

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO DEVELOPMENT CONTROL COMMITTEE

14 FEBRUARY 2019

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES
BRIDGEND REPLACEMENT LOCAL DEVELOPMENT PLAN (LDP) 2018-2033
DRAFT VISION & OBJECTIVES, GROWTH & SPATIAL OPTIONS

1. Purpose of the Report

- 1.1 To report to Development Control Committee the draft vision and objectives, growth and spatial strategy options for the Bridgend Replacement Local Development Plan (LDP).

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The Bridgend Replacement Local Development Plan (LDP) is a high level strategy document which must be prepared by the Council. The LDP sets out in land-use terms the priorities and objectives of the Corporate Plan. The future Replacement LDP will be required to express in land-use terms the wellbeing objectives and priorities of the Bridgend Public Services Board's Wellbeing Plan.

3. INTRODUCTION

- 3.1 The 3 technical reports (attached as appendices A, B & C) provide background information in respect of the draft vision and objectives, growth options and spatial strategy options proposed for the Replacement LDP.
- 3.2 It is intended that these technical reports will inform the ongoing pre-deposit engagement and participation and inform the preparation of the preferred strategy and subsequent stages of plan preparation:
- Technical Report 1: Draft Vision and Objectives (attached as Appendix A);
 - Technical Report 2: Draft Strategic Growth Options (attached as Appendix B);
 - Technical Report 3: Draft Spatial Strategy Options (attached as Appendix C).

4. CURRENT SITUATION / EXECUTIVE SUMMARY

- 4.1 An executive summary for each technical report is provided below:

4.2 Technical Report 1: Draft Vision and Objectives (Appendix A)

- 4.3 In order to tackle key issues and guide and manage future development, the existing LDP identified a clear vision of what the County Borough should look like in 2021 and the objectives to deliver that vision. Therefore, as part of the LDP review process its vision and objectives need to be revisited to ensure they remain relevant to local needs and aspirations up to 2033 (the Replacement LDP expiry date).

4.4 Vision

4.5 It is important to reiterate that the existing LDP has been broadly successful and delivered many significant benefits for the residents of the County Borough. Therefore, it is considered logical to build upon and update the existing LDP vision to ensure it complements the Local Wellbeing Plan (LWBP) and expresses in land use terms, those elements of the LWBP that relate to the development and use of land. However, it is important to recognise that the LDP cannot deliver all of the local wellbeing outcomes as many issues will extend beyond the direct influence of 'land-use planning'. Nevertheless, the LDP will contribute towards creating the right conditions to support their delivery.

4.6 The draft LDP vision is set out below and incorporates the 4 LWBP objectives (highlighted in **blue text**).

4.7 ***Bridgend County Borough will continue to be transformed to become a sustainable, safe, healthy and inclusive network of communities comprising strong, interdependent, connected and **cohesive** settlements that can offer **people**:***

- ***the best start in life by providing effective learning environments to secure the best possible outcomes for learners;***
- ***provide opportunities to reduce social and economic inequalities; and***
- ***an improved quality of life and a healthy environment for all people living, working, visiting and relaxing in the area.***

4.8 Objectives

4.9 The revised LDP Vision shall be delivered through 4 redrafted Strategic Objectives which seek to reflect updated national policy and legislation and address the local issues facing the County Borough. These four draft strategic objectives are central to the Replacement LDP: They are:

- SP1 - To produce high quality sustainable places (Placemaking).
- SP2 - To create active, healthy, cohesive and social communities.
- SP3 - To create productive and enterprising places.
- SP4 - To protect and enhance our distinctive and natural places.

4.10 In addition 25 specific objectives have been formulated to create the right conditions to address the various social, cultural, environmental and economic wellbeing outcomes.

4.11 It is also important to note that future LDP policies will be cross-cutting in their nature and will be cross-referenced to the goals and objectives of the Wellbeing of Future Generations (Wales) Act (WFGA) and LWBP. **The vision and objectives will continually be refined during the review process based on stakeholder engagement and the outcomes of a refreshed evidence base.**

4.12 **Technical Report 2: Strategic Growth Options (Appendix B)**

4.13 A range of evidence has been analysed to inform the basis for Bridgend's housing and economic growth from 2018-2033, including the Welsh Government Projections along with a number of alternative scenarios. This evidence has been used to devise a Low, Mid and High Growth Option to inform the Replacement LDP.

- 4.14 The Low Growth Option is based on a period of reduced growth and net migration flows to the area from 2009/10 to 2011/12, estimating a low build rate of 271 dwellings per annum. It would also restrict economic growth and development in the area, projecting a minimal change in employment per annum (+13).
- 4.15 The Mid Growth Option is grounded in post-recession trends, estimating residential growth of **505 dwellings per annum** and **employment growth of 266 per annum** over the plan period. This Option would induce similar levels of residential development to those witnessed in recent years and see more established working aged households remaining in the County Borough.
- 4.16 The High Growth Option would result in delivery of 570 dwellings per annum, based on long term trends that incorporate pre-recession migration levels. Not only would the High Growth Option result in an increase to recent build levels and associated employment growth of +380 per annum, it would be based partly on migration trends influenced by the unusual socio-economic conditions prior to the recession.
- 4.17 Overall, the Mid Growth Option appears to be the most appropriate to align regeneration based growth aspirations with realistic levels of delivery. It balances both household formation and migration rates with planned growth in local employment and associated infrastructure in a manner that would see a continuation of recent average growth trends.
- 4.18 Background context: The importance of building new homes
- 4.19 As well as delivering new homes to meet the needs of newly forming households, increasing housing supply will provide the scale of growth needed to secure investment in infrastructure, facilities and additional benefits for local communities. Planning for such levels of development will also act as a key driver of economic growth across Bridgend and the wider region.
- 4.20 For one, housing growth provides scope to deliver **additional affordable housing** to offer safety and security for local families unable to meet their needs in the housing market. This can include social rent for those most in need and shared equity schemes for first time buyers struggling to get onto the property ladder. The levels of Social Housing Grant received by the Council in recent years are not guaranteed to be sustained over the life of the LDP and, in any case, only meet an element of identified local need. Planning for growth therefore plays an important role in securing developer contributions to provide integrated affordable housing within new developments to foster sustainable, mixed tenure communities.
- 4.21 Building new homes also helps to ease some of the pressure on the housing market by boosting supply and preventing house prices rising uncontrollably in an otherwise constrained housing market. This helps to improve general market affordability and provide sufficient properties for **future generations** to live in Bridgend County Borough.
- 4.22 House building also has a huge impact on the labour market by generating **new employment opportunities**. Residential development initially creates jobs for construction workers along with those in associated occupations and supplier companies. This induces a multiplier effect, as new residents move into the vicinity and local businesses and services benefit from increased revenue. Longer term economic growth then becomes sustainable as investors, a skilled workforce and major employers are attracted into the area, leading to further revenue being recycled throughout the local economy. This can improve community job prospects and reduce the need for residents to commute out of the County Borough for employment purposes.

4.23 Growth in house building also brings new opportunities to **secure accompanying infrastructure** such as improved **education provision**, leisure facilities and transport links. The occupiers of the new homes ultimately place more demand on existing infrastructure, which is already at capacity in some areas. Planning for growth therefore provides a key opportunity to appraise the impacts on existing infrastructure, identify delivery requirements and then address deficiencies through planning obligations.

4.24 For example, significant housing growth will give rise to demand for school places in the future. If there is limited or no spare capacity in the existing school(s), the proposed development places a burden on the community which can be resolved through developer contributions. Small levels of growth may only support interim solutions such as extensions, although sustainable growth at a strategic scale would be supported by new school provision and the other necessary infrastructure.

4.25 Equally, capacity issues at major road junctions, which may be further exacerbated by new development, can be addressed by requiring new traffic management provision, new roads and improved public transport links to accommodate the levels of growth required. The scale of the improvements are necessarily dictated by the scale of any new development within the vicinity and comprehensively planned developments provide greater opportunities for major infrastructure upgrades.

4.26 Sustainable levels of growth can therefore be planned for in a manner that will enable significant improvements to physical and social infrastructure to increase the functionality and attractiveness of Bridgend County Borough for residents, investors and businesses.

4.27 **Technical Report 3: Draft Spatial Strategy Options (Appendix C)**

4.28 In addition to setting out the level of growth needed over the plan period, the Replacement LDP (2018-2033) must put forward a clear spatial strategy for where this development should take place within the County Borough. The consideration of 'realistic' growth and spatial options is an important part in the preparation of the LDP and is intended to facilitate discussion and inform the 'Preferred Strategy' consultation document.

4.29 Therefore, Technical Report 3 puts forward 4 possible Spatial Strategy Options for accommodating the distribution of housing and employment growth anticipated over the Revised LDP plan period (2018-2033):

- **Option 1: Continuation of the existing LDP Regeneration Strategy** - Prioritise the re-use of previously developed land and direct growth to sites within the Strategic Regeneration Growth Areas (SRGA) and existing settlement boundaries.
- **Option 2: Public Transport Hubs and Strategic Road Corridors Strategy** – growth is directed to major public transport hubs and the strategic highway network (M4).
- **Option 3: Prioritise growth to the North of the M4 (Valleys Strategy)** - new development would focus on the existing Strategic Regeneration Growth Areas (SRGA) of Maesteg and the Llynfi Valley and the Valleys Gateway, with the delivery of existing commitments on brownfield sites being the focus in settlements outside of these areas. The strategy would also identify a Strategic Hub in the north of the Borough in accordance with the Welsh Government's Ministerial Valleys Taskforce.

- **Option 4: Regeneration and Sustainable Urban Growth-led Strategy** – this is hybrid of options 1, 2 and 3 which would balance the requirement to deliver the County Borough’s housing requirement and Council’s regeneration objectives.

4.30 **Preferred Spatial Strategy Option**

4.31 Based on current evidence and the options appraisal set out in Technical Report 3 (Appendix C); Option 4 is likely to be identified as the preferred spatial strategy that will enable the Council to achieve the most sustainable form of development and address existing capacity issues in the County Borough.

5. **Effect Upon Policy Framework and Procedure Rules**

5.1 The Planning and Compulsory Purchase Act 2004 and regulations of the Town and Country Planning (Local Development Plan) (Wales Regulations 2005) require that a Local Planning Authority must commence a full Review of its LDP every 4 years.

6. **Equality Impact Assessment**

6.1 There are no direct implications associated with this report, however, the policies contained within any Replacement LDP will require an Equalities Impact Assessment to be carried out.

7. **Wellbeing of Future Generations (Wales) Act 2015**

7.1 The Replacement LDP will be prepared in accordance with the 7 Wellbeing goals and the 5 ways of working as identified in the Act.

8. **Financial Implications**

8.1 The cost of the LDP Review will be met from the Development Planning budget and carried out by Development Planning staff with expert advice and evidence procured from consultants and through collaboration with neighbouring authorities as required.

9. **RECOMMENDATION**

10.1 That Development Control Committee approve the contents of Technical Reports 1, 2 and 3 (attached as appendices A, B & C) as the basis for preparing the Preferred Strategy document that will be published for formal public consultation in October / November 2019.

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14 February 2018

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APPENDIX A

BRIDGEND REPLACEMENT LOCAL DEVELOPMENT PLAN (LDP) 2018-2033

TECHNICAL REPORT 1: DRAFT VISION & OBJECTIVES

1. PURPOSE OF THE REPORT

- 1.1 To report the draft vision and objectives for the Replacement LDP (2018-2033).

2. INTRODUCTION

- 2.1 In order to tackle key issues and guide and manage future development, the existing LDP identified a clear vision of what the County Borough should look like in 2021 and the objectives to deliver that vision. Therefore, as part of the LDP review process its vision and objectives need to be revisited to ensure they remain relevant to local needs and aspirations up to 2033 (2033 is the Replacement LDP expiry date).

3. VISION

3.1 Background Context: Existing LDP Vision (2013-2021)

- 3.2 In order to tackle key issues and guide and manage future development the existing LDP identified a clear vision of what the County Borough should look like in 2021. Therefore as part of the review process this needs to be revisited to ensure it remains relevant to local needs and aspirations. The existing LDP Vision was developed through stakeholder engagement and informed by a range of key strategies including the Bridgend Community Strategy. It states that:

- 3.3 ***By 2021, Bridgend County Borough will be transformed to become a sustainable, safe, healthy and inclusive network of communities comprising strong, interdependent and connected settlements that can offer opportunities, an improved quality of life and environment for all people living, working, visiting and relaxing in the area. The catalysts for this transformation will be:***

- ***a successful regional employment, commercial and service centre in Bridgend;***
- ***a vibrant waterfront and tourist destination in Porthcawl;***
- ***a revitalised Maesteg;***
- ***a realisation of the strategic potential of the Valleys Gateway; and***
- ***thriving Valley communities.***

- 3.4 In 2013 the Community Strategy was replaced by the Single Integrated Plan (SIP): 'Bridgend County Together' replacing four previous statutory plans:

- *Community Strategy;*
- *Social Care and Well Being Plan;*
- *Children and Young People's Plan; and*
- *Community Safety Plan.*

- 3.5 The SIP identified the following priority areas:

- *People in Bridgend County are healthier;*

- *People in Bridgend County are engaged and empowered to achieve their full potential;*
- *People in in Bridgend County benefit from a stronger and more prosperous economy; and*
- *Bridgend County is a great place to live, work and visit.*

3.6 The SIP has been replaced by a Local Well Being Plan which is a requirement of the Well Being of Future Generations Act (2015). The Well Being and Future Generations Act established Public Service Boards for each local authority area in Wales who must improve the economic, social environmental and cultural well-being of its area by working to achieve the well-being goals. As part of its responsibility the Bridgend PSB has produced a well-being assessment which assesses the state of economic, social, environmental and cultural well-being in Bridgend. The LWBP objectives are set out below:

- *Objective 1 Best Start in Life;*
- *Objective 2 Support Communities in Bridgend to be safe and cohesive;*
- *Objective 3 Reduce Social and Economic Inequalities; and*
- *Objective 4 Healthy Choices in a Healthy Environment.*

3.7 Replacement LDP Draft Vision (2018-2033)

3.8 It is important to reiterate that the existing LDP has been broadly successful and delivered many significant benefits for the residents of the County Borough. Therefore, it is considered logical to build upon and update the existing LDP vision to ensure it complements the LWBP and expresses in land use terms, those elements of the LWBP that relate to the development and use of land. However, it is important to recognise that the LDP cannot deliver all of the local wellbeing outcomes as many issues will extend beyond the direct influence of 'land-use planning'. Nevertheless, the LDP will contribute towards creating the right conditions to support their delivery.

3.9 The draft LDP vision is set out below and incorporates the 4 LWBP objectives (highlighted in **blue text**).

3.10 ***Bridgend County Borough will continue to be transformed to become a sustainable, safe, healthy and inclusive network of communities comprising strong, interdependent, connected and **cohesive** settlements that can offer **people**:***

- ***the best start in life by providing effective learning environments to secure the best possible outcomes for learners;***
- ***provide opportunities to reduce social and economic inequalities; and***
- ***an improved quality of life and a healthy environment for all people living, working, visiting and relaxing in the area.***

4. OBJECTIVES

4.1 Background Context: Existing LDP Objectives (2013-2021)

4.2 The existing LDP Vision is delivered through 4 Strategic Objectives and 23 specific objectives which seek to address the national, regional and local issues facing the County Borough. These four strategic objectives are at the centre of the LDP: They are: To produce

high quality sustainable places; To protect and enhance the environment; To spread prosperity and opportunity through regeneration; and To create safe, healthy and inclusive communities.

4.3 Replacement LDP – Draft Objectives (2018-2033)

4.4 It is necessary that the Replacement LDP objectives reflect the goals and objectives of the Future Wellbeing of Future Generations Act and the Local Wellbeing Plan. The existing Local Development Plan was developed in the context of a Strategic Environmental Assessment incorporating a Sustainability Appraisal, and as such the existing plan broadly aligns with the Wellbeing goals of the Wellbeing of Future Generations Act. Further to this, the LDP Review Report (endorsed by Council on 20th June 2018) included an ‘assessment of compatibility’ of the existing LDP objectives against the Future Wellbeing of Future Generations Act goals. This assessment concluded that the existing 4 Strategic LDP Objectives (and 23 specific objectives) already make a significant contribution to achieving a range of Well Being goals which is considered hugely positive. However, the LDP review process presents an opportunity to further refine the objectives to ensure the replacement plan continues to make a significant contribution towards creating the right conditions to support the delivery of the FWBG Act and the Local Wellbeing goals and objectives.

4.5 Special consideration also needs to be given to Planning Policy Wales (Welsh Government’s national planning policy) which has recently been redrafted to emphasise the importance of the Future Wellbeing of Future Generations Act, Environment Act and Active Travel Act. Planning Policy Wales is now based upon the following topic areas which will provide the basis for restructuring the Replacement LDP:

- Placemaking;
- Active and Social Places;
- Productive and Enterprising Places; and
- Distinctive and Natural Places.

4.6 The revised LDP Vision shall be delivered through **4 redrafted Strategic Objectives** and which seek to reflect updated national policy and legislation and address the local issues and facing the County Borough. These four draft strategic objectives are central to the Replacement LDP: They are:

- SP1 To Produce High Quality Sustainable Places (Placemaking).
- SP2 To create active, healthy, cohesive and social communities.
- SP3 To create Productive and Enterprising Places.
- SP4 To Protect and enhance our Distinctive and Natural Places.

4.7 In addition 25 specific objectives (set out in the tables below) have been formulated to create the right conditions to address the various social, cultural, environmental and economic well-being outcomes. **It is also important to note that future LDP policies will be cross-cutting in their nature and will cross-reference to the goals and objectives of the FWBG Act and LWBP.** The draft vision and objectives will continually be refined during the review process based on stakeholder engagement and the outcomes of a refreshed evidence base.

4.8 **Note:** the ‘assessment of compatibility’ of the Replacement LDP objectives against the Local Well Being Plan goals and objectives is currently being undertaken.

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APPENDIX B

BRIDGEND REPLACEMENT LOCAL DEVELOPMENT PLAN (LDP) 2018-2033

TECHNICAL REPORT 2: STRATEGIC GROWTH OPTIONS

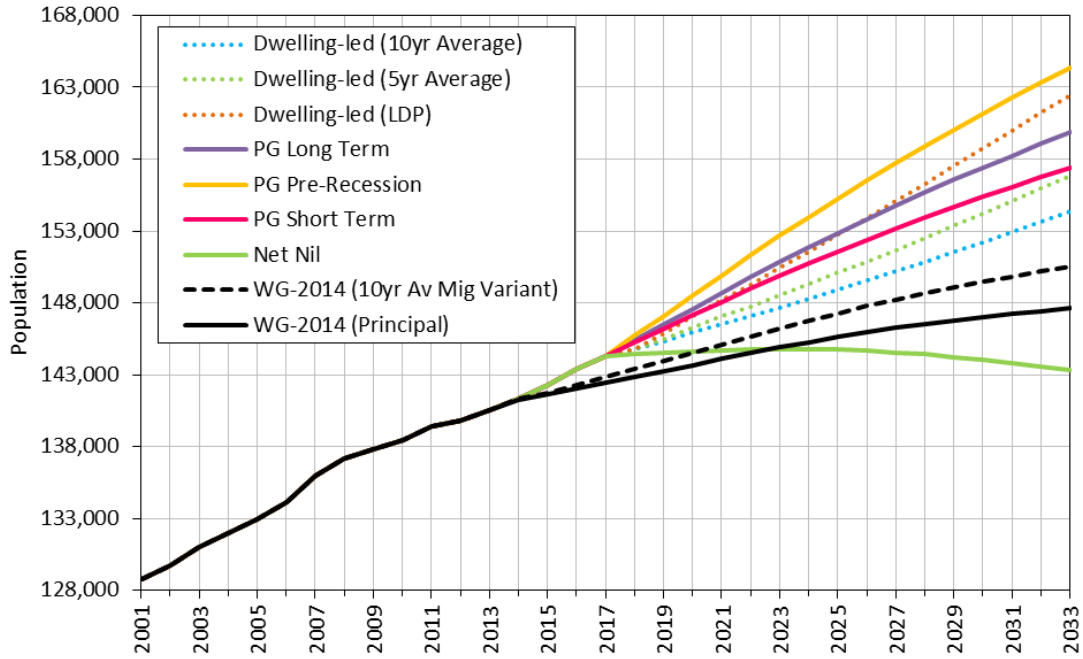
1. PURPOSE OF THE REPORT

- 1.1 To report the strategic growth options for the Replacement LDP (2018-2033).

2. INTRODUCTION

- 2.1 In order to inform the level of housing and employment provision within Bridgend's revised LDP, a range of trend based assumptions need to be duly considered to identify how existing household compositions, characteristics and employment growth will influence future household formation rates and levels of in-ward migration. The 2014 based Welsh Government (WG) Population and Household Projection Variants form a key part of the evidence base in this respect, although it is also important to consider alternative scenarios to test the impacts of different assumptions over the 2018-2033 period.
- 2.2 The Council has therefore commissioned Edge Analytics to produce a technical paper (Bridgend Demographic Analysis & Forecasts 2019) to provide a range of population, housing and employment growth evidence to inform the emerging LDP. This builds on the WG variants to provide a range of other projections that capture the latest historical population estimates for Bridgend and base their migration flow assumptions on alternative histories. The paper also provides a demographic profile of Bridgend, illustrating its geographical context and components of population change before examining how much housing growth might be needed should different scenarios take place.
- 2.3 In addition to the WG 2014-based 'Principal' and '10yr Average Migration' variant projections, four demographic and three dwelling-led scenarios have been developed. Population change for the 2018–2033 period ranges from -0.8% under the Net Nil scenario to +12.8% under the POPGROUP Pre-Recession scenario as outlined in Figure 1 overleaf. Each of these population based scenarios form the basis for nine separate household projections.
- 2.4 In order to translate household projections to potential dwelling requirements, it is important to apply an allowance to take account of second homes and a level of vacancy necessary to sustain an efficient housing market. Hence, each of the scenarios have been estimated in conjunction with a vacancy rate of 4.8%, based on the 2011 Census vacancy rate for Bridgend County Borough.

