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Minister for Housing and Regeneration
Welsh Government

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Annwyl Carl

Local Development Plans - Population and household forecasts

Earlier this year, we examined the practical feasibility of Local Planning Authorities in Wales being able to produce their own population and household forecasts, that were robust enough to enable them to deviate from the projections produced by the Welsh Government.

We took evidence from three Local Planning Authorities, Planning Inspectorate Wales and Welsh Government officials. We also put questions to the then Minister for Environment and Sustainable Development.

In evidence to the Environment and Sustainability Committee ('the Committee') on 17 January, Local Planning Authorities (LPAs) (Caerphilly, Ceredigion and Monmouthshire) made the following key points:

- Historical trends used in projections (five years) are considered too short because it can pick up anomalies, they would prefer to see 10 or 15 years used;
- Capacity to produce robust and credible evidence to support their own forecasts varies across LPAs, due to resource constraints; and
- There is a desire for statutory planning at the regional level. This could assist inter-LPA collaboration in terms of distribution of housing and timing of LDPs.

This final point was echoed by the Independent Advisory Group in its report on Planning Reform. The Group has recommended the introduction of Strategic Development Plans that would address cross-boundary issues including housing.

In evidence on 31 January 2013, the Planning Inspectorate stated that it employed five Inspectors in Wales and last year it drew in five more from England to deal with the volume of LDP examination work.

In evidence on 31 January and in their written evidence Welsh Government officers stated that:

- Their household projections are developed in collaboration with LPAs and are provided as a starting point to assist them;
- The Welsh Government does not dictate a level of housing provision, it provides the framework within which LDPs are formulated; and
- The current projections are 2008-based. New 2011 Census-based projections are expected by the end of 2013. It is possible that the historical trend period could be increased.

On 21 February 2013, we questioned the then Minister for Environment and Sustainability. He recognised the importance of population and housing projections in the LDP process and was clear that whilst *'[...] the Welsh Government provides baseline information, it is up to local authorities to do their own work if they so wish, and to provide their own figures, which should reflect local circumstances.'*

The Minister also recognised the importance of regional collaboration and the sharing of expertise between local planning authorities.

The test that must be passed by LPAs should they wish to use forecasts that deviate from the Welsh Government's projections is that the deviation is made on the basis of 'robust and credible evidence', as set out in Planning Policy Wales. When questioned on this point, the then Minister recognised the complexity of this issue and that there are sometimes disagreements between local authorities and the Welsh Government. However, he stated that these could be resolved through discussion.

In conclusion, we believe that **it is practically feasible** for Local Planning Authorities in Wales to produce their own population and household forecasts. In arriving at this conclusion, we recognise that it is a complex process requiring specific expertise. A more regional approach that involved the pooling and sharing of expertise would, in our view, strengthen the ability of some local authorities to develop their own forecasts, should they wish to do so.

The argument put to us that the five-year historical trend used for population and housing projections is too short is a point that we believe merits further consideration by the Welsh Government.

We therefore make two recommendations:

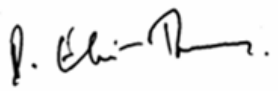
Recommendation 1: We recommend that the Welsh Government investigates the steps it can take to strengthen the ability of local planning authorities to develop their own population and housing forecasts, with particular regard to any opportunities that may be presented through a more strategic regional approach (as recommended by the Independent Advisory Group in its report on Planning Reform). The Welsh Government should take the regional collaborative approach forward through the White Paper and Draft Planning Reform Bill by the end of 2013 and report back to this Committee on the extent to which local planning authorities are able to produce their own 'robust and credible' forecasts by the end of 2014.

Recommendation 2: We recommend that the Welsh Government investigates whether there are steps it can take to strengthen the base from which population and housing projections are made, with particular regard to the question of whether a longer timeframe from which to base projections would enhance their robustness. The Welsh Government should report to this Committee with its findings by the end of 2014.

In considering these recommendations, we ask that you consider the evidence presented to this Committee, all of which is available on our webpages.

I thank you for considering our conclusions and recommendations and look forward to receiving your response.

Yn gywir

A handwritten signature in black ink, appearing to read 'D. Elis-Thomas'.

Lord Dafydd Elis-Thomas AM
Chair - Environment and Sustainability Committee