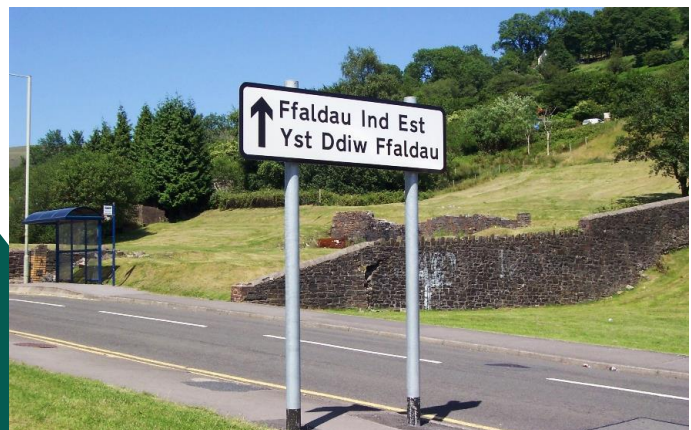




Bridgend Replacement Local Development Plan 2018-2033



Background Paper 2: Strategic Growth Options

Table of Contents

1.	Purpose of the Report.....	1
2.	Introduction.....	1
3.	Preferred Strategy Growth Options.....	2
4.	Revised 2018-Based Projections, Variants and Alternative Scenarios.....	13
5.	Past Build Rates and Future Plan Direction	18
6.	Conclusion.....	20

BRIDGEND REPLACEMENT LOCAL DEVELOPMENT PLAN (LDP) 2018-2033

BACKGROUND PAPER 2: STRATEGIC GROWTH OPTIONS

1. Purpose of the Report

- 1.1 This Report provides an overview of the refreshed evidence base used to inform the level of economic growth and housing provision underpinning the Replacement Bridgend Local Development Plan (LDP) 2018-33. This report both synthesises and should be read in conjunction with the Demographic Analysis and Forecasts Report (2019), the LDP Demographics Update (2020), the Economic Evidence Base Study (EEBS, 2019), the EEBS Update (2021) and the Employment Background Paper. The distribution of growth is also further evaluated and justified in the Spatial Strategy Options Background Paper.

2. Introduction

- 2.1 The Vision of the Replacement LDP is focused on the continued transformation of Bridgend County Borough into an interrelated network of safe, healthy and inclusive communities that connect more widely with the region to catalyse sustainable economic growth. This is to be achieved by maintaining and developing strong, interdependent, cohesive settlements whilst also protecting and enhancing the County Borough's environmental and heritage assets. Planning for well-being, economic growth, housing and associated infrastructure to support appropriate change to this end is therefore a core element of the Replacement LDP.
- 2.2 In order to identify the most appropriate scale of economic growth and housing provision to underpin the Replacement LDP, well informed, evidence-based judgements have to be made regarding need, demand and supply factors. This Paper therefore assesses the level of unconstrained need, based on the current baseline situation (homes and jobs), before quantifying a variety of outcomes over the Replacement LDP period (2018-33). The Welsh Government's (WG) latest population and household projection variants form a key part of the evidence base in this respect, although it is equally important to consider alternative scenarios to test the impacts of different assumptions.
- 2.3 This Paper also refreshes the evidenced-based analysis used to support and justify the Preferred Strategy. A range of 2014-based scenarios and alternatives were initially analysed to inform three growth options (Low, Mid and High) at Preferred Strategy stage. These options were selected on the basis of being representative of identified scenarios, reasonable in relation to the evidence base and sufficiently diverse to enable different strategic planning responses. WG then published 2018-based population and household projections in 2020, updating the 2014-based equivalents. These new WG projections provide a refreshed baseline for the Replacement LDP's demographic evidence base, to be considered

alongside a range of growth scenarios, including trend and housing-led alternatives. This Paper therefore evaluates and draws conclusions from these revised growth scenarios. It considers whether the justified growth option (Mid Growth) used to underpin the Preferred Strategy remains appropriate to deliver the overall vision of the plan and the key objectives when balanced against a range of key supply factors. This Paper then concludes by identifying an appropriate plan requirement to enable a balanced level of housing and employment provision that will achieve sustainable patterns of growth, support existing settlements and maximise viable affordable housing delivery.