Figure 1: Bridgend Population Growth 2001-2033



Source: Edge Analytics

3. LINKING POPULATION, HOUSEHOLD AND EMPLOYMENT GROWTH

- 3.1 Whilst there is not always an unequivocal relationship between homes and jobs, it is vital to consider the two elements in tandem to help determine a sustainable level of growth to underpin the Replacement LDP. Analysis has therefore been undertaken by Edge Analytics to determine the likely demographic impact of different growth trajectories on homes and jobs with a view to achieving a sustainable balance between the two. This relationship has effectively been quantified by measuring the link between employment growth and the changing size of the resident population along with its labour force. Assumptions on economic activity rates, unemployment levels and commuting ratios have been used to inform the related scenarios.
- 3.2 Firstly, the Office for Budget Responsibility's forecast (July 2018) of long-term changes to age-specific labour force participation was applied to Bridgend. This forecast estimates that the *aggregate* economic activity rate (16–89) is set to reduce, from 59% in 2018 to 57% in 2033. More specifically, economic activity rates are estimated to increase in the 55+ age groups over the life of the replacement LDP, especially in the female groups. A small decline in activity rates is expected amongst the male 35-54 age groups, although the female equivalent is set to increase.
- 3.3 Secondly, an assumption was made on the proportion of the labour force that is unemployed. Despite higher unemployment in the 2009-2012 period (akin to national trends), Bridgend's unemployment rate was lower than that recorded for Wales and Great Britain between 2012 and 2016 before rising slightly to 5.2% in 2017. The modelling tracks historical data to 2017, remaining fixed thereafter. However, an Experian based alternative unemployment rate has also been modelled that forecasts the unemployment rate will reduce over the plan period, from 5.2% in 2018 to 4.2% by 2033. This represents the lowest recorded unemployment rate for Bridgend and therefore will produce somewhat more immoderate results for comprehensiveness.

- 3.4 Thirdly, the 2011 Census recorded 61,551 workers living in Bridgend and 60,767 people working in Bridgend, which produces a net out-commuting ratio of 1.01 (i.e. there are slightly more workers living in the County Borough than employment available). More recent Welsh Government data on commuting patterns (2018) also reaffirms this net out-commuting ratio, meaning 1.01 has been applied and fixed throughout the forecast period.
- 3.5 These core assumptions have been used to estimate the level of employment growth that could be supported by the six demographic and three dwelling-led scenarios. The assumptions have also been used to generate an Employment-Led Scenario by linking employment growth to population growth.
- 3.6 Overall, the population growth rate range of -0.8% (under the Net Nil Scenario) to +12.8% (under the POPGROU Pre-Recession Scenario) is estimated to support an employment change of -239 per annum to +524 per annum over the 2018–2033 plan period. Each of the scenarios will now be outlined in turn.
- 3.7 **Scenario 1: WG 2014-Based Principal Scenario.**
- 3.8 The first scenario replicates the WG 2014-Based Projection, incorporating trends on births, deaths and migration from the preceding five years. This projection presents the lower end of the household growth range identified in the paper, estimating an average annual dwelling growth of **271 dpa** (dwellings per annum) over the 2018–2033 plan period. This is partly due to the derived assumptions being based on a period of reduced net migration flows to the area from 2009/10 to 2011/12. The figure of 271 dpa is lower than the current LDP dwelling requirement of 646 dpa and also below average completions over the last 5 (491 dpa) and 10 years (422 dpa).
- 3.9 The previously outlined core assumptions on economic activity rates, commuting ratios and unemployment levels can be used to estimate the extent of employment growth that can be supported by this scenario. Assuming no change in the unemployment rate over the plan period (i.e. 5.2%) results in an estimated decline in average employment by -30 per annum. However, with an improvement in the employment rate over the plan period (i.e. with unemployment reducing from 5.2% in 2018 to 4.2% by 2033), there will be an estimated annual change of +13 pa. This is because a slightly higher level of employment is estimated to be supported. In either case, the decline or minimal growth in the labour force over the plan period is driven by low net migration flows operating together with a more rapidly ageing population profile.
- 3.10 **Scenario 2: WG 2014-Based (Ten Year Average Migration) Scenario.**
- 3.11 This scenario replicates the WG Ten Year Average Migration Variant, which takes migration trends into account over a longer time period (i.e. 2004/05–2013/14); a period that encompasses a diverse range of economic conditions. Population growth is higher than estimated in the previous scenario (which only took five years of migration history into account) and an additional 995 households are projected to form from 2018-2033. In order to accommodate the estimated demographic change suggested by the Ten Year Variant, **340 dpa** would therefore be required over the plan period. This scenario would produce a dwelling requirement below recent average dwelling completion numbers across Bridgend County Borough.
- 3.12 This level of household and dwelling growth would support a modest increase in employment of +78 per year on average assuming the fixed rate of unemployment, or +122 per year based on the reducing level of unemployment. This is due to the

higher levels of migration and population growth underpinning this scenario and therefore a greater labour force working in the County Borough over the plan period.

3.13 Scenario 3: POPGROUP Short Term Scenario.

3.14 The Short Term Scenario is based on internal migration rates plus international migration flow assumptions over a six-year historical period (2011/12–2016/17). This time period is akin to the WG projection (i.e. 5–6 years), although also includes the latest three years of population statistics to derive assumptions. This scenario captures the lower net international migration evident since 2011, although estimates higher population growth than the previous projection, supporting an average annual dwelling growth of **505 dpa** over the 2018–2033 plan period. This level of growth is closer to that identified in the current LDP and is broadly in line with (albeit very slightly exceeding) the five-year dwelling completion average.

3.15 The six year post-recession demographic trends that form the foundation for this projection would support a greater level of employment growth (+219 per annum based on the fixed rate of unemployment) than in any of the WG 2014-Based Scenarios. This is not only driven by higher population growth *per se*, but an increase in working age households, particularly around the 35-44 age group. Assuming a reduction in unemployment levels over the life of the plan would lead to a higher employment estimation of +266 per annum under this scenario.

3.16 Scenario 4: POPGROUP Long Term Scenario.

3.17 The Long Term scenario varies to the previous projection in that it is based on internal migration rates and international migration flows from a full sixteen-year period (2001/02–2016/17). Therefore, it captures high net international migration prior to 2011 along with lower net international migration in the latter half of the historical period. These longer-term migration flow trends produce a higher estimated growth rate of **570 dpa** over the plan period. This level of growth is more than double the WG 2014-Based Principal Scenario and exceeds both the five year and ten year dwelling completion averages for Bridgend County Borough.

3.18 The population change and younger age profile estimated under this scenario reflects the continuation of longer-term migration trends. This level of growth could support an annual employment change of +332 per annum based on the fixed unemployment rate assumption or +380 based on the reduced unemployment rate assumption.

3.19 Scenario 5: POPGROUP Pre-Recession Scenario.

3.20 This scenario bases its migration assumptions on the seven year period prior to the recession (2001/02–2007/08), thereby factoring in a significant period of high net migration (internal and international) to Bridgend. Consequently, this projection represents the highest of the ten scenarios as it is not fettered by lower migration rates evident post 2011. Therefore, significant population change of 12.8% is estimated by this scenario, translating into an average dwelling growth of **681 dpa**. This exceeds the current LDP dwelling requirement and is nearly 1.5 times the average number of residential completions over the past five years.

3.21 This level of household and associated dwelling growth supports the highest estimated employment change across the ten scenarios, at +475 pa based on the fixed unemployment rate assumption or +524 pa based on the reduced unemployment rate assumption. This is primarily due to the extent of the predicted

population change driven by a more youthful population as a result of unusually high net in-migration trends.

3.22 Scenario 6: Net Nil Scenario.

3.23 The purpose of this scenario is to test the impact of zero net migration. Internal and international migration in-flows and out-flows are effectively balanced to depict how natural change alone could affect future household growth. This scenario projects a decline in population and only a relative minor increase in households over the plan period, translating into a **124 dpa** growth rate. This illustrates the extent to which population change in Bridgend is driven by migration and would arguably not provide a robust basis to inform the replacement LDP's housing requirement figure.

3.24 Indeed, this scenario estimates a significant decline in employment (-239 pa based on the fixed unemployment rate or -198 based on the reduced unemployment rate assumption), reflecting the reduction in labour force over the plan period. This is due to the lack of any net migration flows coupled with a significantly ageing, economically inactive population profile.

3.25 Scenario 7: Dwelling-Led (LDP) Scenario.

3.26 This scenario replicates the projected growth levels used to inform the existing LDP, utilising a **646 dpa** growth rate in each year of the forecast period. This is the highest of the dwelling-led scenarios considered, reflecting the current LDP's high growth approach, which planned for significant residential development to deliver the Regeneration-Led Strategy. This scenario would support a significant change in employment over the 15 year period, at +404 pa based on the fixed 5.2% unemployment rate or +452 pa using the assumption that unemployment will decrease from 5.2% to 4.2% over the life of the plan.

3.27 Scenario 8: Dwelling-Led (10 Year Average) Scenario.

3.28 The 10 Year Dwelling-Led Scenario is based on residential completions in Bridgend County Borough from 2008/09 to 2017/18, producing a dwelling growth rate of **422 dpa**. One key benefit of considering this level of growth is that it's based on local delivery in the decade following the recession, which provides a relatively balanced overview grounded in local socio-economic conditions. Lower dwelling growth under the Dwelling-Led (10yr Average) Scenario captures more modest net in-migration, thus resulting in smaller population change (+6.6%). This has a direct impact on future employment; estimating the lowest level of growth amongst the dwelling-led scenarios at +130 pa to +175 pa based on the fixed or reduced unemployment assumption, respectively.

3.29 Scenario 9: Dwelling-Led (5 Year Average) Scenario.

3.30 Similarly, this scenario applies dwelling growth of **491 dpa** in each year of the forecast period, based on the last five years of completions (2013/14–2017/18). This mirrors more recent evidence of dwelling building, with population growth following housing growth over this period. On average, there have been 69 more units per annum delivered over the last five years compared to the last ten years.

3.31 This level of growth would support an employment change of +214 pa based on the fixed unemployment assumption or +260 pa based on the reduced unemployment assumption. There are thus similarities to the level of employment growth estimated

by the POPGROUP Short Term Scenario, which is also based on post-recession trends.

3.32 **Scenario 10: Employment-Led Scenario (Experian Forecast).**

3.33 This scenario differs to the previous nine in that it is employment-led. Therefore, instead of estimating the level of employment that the relevant forecast population growth trajectory could support, it considers the potential impact of employment change on population and housing growth. This has been enabled by measuring the relationship between growth in employment with the changing size of the resident population and its labour force.

3.34 Over the plan period, the Experian forecast estimates a decline in the level of workplace-based employment in the County Borough, from 64,700 in 2018 to 64,500 by 2033. The annual employment change is set to fluctuate over this period, although analysing the fifteen years as a whole reveals a small average annual decline of -13 workplace-based employment places. This forecast therefore suggests lower population change would be required to support the annual change in employment than estimated by the other demographic and dwelling-led scenarios.

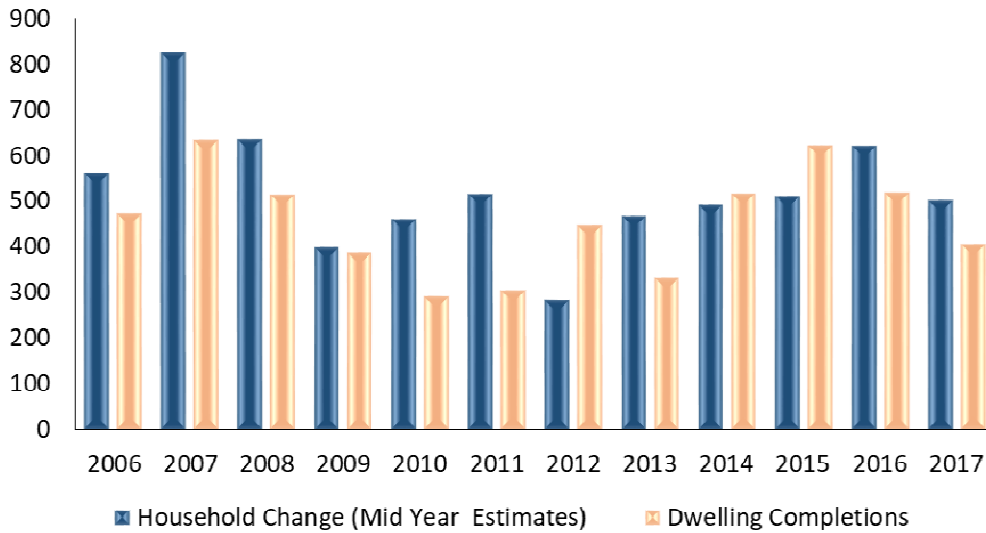
3.35 Utilising identical economic activity rates and commuting ratios, this Employment-Led Scenario estimates dwelling growth of **312 per annum** using the fixed 5.2% unemployment rate, or **276 dpa** using the Experian based unemployment rate (that reduces from 5.2% in 2018 to 4.2% by 2033). The reason for the variance is because a lower unemployment rate assumes a smaller proportion of the economically active labour force will be unemployed over the plan period. Therefore, there is less of a need for net in-migration to support the annual change in employment as a greater proportion of new employment opportunities will be taken by previously unemployed households that are already residing locally. In turn, this results in lower population and associated dwelling growth.

3.36 The lower 276 dpa estimate is closely aligned to the population change projected by the WG 2014-Based Principal Scenario, whereas the higher 312 dpa estimate is closer to the WG 2014-Based Ten Year Average Migration Scenario. However, both Employment-Led estimates of dwelling growth are lower than the levels projected under the other demographic trend (POPGROUP) and dwelling-led scenarios already presented in this paper. This is primarily due to the fact that lower estimated levels of in-migration and population growth are required to support the Employment-Led scenario.

4. PAST BUILD RATES COMPARISON AND MID-YEAR ESTIMATES

4.1 The high growth, regeneration-led Spatial Strategy that underpins the current LDP has been broadly successful, especially in bringing forward a number of residential and mixed-use allocated sites (primarily on brownfield land) within the County Borough. In order to provide context, it is helpful to compare the number of dwellings delivered over the course of the current Plan with the annual household change identified in the latest set of WG Mid-Year Household Estimates. Household Estimates are similar to projections, although they are based on past population estimates as opposed to future population projections. The chart below provides a visual comparative overview for reference.

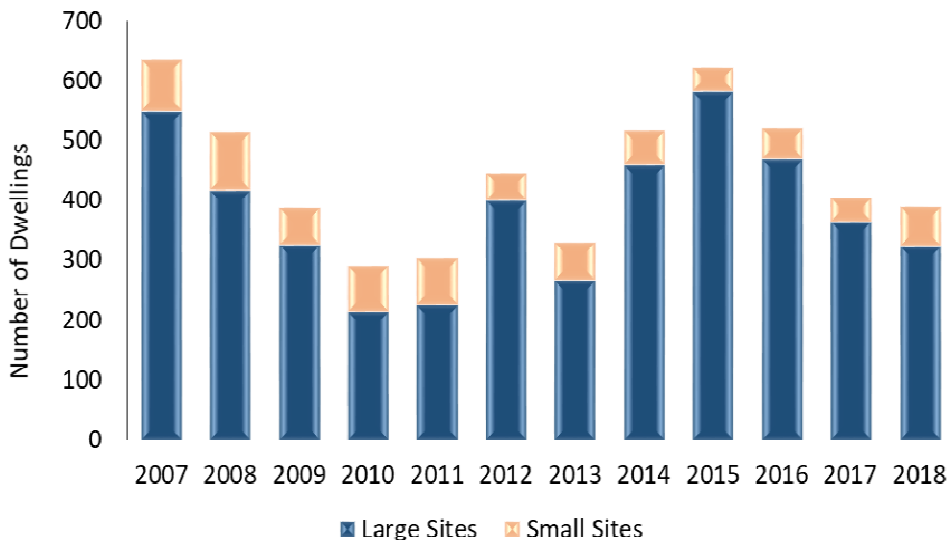
Figure 2: Comparison between Dwelling Completions and Mid-Year Household Estimates



4.2 The current LDP’s high growth strategy is clearly evidenced by the fact that the annual requirement of 646 dwellings has exceeded the annual increase in households by 15% on average (incorporating a 4.8% dwelling conversion factor). However, actual build rates have been broadly in line with the estimated annual household increase, notwithstanding fluctuations across both datasets since 2006. The data identified in the Mid-Year Household Estimates has been incorporated into the three aforementioned POPGROUP based Scenarios (3, 4 and 5) to ensure the most recent demographic information is projected forward as part of the range of alternative scenarios.

4.3 Figure 3 analyses the small and large site completions to a greater extent, including the most recent 2018 based residential completions data. There was undoubtedly a rise in completions following adoption of the current LDP in 2013, although this has gradually levelled off to the 400 unit per annum mark in 2017 and 2018. The five year average of 491 dwellings per annum therefore represents a relatively balanced level of growth over the last decade. Small site completions (sites of less than 10 units) have been generally steady over the period shown, averaging at 51 units per annum over the past five years.

Figure 3: Joint Housing Land Availability Study Completions



5. ALTERNATIVE GROWTH OPTIONS

5.1 Having considered the numerous local demographic trends, dwelling and employment projection scenarios, it is pertinent to condense this broad range of options into a set of Low, Mid and High Strategic Growth Options to help determine the housing requirements of the replacement LDP.

5.2 Low Growth Option

5.3 Whilst the Net Nil Scenario is effectively the lowest of the ten growth scenarios outlined previously, it only tests the impact of zero net migration. This is not a robust basis to inform potential housing supply considering migration will play a significant role in Bridgend's household and employment growth over the plan period.

5.4 The Low Growth Option will therefore be based on the WG 2014-Based Principal Scenario, which incorporates trends on births, deaths and migration from the five years preceding 2014. The base time period includes a phase of reduced net migration flows into Bridgend County Borough meaning this projection estimates the second lowest level of household growth of the ten aforementioned scenarios. It also estimates a minimal to negative change in the labour force over the plan period due to this low level of net migration coupled with a rapidly ageing population profile that contains a smaller proportion of economically active workers.

5.5 Following the Low Growth Option would assume a population growth across the 60+ age groups, which is less attributable to newly forming households, rather population change. Essentially, the large numbers of people born after the war will move into that age group over the next several years and they are far more likely to live in smaller households. The Low Growth Option also estimates a decline in many younger age groups (most significantly the 45-54 age groups due to the impacts of lower net migration growth), although there is some growth in the 40-44 age group category.

5.6 This level of growth would result in a 3.3% population increase (+4,743 individuals) or 6.3% increase in households (+3,865) across the County Borough up until 2033, with a resulting dwelling requirement of 271 units per annum. This would necessitate a lower level of house building than witnessed in recent years, with build rates reducing to just over half the number delivered over the past five years on average. Employment is also set to decline by -30 per annum on average based on a fixed unemployment rate assumption, or increase only slightly by +13 per annum based on a reduced unemployment rate assumption. Even basing this Option on the more optimistic unemployment rate would still therefore not support significant employment growth within the replacement plan.

5.7 For purposes of comparison, the Employment-Led Scenario estimated very similar levels of dwelling growth and a similar average decline of -13 workplace-based employment places per annum. This further evidences the Low Growth Option by suggesting lower population change would be required to support the annual change in employment.

5.8 Underpinning the replacement LDP on the Low Growth Option (with a dwelling requirement of 271 units per annum and employment of +13 per annum) would be likely to result in:

- An increase in the proportion of older and elderly people living in the County Borough, impacting upon the type of housing required (i.e. more ground floor level access properties) and service providers across public and private sectors.
- A smaller growth in school aged children, placing less pressure on the capacity of existing schools, although providing reduced scope to secure additional provision through planning gain.
- A decline in working aged people residing within the County Borough and a minimal growth in the local labour force to support local employment provision.
- A reduction in the levels of nil grant affordable housing secured through the planning system.
- Deficiencies in access to good quality open space being exacerbated due to insufficient growth to support additional provision and/or upgrades to existing provision.

5.9 Mid Growth Option

- 5.10 A number of different scenarios justify proceeding with a Mid Growth Option. The WG 2014-Based Ten Year Migration Scenario captures longer term migration trends for 2004/05–2013/14, which somewhat fetters the reduced migration flows in more recent years. This scenario projects a level of growth that is just below the 10 Year and 5 Year Dwelling-Led Scenarios. However, the POPGROUP Short Term Scenario is based on migration over a six-year historical period (2011/12–2016/17); updated to include the latest three years of population statistics. Not only does this latter scenario reflect the most recent post-recession trend based data available, it also estimates a dwelling projection just above recent build rates. This scenario would appear deliverable based on recent trends and would also facilitate an element of economic aspiration to inform the housing requirement within the replacement LDP. The Mid Growth Option will therefore be based on the POPGROUP Short Term Scenario.
- 5.11 The Mid Growth Option would result in a population increase of 8.4% or 12,151 people. This would equate to an 11.6% (+7,219) increase in households or 505 dwellings per annum from 2018-2033. As with the other growth options, a significant proportion of people will move into the 60+ age category, signifying an ageing local population. However, much of the household change is projected to emulate from the 35-44 age group category with a modest growth in children and teenagers. Other working age groups are nonetheless set to decline, although not to the same extent as with the Low Growth Option.
- 5.12 The post-recession trends that form the foundation for this Option would support a much more notable level of employment growth (+219 per annum based on the fixed rate of unemployment) than estimated under the Low Growth Option. This is primarily driven by the increase in those working age households around the 35-44 age group, notwithstanding the ageing population structure more broadly. Future unemployment rates over the next fifteen years are obviously unknown at this stage. However, in order to prevent under-provision of employment, and, to facilitate sufficient provision in the event that unemployment levels do fall over the life of the plan, this Option will be based on the reduced unemployment assumption. This estimates +266 growth in employment per annum. Relatively speaking, the Dwelling-Led (5 Year Average) Scenario estimates a very similar level of employment growth, reaffirming that this level of growth appears pragmatic based on recent delivery in Bridgend County Borough.
- 5.13 Basing the LDP on this Mid Growth Option would require residential build rates to continue on a relatively similar scale to those achieved in recent years, with a 3%

annual average increase. This would produce an annual requirement of 505 dwellings with employment growth of +266 per annum. The Mid Growth Option is likely to produce:

- Growth in school aged children, placing some pressure on existing schools. However, this level of residential delivery would provide scope to secure additional provision through planning gain to fund extensions and/or new schools.
- An increase in the proportion of older and elderly people living in the County Borough; impacting upon the type of housing required (i.e. more ground floor level access properties) and service providers across public and private sectors.
- Growth in established households around the 35-44 age group, which will primarily fuel employment growth, notwithstanding a proportion of other working aged people leaving the County Borough.
- Opportunities to secure significant affordable housing through the planning system.
- Opportunities to secure and/or enhance public open space and recreation provision through planning gain.

