



Cyngor Bwrdeistref Sirol  
**MERTHYR TUDFUL**  
**MERTHYR TYDFIL**  
County Borough Council

HEARING SESSION 3  
**HOUSING**  
WEDNESDAY 26 JUNE 2019

MATTER 3: HOUSING – HEARING STATEMENT

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### Hearing Session 3: Housing

#### 3.1 Housing requirement and affordable housing (Policies SW1 and SW2)

**a. Is the housing requirement of 2,250 units over the Plan period appropriate and founded on robust evidence?**

Yes, the LDP housing requirement figure has been informed by detailed analysis of official Welsh Government demographic statistics and a robust assessment of all other factors that have informed the Plan's housing requirements. The Housing Land Supply and Trajectory background paper (Document SD29), and the Population and Housing Requirements background paper (Document SD32) sets out the Council's consideration of these matters.

In accordance with Paragraph 4.2.6 of Planning Policy Wales (PPW), the latest Welsh Government Household Projections have formed a fundamental part of the evidence base for the Replacement LDP. Document SD32 sets out the dwellings requirement for a variety of scenarios using the 2014 based Welsh Government projections as a starting point. Seven other scenarios are assessed, with four of those using different migration assumptions from the principal projections:

- A 10 year migration rate as opposed to the 5 year rate used in the principal projection;
- A zero migration rate;
- A zero rate for UK migration; and
- A positive UK migration rate.

The remaining three scenarios consisted of two dwelling led scenarios and a jobs led scenario. The eight scenarios generated a range of dwelling requirements between 330 and 3795 dwellings and populations at 2031 between 59,011 and 68,742.

PPW paragraph 4.2.6 also states that a variety of other key evidence also needs to be considered when identifying the housing requirement for a LDP. The Local Housing Market Assessment (LHMA), and Local Well-being Plan should be considered closely, and issues such as what the LDP is seeking to achieve; links between homes and jobs; and the deliverability of the Plan,

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need to be taken into account when identifying an appropriate strategy for the delivery of housing in the Plan area.

When taking all these factors into consideration the Council decided to take 3 scenarios forward for further assessment as Strategic Options:

- Scenario A: Principal Projection – 33 dwellings per annum;
- Scenario D: Dwelling led projection – 150 dwellings per annum (15 year average build rate); and
- Scenario E: Dwelling led projection – 253 dwellings per annum (current LDP Strategy).

Engagement with stakeholders through meetings of LDP Steering and Working Groups established a consensus that Scenario D (150 dwellings per annum) was the more appropriate strategic option in regard to the level of growth proposed. Further engagement took place at that time, and fed into the spatial distribution of growth that was proposed in the Preferred Strategy.

The key reasons why this housing requirement was taken forward are:

- It is both ambitious and deliverable. The strategy of the Replacement LDP proposed a level of housebuilding nearly 5 times higher than the Principal Projection suggests is needed in the County Borough. However, this level of house building is in line with a rate of housing delivery that has taken place in the County Borough for several decades.
- The population data included in Document SD32 indicates that this strategy will address specific issues with the County Borough's population, primarily a projected overall longer term population decline, including a significant loss of younger people to other parts of the UK.
- The housing requirement also enables the Council to focus on key placemaking and planning principles such as focussing on previously developed land and not requiring any significant extensions to existing settlements, creating sustainable communities with a mix of uses, and growing the economy in a sustainable manner.

**b. Does the identified housing requirement sufficiently respond to Merthyr Tydfil's status as a 'primary key settlement' in the Wales Spatial Plan<sup>1</sup>?**

Yes. The housing requirement included in the Replacement LDP reflects Merthyr Tydfil's status as a 'primary key settlement' in the Wales Spatial Plan, as the Council considers that the level of housing proposed is ambitious, but also realistic and deliverable.

The Wales Spatial Plan identified Merthyr Tydfil as a primary key settlement, highlighting a range of features that these settlement should have. These include:

- Being affordable and attractive places to work, live and visit;
- Developing high capacity sustainable transport links; and
- The provision of a wider range of facilities and services.

The delivery of the housing requirement proposed in the Replacement LDP will facilitate a sustainable level of population growth in the County Borough that will ensure the longer term viability of services and facilities such as South Wales Metro transportation improvements; retail provision; new employment opportunities; and resources such as education and health facilities.