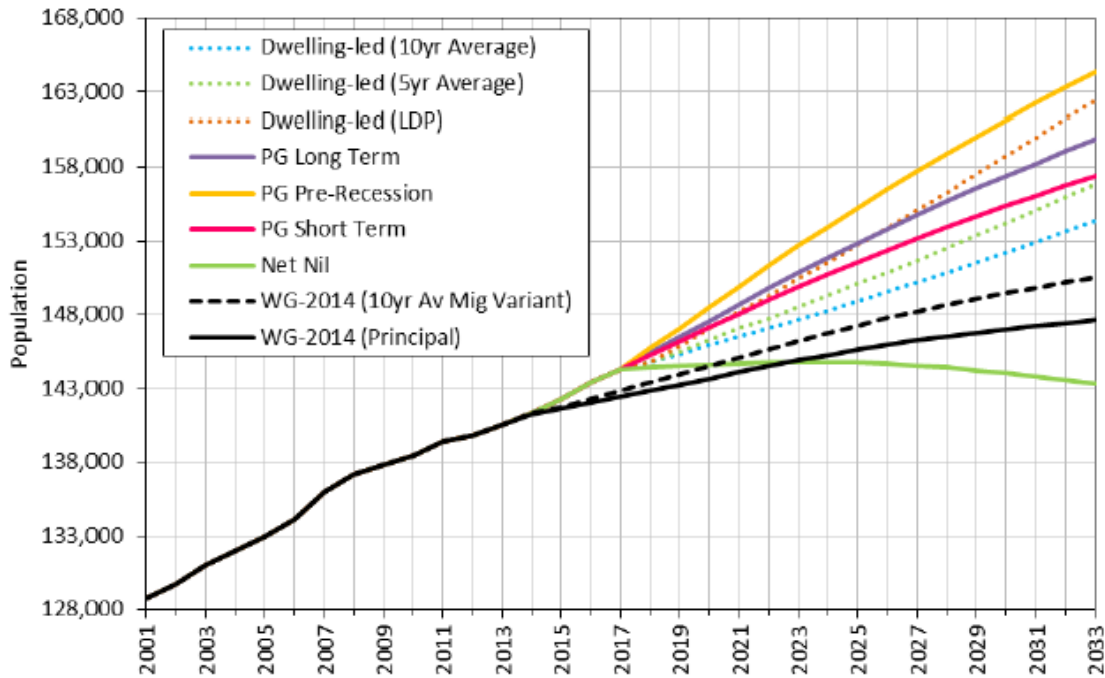
3. Preferred Strategy Growth Options

- 3.1 The Council commissioned Edge Analytics to produce a technical paper (Bridgend Demographic Analysis and Forecasts Report, 2019) to provide a range of population, housing and employment growth evidence to inform the emerging Replacement LDP. This built on the 2014-based WG Variants to provide a range of other projections that captured the latest historical population estimates for Bridgend, basing their migration flow assumptions on alternative histories. The technical paper also provided a demographic profile of Bridgend, illustrating its geographical context and components of population change before examining how much growth might be needed should different scenarios take place.
- 3.2 Whilst there is not always an unequivocal relationship between homes and employment, it is vital to consider the two elements in tandem when projecting different scenarios. Analysis was therefore undertaken to determine the likely demographic impact of different growth trajectories on homes and employment. The relationship between the two variables was quantified by measuring the link between employment growth and the changing size of the resident population. Employment growth estimations were made by forecasting population size and structure, estimating the size of the labour force, considering commuting ratios and making assumptions on unemployment rates. These core assumptions are explained in more detail within the Demographic Analysis and Forecasts Report, 2019. This exercise provided different levels of employment¹ that could be supported under the projected scenarios.
- 3.3 In addition to the WG 2014-based 'Principal' and '10yr Average Migration' variant projections, four demographic and three dwelling-led scenarios were developed as part of this technical paper. 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. In order to translate

¹ 'Employment' in this context is defined as 'the total number of people in employment, acknowledging that some of these people may have more than one job'. Therefore, each person is only counted once to measure employment growth. This differs to the term 'jobs', which considers the number of jobs being performed as opposed to the number of people with a job. Therefore, where different jobs are performed by the same person, those jobs will be counted separately to measure job change.

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 were 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, 2019

3.4 Following detailed analysis of each scenario, three strategic Growth Options (Low, Mid and High) were formulated for further evaluation at Preferred Strategy stage. These options were selected on the basis of being representative of identified scenarios, reasonable in relation to the evidence base and sufficiently diverse to enable different strategic planning responses. They enabled more detailed analysis into how different levels of growth aligned with the issues the Replacement LDP is seeking to address, before enabling selection of the most appropriate option to deliver the Vision and Objectives. Evaluation of each option, as undertaken to inform the Preferred Strategy, is outlined below.