5.14 **High Growth Option**

- 5.15 The POPGROUP Pre-Recession Scenario projects the highest level of growth across the ten scenarios, although its migration assumptions are based on a period of significant economic growth during the seven years prior to the recession. It is therefore not considered optimal to base a growth option on an unusual period of sustained economic growth and favourable market conditions that catalysed a period of high net migration. Equally, the Dwelling-Led LDP Scenario was based on significant regeneration-led growth aspirations and grounded in similarly favourable socio-economic conditions so it would perhaps not be prudent to continue along this trajectory. Conversely, the POPGROUP Long Term Scenario is based on a more balanced projection that captures migration flows from a sixteen year period both before and after the recession (2001/02-2016/17). This provides a more rational basis to inform a High Growth Option for the County Borough as it is not so dependent on pre-recession laden trends and instead considers longer term growth in the context of a range of economic conditions.
- 5.16 This High Growth Option would result in a significant (9.9%) increase in the County Borough's population, with population growth of 14,454 over the life of the revised plan. This would produce a 13.1% increase in households (+8,147), translating into an annual dwelling requirement of 570 from 2018-2033.
- 5.17 Proceeding with this High Growth Option would require a 16% increase in house building based on the last 5 year average, or a 35% increase in house building based on the last 10 year average. This change in households is primarily driven by growth in the 35-44 age category, and, whilst other working age groups are still projected to decline, the extent of the decline is less significant than exhibited in other scenarios. However, as with the Low and Mid Growth options, a growing proportion of the population is set to move into the 60+ age category.
- 5.18 This level of population change and the younger age profile estimated under this scenario reflects the continuation of longer-term migration trends. In turn, this level of growth could support an annual employment change of +332 per annum based on the fixed unemployment rate assumption or +380 based on the reduced unemployment assumption. Again, in order to safeguard against employment under-provision and to remain optimistic regarding levels of unemployment over the life of the plan, the latter assumption will be used to inform this Option.

5.19 The High Growth Option (projecting growth of 570 dwellings and +380 employment growth per annum) would likely result in:

- Significant growth in school aged children, placing more pressure on existing schools. However, this level of residential delivery would provide a more substantial opportunity to secure additional provision through planning gain to fund extensions and/or new schools.
- The most significant increase in the proportion of older and elderly people living in the County Borough (compared to the other two Options); impacting upon the type of housing required (i.e. more ground floor level access properties) and service providers across public and private sectors.
- A more stable number of working aged people residing within the County Borough, with a notable increase in established households around the 35-44 age group, justifying relatively large growth in employment provision.
- Opportunities to secure more significant affordable housing through the planning system than has been achieved in recent years.
- Increased opportunities to secure and/or enhance public open space and recreation provision.

6. CONCLUSION

6.1 This paper outlines a range of evidence to inform the basis for Bridgend's housing and economic growth from 2018-2033. The core Welsh Government Population and Household Projection Variants have been analysed alongside a range of alternative trend based projections. The latter incorporate more recent data from Mid-Year Estimates and a broad range of historical demographic scenarios with varying migration assumptions. These scenarios have been benchmarked against recent dwelling completions to help add context in terms of past build rates. As suggested in the draft Development Plans Manual, this evidence base has been translated into a Low, Mid and High Growth Option to inform the Replacement LDP.

6.2 The Low Growth Option requires significantly less housing than the Mid Growth Option (just over half the requirement) as it is based on a period of reduced net migration flows to the area from 2009/10 to 2011/12. It therefore estimates a low build rate of 271 dpa, which may well assist with easing pressure on service provision and infrastructure, although may also limit the Council's ability to secure improvements through means such as planning gain and population based funding. It would also unduly restrict economic growth and development in the area, projecting a minimal change in employment change per annum (+13).

6.3 The Mid Growth Option would see a population increase of 8.4% to 155,013 by 2033, with a dwelling requirement of 7,575 (505 dpa) and employment growth of 3,990 (266 pa) over the plan period. This appears to be a level of growth that is realistic based on the past five year average build rate whilst also being robustly grounded in post-recession demographic and migration trends (from 2011/12 to 2016/17). Progressing along this trajectory would induce similar levels of residential development to those witnessed in recent years, see more established working aged households remaining in the County Borough and provide significant scope to secure complementary infrastructure.

6.4 The High Growth Option would result in delivery of 570 dpa, based on long term trends that incorporate pre-recession migration levels. Not only would the High Growth Option result in an increase to build levels in Bridgend and associated employment growth of +380 pa, it would be based partly on migration trends

influenced by the unusual socio-economic conditions prior to the recession. It should be noted that build levels of this scale have not regularly been achieved over the last decade in Bridgend County Borough. The High Growth Option therefore arguably provides a less appropriate basis to project forward from.

- 6.5 Overall, the Mid Growth Option therefore appears to be the most appropriate to align regeneration based growth aspirations with realistic levels of delivery. It balances both household formation and migration rates with planned growth in local employment and associated infrastructure in a manner that would see a continuation of recent average growth trends.

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Bridgend

Demographic Analysis & Forecasts

January 2019

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The authors of this report do not accept liability for any costs or consequential loss involved following the use of the data and analysis referred to here; this is entirely the responsibility of the users of the information presented in this report.

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1 Introduction

Requirements

- 1.1 In 2013, Bridgend County Borough Council (CBC) adopted its Local Development Plan (LDP), identifying a housing growth target of 9,690 for the 2006–2021 plan period, an average of +646 dwellings per annum (dpa). This housing growth target was underpinned by Cambridge Econometrics (CE) projections for Bridgend and Wales, using 2008-based fertility and mortality assumptions from the Office for National Statistics (ONS) in combination with assumptions on migration linked to economic growth forecasts.
- 1.2 Bridgend CBC is seeking to formulate a new LDP, providing an outlook on population, housing and employment in the Bridgend Unitary Authority (Bridgend) for the 2018–2033 plan period. The Council has commissioned Edge Analytics to provide a range of population, housing and employment growth evidence to inform this emerging LDP.

Approach

- 1.3 The analysis presented in this report considers the impact of demographic, housing and employment change in Bridgend, conforming to the new guidance provided by WG's Draft Development Plan Manual¹. The economic analysis presented in this report will be subject to update to reflect analysis currently being undertaken by Peter Brett Associates (PBA).
- 1.4 To inform the analysis and forecasting presented in this report, the latest available evidence from a range of sources, including:
 - Mid-year population estimates and components of change to 2017 from the ONS
 - Historical housing completions
 - Welsh Government (WG) 2014-based population and household projections
 - Vacancy rate statistics from the 2001 and 2011 Censuses
 - Travel to work statistics from the 2011 Census
 - Unemployment rate statistics to 2017
 - Labour market participation forecasts from the Office for Budget Responsibility (OBR)
 - Experian September 2018 economic forecasts
- 1.5 Edge Analytics has used its POPGROUP technology to develop a range of demographic, housing and employment growth scenarios for Bridgend. Under each of the scenarios, historical statistics for the

¹ Welsh Government (November 2018). Development Plans Manual Edition 3. Draft Manual (Informal Consultation)

2001–2017 time-period have been included, with results presented for Bridgend’s 2018–2033 plan period.

- 1.6 In this draft report, the scenario analysis is prefaced with a demographic profile of Bridgend, illustrating its geographic context, components of population change (births, deaths, and migration) and its historical patterns of international and domestic migration (**Section 2**).
- 1.7 The starting point of the scenario analysis is the WG 2014-based population and household projections for Bridgend (**Section 3**). Alternative trend scenarios using variant migration assumptions are developed and compared to the WG 2014-based benchmark scenario (**Section 4**). Sensitivity analysis on household formation under the demographic scenarios is also considered, using assumptions from the WG 2008-based household projection model.
- 1.8 **Section 5** presents employment-led scenarios, estimating population and housing growth linked to future employment growth under the Experian (September 2018) forecast for Bridgend. Key assumptions on economic activity rates, unemployment and commuting link economic and demographic change.
- 1.9 **Section 6** summarises the evidence, providing Bridgend CBC with a suite of population, housing and economic growth outcomes to consider in the formulation of its new LDP.

2 Bridgend Profile

Geography

2.1 With a population of 144,288 in 2017, Bridgend is home to approximately 5% of the Welsh total, making it the eighth largest of the 22 Unitary Authorities (UA). Bridgend borders Neath Port Talbot to the North-West, Rhondda Cynon Taff to the North-East and Vale of Glamorgan to the South-East (Figure 1). The M4 runs through Bridgend, connecting the UA to Cardiff and Newport to the east and Swansea to the west. The Bridgend UA has four large settlements (Bridgend, Porthcawl, Pyle and Maesteg) with the central and north-eastern areas having relatively low population density, in comparison.

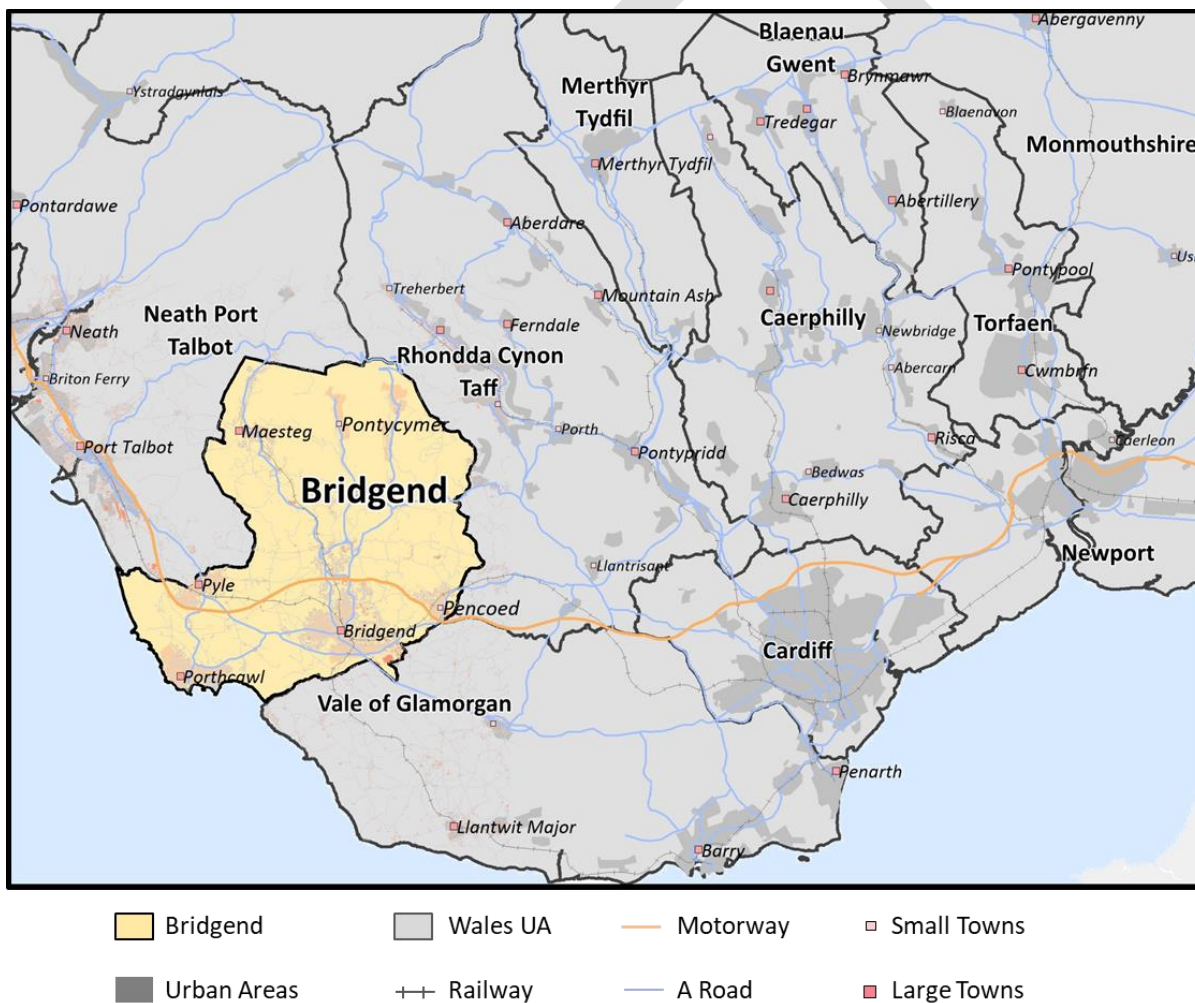


Figure 1: Bridgend geographical context

Population Growth Profile

2.2 Since 2001, Bridgend’s population has increased by approximately +15,500 people, a 12.1% increase in sixteen years. Higher annual population growth (averaging +0.9% per annum) was recorded pre-2008, with a +0.6% per annum average thereafter.

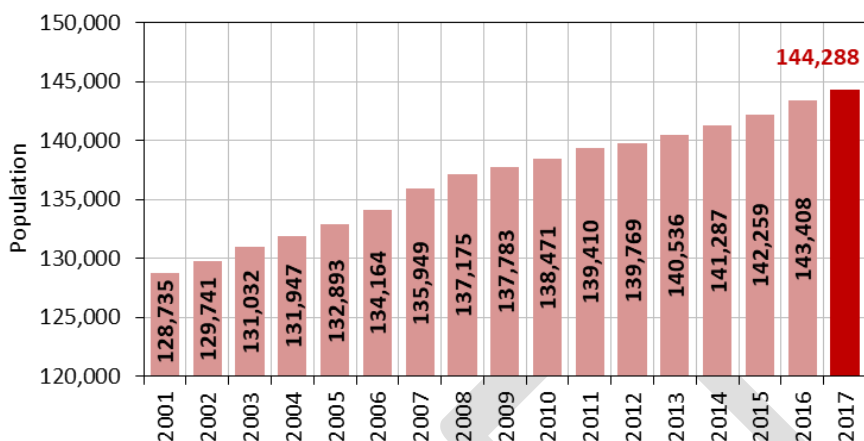


Figure 2: Bridgend Population 2001–2017 (Source: ONS)

2.3 Only Cardiff has experienced a higher population growth rate than Bridgend since 2001, with an estimated 17% increase (+52,668) over the 16-year period. Bridgend’s 12.1% growth compares to the national average of 7.4%. The neighbouring UAs of The Vale of Glamorgan (9.6%), Neath Port Talbot (5.7%) and Rhondda Cynon Taff (3.1%) have all achieved lower growth rates than Bridgend.

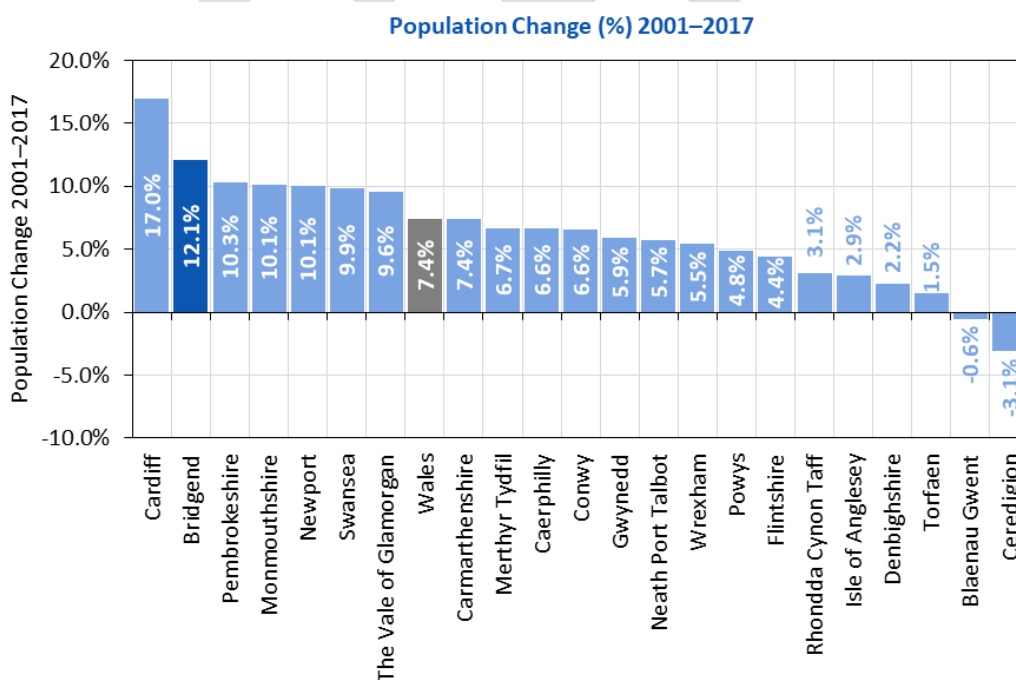


Figure 3: Population change in Wales 2001–2017 (Source: ONS)

- 2.4 Between the 2001 and 2011 Censuses, population was estimated through the application of births, death, internal and international migration flows to the previous year's population estimate. Following the 2011 Census, the 2002–2010 MYEs were 'rebased' for alignment with the 2011 MYE and to ensure the correct transition of the age profile over the 2001–2011 decade. The rebasing of the MYEs involved the recalibration of the components of change, with differences between the 2011 MYE and 2011 Census-based MYE referred to as 'unattributable population change' (UPC). The UPC adjustment for Bridgend over the 2001–2011 period was +3,363 (+363 per year).
- 2.5 The ONS has not attributed UPC to any one component of change, however given the robustness of recording births and deaths; it is likely associated with migration, particularly international migration estimation.
- 2.6 A net inflow from internal (domestic) migration has been the dominant driver of population change since 2001/02 (Figure 4). Notably lower net migration flows were recorded 2009–2010 and 2011/12, recovering thereafter. Since 2001/02, net internal migration has averaged +585 per annum. Including UPC in net international migration increases its estimated average annual net inflow from +83 pa to +293 pa (2001/02–2016/17).

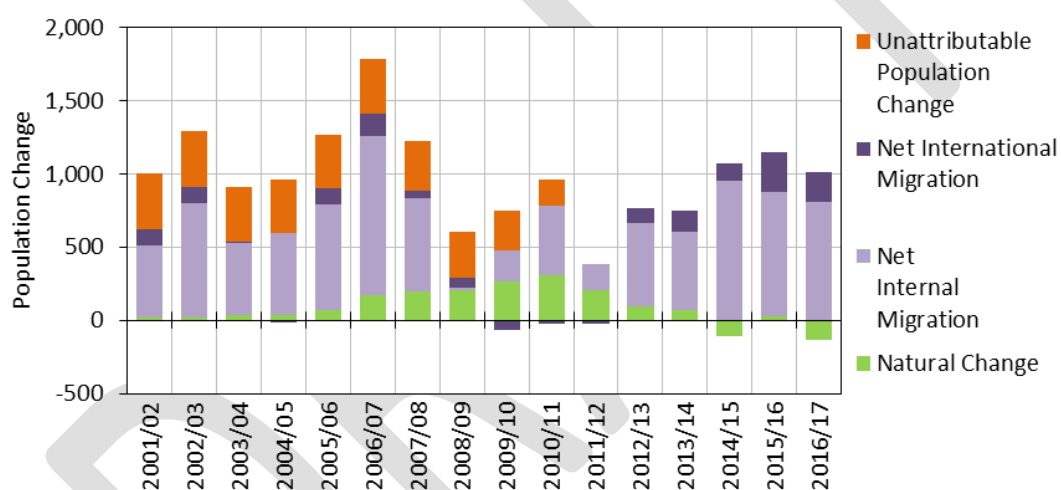


Figure 4: Bridgend components of population change 2001/02–2016/17
(Source: ONS)

- 2.7 Natural change (i.e. the balance between births and deaths) has typically had a small but predominantly positive impact on population change (Figure 4), but this has changed in recent years with a decline in birth numbers and a rise in the number of deaths. Over the 2006/07–2011/12 period a notable rise in births, operating with lower recorded deaths, resulted in natural change having a more positive impact on population growth (averaging +227 pa). Since 2010/11, birth numbers have declined steadily whilst the number of deaths has increased. A net loss of population from natural change has been the result.

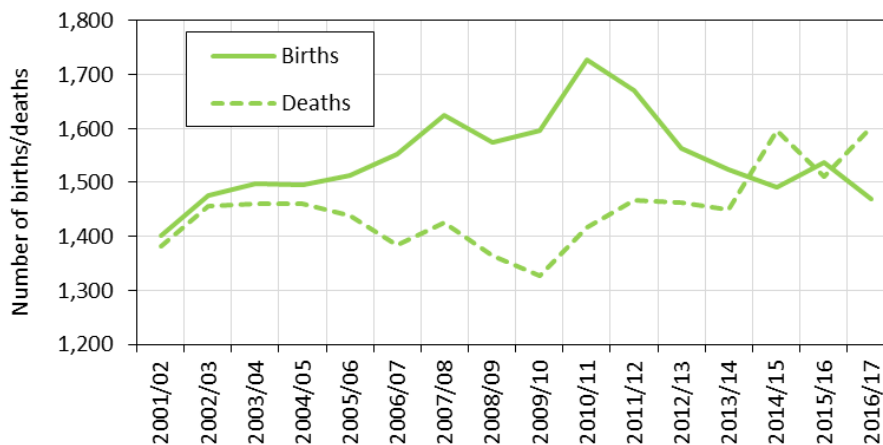


Figure 5: Bridgend births and deaths 2001/02–2016/17 (Source: ONS)

Internal Migration

2.8 Internal migration statistics record the inflow and outflow of population to and from Bridgend, from and to elsewhere in the UK. Net internal migration has had a positive impact on population change since 2001 (Figure 6).

