delivered, the LDP provides an additional flexibility allowance of approximately 25%. This level of flexibility reflects the focus of the strategy on using previously developed land and the fact that sites in the South Wales Valleys can be more costly/difficult to bring forward. Whilst the Council has sought to identify all likely constraints and include appropriate allowances in the development viability evidence, the level of flexibility proposed is considered appropriate in order to maximise the likelihood of the LDP Strategy being met. The components of the total housing supply for the provision of 2820 homes in the Deposit LDP, and their spatial distribution, are outlined in Table 1 below, and consist of:

- Allocations for housing land listed in Policy SW3 (2195 units);
- A residual windfall development contribution (explained in this paper)(572 units);
- Residential completions between 1.4.16 and 31.3.18. (253 completions in total, 200 of these completions took place on sites allocated in Policy SW3).

**Table 1 – Components and distribution of housing supply as of 1<sup>st</sup> April 2018.**

	<b>Components of Housing Supply</b>	<b>Primary Growth Area</b>	<b>Other Growth Areas</b>	<b>Total</b>
A	Total completions (small and large) 01.04.16 – 31.03.18	172	81	<b>253*</b>
B	Under construction	25	0	<b>25</b>
C	Units with planning permission or included in Category 2 of JHLAS (31.03.18)	75	271	<b>346</b>
D	New Housing Allocations	1342	282	<b>1624</b>
E	Large windfall sites (13 years remaining)	219	93	<b>312</b>
F	Small windfall sites (13 years remaining)	182	78	<b>260</b>
G	Total Housing Provision	<b>2015</b>	<b>805</b>	<b>2820</b>
*200 of 253 completions to 31 <sup>st</sup> March 2018 have taken place on allocations				

- 3.2 Allocations have been made for 2195 dwellings (98% of the dwelling requirement of 2250), based on the position of sites at 1<sup>st</sup> April 2016. Since the base date of the LDP, 253 completions have taken place in total, with 200 of these completions taking place on allocated sites. As of April 1<sup>st</sup> 2018, there are 1995 units remaining on the sites allocated under Policy SW3.
- 3.3 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, however, as land within settlement boundaries has become more scarce, using a slightly smaller assumption would be appropriate (based on the previous 5 year average of 20 units per annum). Table 2 illustrates the historic small sites completions data for the County Borough.

**Table 2 – Small site completion data**

<b>JHLAS year</b>	<b>Small site completions (no of dwellings)</b>
2009	29
2010	34
2011	36
2012	33
2013	23
2014	22
2015	15
2016	14
2017	30
2018	19
<b>TOTAL</b>	<b>255</b>
<b>10 year average</b>	<b>25.5</b>
<b>5 year average</b>	<b>20</b>
<b>Small site assumption for remaining 13 years (using 5 year average)</b>	<b>260</b>

- 3.4 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.
- 3.5 Large windfall sites are classed as sites that have provided at least 10 units, but were not allocated in the current LDP (or Local Plan prior to 2012) at the time the planning application was submitted. 2010 and 2016 are the years where there were noticeably higher levels of windfall completions, and this is due to the fact that in these years there were higher levels of completions than usual on 100% affordable housing sites. Using a ten year trend is appropriate in this case given the greater fluctuation in these figures as it gives a more robust and stable average. It is also worth noting that whilst the number of completions do fluctuate, the actual number of sites that these completions come forward on is quite small and therefore the trend assumed is a robust assumption to project forward.

**Table 3 – Large Windfall site data**

<b>JHLAS YEAR</b>	<b>Large Windfall Completions (no of dwellings)</b>
2009	5
2010	58
2011	24
2012	2
2013	5
2014	20
2015	24
2016	47
2017	35
2018	24
<b>TOTAL</b>	<b>244</b>
<b>Average</b>	<b>24</b>
<b>Large windfall assumption for remaining 13 years (using average)</b>	<b>312</b>

- 3.6 It has been assumed that remaining windfall allowance will come forward in line with the distribution of the LDP strategy (approximately 70% in the Primary Growth Area, 30% in the Other Growth Area) as this distribution is also in accordance with past trends for windfall completions.

## 4 Housing Need and Spatial Distribution

- 4.1 The Councils most recent Local Housing Market Assessment (LHMA) (2014), identifies an annual need of 366 affordable dwellings, with the vast majority of need (338 dwellings or 92%) being for social rented units. Table 4 shows the proportion of the total need across the County Borough on a ward basis, and also shows the proportion of housing allocated under Policy SW3 on a ward basis.