Low Growth Option

3.5 The Low Growth Option was based on the WG 2014-Based Principal Scenario, which incorporates trends on births, deaths and migration from the five years preceding 2014. This represented the baseline position at Preferred Strategy stage. The base time period included a phase of reduced net migration flows into

Bridgend County Borough meaning this projection estimated the second lowest level of household growth of the ten aforementioned scenarios (the lowest being the Net Nil Scenario, which tested the impact of zero net migration for purposes of comparison).

- 3.6 The Low Growth Option also estimated a negative to minimal change in the labour force over the plan period due to the low level of net migration coupled with a rapidly ageing population profile that contains a smaller proportion of economically active workers. This is due to the large numbers of people born after the war moving into the 60+ age group over the next several years along with a simultaneous decline in many younger age groups (most significantly the 45-54 age category due to the impacts of lower net migration growth). The Low Growth Option therefore presented limited scope to counter balance this ageing population despite estimating some minor growth in the 40-44 age group category.
- 3.7 Basing the Replacement LDP on this level of growth would result in a modest 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 by 40% compared to those delivered over the existing LDP period on average. Minimal employment growth would also be supported by this growth option, with a net impact of +13 per annum based on a reducing unemployment rate assumption. Even this more optimistic unemployment rate assumption would still therefore not support significant employment growth during the Replacement LDP period.
- 3.8 The Low Growth Option would be likely to result in:
- An increase in the proportion of older and elderly people living in the County Borough, impacting upon service providers across public and private sectors.
 - A declining number of working aged people residing within the County Borough and, therefore, minimal growth in the local labour force to support expansion and retention of local employment provision.
 - Out-migration of newly forming, economically active households to other areas due to a lack of local economic growth, hampered employment opportunities and lower levels of new dwelling provision than witnessed in the recent past.
 - Curtailed growth in school aged children. Whilst this would place less pressure on the short to medium term capacity of existing schools, it could have a negative impact on longer term pupil numbers in certain areas and reduce scope to secure additional provision and/or upgrades to existing provision through planning obligations.

- Minimal additional planning contributions to nil grant affordable housing provision (over and above that already secured on sites within the existing housing land bank). This would inhibit the Replacement LDP's capacity to contribute to the need identified in the Local Housing Market Assessment (LHMA).
- Deficiencies in access to good quality open space being exacerbated due to insufficient growth to support additional provision and/or upgrades to existing provision.

3.9 A significant proportion of the 4,065 dwellings required under this growth option could be accommodated on existing LDP allocations and/or sites that already form part of the housing land bank. As such, minimal additional allocations would be required to accommodate this level of growth, thereby reducing pressure on greenfield sites. Protection and enhancement of the County Borough's environmental and heritage assets is undoubtedly a key issue for the Replacement LDP, although this equally has to be balanced against the economic and employment growth ambitions of the Plan. The Low Growth Option would therefore not incite a level of growth that would support economic development or indeed the wider plethora of issues that the Replacement LDP is seeking to address.

3.10 The Low Growth Option is ultimately influenced by recession-laden trends and does not take into account more recent household formation and migration patterns that have been evident since the Great Recession². The residential build rate would therefore be too low to provide sufficient accommodation for newly forming households based on these phenomena. A Plan founded on such negative trends would be likely to lead to a decline in the number of economically active households both remaining within and being attracted to Bridgend County Borough, with notable depopulation amongst the established 35-44 age group. This would simultaneously lead to a proportionate increase in households aged 60+ and therefore a growing number of economically inactive people residing within the County Borough. In the medium term, the area could become increasingly unattractive to new employers and major employers may also be inclined to leave Bridgend over time due to the lack of an active, skilled labour force within the local population base.

3.11 Many of the key issues and drivers of the Replacement LDP seek to secure sustainable economic growth, diversify the employment sector and attract inward investment across the County Borough. Proceeding with the Low Growth Option would render this very difficult to achieve and could affect Bridgend's ability to continue performing a sub-regional employment and service centre role that promotes sustainable forms of travel. This is a crucial point given that the revised

² A period of marked general decline observed in national economies globally that occurred between 2007 and 2009.