2.9 Between 2001/02 and 2007/08 inflows to Bridgend from the rest of the UK were notably higher than outflows, resulting in a large annual net inflow (averaging +682 pa). A sharp fall in inflows in 2008/09 resulted in a notably small net inflow, recovering thereafter. Since 2014/15, a rise in outflows has been recorded, tracking the steady rise in inflows but maintaining a higher net inflow.

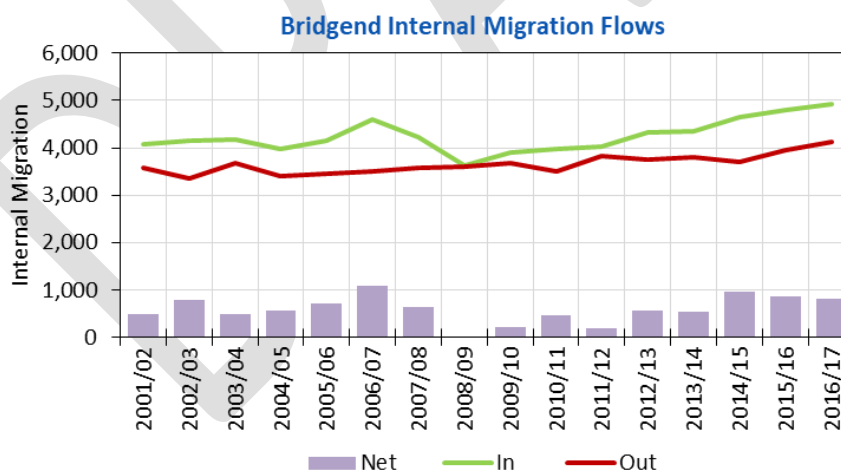


Figure 6: Bridgend internal migration flows 2001/02–2016/17 (Source: ONS)

2.10 In terms of migration linkages between Bridgend and surrounding areas, the largest positive net migration exchanges since 2001 (i.e. higher inflow than outflow) have been with Rhondda Cynon Taff (+176 pa), Cardiff (+105 pa) and The Vale of Glamorgan (+100 pa). For the net outflow exchange, the dominant net outflow has been to neighbouring Neath Port Talbot (-32 pa) and Swansea (-14 pa).

2.11 The full profile of historical in-, out- and net migration flows between Bridgend and its surrounding Unitary Authorities are summarised in Figure 7. Rhondda Cynon Taff, Cardiff and The Vale of Glamorgan have been net exporters of population to Bridgend since 2001/02, with inflows from the UAs remaining higher than outflows in all years, notwithstanding 2011/12 for Cardiff.

2.12 Smaller migration flows have been recorded between Bridgend and UAs Neath Port Talbot, Swansea and Carmarthenshire. Since 2004/05, inflows and outflows have tracked each other, resulting in a small net migration exchange.

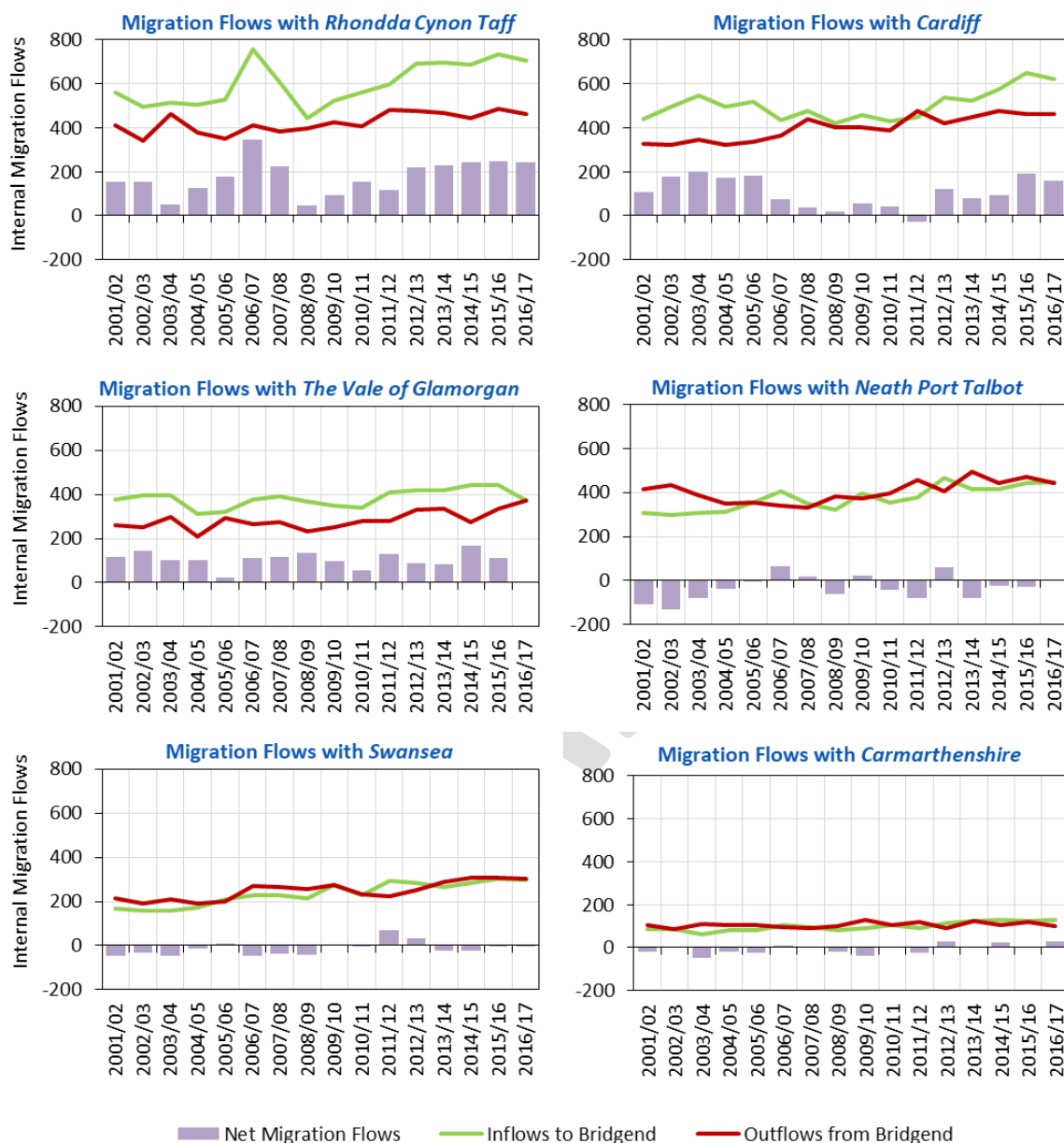


Figure 7: Historical migration flows between Bridgend and unitary authorities (2001/02–2016/17)
Source: ONS

2.13 The age profile of migration reveals that Bridgend has experienced a net inflow in all age groups, with the exception of the 15–19 age group (Figure 8). The large net outflow at age 15–19 is

associated with the student population migrating out of Bridgend for higher education, with a smaller return flow recorded in the 20–24 age groups.

2.14 The net inflow of the 30–44 young family age groups is mirrored in the 0–14 age groups, as family populations have moved to Bridgend. A net inflow has been recorded in each of the older age groups (65+), contributing to an ageing population profile.

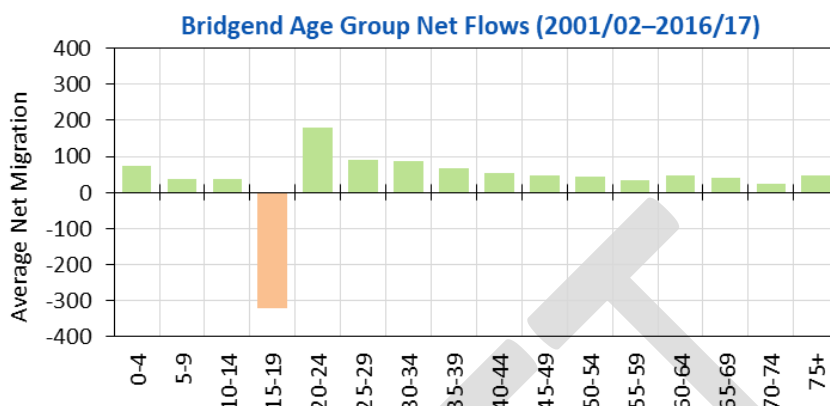


Figure 8: Average annual net migration by age group (2001/02–2016/17)
Source: ONS

International Migration

2.15 NINo statistics provide an alternative but complementary view of immigration linked to migrant worker populations (Figure 9). NINo registrations peaked in 2007 (486), driven by a significant increase in in-migration from Poland. Following the 2007 peak, NINo registrations fell to 175 in 2009, spiking again in 2010 and 2016 (268 and 303 respectively), with the latter driven by an influx of Romanian workers. In 2017, fewer registrations were recorded, driven by a fall in Romanian worker registrations. A similar trend occurred at national level, with a fall in Polish, Romanian and Spanish workers resulting in lower 2017 NINo registrations.

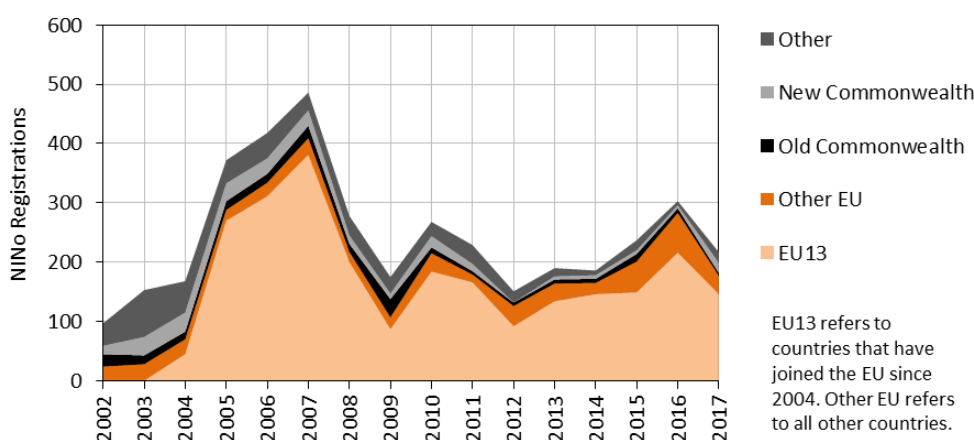


Figure 9: Bridgend NINo registrations by country of origin 2002–2017 (Source: DWP)

Housing Completions

- 2.16 A comparison of Bridgend's estimated population growth with the history of annual housing completions reveals some consistency (Figure 10).

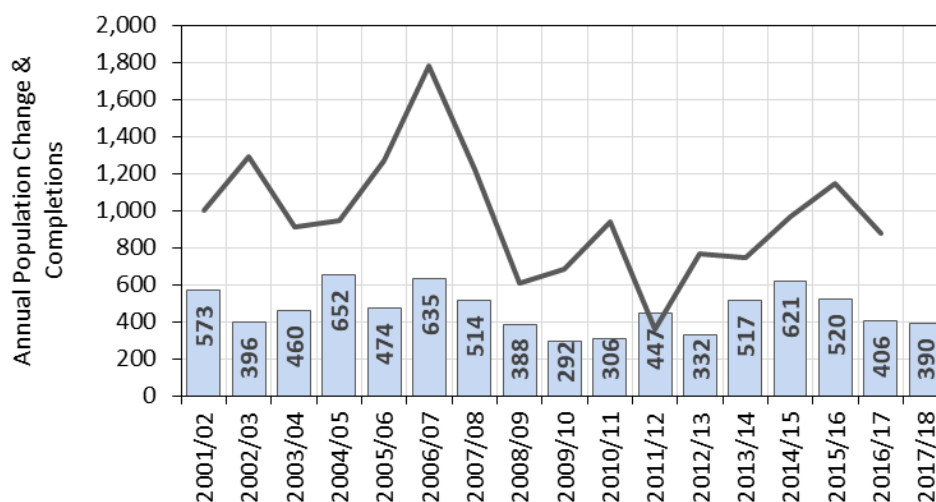


Figure 10: Bridgend housing completions and population change (2001/02–2017/18)

- 2.17 Higher housing growth to 2007/08 corresponds with higher population growth, reducing during the 2008/09–2011/12 period. In the last five years (2013/14–2017/18), housing completions have averaged +491 per annum, with population growth following higher housing growth in 2013/14–2015/16.

Population Age Profile

2.18 In considering future housing and labour force, the changing age structure of Bridgend’s population is a key factor. Figure 11 presents Bridgend’s population age profile in 2001 and 2017. Compared to 2001, a greater proportion of the population now resides within the 50+ age groups, as the large birth cohorts of the 1950s and 60s have aged.

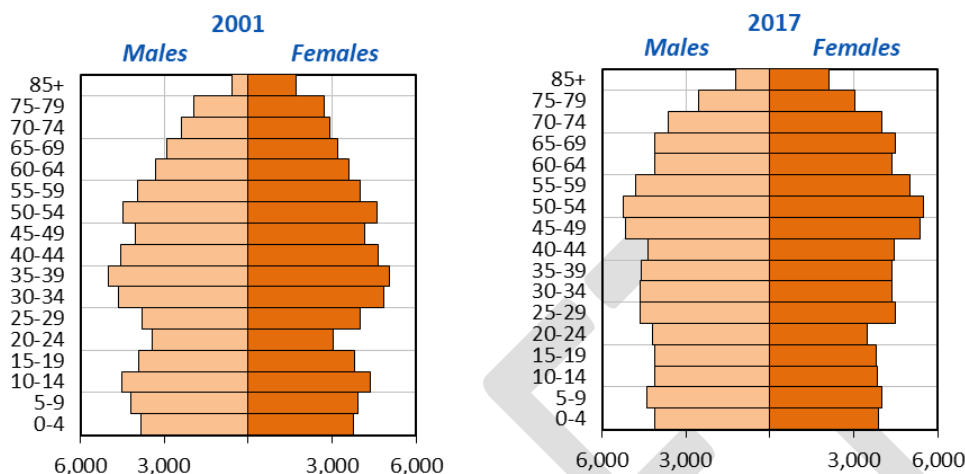


Figure 11: Bridgend population age structure comparison: 2001 and 2017

2.19 It is the 65+ and 80+ age groups that have seen the largest growth rate since 2001 (+36% and +34% respectively), with accelerated growth in the 65+ age group since 2008 (Figure 12). The 16–64 population increased to 2008, remaining relatively stable thereafter, with a population growth of 10% over the 2001–2017 period. The 0–15 age group recorded an annual decline to 2011, increasing thereafter (-1% change over the 2001–2017 period, -370 people).

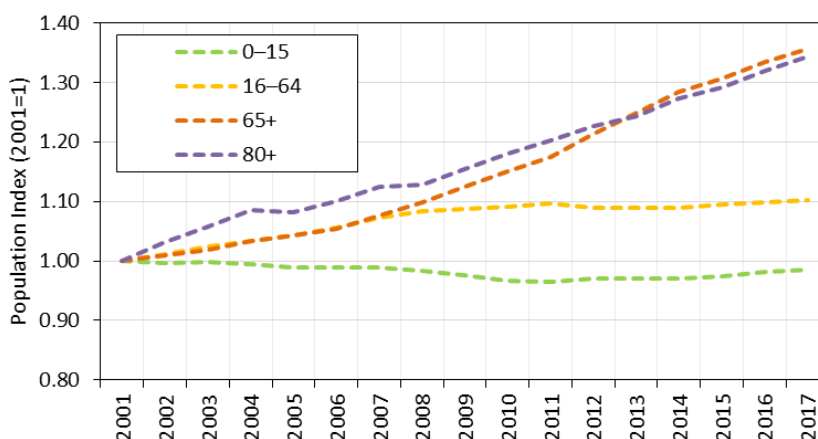


Figure 12: Bridgend population growth index by age group 2001–2017

2.20 Table 1 presents Bridgend’s and Wales’ population age profile in 2001 and 2017, providing an indication of the share of older age groups relative to the rest of the population. Between 2001 and 2017, the proportion of Bridgend’s population aged 65+ increased from 17% to 20%, an increase of

+7,612 aged 65+ over the sixteen year period. This is higher than estimated for Wales, with only 21% of its population aged 65+ in 2017, compared to 17% in 2001.

Table 1: Bridgend & Wales' population age profile (2001 & 2017)

<i>Indicator</i>	Bridgend		Wales	
	<i>2001</i>	<i>2017</i>	<i>2001</i>	<i>2017</i>
Percentage 65+	17%	20%	17%	21%
Percentage 80+	4%	5%	5%	5%
OAD	26	32	28	33

*OAD = Old Age Dependency Ratio
(Population Aged 65+/Population Aged 16–64)*

3 Welsh Government Projections

Population Projections

- 3.1 The WG 2014-based population and household projections provide the starting point for the analysis of future growth outcomes for Bridgend. The 2014-based projections are the latest available, incorporating fertility, mortality and migration assumptions based on an historical five-year period prior to 2014 within its 'Principal' projection.
- 3.2 Under the WG 2014-based 'Principal' projection, the population of Bridgend is estimated to grow by approximately 5.0% over the 2014–2039 projection period; a population increase of +7,049 (Figure 13). In Bridgend's LDP 2018–2033 plan period, a 3.3% increase is estimated, equivalent to an additional +4,743 population.

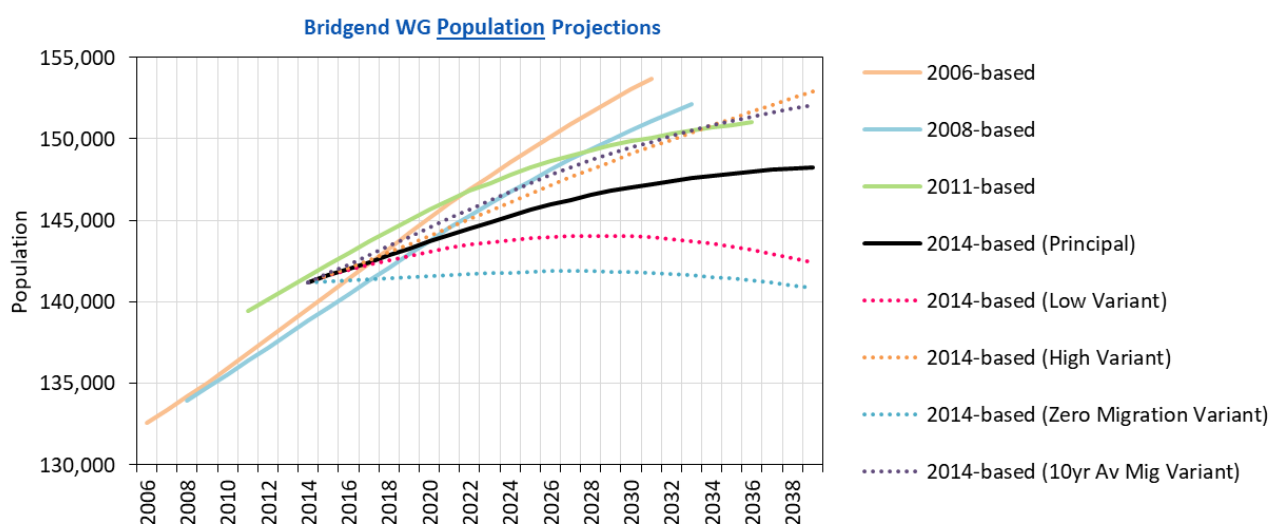


Figure 13: WG population projections for Bridgend

- 3.3 Under the 2014-based 'Principal' projection, the population of Bridgend is lower than that estimated under each of the previous WG projections. For the 2018–2033 LDP plan period, the WG 2011-based projection estimated population growth of +4.2% (+6,118 persons), with the WG 2008-based projection estimating a population growth rate more than double the rate of growth under the WG 2014-based projections (+7.0%, +10,002 persons).
- 3.4 The WG 2014-based *variant* projections² present a range of population growth rates, driven by alternative assumptions on migration and natural change. Under the 'High' and 'Low' variants, different fertility and mortality rates are assumed, with the 'High' variant assuming higher fertility

² <https://gov.wales/docs/statistics/2017/171019-local-authority-population-projections-technical-en.pdf>

and lower mortality (i.e. higher natural change) and the 'Low' variant assuming lower fertility and higher mortality (i.e. lower natural change). The 'Zero Migration' variant assumes no migration (i.e. population is driven by births and deaths only), whilst the '10yr Average Migration' variant draws its migration assumptions from the 2004/05–2013/14 period.

- 3.5 Lower rates of growth are estimated under the 'Zero Migration' (0.2%) and 'Low' (0.8%) variants, whilst the 'High' and '10yr Average Migration' variants each estimate population change of 5% (2018–2033).
- 3.6 The components of population change which underpin the 2014-based 'Principal' projection for Bridgend are presented in Figure 14, with historical components of change for 2001/02–2013/14 included for comparison³.