**c. The identified affordable housing need for 5,490 dwellings is based on the 2014-19 Local Housing Market Assessment (LHMA)<sup>2</sup>. What are the practical implications for this Plan, if any, of an updated LHMA not yet being available?**

In terms of practical implications for the Plan, the Council considers that the fact that an updated LHMA is not yet available, is not a significant cause for concern.

With regard to the overall level of affordable housing need, it is likely that an updated LHMA will again generate a need figure that is considerably above the overall housing provision. As such the Plan can then only seek to maximise affordable housing provision through the planning system as much as possible, having regard to development viability.

Recent data from the Council's Housing Department shows approximately 1100 people on the housing register, equating to an annual figure of 220 if the

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<sup>1</sup> People, places, futures – The Wales Spatial Plan update 2008, chapter 19

<sup>2</sup> SD28

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local authority gives itself 5 years to address the need, in accordance with Welsh Government LHMA practice guidance (Document ED019). Whilst this figure does not factor in existing affordable housing supply (to lower the overall need), it also does not consider the need from newly arising households, and the need for intermediate housing products (which would increase the overall need). It is therefore reasonable to assume that the overall affordable housing need, whilst perhaps not being as high as 5,490 dwellings, will still be significantly higher than the overall housing provision of the plan of approximately 2,800 dwellings.

The recent housing register data also indicates that the vast majority of the affordable housing need (over 90%) is for one and two bedroom dwellings, which correlates with the existing LHMA.

Table 1 below compares the spatial distribution of the housing need identified in the 2014-2019 LHMA (Document SD28), against the spatial distribution of need identified in the most recent data from the Council's housing register.

Table 1

<b>2014-2019 LHMA Figures</b>				<b>2019 Housing Register Data</b>	
<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>Housing register need (May 2019)</b>	<b>% of need</b>
Bedlinog	23.0	345	<b>6.3</b>	11	<b>1</b>
Cyfarthfa	53.0	795	<b>14.4</b>	141	<b>12.8</b>
Dowlais	46.2	693	<b>12.6</b>	180	<b>16.4</b>
Gurnos	7.2	108	<b>2.0</b>	57	<b>5.2</b>
Merthyr Vale	-4.6	-69	<b>n/a</b>	93	<b>8.5</b>
Park	33.2	498	<b>9.1</b>	10	<b>0.9</b>
Penydarren	54.2	813	<b>14.8</b>	129	<b>11.7</b>
Plymouth	19.8	297	<b>5.4</b>	44	<b>4</b>
Town	78.0	1170	<b>21.3</b>	304	<b>27.6</b>
Treharris	23.6	354	<b>6.4</b>	105	<b>9.5</b>
Vaynor	33.2	498	<b>9.1</b>	26	<b>2.4</b>
<b>TOTAL</b>	<b>367</b>	<b>5502</b>	<b>100.0</b>	<b>1100</b>	<b>100</b>

As can be seen from Table 1, the areas where there are the highest levels of affordable housing need remain Cyfarthfa, Dowlais, Penydarren and Town wards. This data backs up the analysis contained in Section 4 of the Housing

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Land Supply and Trajectory background paper (Document SD29) and indicates that the current lack of an up to date LHMA is unlikely to cause any significant issues for the Replacement LDP. The Council does however recognise that it will remain important to review local Housing Register data until an updated LHMA is produced.

### 3.2 Housing supply (including Policy SW3)

- a. **The Plan makes provision for 2,820 homes during the plan period. Is the flexibility allowance of 570 units (around 25% above the requirement) appropriate?**

Yes. The Council considers that the flexibility allowance of 570 units (approximately 25% above the requirement) is an appropriate level of flexibility, that maximises the opportunity for the housing requirement and overall strategy of the Replacement LDP to be delivered.

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.

- b. **Appendix 1 of the Plan indicates that development is now complete on some site allocations (SW3.2, SW3.12, SW3.13, SW3.18 and SW3.27). Some are under construction in whole or part (SW3.25, SW3.26 and SW3.29) and two have full planning permission (SW3.16 and SW3.28). Has double-counting been avoided in the calculation of components of housing supply<sup>3</sup>?**

Yes. Double counting has been avoided in the calculation of the components of housing supply. The Housing Land Supply and Trajectory Background Paper (SD29) explains the housing provision and trajectory of the Plan, and explains how assumptions in regard to windfall developments have been arrived at.