**Table 4 – Spatial distribution of housing need and housing allocations**

<b>Ward</b>	<b>Annual affordable need (no of dwellings)</b>	<b>Need over LDP period (no of dwellings)</b>	<b>% of need</b>	<b>Number of houses allocated in LDP</b>	<b>% of total allocations</b>
Bedlinog	23.0	345	<b>6.3</b>	358	<b>16.3</b>
Cyfarthfa	53.0	795	<b>14.4</b>	369	<b>16.8</b>
Dowlais	46.2	693	<b>12.6</b>	69	<b>3.1</b>
Gurnos	7.2	108	<b>2.0</b>	160	<b>7.2</b>
Merthyr Vale	-4.6	-69	<b>n/a</b>	188	<b>8.5</b>
Park	33.2	498	<b>9.1</b>	20	<b>0.9</b>
Penydarren	54.2	813	<b>14.8</b>	40	<b>1.8</b>
Plymouth	19.8	297	<b>5.4</b>	453	<b>20.6</b>
Town	78.0	1170	<b>21.3</b>	448	<b>20.4</b>
Treharris	23.6	354	<b>6.4</b>	80	<b>3.6</b>
Vaynor	33.2	498	<b>9.1</b>	10	<b>0.5</b>
<b>TOTAL</b>	<b>367</b>	<b>5502</b>	<b>100.0</b>	<b>2195</b>	<b>100.0</b>

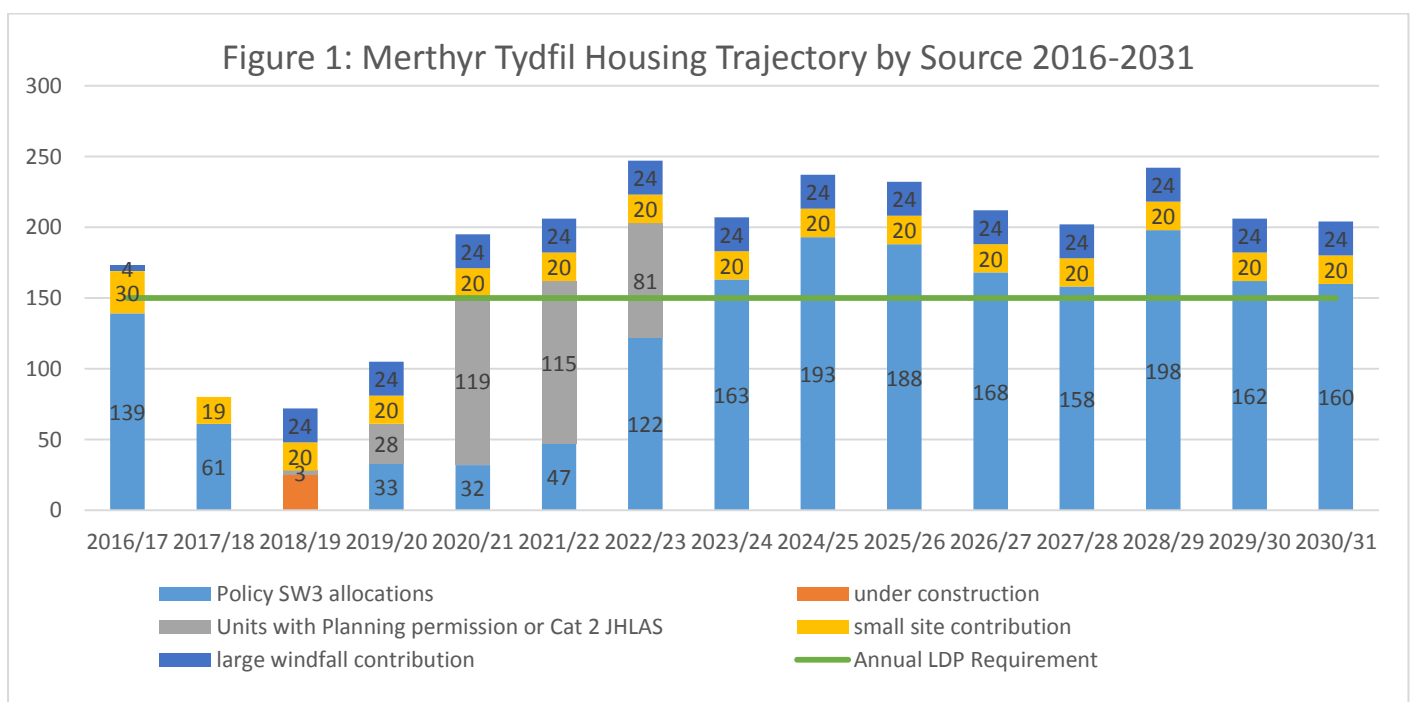
- 4.2 As can be seen from Table 4, there are locations in the County Borough where the level of need and the level of housing allocated are closely related. There are however areas where the level of need does not correspond with the level of housing allocated. When looking at the above data, the proportion of need in terms of LDP growth areas is approximately 83% in the Primary Growth Area and 17% in the Other Growth Area. Whilst this does not match up precisely with the split of housing provision in the Plan, (71.4% in the Primary Growth Area, 28.6% in the Other Growth Area), the broad housing strategy ties in with the distribution of need. Some of the reasons as to why allocations have been located in specific areas are outlined below.
- 4.3 Two of the areas where there is the highest need, Town and Cyfarthfa, are also some of the areas with the highest number of dwellings allocated, and the proportions of housing need and housing allocations correspond directly. These wards are also some of the more attractive areas for developers to construct new dwellings in the County Borough, and they both benefit from close proximity to Merthyr Tydfil town centre and associated facilities.
- 4.4 The next two wards of highest need, Dowlais and Penydarren, do not have a significant level of housing allocated. Opportunities for housing development in Penydarren are quite limited as the ward is quite small in terms of overall area, and a significant proportion of the ward is an urban area, consisting of existing terraced streets.