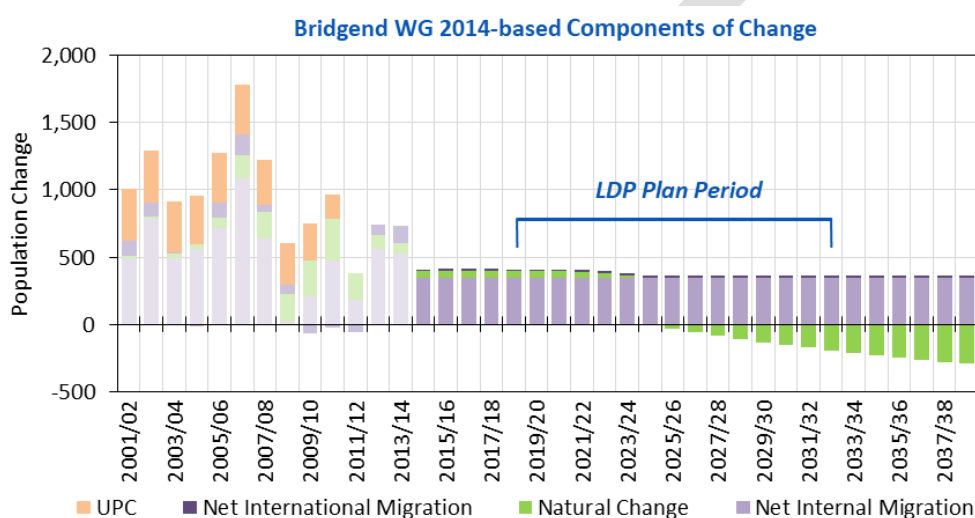


Figure 14: WG 2014-based Principal projection components of change (2001/02–2038/39)

- 3.7 Under the WG 2014-based 'Principal' projection for Bridgend, net internal migration is estimated to continue to be the key driver of population growth, averaging +350 per year. Whilst this is representative of the preceding five years, it remains lower than that evidenced over the longer term historical period.
- 3.8 Conversely, net international migration is expected to have a positive but small impact on population change in Bridgend, averaging +13 per year. This captures the lower levels of net international migration post 2011, but remains significantly lower than the net international migration totals estimated with the inclusion of UPC.
- 3.9 Natural change is estimated to have a reducing impact on population change, becoming negative over the latter half of the projection period as the population ages. The negative effect of natural change from 2025/26 onward is driven by a notable rise in the estimated number of deaths compared to births.

³ These refer to the pre-revised MYEs (2012–2014) preceding the WG 2014-based projection.

3.10 Under the WG 2014-based ‘High’ and ‘Low’ variants, the same average annual net internal and international migration is estimated, with differing levels of natural change impacting population growth. Under the ‘High’ variant, higher natural change is estimated, driven by increased births and a fall in deaths (Figure 15). Conversely, the ‘Low’ variant estimates natural change to have an increasingly negative impact on population growth, with lower birth numbers exceeded by higher deaths.

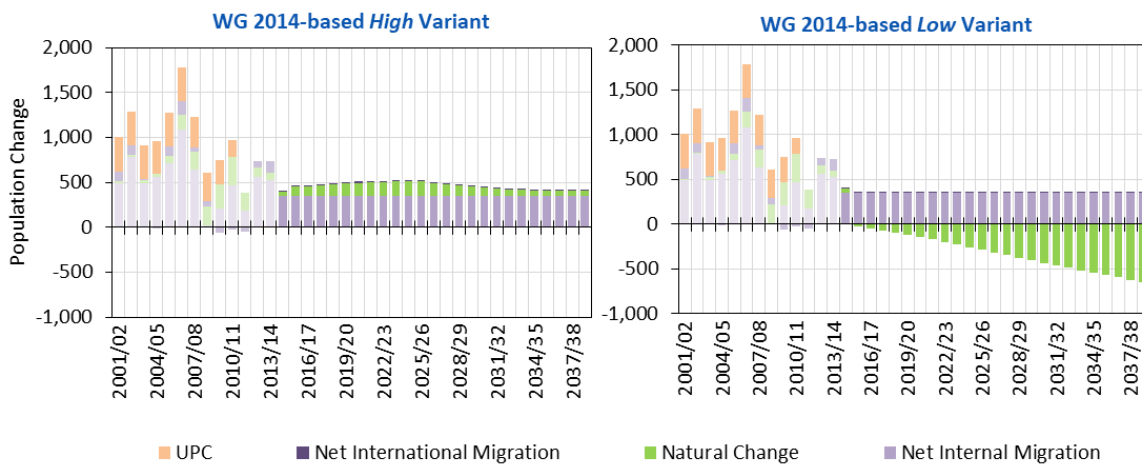


Figure 15: WG 2014-based High and Low variant projections components of change (2001/02–2038/39)

Household Projections

3.11 The WG 2014-based household projections provide the ‘starting point’ in the assessment of housing need, underpinned by the 2014-based population projection model. For the 2018–2033 plan period, the 2014-based ‘Principal’ household projection model estimates household growth of +3,865 (6.4%). This is lower than estimated under the 2011-based and 2008-based household projection models, which estimated an increase of +4,765 (7.7%) and +9,049 (13.8%) respectively (Figure 16).

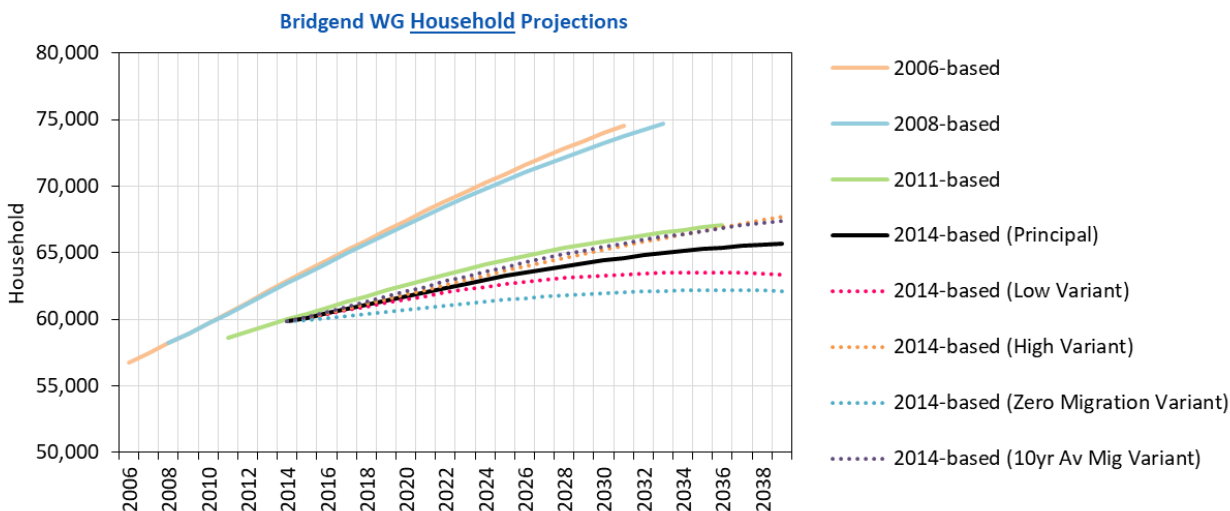


Figure 16: WG household projections for Bridgend

- 3.12 Applying assumptions from the WG 2014-based household model to the variant population projections, results in a range of household growth. Lower population growth under the 'Zero Migration' and 'Low' variants result in lower projected household growth (+1,699 and +2,515 respectively) over the 2018–2033 plan period. Conversely, higher population growth under the '10yr Average Migration' and 'High' variants, drive higher household growth over the plan period (+4,860 and 4,917 respectively).
- 3.13 A comparison of projected growth by household size between the WG 2014-based and 2008-based projections (Figure 17), indicates higher growth rates in smaller households (1 person, 2 person and 3 person) and a greater decline in the larger 4 person and 5+ person households under the WG 2008-based projection. This is a common feature in the household models for each of the Welsh UAs.

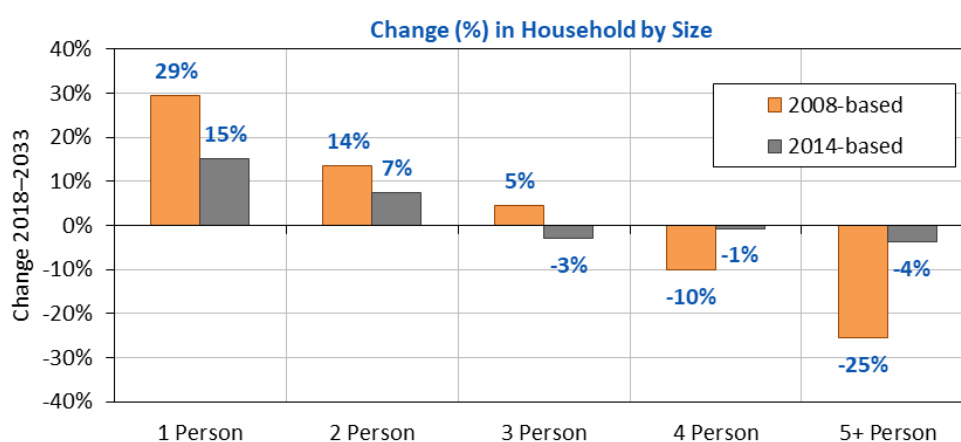


Figure 17: Comparison of Welsh Government 2008-based and 2014-based household projections by size for Bridgend (Source: StatsWales)

- 3.14 Underpinning the household projection for Bridgend are assumptions on membership rates and average household size. Membership rates calculate the proportion of the household population (i.e. excluding the population in communal establishments) in each household category. The average household size then determines the number of households required to support the estimated household population.
- 3.15 For the 2018–2033 plan period, the WG 2014-based household projection estimates a decline in average household size for Bridgend, from 2.29 to 2.22 (-0.07), driven by increased population in the older age groups. This compares to the average household size forecast under the WG 2008-based household projection model, which estimated a reduction from 2.14 in 2018 to 2.00 in 2033, a -0.14 decrease.

4 Demographic Scenarios

Scenario Definition

- 4.1 There is no single definitive view on the likely level of growth expected in Bridgend. Ultimately, a mix of demographic, economic and local policy issues will determine the speed and scale of change.
- 4.2 In Section 3, the WG 2014-based population and household projections for Bridgend have been presented, in comparison to the earlier WG 2008-based projections. In line with the draft development plan, a range of scenarios have been configured to consider the impact of alternative migration assumptions on future population, housing and employment growth. In addition, dwelling-led scenarios have been developed using the adopted LDP target and historical housing completions, to consider the potential implications of a continuation of past housing completions on population and economic change over the 2018–2033 plan period.
- 4.3 In addition to the WG 2014-based ‘Principal’ and ‘10yr Average Migration’ variant projections, four demographic and three dwelling-led scenarios have been developed:
- **WG 2014-based:** this replicates the WG 2014-based population projection.
 - **WG 2014-based (10yr Average Migration):** replicates the WG 2014-based 10yr average migration variant population projection. Migration assumptions are based on the ten year period prior to 2014 (i.e. 2004/05–2013/14).
 - **PG Short Term:** Internal migration rates and international migration flow assumptions are based on a six-year historical period (2011/12–2016/17). This is a similar time period to the WG projection (i.e. 5–6 years), but includes the latest three years of population statistics in the derivation of assumptions.
 - **PG Long Term:** Internal migration rates and international migration flow assumptions are based on the full sixteen-year historical period (2001/02–2016/17).
 - **PG Pre-Recession:** Internal migration rates and international migration flow assumptions are based on the seven-year period pre-2008 (2001/02–2007/08), in which higher net in-migration flows to Bridgend were recorded.
 - **Net Nil:** Internal and international migration flows are balanced between in and out-flows resulting in zero net migration.
 - **Dwelling-led (LDP):** Annual dwelling growth of +646 dpa is applied in each year of the forecast period, based on the adopted LDP.

- **Dwelling-led (10yr Average):** Annual dwelling growth of +422 dpa is applied in each year of the forecast period, based on the last ten years of completions (2008/09–2017/18).
- **Dwelling-led (5yr Average):** Annual dwelling growth of +491 dpa is applied in each year of the forecast period, based on the last five years of completions (2013/14–2017/18).

4.4 The demographic trend and dwelling-led scenarios incorporate mid-year population, migration, births and deaths statistics for 2001–2017 (i.e. three additional years of historical data to the WG projection). Household and dwelling growth under the demographic scenarios has been estimated using assumptions from the WG 2014-based household projection model in conjunction with a vacancy rate, which takes account of the number of vacant properties or second homes in Bridgend. The 2011 Census records a vacancy rate of 4.8% for Bridgend, an increase since the 2001 Census (3.5%). The scenarios presented here apply the 2011 Census vacancy rate for Bridgend.

4.5 Under the dwelling-led scenarios, assumptions from the WG 2014-based household projection model are used to determine the relationship between the defined annual change in dwellings and population growth.

Scenario Outcomes

4.6 The 2001–2033 population growth trajectories for all scenarios are presented in Figure 18. In Table 2, each of the scenarios is summarised in terms of population and household growth for the 2018–2033 plan period, alongside the average annual net migration and dwelling growth outcomes.

4.7 Population change for the 2018–2033 period ranges from -0.8% under the **Net Nil** scenario to +12.8% under the **PG Pre-Recession** scenario. Notwithstanding the **Net Nil** scenario, population change is higher under each of the trend based demographic scenarios than estimated under the **WG 2014-based (Principal)** scenario, driven by increased net migration flows to the area and subsequently a smaller net loss due to natural change.

4.8 Population decline is estimated under the **Net Nil** scenario (-0.8%), illustrating the extent to which population change in Bridgend is driven by migration. Under the **Net Nil** scenario, the population size and age structure is estimated to support an average annual dwelling growth of +124 dpa (2018–2033).

4.9 The **WG 2014-based (Principal)** scenario presents the lower end of the population growth range, estimating a 3.3% growth over the 2018–2033 plan period. Notably lower net migration is estimated under the **WG 2014-based (Principal)** scenario, capturing the period of reduced net migration flows to the UA over the 2009/10–2011/12 period in the derivation of its assumptions. Under the **WG 2014-based (Principal)** scenario, an average annual dwelling growth of +271 dpa is estimated.

4.10 Of the demographic trend based scenarios which take account of three additional years of historical migration, the **PG Short Term** scenario results in the lowest population growth, capturing the lower

net international migration evident since 2011. Population growth of 8.4% under the **PG Short Term** scenario supports an average annual dwelling growth of +505 dpa over the 2018–2033 plan period.

- 4.11 The PG scenarios that incorporate migration flows evident over the first half of the historical period, estimate higher average annual net migration over the plan period; +927 pa under the **PG Long Term** and 1,155pa under the **PG Pre-Recession** scenario.
- 4.12 Whilst the **PG Long Term** scenario captures the high net international migration evident pre-2011, lower net international migration recorded over the latter half has a dampening effect on future migration assumptions. Population change of 9.9% under the **PG Long Term** scenario results in an average annual dwelling growth of +570 dpa.
- 4.13 The **PG Pre-Recession** scenario draws its migration assumptions from the 2001/02–2007/08 period, capturing the period of high net migration to Bridgend. As a result, future estimation of net migration is highest under the **PG Pre-Recession** scenario (averaging +1,155 per year). Population change of 12.8% under the **PG Pre-Recession** scenario is estimated to support an average annual dwelling growth of +681 dpa, higher than the LDP target and average historical completions.
- 4.14 Of the dwelling-led scenarios, population change is highest under the **Dwelling-led (LDP)** scenario, driven by higher housing growth target and subsequent net migration to support the annual growth of +646 dpa (2018–2033). Lower dwelling growth under the **Dwelling-led (10yr Average)** scenario reduces the need for net in-migration, thus resulting in lower population change (6.6%). The dwelling-led scenarios based on historical completions (i.e. a 5-year and 10-year average) result in population change lower than estimated under the PG trend scenarios, whilst the adopted LDP target presents the upper end of the dwelling growth range.
- 4.15 Under the demographic scenarios, population change of -0.8% to +12.8% over the 2018–2033 plan period, would support an average annual dwelling growth range of 124–681 dpa, using assumptions from the WG 2014-based household projection model and the 2011 Census vacancy rate of 4.8% for Bridgend. If the vacancy rate were to reduce over the plan period, the number of dwelling required to support the same population growth trajectory would be lower. For example, returning the vacancy rate to Bridgend's 2001 Census value (3.5%) over the 2018–2033 plan period, would reduce the average annual dwelling growth under each demographic scenario by approximately 65 dpa. Under the dwelling-led scenarios, a reduction in the vacancy rate would require higher population growth, an uplift of approximately 1.7 percentage points.

Bridgend Scenario Outcomes

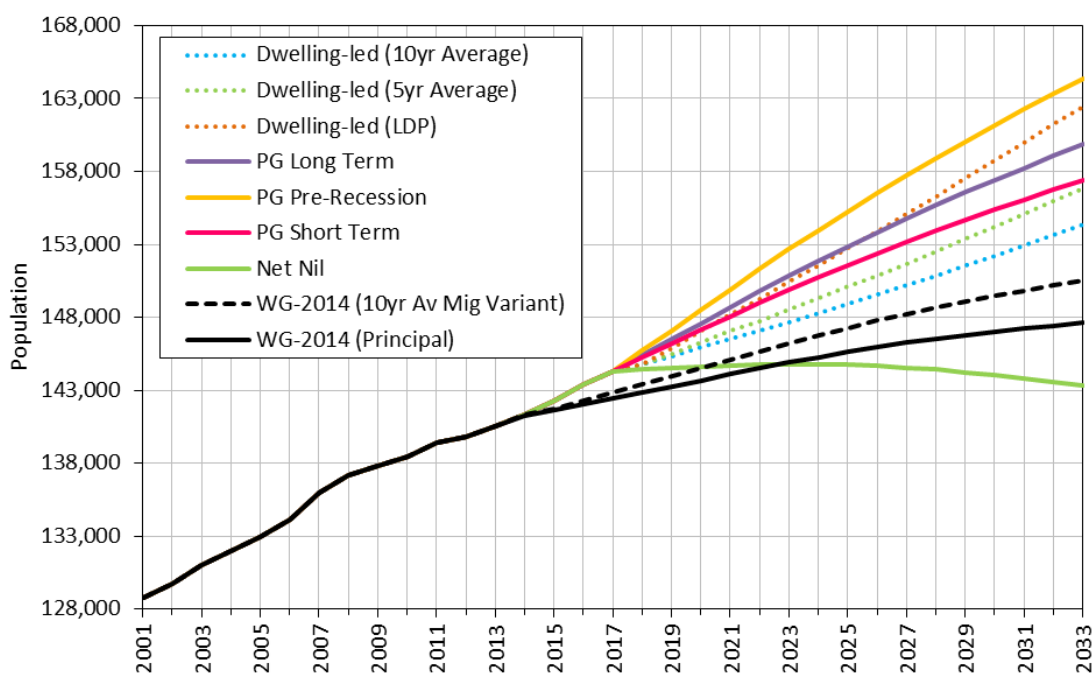


Figure 18: Bridgend population growth 2001–2033

Table 2: Bridgend scenario outcomes 2018–2033

Scenario	Change 2018–2033				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings
PG Pre-Recession	18,683	12.8%	9,725	15.6%	1,155	681
Dwelling-led (LDP)	17,687	12.2%	9,228	14.9%	1,114	646
PG Long Term	14,454	9.9%	8,147	13.1%	927	570
PG Short Term	12,151	8.4%	7,219	11.6%	824	505
Dwelling-led (5yr Average)	12,095	8.4%	7,011	11.3%	784	491
Dwelling-led (10yr Average)	9,615	6.6%	6,027	9.7%	638	422
WG-2014 (10yr Av Mig Variant)	7,071	4.9%	4,860	7.9%	470	340
WG-2014 (Principal)	4,743	3.3%	3,865	6.3%	363	271
Net Nil	-1,127	-0.8%	1,775	2.9%	0	124

Scenarios ranked in order of population change, with dwelling-led scenarios highlighted in grey. 2011 Census vacancy rate applied.

Population Age Profiles

4.16 The ageing population of Bridgend is a key factor when considering future housing requirements of the area. The change in the population age profile associated with each scenario over the 2018–2033 plan period is presented in Figure 19. There is substantial population growth projected in the 60+ age groups under all scenarios.