Plan also aims to maximise the County Borough's ability to both secure socio-economic benefits from and contribute towards the success of the Cardiff Capital Region City Deal. The level of growth associated with this Option would not provide the level of infrastructure, connectivity improvements and economic opportunities required to achieve this aim.

3.12 With supply constrained to this level, affordability issues could also worsen across the County Borough. The revised Plan seeks to address affordability by delivering affordable housing to meet identified need, extending housing choice in the Valleys areas, and creating places with a balanced mix of housing that promote sustainable, active travel opportunities. All of these issues are difficult to address with low growth and the scope to secure affordable housing as part of private developments would be severely hampered, thereby limiting the scope to deliver socially balanced, mixed tenure communities. This is especially noteworthy given that the LHMA 2021 identified need for 5,134 affordable housing units over the plan period. The Replacement LDP needs to maximise scope to contribute towards this need when balanced against the other key issues and drivers it is seeking to address.

3.13 In summary, therefore, the Low Growth Option is influenced by recession laden trends and it is questionable as to how far this Option could deliver a Vision that seeks to catalyse sustainable economic growth that will connect the County Borough with the wider region. Perhaps most notably, this Option would lead to significant out-migration amongst economically active households and an increasingly ageing population residing locally, which could impair the County Borough's ability to attract and retain employers. Whilst pressure on greenfield sites would be lower, this level of growth would therefore not deliver significant long term economic well-being, new supporting infrastructure and services for the local population to utilise. It would also perform poorly in terms of providing affordable housing and could unduly constrain housing supply. For these reasons, this Option is not considered optimal to provide a sufficient level of housing development and employment growth to underpin the Replacement LDP. Proceeding on this basis would render it difficult to deliver against the range of issues the Plan is seeking to address.

Mid Growth Option

3.14 The Mid Growth Option was based on the POPGROUP Short Term Scenario, which projected migration over a six-year historical period (2011/12–2016/17), a time period consistent with ONS methods, updated to include the latest three years of population statistics. Essentially, more recent components of change (i.e. births, deaths, internal and international migration trends) were used to calibrate the assumptions compared to the baseline. This produced a growth option that reflected the most recent, post-recession, trend based data available at Preferred

Strategy stage, which captured a positive period of sustainable, economic growth for forward projection.

3.15 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 (dpa) from 2018-2033. As with the other growth options, a significant proportion of people are projected to 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 proportionate growth in children and teenagers. This is primarily because this Option incorporates more recent mid-year population estimates (2014/15–2016/17) than the baseline, and these datasets have captured higher net in-migration to Bridgend. This is linked to the more favourable economic conditions over this period, with a sustainable up-turn in house building, mortgage availability and housing completions.

3.16 Correspondingly, the post-recession trends that form the foundation for this Option would support a much more notable level of employment growth (up to 266 employed people per annum based on the most positive, reducing unemployment assumption). 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 are difficult to predict at this stage and changes to unemployment rates over the plan period would influence the level of employment growth that could be supported. However, this level of growth appears pragmatic based on recent delivery in Bridgend County Borough.

3.17 The Mid Growth Option would be likely to result in:

- Growth in school aged children, placing some pressure on existing school capacities. However, this scale of growth would enable additional provision (extensions and/or new schools) to be secured through planning obligations, whilst helping to maintain sustainable pupil numbers into the longer term.
- A more youthful population profile that counter-balances the number of older and elderly people living in the County Borough, thereby supporting local socio-economic activity.
- The attraction and retention of economically active, newly forming households within the County Borough through deliverable and sustainable housing supply.
- A sustainable boost to the number of working aged people residing within the County Borough, and, therefore, positive growth in the local labour force to support expansion and retention of local employment provision. This would particularly be fuelled by growth in established households

(around the 35-44 age group), thereby ensuring employment-based skills and experience remain in the County Borough.

- Significant scope to secure additional planning contributions to nil grant affordable housing provision (over and above that already secured on sites within the existing housing land bank). This would ensure the Replacement LDP' can make a significant contribution to the need identified in the LHMA, whilst pursuing sustainable, deliverable and realistic levels of growth across the County Borough.
- More opportunities to secure, enhance and/or remedy deficiencies in good quality open space and recreation provision through planning obligations and strategic master planning.