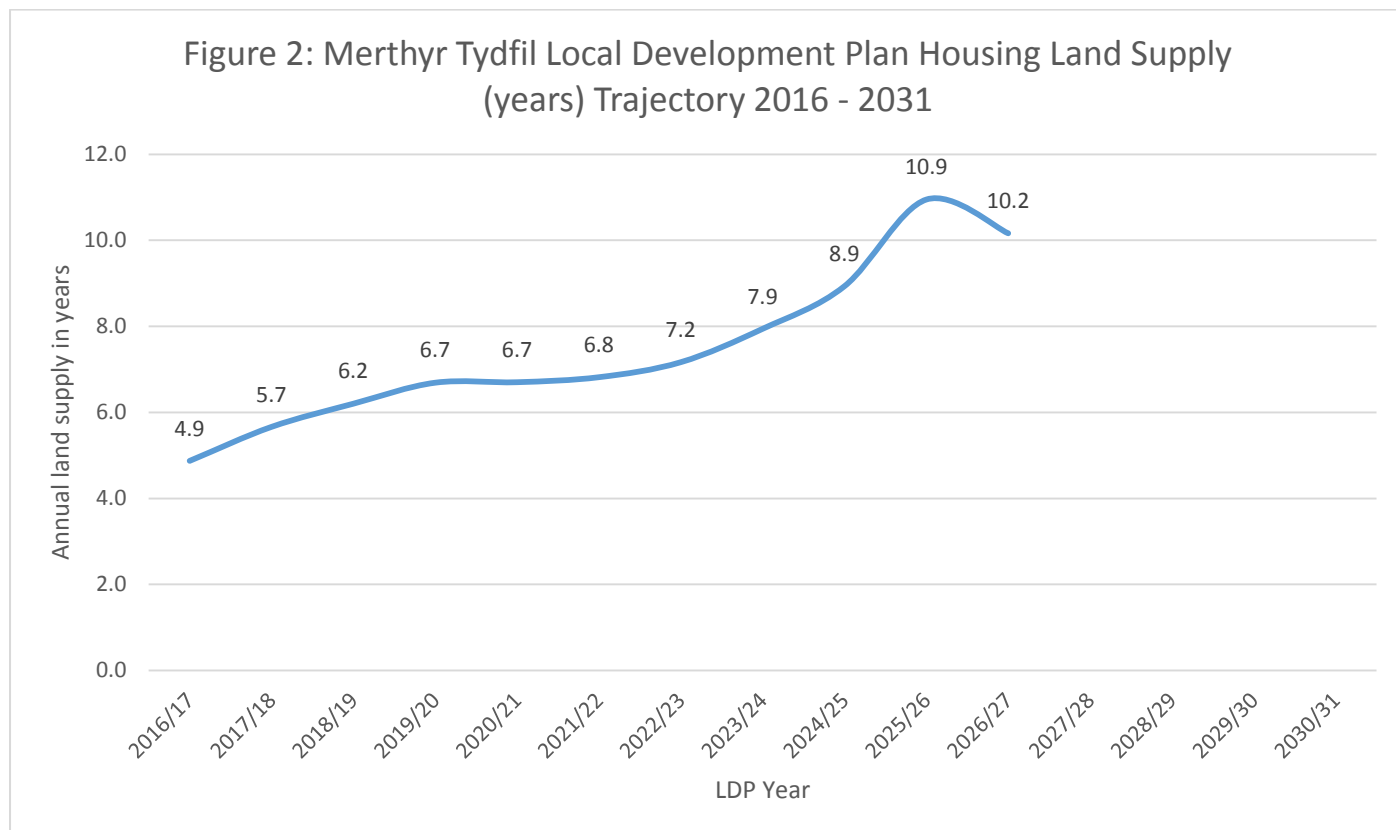
- 4.5 Dowlais is adjacent to Penydarren and shares similar characteristics in terms of having large areas of terraced streets. There is more opportunity for development in Dowlais, however, the largest potential development site (The Former Ivor Steel Works Site) has proved difficult to deliver due to industrial legacy issues and other constraints, and does not form part of the housing land supply of the Replacement LDP. Policy SW7 does however encourage the appropriate redevelopment of the site.
- 4.6 Three wards in the County Borough; Plymouth, Merthyr Vale and Bedlinog, have much higher proportions of housing allocated than there is need. The majority of housing allocated in Merthyr Vale is on one site, Project Riverside, which consists of 153 dwellings and forms part of a larger regeneration scheme including a new road, new school and flood defence infrastructure.
- 4.7 A significant proportion of the new housing in Bedlinog ward is allocated adjacent to Manor View, Trelewis. 248 dwellings (nearly 70% of the wards total allocation) are allocated on a site that has been partly developed by a volume housebuilder. There are however, additional opportunities for development in the ward compared to Merthyr Vale, with another 2 sites allocated, ranging between 30 and 80 dwellings.
- 4.8 Focussing this proportion of housing growth to the South of the County Borough helps to safeguard the viability of the smaller settlements in Merthyr Tydfil by retaining a level of population that enables local services such as retail, education provision and health facilities to remain sustainable. These areas also benefit from good rail and road links to Merthyr Tydfil and the wider region.
- 4.9 The ward with the biggest difference between the proportion of need and proportion of total allocations is Plymouth. This is primarily due to the fact that whilst there is some need identified in the ward, the opportunity to redevelop the Hoover Strategic Regeneration Area (HSRA) has come forward, resulting in over 400 dwellings being allocated on the Hoover factory site, which will significantly contribute to the strategic regeneration aims of the Plan.
- 4.10 It is also worth noting that the location of this strategic housing site will play an important role in improving the relationship between the Primary and Other Growth Areas. The HSRA is situated at the southern end of the Primary Growth Area, immediately adjacent to the Other Growth Area. Delivering this level of housing, in this location, alongside public transport improvement associated with the South Wales Metro, will help in improving connectivity within the County Borough and to the wider Cardiff Capital Region.
- 4.11 The Council has also considered how the distribution of growth relates to the viability evidence. The LDP Viability Assessment highlights that whilst housing development is generally viable across the County Borough, viability is by and large healthier in the Primary Growth Area. This corresponds with the levels of growth proposed across the County Borough and will also enable affordable housing to be maximised by directing the majority of housebuilding to the area where the affordable housing requirement is higher.