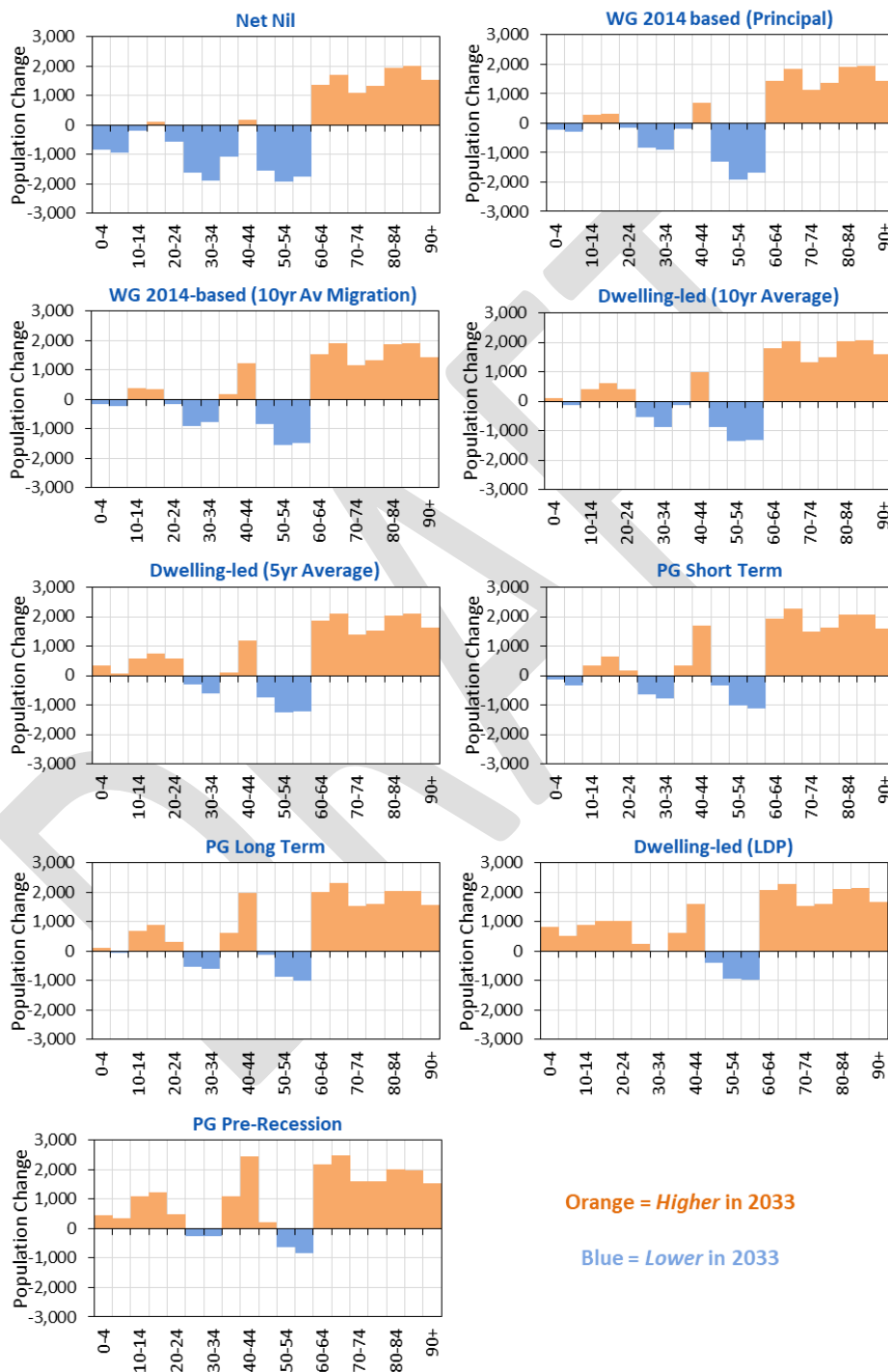


Figure 19: Bridgend population change by 5-year age group (2018–2033)

- 4.17 Under the **Net Nil** scenario, balanced net migration flows result in population decline in all 0–59 age groups (notwithstanding the 15–19 and 40–44 age groups), illustrating the extent to which migration is an important influence on population change in these age groups.
- 4.18 The WG 2014-based scenarios estimate a greater decline in the 45–54 age groups compared to each of the PG scenarios. This is due to lower net migration growth impacts.
- 4.19 The **PG Short Term** scenario estimates a greater decline in the young adult (25–34) age groups and lower growth in the 35–44 age groups, compared to the **PG Pre-Recession** and **PG Long Term** scenarios; a result of lower net international migration flows.
- 4.20 Under the **PG Pre-Recession**, **PG Long Term** and **Dwelling-led (LDP)** scenarios, a more youthful population age structure is maintained, driven by higher net migration flow assumptions. Growth in the 35–44 family age groups under these scenarios is mirrored in the 0–14 age groups.

Household Membership Rates

- 4.21 The latest WG 2014-based household projection model suggests significantly lower household growth for Bridgend compared to its 2008-based equivalent. The 2008-based model was underpinned by higher population growth, but also by household membership rates which estimate a higher rate of household growth.
- 4.22 To evaluate the potential impact of higher household formation on housing growth in Bridgend, each of the demographic scenarios has been configured using membership rate assumptions from the WG 2008-based household projection model (Table 3).

Table 3: Population change and average annual dwelling growth 2018–2033

Scenario	Change 2018–2033		Average Annual Dwelling Growth	
	Population Change	Population Change %	2014-based	2008-based
PG Pre-Recession	18,683	13%	681	923
PG Long Term	14,454	10%	570	799
PG Short Term	12,151	8%	505	724
WG-2014 (10yr Av Mig Variant)	7,071	5%	340	539
WG-2014 (Principal)	4,743	3%	271	460
Net Nil	-1,127	-1%	124	293

- 4.23 Under each of the demographic scenarios, changes to the household membership rates and household size, influence the level of household and dwelling growth required to support the estimated change in population. Under the WG's 2008-based membership rate and household size assumptions, a greater level of household growth is estimated, resulting in notably increased

dwelling growth over the 2018–2033 period, compared to the 2014-based equivalent. This is driven by a greater number of smaller households (i.e. ‘1 person’ and ‘2 person’ categories), operating in tandem with fewer ‘5+ person’ households.

- 4.24 Under the **WG 2014-based (Principal)** scenario, the application of the 2008-based membership rates results in a dwelling growth of 460 dpa, an additional +190 dpa compared to the estimated dwelling growth under the 2014-based membership rate assumptions. The **PG Pre-Recession** scenario results in the highest dwelling growth of 923 dpa under the 2008-based membership rates, an uplift of approximately +242 dpa from its 2014-based equivalent.
- 4.25 Whilst the use of the WG 2008-based assumptions in this analysis illustrates the extent to which previous targets were underpinned by notably higher growth assumptions, it is deemed appropriate that given the prevailing economic and demographic conditions and in accordance with the draft Development Plan Manual, the emerging LDP dwelling growth target should be underpinned by the latest WG 2014-based household projection model.

5 Economic Growth

Context

- 5.1 The demographic scenarios presented in Section 4 provide an indication of the potential impact of a continuation of past migration trends upon future population change and housing growth in Bridgend. It is evident that historical migration trends in Bridgend have been influenced by economic factors, resulting in lower net migration to the UA over the 2008/09–2011/12 period. It is therefore important to consider future population and housing change in Bridgend in context of its changing economy.

Linking Population & Employment

- 5.2 Using POPGROUP technology, employment-led scenarios have been developed to consider the potential impact of employment change upon population and housing growth in Bridgend. POPGROUP quantifies the likely demographic impact of an economic growth trajectory by measuring the relationship between employment growth and the changing size of the resident population and its labour force.
- 5.3 Key to determining the relationship between population growth and employment growth are three assumptions on: (i) economic activity rates (also known as labour force participation rates); (ii) unemployment rate; and (iii) commuting ratio.
- 5.4 **Economic activity rates** determine the proportion of the population that is actively engaged in the labour force, either employed or unemployed. In the analysis presented here, Bridgend's economic activity rates have been adjusted in line with the Office for Budget Responsibility's (OBR) (July 2018)⁴ forecast of long-term changes to age-specific labour force participation.
- 5.5 Applying OBR forecasts to Bridgend estimates that between 2018 and 2033 economic activity rates in the older age groups will increase, with the largest growth expected in the female age groups (Figure 20). The male 35–54 age groups are expected to experience a small decline in economic activity rates, whilst an increase is expected in the female equivalent. Over the 2018–2033 plan period, the *aggregate* economic activity rate (16–89) is estimated to reduce, from 59% in 2018 to 57% in 2033.

⁴ <https://obr.uk/fsr/fiscal-sustainability-report-july-2018/>

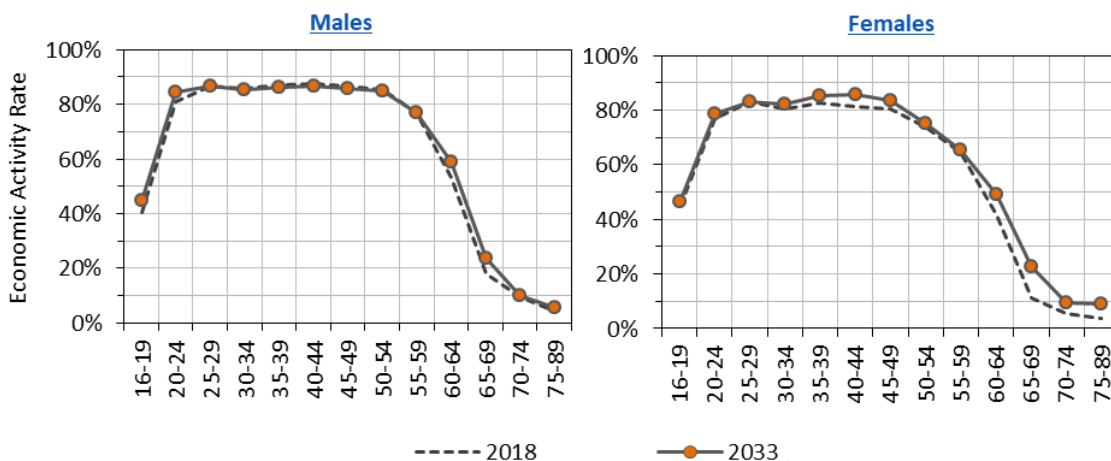


Figure 20: Bridgend economic activity rates (Source: Census & OBR)

5.6 The **unemployment rate** determines the proportion of the labour force that is unemployed (and as a result, the proportion that is employed). Bridgend experienced a period of higher unemployment over the 2009–2012 period, reflective of national trends. Between 2012 and 2016, Bridgend’s unemployment rate fell to a point lower than that recorded for Wales and Great Britain. 2017 recorded a small increase in the unemployment rate for Bridgend (5.2%), whilst national rates continued to fall. In the analysis presented here, the unemployment rate tracks historical data to 2017, remaining fixed thereafter.

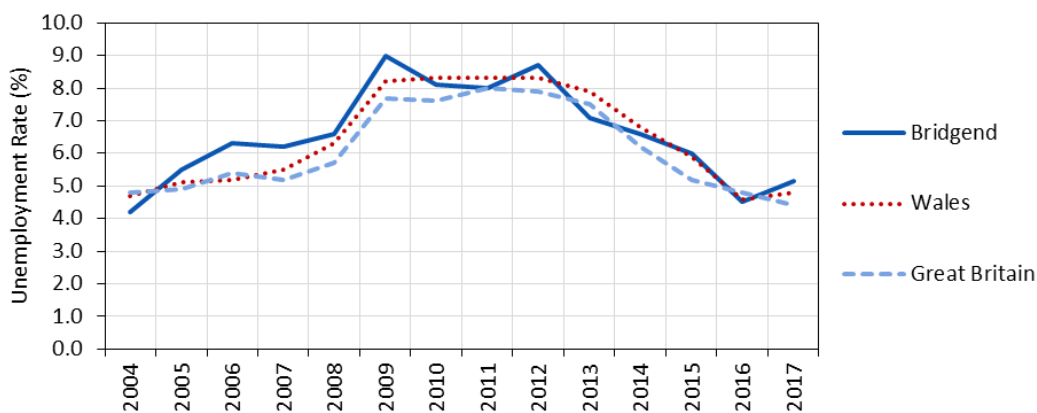


Figure 21: Bridgend unemployment rate (Source: ONS model-based estimates)

5.7 The **commuting ratio** is the balance between local employment and the size of the resident workforce. A commuting ratio greater than 1.00 indicates a net out-commute (i.e. the number of resident workers in an area is greater than the level of employment). A commuting ratio less than 1.00 indicates a net in-commute (i.e. the employment total is greater than the number of resident workers).

5.8 The 2011 Census recorded 61,551 workers living in Bridgend and 60,767 people working in Bridgend, the balance between the two results in a net out-commuting ratio of 1.01 (i.e. more workers living in

the UA than employment available). Latest 2017 statistics from the Welsh Government⁵ also indicate a net out-commuting ratio of 1.01 for Bridgend. For detail on commuting patterns and flows, refer to Appendix A. In the scenarios analysis a commuting ratio of 1.01 has been applied, fixed throughout the forecast period. Refer to Appendix A for more detail on commuting patterns in Bridgend.

Employment-led Scenarios

- 5.9 For Bridgend's 2018–2033 LDP plan period, the Experian (September 2018) forecast estimates a decline in the level of workplace-based employment in the UA, from approximately 64,700 in 2018 to 64,500 by 2033 (a decline of -200). The annual change in employment reveals variation from +100 to -100 over the 2018–2033 period, an average annual decline of -13 pa (Figure 22).

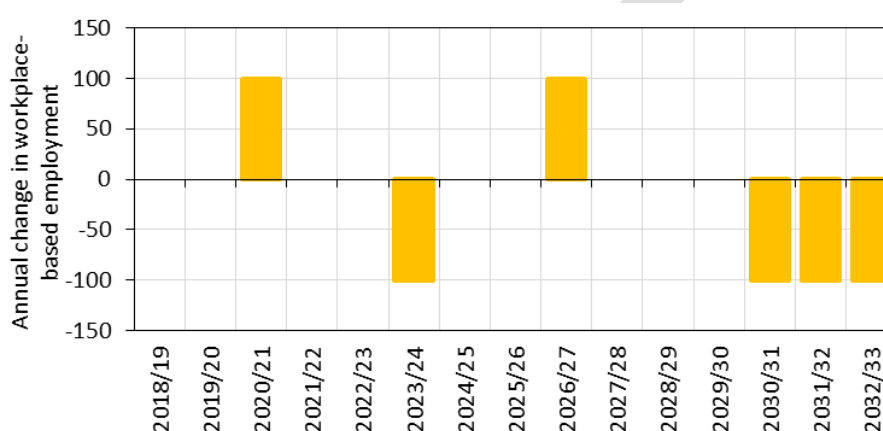


Figure 22: Bridgend annual change in workplace-based employment (Source: Experian)

- 5.10 For comparison with the Experian employment growth forecast for Bridgend, the estimated employment growth that could be supported by the six demographic and three dwelling-led scenarios has been calculated (Figure 23); applying the key assumptions on changing economic activity rates, fixed unemployment and a fixed commuting ratio as detailed above.

⁵ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Commuting/commutingpatterns-by-welshlocalauthority-measure>

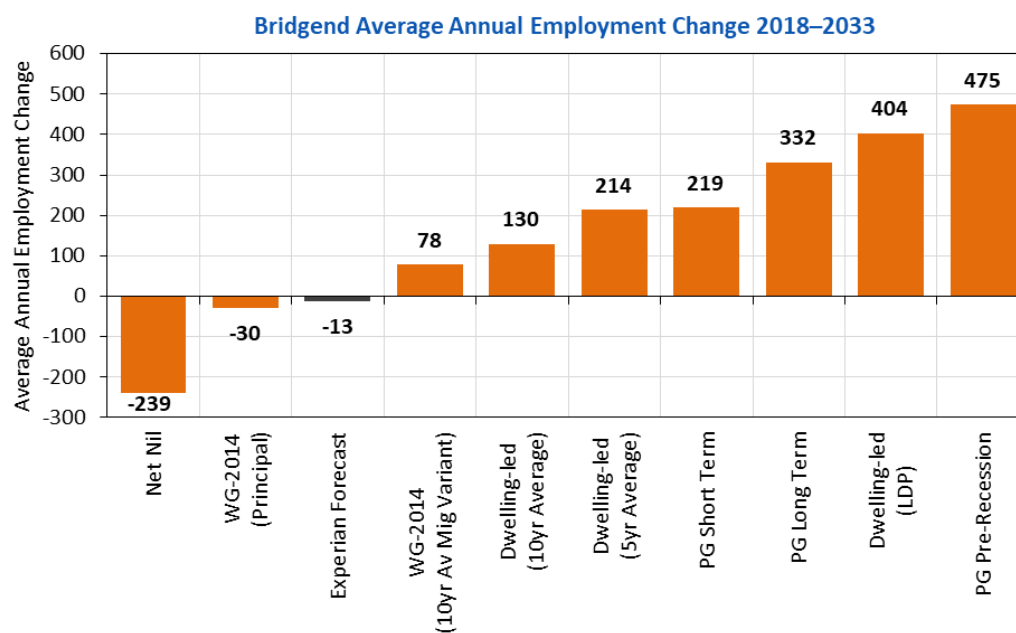


Figure 23: Average annual employment change under the trend-based, dwelling-led and Experian (September 2018) economic forecast 2018–2033

- 5.11 It is estimated that the population growth rate range of -0.8% to 12.8% (**Net Nil** and **PG Pre-Recession** respectively) could support an employment change of -239 pa to +475 pa over the 2018–2033 plan period. The annual decline in employment change estimated under the **Net Nil** and **WG 2014-based (Principal)** scenarios reflect the estimated decline in labour force over the plan period, driven by zero or lower net migration flows operating in tandem with a more rapidly ageing population profile. The **PG Pre-Recession** scenario records higher employment growth over the plan period (+475 pa), driven by higher population change and the maintenance of a more youthful population as a result of estimated higher net in-migration to Bridgend. Population change and age profile estimated under a continuation of long-term migration trends (**PG Long Term**) could support an annual employment growth of +332 per annum.
- 5.12 The Experian (September 2018) forecast for Bridgend estimates an annual decline in employment of -13 pa over the 2018–2033 plan period. This suggests lower population change would be required to support the annual change in employment, than estimated under the demographic PG trend and dwelling-led scenarios.
- 5.13 Using an employment-led formulation of the POPGROUP model, the population and housing growth implications of the Experian economic forecast is estimated. Economic assumptions are consistent with those applied to the demographic and dwelling-led scenarios, with the impact of an alternative unemployment rate also considered (Table 4).
- 5.14 The commuting ratio has been fixed at 1.01 throughout the plan period, an assumption also made in the Experian economic forecast. Economic activity rates have been adjusted in line with the OBR forecast (i.e. consistent with the demographic scenarios) which assumes an overall decline in economic participation rates, a trend also estimated under the Experian economic model. Two alternative unemployment rate (UR) assumptions are considered:

- **UR Fixed:** Unemployment rate is fixed at the 2017 value of 5.2% throughout the plan period (i.e. consistent with the unemployment rate assumptions applied to the demographic and dwelling-led scenarios)
- **UR Reducing:** Unemployment rate reduces over the plan period, from 5.2% in 2018 to 4.2% by 2033. This is the lowest recorded unemployment rate for Bridgend and is broadly in line with Experian assumptions in 2033⁶.

Table 4: Employment-led Scenario Outcomes 2018–2033

Employment-led (Experian) Scenario	Change 2018–2033				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment
UR Fixed	5,590	3.8%	4,450	7.2%	386	312	-13
UR Reducing	4,304	3.0%	3,938	6.3%	310	276	-13

Household and dwelling growth estimated using assumptions from the WG 2014-based household projection model. Employment growth, economic activity and commuting ratio assumptions are consistent for each, only the unemployment rate differs.

- 5.15 To support the average annual employment change of -13 per annum, it is estimated that population growth ranges from 3.0% to 3.8% over the plan period. Whilst this is closely aligned to the estimated population change under the WG 2014-based (Principal) scenario, it remains lower than estimated under each of the demographic trend (PG) and dwelling-led scenarios, driven by lower net in-migration required to support the Experian forecast change in employment.
- 5.16 In assuming no change in the unemployment rate over the plan period (i.e. UR Fixed), an average annual net in-migration of +386 pa drives population change of 3.8%. This results in an average annual dwelling growth of +312 per year (2018–2033).
- 5.17 Assuming an improvement in the unemployment rate over the plan period, reduces the need for net in-migration (+310) to support the annual change in employment, a smaller proportion of Bridgend's labour force are unemployed. As a result, lower population change and subsequent dwelling growth is estimated under the 'UR Reducing' scenario (3.0% and +276 pa).
- 5.18 Applying membership rate and average household size assumptions from the WG 2008-based household projections, would increase the estimated annual dwelling growth range under the employment-led scenarios from 276–312 to 467–508 dpa, a 65% increase.

⁶ Experian (September 2018) forecast estimates the unemployment rate to fall to 4.1% in 2033.

6 Summary

- 6.1 Bridgend County Borough Council is in the process of updating its LDP. Taking account of the latest demographic evidence, this document has presented a range of population and household forecasts in accordance with the WG Draft Development Plans Manual, including trend-based, housing-led and employment-led scenarios.
- 6.2 Migration has been Bridgend's key driver of population growth since 2001. Bridgend has an ageing population profile, with a substantial increase in the 65+ and 80+ populations since 2001, a trend that is expected to continue over the LDP plan period.
- 6.3 The latest WG 2014-based population and household projections for Bridgend suggest significantly lower growth than previously estimated under the WG 2008-based projection, driven by notably lower net in-migration to Bridgend and lower household formation. Whilst the WG 2014-based '10yr Average Migration' and 'High' variants project higher population growth (5%) than the Principal projection (3%), they remain notably lower than the WG 2008-based projections (7%) (2018–2033).
- 6.4 The WG 2014-based population and household projections present the starting point in the assessment of future housing requirement for Bridgend. Acknowledging the importance of migration on population change in Bridgend, and in accordance with the WG Draft Development Plans manual, four alternative trend scenarios have been developed using POPGROUP technology. These consider variant migration histories; **PG Short Term** (six-year migration history 2011/12–2016/17), **PG Long Term** (sixteen-year migration history 2001/02–2016/17), **PG Pre-Recession** (2001/02–2007/08) and a balanced (**Net Nil**) migration flow.
- 6.5 In addition, the migration and subsequent population growth required to support housing growth targets based on past completion rates and the adopted LDP has been considered, using assumptions from the WG 2014-based household projection model.
- 6.6 The **Net Nil** scenario estimates the lowest population growth (-1%) over the plan period, illustrating the extent to which population growth in Bridgend is driven by migration. The **WG 2014-based (Principal)** scenario estimates population growth of 3%, with an average annual dwelling growth of +271 dpa.
- 6.7 The PG scenarios capture the latest historical population estimates for Bridgend, basing their migration flow assumption on alternative histories. Larger net in-migration flows under the PG scenarios, results in higher population and dwelling growth than estimated under the **WG 2014-based (Principal)** scenario. The **PG Long Term** and **PG Pre-Recession** scenarios capture the higher net migration flows evident in the first half of the historical period, whilst lower net international migration post-2011 have a dampening effect on the **PG Short Term** scenario. Under the PG demographic scenarios, a population growth range of 8%–13% is estimated, with an associated dwelling growth range of 505–681 dpa (2018–2033). Higher household formation associated with

the WG 2008-based household model increases the dwelling growth range to 724–923 dpa over the plan period.

- 6.8 The population growth estimated under each of the dwelling-led scenarios (7%–12%) sits within the range of demographic scenario outcomes. The analysis suggests that a continuation of past migration trends would result in housing growth requirements that exceed recent completions histories. The current adopted LDP sits at the upper end of the population growth range, driven by higher net in-migration flows.
- 6.9 The Experian (September 2018) forecast for Bridgend, operating in tandem with assumptions on economic activity rates, unemployment and commuting ratio, is estimated to require lower net in-migration to support the average annual change in employment (-13 pa), than forecast under the trend and dwelling-led scenarios. With changes to Bridgend’s economic activity rates in line with the OBR forecasts and with a stable unemployment rate and commuting ratio, population growth of 4% and an associated dwelling growth of +312 pa is estimated to support the Experian employment change. An improvement in the unemployment rate reduces the need for net in-migration to support the employment growth, resulting in lower population and dwelling growth (3% and +276 dpa respectively).
- 6.10 Higher net in-migration flows and subsequent population change estimated under each of the trend-based scenarios (notwithstanding **WG 2014 (Principal)** and **Net Nil**), would support a level of employment growth that is higher than estimated under the Experian (September 2018) forecast for Bridgend.