Appendix C (Housing Site Trajectory) of document SD29 clearly sets out the completions (actual and anticipated) on each allocated site per annum, and also sets out the actual figures for windfall completions in the first 2 years of the Plan, and then the assumed contribution for windfall development during the remainder of the Plan period.

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<sup>3</sup> As indicated in Table 2 of the LDP, which uses a base date of 31 March 2018



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- c. **Is the large site windfall allowance appropriate? Specifically, has double-counting been avoided where sites gained planning permission prior to being allocated in the current adopted Local Development Plan<sup>4</sup>?**

Yes, the Council considers that the large site windfall allowance is appropriate. It is considered that the 10 year average is an appropriate figure to project forward, as it accounts for the fluctuation in the actual number of units delivered on large windfall sites in individual years.

Double-counting has been avoided as all large windfall site completions during the previous 10 years, have taken place on developments that were not allocated for residential development in the relevant Development Plan, at the time they were granted planning permission. Table 2 below illustrates the 14 sites that the 244 large windfall site completions occurred on in the previous 10 years (2009 - 2018).

Table 2

<b>Site</b>	<b>Date planning permission was granted</b>	<b>Status at time permission was granted</b>
<b>Merthyr Tydfil Local Plan 1996-2006 (adopted 1999) was the relevant Plan</b>		
Former Merthyr Rugby Club	11/05/2007	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
Former Penydarren Reservoir	22/11/2006	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
Rahbers Corner, Treharris	19/01/2007	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
r/o Twyncarmel Shop	04/10/2005	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
Former Twynyrodyn School	14/02/2008	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
Former Abercanaid School	21/10/2010	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
Rocky Road, Penydarren	16/03/2007	Not allocated in Adopted Local Plan. Site was allocated in 2011 LDP
<b>Merthyr Tydfil LDP 2006-2021 was adopted in May 2011</b>		
Coventry Gardens	24/01/2012	Not allocated in Adopted LDP
Former Ysgol Rhyd y Grug	28/03/2013	Not allocated in Adopted LDP

<sup>4</sup> See Background Paper: Housing land supply and trajectory [SD29] paragraph 3.5

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Marigold Close	13/12/2013	Not allocated in Adopted LDP
Old School Close, Georgetown	07/03/2013	Not allocated in Adopted LDP
Victoria House	14/01/2016	Not allocated in Adopted LDP. Site to be allocated in Replacement LDP (19 units, as 6 units were completed prior to the base date of the replacement LDP)
Former St Peter and Paul Church	13/11/2014	Not allocated in Adopted LDP. Site to be allocated in Replacement LDP. All 13 units completed in 2016/17
Walters Terrace, Aberfan	10/12/2017	Not allocated in Adopted LDP. Site to be allocated in Replacement LDP. All 23 units completed in 2017/18

Victoria House; Former St Peter and Paul Church; and Walters Terrace have been taken forward as allocations as there were more than 10 units remaining on the sites at the time that the Deposit Plan was prepared and published (10 units being the minimum threshold that the Council has chosen to allocate housing sites). Historic windfall completions data has been used to identify a realistic large site windfall allowance rate (Table 3, SD29). However, double counting has been avoided as the completion figures for these sites are shown separately (as allocations) from actual windfall completions (in the first 2 years of the Plan) and anticipated windfall completions over the remainder of the Plan period as set out in Appendix C (Housing Site Trajectory) of document SD29.

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- d. **Several site allocations which have not commenced implementation have been carried over (in whole or part) from the adopted Local Development Plan<sup>5</sup>. For all these sites, delivery timescales (including first housing completions) have been delayed by between 2 and 7 years relative to the adopted Plan, and in most cases unit numbers have been reduced<sup>6</sup>.**
- i. **Is there a realistic prospect of these sites delivering housing units according to the new timescales indicated in the housing trajectory?**

Yes, the Council considers that it is realistic that these sites will deliver housing units within the Plan period, and in accordance with the timescales indicated within the housing trajectory.

Of the 14 carried over sites referred to, the Council is the landowner on 8 of these sites, and the Council's Estates Department has indicated that they are satisfied with the timescales included, and will bring the sites to the market at the appropriate time in order to maximise the likelihood of them being delivered in accordance with the trajectory. Where necessary, updates to the projected completions on individual sites have been included in the Council's Hearing Statement for Matter 4: Strategic and Housing Site Allocations.