## 5 Housing Trajectory

- 5.1 Technical Advice Note 1 (TAN1) Joint Housing Land Availability Studies (2015), places a requirement on local planning authorities to demonstrate a five year housing land supply housing on adoption of a Local Development Plan (LDP) (Paragraph 3.2), and to maintain a 5 year continuous supply of readily available housing land. Whilst TAN 1 indicates that local planning authorities should not undertake the JHLAS process at the LDP Examination, it is appropriate for evidence based assumptions about housing land availability to be included within the LDP.
- 5.2 The following section of this paper sets out the likely delivery of new housing for each year of the plan period 2016-2031, and to demonstrate that the Council will satisfy the requirement for a five year housing land supply on adoption of the LDP which is anticipated to be late 2019.
- 5.3 When the projected completions data from the site schedule in Table A is displayed in the form of a chart (Figure 1), a trajectory of the scale, composition and timing of new housing provision emerges. The housing land supply trajectory provides an indication of what is likely to happen at any given point in time and becomes a benchmark against which progress towards meeting the strategic objectives of the LDP can be measured. Realistic completion data for each site is used and it is expected that sufficient progress will be made in each year of the plan period to maintain pace with the trajectory. The first 5 years contains data from the 2018 JHLAS and information from the Council's Estates department.
- 5.4 It is worth noting that all the following data considers the total housing provision of the Plan (2820 dwellings), not the dwelling requirement of 2250 dwellings, as the data takes as much of the potential housing supply into consideration as possible. However, even if the 25% flexibility allowance is removed from the data, the trajectory is still capable of achieving the LDP strategy and maintaining a 5 year supply of housing land.



5.5 Figure 1 provides a summary of the housing land supply forecast annually throughout the LDP plan period. Figure 2 provides the analysis of the housing land supply expressed in years annually over the plan period and is summarised below. The raw data that has been included in these Figures is provided in the Appendices.



5.6 At April 1st 2018, the first 2 years of the LDP have passed, and as such the recorded level of new housing provision is a statement of fact. For these 2 years, the trajectory shows that the housing land supply has increased from a base land supply of 4.9 years to 5.7 years. It should be noted that these figures are calculated by using the dwelling requirements of the Replacement LDP. These land supply figures do not correspond with data contained in published JHLASs as the supply is calculated against different dwelling requirements (the current LDP requirement in JHLASs, as opposed to the requirement of the Replacement LDP in this paper).

5.7 During the middle part of the Plan period, the housing trajectory indicates a fairly consistent rate of delivery, with the land supply gradually increasing to 10.9 years by 2026. This rise in supply would be attributed to the annual requirement being consistently met from 2021 onwards and the residual requirement dropping considerably.

5.8 For the year 2026/27, the 11th year of the LDP, the housing land supply is estimated to be 10.2 years. However for the subsequent years there is less than 5 years of the plan period remaining and as such applying the residual method requires extrapolating the housing requirement beyond the LDP period. The LDP is only seeking to identify and provide for new housing up 2031, and any land

supply calculation within the 4 remaining years of the Plan would not correlate with the delivery of the identified housing requirement, any supply projections beyond the Plan period would need to be informed by future Plan reviews to extend the life of the Plan.

- 5.9 Nonetheless, by year 10 of the LDP period, it is projected that 1754 dwellings would be completed, and that there would remain over 1000 dwellings worth of land still available. The LDP dwelling requirement would be met by 2028/29, two years before the end of the Replacement LDP plan period.
- 5.10 The figures included for the final 4 years of the LDP period reflect the methodology used in TAN 1 to calculate need where a plan period expires part way through a JHLAS period.
- 5.11 The above assessment indicates that Merthyr Tydfil County Borough Council would have a 6.7 year housing supply at 1st April 2020, and that the LDP housing requirement of 2250 dwellings will be delivered before the end of the Plan period.
- 5.12 Further details of the projected housing land supply over the plan period is provided in the following Tables at Appendix 1:
  - Table A: Summary of projected annual completion by source
  - Table B: Housing Development Trajectory and Land Supply
  - Table C: Housing Site Trajectory

## Appendix 1: Housing Trajectory Tables

**Table A: Summary of projected annual completion by source**

Source	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Policy SW3 allocations	139	61	0	33	32	47	122	163	193	188	168	158	198	162	160
Under construction	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0
Units with Planning Permission or included in Category 2 of JHLAS	0	0	3	28	119	115	81	0	0	0	0	0	0	0	0
small site contribution	30	19	20	20	20	20	20	20	20	20	20	20	20	20	20
large windfall contribution	4	0	24	24	24	24	24	24	24	24	24	24	24	24	24
<b>TOTAL COMPLETIONS</b>	<b>173</b>	<b>80</b>	<b>72</b>	<b>105</b>	<b>195</b>	<b>206</b>	<b>247</b>	<b>207</b>	<b>237</b>	<b>232</b>	<b>212</b>	<b>202</b>	<b>242</b>	<b>206</b>	<b>204</b>