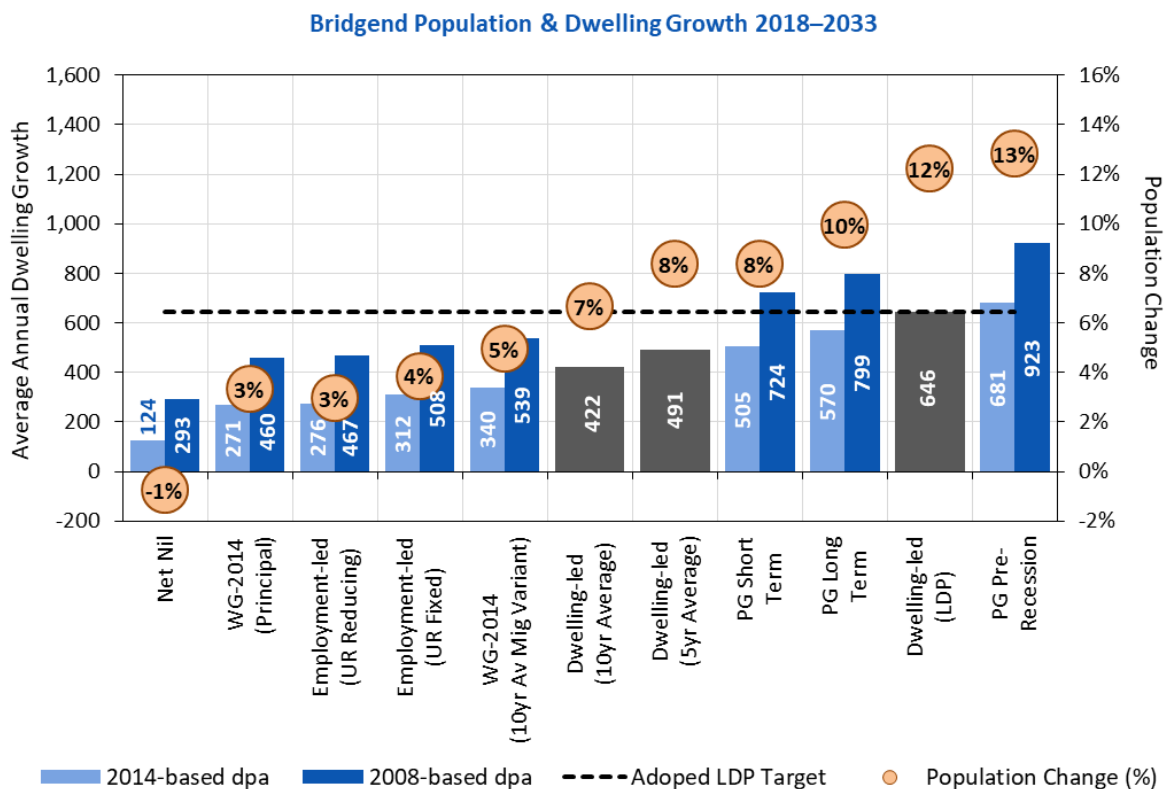


Figure 24: Bridgend population change and average annual dwelling growth (2018–2033)

Appendix A

Bridgend Commuting Patterns

A.1 This Appendix provides additional detail on the 2011 Census commuting patterns in Bridgend, together with a comparison of changes in commuting ratio over the 2001–2011 Census decade.

A.2 The 2011 Census recorded 61,551 workers living in Bridgend, with approximately 71% of these both living and working within the UA (Figure 25). 8% of workers in Bridgend commute Cardiff, 5% to Neath Port Talbot, 4% to Rhondda Cynon Taf, 3% The Vale of Glamorgan and Swansea and 5% to other parts of Wales and England.

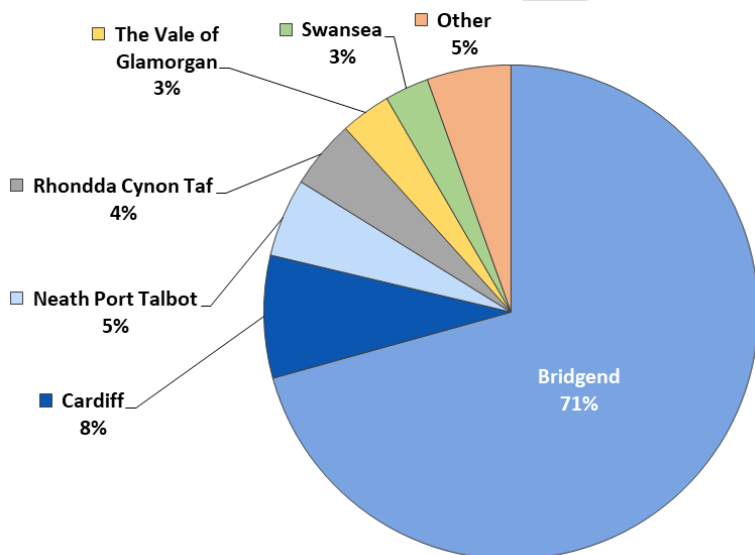


Figure 25: Where do people who live in Bridgend work?
(Source: 2011 Census)

A.3 Approximately 60,767 workers were recorded in Bridgend, with 72% of these also resident in the UA (Figure 26). 7% of the workers commute from neighbouring Rhondda Cynon Taf, 6% from Neath Port Talbot, 4% from The Vale of Glamorgan and Cardiff and 3% from Swansea.

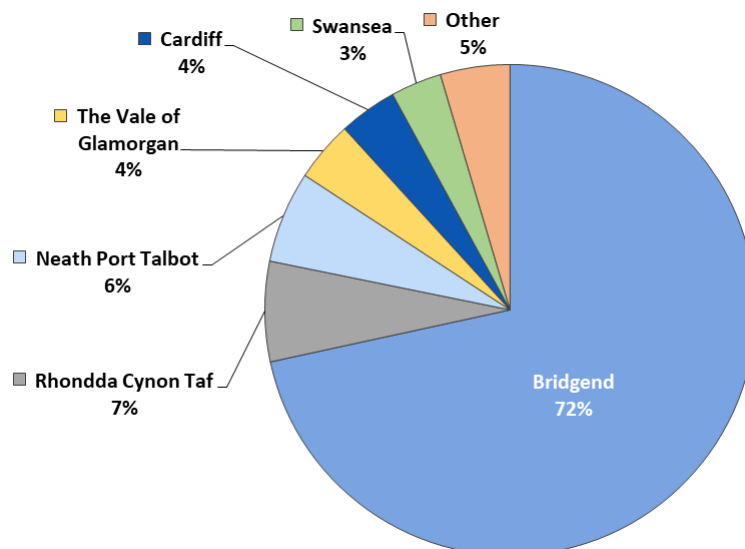


Figure 26: Where do people who work in Bridgend live?
(Source: 2011 Census)

A.4 The commuting ratio determines the balance between the number of resident workers (i.e. the employed labour force) and the level of employment in Bridgend. Whilst both the number of workers and level of employment increased over the 2001–2011 Census decade; the number of workers remained higher than level of employment available, resulting in a 1.01 net out-commute, albeit at a lower level than recorded in the 2001 Census.

Table 5: Bridgend UA 2001 and 2011 Census commuting ratios

Bridgend UA	2001 Census	2011 Census
Workers	52,777	61,551
Employment	50,586	60,767
Commuting Ratio	1.04	1.01

Note: 2001 data from Census Table T101 – UK Travel Flows; 2011 data from Census Table WU02UK - Location of usual residence and place of work by age .

Appendix B POPGROUP Methodology

Forecasting Methodology

- B.1 Evidence is often challenged on the basis of the appropriateness of the methodology that has been employed to develop growth forecasts. The use of a recognised forecasting product which incorporates an industry-standard methodology (a cohort component model) removes this obstacle and enables a focus on assumptions and output, rather than methods.
- B.2 Demographic forecasts have been developed using the POPGROUP suite of products. POPGROUP is a family of demographic models that enables forecasts to be derived for population, households and the labour force, for areas and social groups. The main POPGROUP model (Figure 27) is a cohort component model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.
- B.3 The Derived Forecast (DF) model (Figure 28) sits alongside the population model, providing a membership rate model for household projections and an economic activity rate model for labour-force projections.
- B.4 For further information on POPGROUP, please refer to the Edge Analytics website (<http://www.edgeanalytics.co.uk/>).

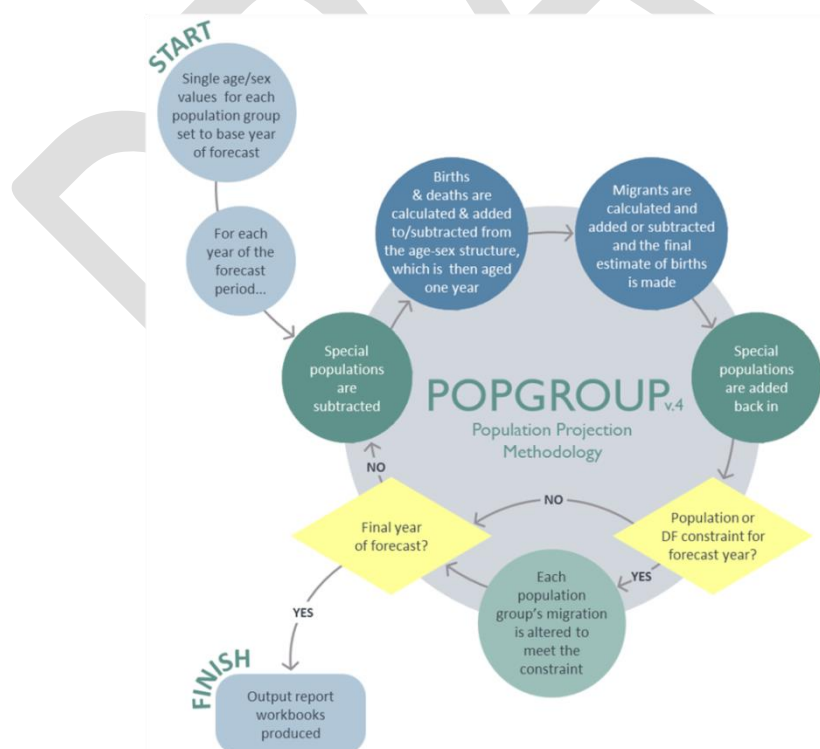


Figure 27: POPGROUP population projection methodology

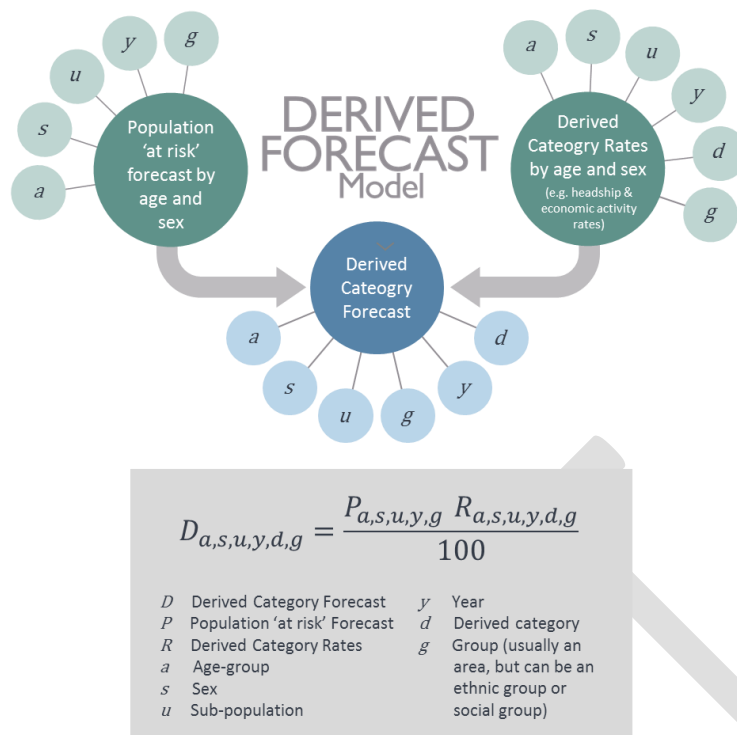


Figure 28: Derived Forecast (DF) methodology

APPENDIX C

BRIDGEND REPLACEMENT LOCAL DEVELOPMENT PLAN (LDP) 2018-2033

TECHNICAL REPORT 3: SPATIAL STRATEGY OPTIONS

1. PURPOSE OF THE REPORT

1.1 To report the Spatial Strategy options for the Replacement LDP (2018-2033).

2. INTRODUCTION

2.1 In addition to setting out the level of growth needed over the plan period (refer to Technical Report 2 - Appendix B), the Replacement LDP must put forward a clear spatial strategy for where this development should take place within the County Borough.

2.2 The consideration of 'realistic' growth and spatial options is an important part in the preparation of the LDP and are intended to facilitate discussion and inform the 'Preferred Strategy' consultation document. Each spatial option will need to have regard to legislation, national planning policy, local and regional strategies. Furthermore, the Plan must take account of the specific characteristics, assets and issues which are prevalent and form a development plan which promotes and guides development in the best way for the County Borough of Bridgend.

2.3 Therefore, this paper puts forward 4 possible Spatial Strategy options for accommodating the distribution of housing and employment growth anticipated over the Revised LDP plan period (2018-2033):

- **Option 1: Continuation of the existing LDP Regeneration Strategy** -Prioritise the re-use of previously developed land and direct growth to sites within the SRGA's and existing settlement boundaries (SDB).
- **Option 2: Public Transport Hubs and Strategic Road Corridors Strategy** – growth is directed to major public transport hubs and the strategic highway network (M4).
- **Option 3: Prioritise growth to the North of the M4 (Valleys Strategy)** - new development would focus on the existing Strategic Regeneration Growth Areas (SRGAs) of Maesteg and the Llynfi Valley and the Valleys Gateway, with the delivery of existing commitments on brownfield sites being the focus in settlements outside of these areas. The strategy would also identify a Strategic Hub in the north of the Borough in accordance with the Welsh Government's Ministerial Valleys Taskforce.
- **Option 4: Regeneration and Sustainable Urban Growth-led Strategy** – this is hybrid of options 1, 2 and 3 which would balance the requirement to deliver the County Borough's housing requirement and Council's regeneration objectives.

3. BACKGROUND CONTEXT

3.1 Evidence Base

3.2 The ongoing review of data, statistics and information is key to the LDP review process. Work has commenced on data gathering and collation and the findings shall be published throughout the preparation of the Revised LDP. Of particular relevance at this early stage in the process is the:

- Annual Monitoring Reports (AMRs) that monitor the progress of the existing LDP;
- The existing LDP Review Report (approved by full Council in June 2018) that highlights a number of principle reasons for the review and concludes that a 'full revision' of the Plan is necessary';
- Bridgend Public Services Board Well-being Plan (2018);
- The draft Vision and Objectives Technical Paper (Appendix A) - which sets out the key considerations for the County Borough and identifies a clear vision of what the County Borough should look like in 2033 and the objectives to deliver that vision (2033 is the Replacement LDP expiry date); and
- Strategic Growth Options Technical Paper (Appendix B) which sets out the projected growth requirements for the County Borough of Bridgend.

Political Engagement

3.3 To date, there has been extensive consultation undertaken with Elected Councillors through LDP training sessions and Development Control Committee. The Development Control Committee (LDP Steering Group) primary purpose is to take political ownership of the Revised LDP and ensure that the plan making process is managed in accordance with those relevant procedures and protocols.

3.4 The Development Planning Section will also present these options to the Town and Community Council Forum on 26th February 2019 and continue to liaise with elected Members throughout the process.

3.5 Consultation with Key Stakeholders

3.6 The process for preparing the Replacement LDP encourages a wide range of organisations and groups to work with the Council to help set the broad strategy of the plan from a very early stage of preparation. While the Council as Local Planning Authority (LPA) is responsible for producing the plan (and the Development Control Committee provides the political steer) it is essential that its preparation is undertaken in conjunction with our key stakeholders (A full list of consultation bodies is set out in Replacement LDP Delivery Agreement).

4. SPATIAL STRATEGY OPTIONS FOR THE DISTRIBUTION OF GROWTH

4.1 In addition to setting out the level of growth needed over the plan period, the Replacement LDP must put forward a clear spatial strategy for where this development should take place

within the County Borough.

- 4.2 A separate technical paper has been published as part of the LDP evidence base setting out projected population and household change up until 2033 (attached as Appendix B). This paper has been informed by the 'Bridgend Demographic Forecasts 2019' Report prepared by Edge Analytics and is a key piece of evidence in identifying how much growth is required in the County Borough for the Replacement LDP plan period (2018-2033).
- 4.3 In accordance with Welsh Government guidance it is important that only realistic and achievable options to accommodate growth are set out rather than list all eventualities. The Options for Growth have established that growth is required to sustain the County Borough of Bridgend area. A no growth option is therefore not possible and is not presented within this paper.
- 4.4 The options identified assume that housing development without employment / jobs in the same broad location, and vice versa, is less sustainable and is to be avoided. Similarly, infrastructure improvements need to be aligned with new development, including improvements to transport networks, utilities, green infrastructure, health, education and social facilities. **Consequently, the term 'development' is used in the Spatial Options for Growth to refer to the balance of housing, employment and the accompanying infrastructure.**
- 4.5 No single option is considered preferable at this stage and there remains scope and flexibility for the options to be adapted to take account of additional factors.
- 4.6 The Strategic Environmental Assessment – Sustainability Appraisal (SEA-SA) will assess the anticipated impacts of each Spatial Option against the Objectives of the LDP.
- 4.7 Therefore, the 4 possible Spatial Strategy Options for accommodating the distribution of housing and employment growth anticipated over the Revised LDP plan period (2018-2033) are discussed below.
- 4.8 **Option 1: Continuation of the existing LDP Regeneration led Strategy.**
- 4.9 This option is broadly a continuation of the existing LDP regeneration led strategy and proposes to prioritise the re-use of previously developed land (brownfield) and direct growth to land within existing settlement development boundaries.
- 4.10 In terms of background context, the existing Regeneration-Led Spatial Strategy was developed to provide a land use framework, to help realise the regeneration aspirations and priorities of the Council, and make the most meaningful contribution with respect to securing social, environmental and economic benefits for the communities of the County Borough. Taking into account the spatial distribution of regeneration activities and needs, development is directed to settlements and parts of the County Borough which will benefit the most and where there are opportunities for securing the greatest positive impacts and benefits of growth.
- 4.11 In line with the above, four Strategic Regeneration Growth Areas (SRGAs) at: Bridgend; Porthcawl; Maesteg and the Llynfi Valley; and The Valleys Gateway together with four Strategic Employment Sites at: Brocastle, Waterton, Bridgend; Island Farm, Bridgend; Pencoed Technology Park, Pencoed; and Ty Draw Farm, North Cornelly were identified to

deliver a range of mixed-use developments and facilities. The re-use of brownfield and under-utilised land in this way at the time (and still is) viewed by national policy as a key way to creating a more sustainable pattern of development. Therefore the overall preference of the existing LDP Strategy has been for the development of land within urban areas, especially on previously developed 'brownfield' sites, before considering the development of greenfield sites. The level of development and growth identified in the LDP has taken into account how much development would be required to have a significant regenerative effect, the availability of sites for development in that area, existing settlement patterns, having regard to the social and economic function and identity of settlements and to relevant environmental considerations.

4.12 A review of the LDP Annual Monitoring Reports has shown that the Regeneration-Led Spatial Strategy that underpins the LDP has been broadly successful, especially in bringing forward a number of residential and mixed-use allocated sites (primarily on brownfield land) within the County Borough. The delivery of sites has been especially successful within the Strategic Regeneration Growth Areas of Bridgend and the Valleys Gateway. The implementation of the LDP Strategy has however been less successful in the Strategic Regeneration Growth Areas of Maesteg and the Llynfi Valley and Porthcawl. This has largely been attributed to land-ownership issues and assembly and viability issues especially within the upper areas of the Llynfi Valley. The advantages and disadvantages of continuing with this strategy are set out below.

4.13 Advantages

- This option promotes the development of land within urban areas, especially on previously developed 'brownfield' sites, before considering the development of greenfield sites and direct growth to sites within existing settlement development boundaries. This option would broadly be consistent with Planning Policy Wales (National Planning Guidance) in terms of prioritising 'brownfield' sites.
- The regeneration objectives of the Council would continue to be promoted.
- Growth would be directed to sustainable urban locations close to public transport and the strategic highway network.
- The strategy will continue to seek to revitalise Maesteg by recognising its role as the principal settlement serving the Llynfi Valley which has the potential capacity and infrastructure to accommodate future growth; and deliver the Porthcawl Waterfront Regeneration Site.

4.14 Disadvantages

- the majority of existing brownfield regeneration sites identified in the existing LDP have been delivered or are committed (and expected to come forward within the next few years especially within Bridgend and the Valley's Gateway Growth Areas). Whilst additional brownfield opportunities exist in the Valley's Gateway area, there are capacity issues at Junction 36 of the M4 which could constrain further growth being delivered without significant investment in the associated infrastructure to relieve these constraints. In particular, north-south movements across the Junction are at capacity, which affects the connectivity of the Valleys Gateway (and the Valleys

beyond) with jobs and services in Bridgend. Any potential solution to this bottleneck is likely to require a level of financial investment that is larger than local in scale and will incur a timetable for implementation that will extend far beyond the plan period.