With regard to the remaining carry-over sites, and the rate that sites will be delivered as a whole, the Council believe that it is important to consider the overall level of housing growth being proposed in the Replacement LDP. The strategy of the current adopted LDP proposed a level of housebuilding of approximately 250 units per year, and it soon became apparent that this level of housebuilding was unrealistic.

The rate of completions, and the type of sites coming forward during this period (2011 onwards), also indicates that it is not necessarily the deliverability of individual sites that is the key issue, but the overall rate that housing can be delivered in Merthyr Tydfil County Borough.

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<sup>5</sup> SW3.3 Upper Georgetown Plateau; SW3.4 Brondeg; SW3.7 Winchfawr; SW3.8 South of Castle Park; SW3.10 Trevor Close; SW3.14 Pen y Dre Fields; SW3.17 Haydn Terrace; SW3.19 Twynyrodyn; SW3.21 Bradley Gardens 2; SW3.22 Former St Tydfil's Hospital; SW3.31 Cwmfelin; SW3.33 Cilhaul; SW3.34 Oaklands; SW3.35 Clwydyfagwr

<sup>6</sup> Housing Land Supply and Trajectory Background Paper [SD29]

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Sites that have been delivered during the past 10 years have similar levels and types of constraints to sites that are being carried over in the Replacement LDP. This would suggest that there is only a certain level of market demand for housing in this area and also reflects the issue that the housebuilding industry only has a certain amount of capacity to deliver new houses. The Council considers that the level of housing growth proposed in the Replacement LDP is more realistic than the current LDP, and will not conflict with the issues of demand and capacity.

- ii. In combination these sites account for over a third of the Plan's housing requirement. Should these 'carried over' allocations be subject to a specific monitoring indicator which would trigger a partial revision to the Plan or other proactive measures by the Council if they are not progressed as envisaged?**

No, the Council does not consider that a specific indicator is required in order to monitor these sites. The Council believes that monitoring the overall level of housing delivery is an appropriate monitoring indicator to trigger a Plan review. Changes to the monitoring framework that will monitor housing delivery in accordance with the LDP housing trajectory (Appendix 2 of the Written Statement) are proposed as part of Matters Arising Changes in the Council's Hearing Statement for Matter 8: Renewable energy, minerals and monitoring.

- e. Paragraph 6.5.25 of the Plan states that the number of units proposed for each site is based on an assessment of "appropriate density". Has the right balance been struck between seeking an efficient use of land whilst not overestimating site capacities?**

Yes, the Council considers that an appropriate balance has been struck when proposing the number of dwellings on housing sites. A typical density of 30 dwellings per hectare (dph) has been used, as the delivery of sites in the adopted LDP has indicated that the general density used in preparing that Plan (35 dph) was too high.

The figure used in the current adopted LDP reflected the fact that, at the time of preparing the Plan, there was a market trend of higher density housing with a larger proportion of flats and town-house type accommodation. Sites have been delivered for a smaller number of units than they were allocated for in the adopted LDP. Since the 2008 economic downturn it has also become

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apparent that flats can be more difficult to deliver in terms of economic viability.

In preparing the Replacement LDP, the Council has aimed to avoid overestimating site capacities in order to ensure that the level of housing proposed on allocated sites is realistic and deliverable. The overall density of approximately 30 dph reflects a more realistic assumption as to what the market can deliver on sites, whilst still seeking an efficient use of land.

### 3.3 Specialist Housing Needs

- a. **The LHMA estimates that around 7-20% of new affordable housing will need to be supported or adapted for older people, and that remaining demand for housing suitable for older people should be met by the private sector<sup>7</sup>. How would the Plan secure housing suitable for older people in all tenures and monitor progress in this area?**

There is no mechanism in place for the Council to directly secure housing suitable for older people on private developments. This sector is usually market led, and there has historically been little interest in the County Borough from the providers of this type of housing.

However, in regard to sites delivering on-site affordable housing, the Planning Department will work closely with colleagues in the Housing Department, and with the Registered Social Landlords active in the County Borough, in order to secure and deliver an appropriate mix of social housing, including various types of specialist housing, where there is an identified need.

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<sup>7</sup> Merthyr Tydfil Local Housing Market Assessment 2014-19 page 43 [SD28]