**Table B: Housing Development Trajectory and Land Supply**

Year	MTCBC LDP Requirement	Annual completions including windfall allowance	Total completions	LDP remaining years	Residual housing requirement	5 year requirement	Annual dwelling requirement	Total land available	Land supply in years	Actual JHLAS land supply
2016/17	2250	173	173	14	2077	742	148	723	4.9	2016/17
2017/18	2250	80	253	13	1997	768	154	870	5.7	2017/18
2018/19	2250	72	325	12	1925	802	160	995	6.2	2018/19
2019/20	2250	105	430	11	1820	827	165	1107	6.7	2019/20
2020/21	2250	195	625	10	1625	813	163	1089	6.7	2020/21
2021/22	2250	206	831	9	1419	788	158	1075	6.8	2021/22
2022/23	2250	247	1078	8	1172	733	147	1050	7.2	2022/23
2023/24	2250	207	1285	7	965	689	138	1095	7.9	2023/24
2024/25	2250	237	1522	6	728	607	121	1084	8.9	2024/25
2025/26	2250	232	1754	5	496	496	99	1086	10.9	2025/26
2026/27	2250	212	1966	4	430	430	86	874	10.2	2026/27
2027/28	2250	202	2168	3	377	*	*	672	*	2027/28
2028/29	2250	242	2410	2	285	*	*	430	*	2028/29
2029/30	2250	206	2616	1	219	*	*	214	*	2029/30
2030/31	2250	204	2820	0	155	**	**	**	**	2030/31

\* Five year requirement and supply figures are unable to be accurately represented for these years given that less than 5 years of the Plan period would remain. Requirement and supply projections beyond the Plan period would need to be informed by the identified requirement and supply figures as part of any future Plan review to extend the life of the Plan.

\*\* LDP expiry date 31<sup>st</sup> March 2031

**Table C: Housing Site Trajectory**

Site Ref	Name	Total Dwellings	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SW3.1	Hoover Factory Site	440	0	0	0	0	0	0	0	55	55	55	55	55	55	55	55
SW3.2	Sweetwater Park	10	8	1	1	0	0	0	0	0	0	0	0	0	0	0	0
SW3.3	Upper Georgetown Plateau	50	0	0	0	0	10	10	30	0	0	0	0	0	0	0	0
SW3.4	Brondeg	50	0	0	0	10	10	10	10	10	0	0	0	0	0	0	0
SW3.5	Erw Las, Gellideg	10	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0
SW3.6	Beacon Heights	20	2	4	0	4	5	5	0	0	0	0	0	0	0	0	0
SW3.7	Winchfawr	20	0	0	0	0	0	0	0	3	3	3	3	3	3	2	0
SW3.8	South of Castle Park	160	0	0	0	0	0	0	0	0	0	10	30	30	30	30	30
SW3.9	Cyfarthfa Mews	19	15	0	4	0	0	0	0	0	0	0	0	0	0	0	0
SW3.10	Trevor Close	20	0	0	0	5	10	5	0	0	0	0	0	0	0	0	0
SW3.11	East Street, Dowlais	10	0	0	0	10	0	0	0	0	0	0	0	0	0	0	0
SW3.12	St Johns Church	20	0	0	20	0	0	0	0	0	0	0	0	0	0	0	0
SW3.13	Victoria House	19	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SW3.14	Pen y Dre Fields	40	0	0	0	0	0	0	0	0	20	20	0	0	0	0	0
SW3.15	Goetre Primary School	120	0	0	0	0	0	0	0	0	0	0	0	0	40	40	40
SW3.16	Former Merthyr Care Home	20	0	0	0	0	0	0	20	0	0	0	0	0	0	0	0
SW3.17	Haydn Terrace	40	0	0	0	0	0	0	0	10	15	15	0	0	0	0	0
SW3.18	Former St Peter and Paul Church, Abercanaid	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SW3.19	Twynyrodyn	150	0	0	0	0	0	0	0	30	30	30	30	30	0	0	0
SW3.20	Former Mardy Hospital	114	34	30	0	0	25	25	0	0	0	0	0	0	0	0	0
SW3.21	Bradley Gardens II	100	0	0	0	0	0	0	0	0	0	0	0	0	30	35	35
SW3.22	Former St Tydfils Hospital	50	0	0	0	0	0	10	20	20	0	0	0	0	0	0	0
SW3.23	Miners Hall	12	0	0	0	0	0	0	12	0	0	0	0	0	0	0	0