- The implementation of the LDP Strategy has been less successful in the Strategic Regeneration Growth Areas of Maesteg and the Llynfi Valley and Porthcawl. This has largely been attributed to land-ownership issues and assembly and viability issues especially within the upper areas of the Llynfi Valley. This is due to complex land ownership / assembly issues, significant site reclamation costs and a lack of financial viability. This is particularly prevalent on larger scale sites that are considered strategic in nature and of a size required to accommodate the scale of new house building required to fulfil the amount of growth indicated by the population projections. Without significant policy interventions, it is difficult to envisage how these blockages can be removed. The delivery of such sites will be rigorously tested during the LDP review process.
- As such additional viable and deliverable sustainable greenfield sites are required to deliver future housing requirements for the County Borough up to 2033, especially given that the housing land supply within the County Borough has fallen below the 5 year minimum requirement. The scope to do this in the settlements to the north of the M4 is severely restrained by geographical and topographical constraints – especially in the Ogmores & Garw Valleys, where settlements are linear in nature and have limited existing services and facilities (Option 3 discusses this issue in more detail).

4.15 **Conclusion**

4.16 Option 1 prioritises the re-use of previously developed land and directs growth to sites within existing settlement boundaries (SDB) and is a continuation of the existing LDP Regeneration-led Strategy. A review of the Annual Monitoring Reports has shown that the Regeneration-Led Spatial Strategy that underpins the LDP has been broadly successful, especially in bringing forward a number of residential and mixed-use allocated sites (primarily on brownfield land) within the County Borough. The delivery of sites has been especially successful within the Strategic Regeneration Growth Areas of Bridgend and the Valleys Gateway.

4.17 It is important to recognise that the implementation of the LDP Strategy has however been less successful in the Strategic Regeneration Growth Areas of Maesteg and the Llynfi Valley and Porthcawl. This has largely been attributed to land-ownership issues and assembly and viability issues especially within the upper areas of the Llynfi Valley. If the Council decided to proceed with Option 1 (continuation of the existing LDP strategy) it would not be able to deliver the County Borough's future housing requirements and it is likely that such a strategy would be considered unsound at the LDP public examination.

4.18 **Option 2: Public Transport Hubs and Strategic Road Corridors:** growth is directed to major public transport hubs and the strategic highway network (M4).

4.19 This Option proposes to locate new development within key settlements and functional corridors along main, established transport routes. Sites would be allocated for development based on their geographical proximity to public transport hubs (including existing train stations and bus routes) and the strategic highway network (M4), where there is current or

planned infrastructure in place to accommodate the levels of growth required. This Option would aim to improve local to regional connectivity and develop sustainable multi-modal transport environments that benefit from public transport, walking and cycling opportunities alongside road links.

- 4.20 Bridgend has a unique geographical position between the two city-regions in South Wales. In particular, there are strong historical transport links to Cardiff, which will only become more deeply entrenched as the Cardiff Capital Region develops, providing plentiful opportunities for the County Borough to exploit a wider regional market.
- 4.21 The transportation network in Bridgend is dominated by highways, which total 793 kilometres in length and carry approximately 1.3 billion vehicle kilometres of traffic. The 18 kilometres of the M4 motorway running through the County Borough provide three key gateways at junctions 35, 36 and 37, which naturally align with established settlements at Pencoed, Bridgend and North Cornelly / Pyle, respectively. These road linkages represent a significant pull factor for development to take place within the County Borough.
- 4.22 In addition, Pencoed, Bridgend and Pyle Railway Stations are all on the South Wales Main Line, served by the Swansea to Cardiff regional train service. This provides a frequent service from the east to the west of the County Borough itself in addition to the two cities. Bridgend and Pencoed Stations also benefit from the Manchester to Carmarthen service, with Bridgend also connecting directly to London Paddington. There are Council-owned park and ride sites at Pencoed and Pyle stations and a private park and ride site at Bridgend Station, with medium term plans to upgrade the capacity of the Pyle park and ride facility (as identified in the Local Transport Plan).
- 4.23 The three motorway junctions and key train stations operating on the South Wales Main Line align with existing settlements to pinpoint relatively natural growth corridors, summarised below for ease of reference:
- 4.24 **Settlements with Stations on main Railway Corridors:**
- Bridgend
 - Pencoed
 - North Cornelly / Pyle
- 4.25 **Settlements located on the Key Strategic Road Network (M4)**
- Bridgend (Junction 36)
 - Pencoed (Junction 35)
 - North Cornelly / Pyle (Junction 37)
- 4.26 This Option aims to closely align growth with sustainable development principles. Developing new homes in close proximity to good public transport networks means that these forms of travel should be naturally perceived as straightforward and attractive by residents from the outset. New developments would also be integrated within established communities (i.e. Bridgend, Pencoed and North Cornelly / Pyle), all of which already benefit from existing services, facilities and employment clustered around the railway stations.
- 4.27 The three M4 Junctions also act as significant gateways into the County Borough, with existing infrastructure in place to help facilitate development of a range of uses. Focussing growth around these Junctions could lead to enhancement of multi-modal transport corridors to stimulate development by providing direct links between the main residential areas and

employment centres. This approach should facilitate complementary transport uses to ensure growth can be incorporated in an integrated and co-ordinated way.

4.28 Advantages

- The three settlements are well placed to offer service and employment opportunities to ensure that new developments are not functionally separate, isolated settlements.
- Providing realistic public transport options will incentivise residents to utilise these services as viable and realistic alternatives to the car. This will especially be apparent if the services are frequent, reduce travel time overall and combat parking problems near employment and within busy town and city centres. Improvements to public transport along these key growth corridors will also provide an equitable basis for access and mobility.
- In addition to the train stations, new developments close to existing settlements will prove far easier to serve by bus. This can be facilitated through extensions and tweaks to the existing bus network as opposed to establishing new routes, which habitually prove costly and perhaps unfeasible, especially with reduced availability of subsidy.
- Sustainable growth in these areas would necessarily be accompanied by safe walking and cycling linkages alongside green infrastructure to provide logical routes grounded in Active Travel principles. This could help promote more active lifestyles, combat social isolation and provide close linkages to the key places (i.e. employment, education or recreation) residents will need to travel to.
- Channelling growth into these areas would induce a local multiplier effect to increase revenue for and therefore viability of local business and services. This would sustain economic development and incite job creation as the hubs would increasingly be seen as attractive places for business to locate, given the growing employment base and availability of skilled labour.

4.29 Disadvantages

- Development may not accord with market demand and lead to a number of sites being advertised primarily based on their proximity to the major highway network. This could encourage high levels of car usage, place pressure on settlements with infrastructure related constraints and lead to local traffic increasingly slowing down long distance traffic as a consequence.
- New residents may be far less concerned with accessing existing local centres and instead place more emphasis on finding the fastest routes onto the major road networks. This could therefore lead to an unintended preponderance of car-based housing estates with little else to offer in terms of Active Travel, place making and connectivity opportunities.
- There could be capacity issues at the three motorway junctions (35, 36 and 37), which is crucial for the efficient operation of this stretch of the M4. There are currently limitations at Junction 36 in particular, where current and future development

pressures are predicted to lead to the generation of excessive car traffic. These pressures are beginning to turn the M4 into a distributor of local traffic, which should not be the case. Additional growth will therefore be hindered around this particular section of the strategic road corridor without significant action being taken initially.

- It is questionable whether the rail network could accommodate the level of growth that would be channelled into these hubs, especially at Pencoed and Pyle Stations, to meet the movement requirements of the new residents.
- Sustainable settlements elsewhere would be overlooked in terms of their ability to accommodate growth. This Option would also fail to address the socio-economic needs of the Llynfi, Garw and Ogmore Valleys, Porthcawl and other rural areas across the County Borough.

4.30 Conclusion

4.31 Overall, this Option is based on promoting sustainable development by focussing on established transport hubs at North Cornelly / Pyle, Pencoed and Bridgend. It aims to channel growth towards these key settlements through enhancement of multi-modal transport corridors that promote public transport and access to the major highway network. This Option would provide opportunities to closely link new residential development to employment, recreation and education uses through active travel principles, thereby promoting healthier, more socially inclusive lifestyles. It could also help boost the local economies of these existing key settlements by rendering the centres more attractive for development and increasing the pool of labour.

4.32 However, improvements to rail infrastructure and expansion of services could be restricted by capacity constraints, especially at Pyle and Pencoed Stations along with Junction 36. This Option would be largely dependent on investment decisions across the region, which is beyond local decision making alone.

4.33 Elements of this Option are similar to the existing LDP's strategy in that it is based on directing growth to sustainable urban locations. However, a key difference is that this proposed Option overlooks large parts of the County Borough, notably Porthcawl, Maesteg and the Llynfi Valley, thereby ignoring the role of such sustainable settlements elsewhere.

4.34 Whilst there are certainly elements of this Option that would promote sustainable forms of development and catalyse positive socio-economic change, it arguably fails to provide a comprehensively robust rationale to justify a spatial strategy alone. However, it is perhaps suitable to provide useful high level context to inform the chosen spatial strategy.

4.35 **Option 3: Prioritise growth to the North of the M4 - a Valleys led Strategy**

4.36 By following this spatial option, new development would focus on the existing Strategic Regeneration Growth Areas (SRGAs) of Maesteg and the Llynfi Valley and the Valleys Gateway, with the delivery of existing commitments on brownfield sites being the focus in settlements outside of these areas. The strategy would also identify a Strategic Hub in the north of the Borough in accordance with the Welsh Government's Ministerial Valleys Taskforce.

- 4.37 This Spatial Strategy concentrates new development in those communities to the north of the M4 that are most in need of social, economic and environmental regeneration. It builds on existing regeneration activities and programmes and provides the opportunity to enhance the range and quality of local services aimed at reducing levels of social exclusion.
- 4.38 This Strategy would direct a large proportion of future growth to the Llynfi Valley, especially the Upper Llynfi Valley and Maesteg where there is scope and site capacity on existing brownfield land associated with Maesteg Washery, the former Cooper Standard site and the former Coegnant Colliery reclamation area, straddling the settlements of Caerau and Nantyllyn. Such development would sustain and promote Maesteg's role as the principal settlement serving and benefiting surrounding settlements. Maesteg also has the infrastructure to accommodate further growth, notably with respect to proposals in the South Wales Metro prospectus to enhance the Bridgend – Maesteg rail line. This could potentially include increased frequency of services and enhancement of heavy rail sections of the route.
- 4.39 There is also the opportunity to build on the strategic potential of the Valleys Gateway area by directing further development to this most accessible and central location within the County Borough. This area also offers considerable scope and capacity most notably in the settlements of Tondy, Sarn, Aberkenfig and Bryncethin where large sites have the potential of coming forward for mixed-use schemes, by means of the re-assessment of existing redundant, underutilised employment sites and through the priorities of the schools' modernisation process and candidate site submissions.
- 4.40 In view of the area's pivotal role in serving the valleys there may be a requirement for the release of further land for employment purposes, especially if as a result of the re-assessment process of underutilised existing sites for mixed-use, there is potentially less land available specifically for employment purposes.
- 4.41 Some settlements, particularly in the Garw and Ogmore Valleys, which are in need of regeneration, have fewer development opportunities. Settlements in this location are particularly constrained by difficult topography and inadequate infrastructure. Therefore, pursuit of this spatial option may require the relaxation of certain settlement boundaries, and provision for the release of some urban fringe or greenfield sites immediately adjacent to existing settlements within these communities. However, there are also a number of brownfield redevelopment opportunities, especially within the settlements of Bettws, Blackmill, Blaengarw and Nantymoel, which have the potential of delivering mixed-use schemes for the benefit of the wider community. The strategy will seek to exploit the varied landscape of the Garw and Ogmore Valleys by identifying opportunities for cultural and tourism related developments.
- 4.42 This Strategy would recognise the work of the Welsh Government's Ministerial Valleys Taskforce which has identified Northern Bridgend as one of its Strategic Hubs in its Our Valleys, Our Future Delivery Plan. The key priorities of the plan are: good quality jobs and the skills to do them; better public services; and my local community. The plan identifies 7 strategic hubs to be created across the South Wales Valleys as a focus for targeted public investment to provide opportunities for the private sector to invest with a primary focus on job creation, skills development and entrepreneurship. The specific issues leading to the areas designation as a hub are the transport connectivity challenges faced by this part of the borough which promotes a sense of isolation from Bridgend and Pencoed. This Strategy would promote measures to improve the A4063 between Sarn and Maesteg, increase capacity of Junction 36 of the M4 to cater for additional north to south movements, and encourage Active Travel schemes to link new development to existing travel hubs. The

implementation of any such improvements would depend on the identification of sufficient financial resources to fund them.

4.43 Advantages

- This option could strengthen the vitality of the Valley settlements, and assist with the deliverability of affordable housing in areas and settlements of greatest need, reducing patterns of social exclusion and isolation.
- The strategy is similar to that of the existing LDP, seeking to deliver regeneration benefits through the allocation of new housing developments on previously developed sites particularly those in the Upper Llynfi Valley which have not yet been delivered. A brownfield strategy accords with the goals of Planning Policy Wales.
- The strategy will continue to seek to revitalise Maesteg by recognising its role as the principal settlement serving the Llynfi Valley which has the potential capacity and infrastructure to accommodate future growth.
- It will build on the success of the existing Valleys Gateway SRGA and will continue to recognise the strategic potential of this area providing opportunities for further development and the delivery of facilities serving the whole of the County Borough.
- The strategy will support Council-wide carbon reduction targets and promote climate change mitigation by working with local communities to identify suitable locations for local authority-scale renewable energy projects in the Ogmore and Garw Valleys and to continue to promote the Upper Llynfi Valley Heat Network Project.
- Will seek to address the challenges posed by poor connectivity between Pencoed and Bridgend and the Valley communities through finding and funding solutions to the capacity issues of north to south movements at Junction 36 of the M4, the improvements required to the A4063 and planned investment to the rail line between Bridgend and Maesteg.

4.44 Disadvantages

- The majority of existing brownfield regeneration sites identified in the Valleys Gateway SRGA in the existing LDP have been delivered or are committed and expected to come forward within the next few years. Whilst additional brownfield opportunities exist in this area, there are capacity issues at Junction 36 of the M4 which could constrain further growth being delivered without significant investment in the associated infrastructure to relieve these constraints. In particular, north-south movements across the Junction are at capacity, which affects the connectivity of the Valleys Gateway (and the Valleys beyond) with jobs and services in Bridgend. Any potential solution to this bottleneck is likely to require a level of financial investment that is larger than local in scale and will incur a timetable for implementation that will extend far beyond the plan period.
- The implementation of the LDP Strategy has been less successful in the Strategic Regeneration Growth Area of Maesteg and the Llynfi Valley. Of housing completions on allocated sites across the borough, only 0.2% have been in the Maesteg and Llynfi

Valley SRGA. This is due to complex land ownership / assembly issues, significant site reclamation costs and a lack of financial viability. This is particularly prevalent on larger scale sites that are considered strategic in nature and of a size required to accommodate the scale of new house building required to fulfil the amount of growth indicated by the population projections. Without significant financial intervention from Welsh Government, it is difficult to envisage how these blockages can be removed. The delivery of such sites will be rigorously tested during the LDP review and could see it fail at the first hurdle.

- As such additional viable and deliverable sustainable greenfield sites will be required to deliver future housing requirements for the County Borough up to 2033, especially given that the housing land supply within the County Borough has fallen below the 5 year minimum requirement. The scope to do this in the settlements to the north of the M4 is severely restrained by geographical and topographical constraints – especially in the Ogmore & Garw Valleys, where settlements are linear in nature and have limited existing services and facilities. At a minimum, this would require the extension and/or relaxation of settlement boundaries and lead to the allocation of unsustainable greenfield sites located away from main transport hubs. This will entrench existing patterns of disconnection between homes and jobs and will be at odds with the Placemaking agenda advocated by Planning Policy Wales.
- The level of growth that will need to be identified to fulfil the LDP Strategy may be considered unsustainable in terms of the capacity of existing and proposed transport links. In addition to capacity issues at Junction 36 of the M4, the delivery of improvements to the A4063 between Sarn and Maesteg is dependent on securing the necessary level of investment despite being programmed in the Local Transport Plan. The only train service north of the M4 is a single track route linking Bridgend to Maesteg, with zero potential to extend the route to serve additional new stations or the Ogmore and Garw Valleys. Financial decisions relating to measures to increase the frequency of services on the Bridgend to Maesteg train line reside with the Welsh Government and are not seen as a short term measure in the development of the South Wales Metro.
- No new strategic residential sites would be allocated in the key settlements of Bridgend, Porthcawl, Pencoed or Pyle. These are recognised as having an important sub-regional or regional role in the Settlement hierarchy of the Borough, and being the principal centres of services, jobs and community facilities. This continuing role may be weakened by the lack of growth over the plan period, calling into question the Borough's capability to deliver significant levels of high quality residential and employment land for the wider Cardiff Capital Region.

4.45 Conclusion

- 4.46 This Spatial Strategy concentrates new development in communities in need of social, economic and environmental regeneration. It builds on existing regeneration activities and programmes and provides the opportunity to enhance the range and quality of local services aimed at reducing levels of social exclusion.
- 4.47 Pursuit of this strategy would focus growth on those locations that have previously seen little in the way of private sector investment. This could improve the built environment, especially in the north of the County Borough, by encouraging the regeneration of previously developed

land. However the Valley settlements have traditionally had low market demand, increased costs associated with land reclamation and limited physical and social infrastructure. There is little evidence to suggest house prices have shown any indication of improving in recent times, whilst the physical and topographical characteristics of this part of the borough present a viability challenge for sites of all sizes. This Strategy will therefore require innovative public/private partnership approaches to succeed.

4.48 If the Council decided to proceed with Option 3 it would not be able to deliver the County Borough's future housing requirements such a strategy would be considered unsound at the LDP public examination, as it would be difficult to demonstrate a sufficient quantity of deliverable sites could be allocated to accommodate the population growth indicated. Demonstrating site viability is recognised as a critical issue in the LDP process and the failure to do so would leave the Council at high risk of failing to sustain a 5 year housing land supply, which in turn could lead to Developer's submitting proposals for greenfield sites throughout the Borough. Pursuing this Spatial Option would not address the failings of the existing Bridgend LDP.

4.49 **Option 4: Regeneration and Sustainable Urban Growth - led strategy**

4.50 This options proposes to continue to focus growth on Bridgend, Porthcawl, Maesteg and the Llynfi Valley recognising that some 'greenfield' sites may be required to deliver future housing requirements for the County Borough up to 2033.

4.51 Pencoed and Pyle are identified as areas that could accommodate sustainable growth in recognition of their strategic locations on the M4 and proximity to railway stations – **Officers are liaising with Transport for Wales to assess the impacts of additional growth on the rail network.**

4.52 Sustainable growth in the Llynfi, Ogmore and Garw Valleys will be stimulated to stem decline and maintain viable communities but without compromising the landscape, which is seen as a key regeneration driver in terms of encouraging tourism. This strategy could also allow for a Strategic Hub north of the M4 to be developed (subject to the identification of a suitable site).

4.53 Finally, sustainable growth in the County Borough's 'Local Service Settlements' will be encouraged by flexibly defining the Settlement Development Boundaries where practical, to accommodate a range of sites thus enabling them to be considered for sustainable development provided that it does not detrimentally impact the historic and natural environment.

4.54 **Advantages**

- Builds on the successes of existing LDP strategy and provides enough flexibility to address the elements that have underperformed i.e. Porthcawl and Maesteg the Llynfi Valley.
- Continues to focus on the delivery of existing brownfield regeneration sites allocated in the existing LDP but also and identifies viable, deliverable and sustainable greenfield sites to help meet the County Borough's future housing needs.
- New sustainable growth will help deliver Welsh Government's placemaking agenda.

- New sustainable allocations could will contribute towards the energy needs of Wales with a focus on the promotion of renewable and low carbon energy in particular building upon the Local Energy Strategy that identifies suitable locations for District Heating Networks.
- This option will promote multi-functional green infrastructure with an emphasis on its integration with existing and new development.
- This strategy will bring about growth based on key transport hubs and the strategic road network/corridors (as such new development will be located and designed in accordance with the transport hierarchy (PPW) to prioritise the use of sustainable transport, reduce related airborne pollution, reduce the need to travel, reduce the dependency on private vehicles and help deliver Active Travel routes in the County Borough.
- Growth centred on key transport hubs and strategic road network will assist and sustain economic development and job creation in accordance with sustainable development objectives.

Negatives

- This strategy unfortunately cannot change the current viability challenges in the Valley settlements, however the plan will continue to put a framework in place that would allow sustainable development to come forward (if viable) in line with the Council's regeneration objectives and sends a clear message that the Valley settlements are not being overlooked.
- This strategy does not resolve the capacity issues at Junction 36 (M4) and prevents development to the east of Bridgend and Valley's Gateway area.

4.55 Conclusion

- 4.56 This option builds on the successes of existing LDP strategy and provides enough flexibility to address the elements that have underperformed i.e. Porthcawl and Maesteg the Llynfi Valley. Crucially, this options continues to focus on the delivery of existing brownfield regeneration sites allocated in the existing LDP but would also need to identify viable, deliverable and sustainable greenfield sites. In addition, Pencoed and Pyle are identified as areas that could accommodate additional sustainable development in recognition of their location on strategic road and rail network to help meet the County Borough's future housing needs.
- 4.57 In line with the Council's existing regeneration agenda, sustainable growth in the Llynfi, Ogmore and Garw Valleys will be stimulated to stem decline and maintain viable communities but without compromising the landscape, which is seen as a key regeneration driver in terms of encouraging tourism. This strategy could also allow for a Strategic Hub north of the M4 to be developed (subject to the identification of a suitable site).
- 4.58 Finally, sustainable growth in the County Borough's 'Local Service Settlements' will be encouraged by flexibly defining the Settlement Development Boundaries where practical, to accommodate a range of sites thus enabling them to be considered for sustainable

development provided that it does not detrimentally impact the historic and natural environment.

4.59 Preferred Spatial Strategy Option

4.60 Based on the appraisal above and current evidence, Option 4 is likely to be identified as the preferred spatial strategy that will enable the Council to achieve the most sustainable form of development, meet the Replacement LDP Objectives and address existing infrastructure capacity issues.

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