3.18 In comparison to the previous option, the Mid Growth Option would require some greenfield sites to be developed in accordance with Planning Policy Wales' site search sequence. This is especially given that the majority of existing, viable, brownfield regeneration sites have already been delivered through the existing LDP or are committed and expected to come forward within the next several years. However, after all remaining viable opportunities on previously developed land and/or underutilised sites are exhausted, this level of growth could still be accommodated in a sustainable manner through complementary allocations on the edge of existing settlements. This approach would not be to the detriment of the strategic objectives that seek to protect and enhance the distinctive and natural places across the County Borough, rather conducive to delivery of the full plethora of issues that the replacement plan is seeking to address.

3.19 The Mid Growth Option would incite sustainable levels of development that would meet the needs of newly forming households and lead to more established households both moving into and remaining within the County Borough. The more recent trend based levels of growth (above the baseline) would also result in less outward migration across other economically active age groups. These phenomena would counter-balance the naturally ageing population in Bridgend and provide more scope to incite job creation. Areas identified as suitable to accommodate housing growth would attract skilled workforces within their growing populations and thereby act as alluring bases for new employers to consider moving into or expanding within.

3.20 The Mid Growth Option would enable sustainable economic growth in the County Borough in accordance with the proposed strategic policies. It would notably help to achieve a better balance between the location of employment provision and housing, facilitate delivery of job opportunities and provide a realistic level and variety of employment land (refer to EEBS, 2019). This level of provision would help maintain an accessible, long term supply of local employment land, which is key to creating productive and enterprising places, whilst also helping deliver the ambitions of the Cardiff Capital Region City Deal. This would also enable transit

orientated development grounded in placemaking principles, consistent with the objectives of both Future Wales and Planning Policy Wales.

- 3.21 In addition, this level of growth would capitalise upon existing service and employment facilities, thus inducing a local multiplier effect to increase revenue for and therefore vitality of local businesses and services. Simultaneously, residents would be able to benefit from sustainable access to service centres and public transport links, helping minimise additional traffic congestion by improving active travel infrastructure and reducing car dependencies. Development of this scale and nature would contribute towards several strategic aims of the revised Plan that seek to support the viability of town and district centres, build a more self-reliant economy and deliver accessible well-connected neighbourhoods. It would also promote a 'town centre first' approach in accordance with national policy.
- 3.22 With a sustainable boost to housing supply, above the baseline, the Mid Growth Option would also provide a significant means for the Replacement LDP to help address affordability issues across the County Borough. New development would be planned for at a scale significant enough to secure a deliverable level of affordable housing as part of private residential schemes (refer to Plan-Wide Viability Assessment, 2020). This would enable the right types of affordable housing to be secured and made accessible to those in housing need, in accordance with the findings of the LHMA. This is especially noteworthy given that the LHMA 2021 identified need for 5,134 affordable housing units over the plan period. The Replacement Plan seeks to address affordability by delivering affordable housing to meet identified need, extending housing choice in the Valleys areas, and creating places with a balanced mix of housing that promote sustainable, active travel opportunities. All of these issues can be addressed through the Mid Growth Option, thereby maximising scope to deliver socially balanced, mixed tenure communities when balanced against deliverability, sustainability and the need to pursue an equilibrium between dwelling and employment provision.
- 3.23 Overall, the Mid Growth Option is based on post-recession demographic trends (from 2011/12 to 2016/17), that have recorded higher net in-migration to Bridgend over this period, linked to the build rate. Whilst past build rates are not robust enough in isolation to underpin a revised housing requirement, the more positive trends in recent years do align with the overall direction of the revised Plan, which aims to continue the transformation of Bridgend by catalysing sustainable economic growth. Progressing along this trajectory would induce a sustainable upturn in residential development compared to that witnessed in recent years and see more established working aged households both remaining in and being attracted to the County Borough. It therefore follows that the size of the available labour force is likely to be higher than estimated under the Low Growth Option, which would in turn encourage firms to locate or expand in Bridgend County Borough.

Whilst this Option would place an element of pressure on some greenfield sites, growth would be accommodated in a sustainable manner at the edge of existing settlements. This would provide significant scope to deliver necessary infrastructure, secure affordable housing and complement existing centres by linking new homes to employment and services via sustainable multi-modal forms of transport. This Growth Option would deliver against the full range of issues the Replacement Plan is seeking to address and enable realisation of all four Strategic Objectives.

High Growth Option

- 3.24 The High Growth Option was based on the POPGROUP Pre-Recession Scenario, the highest growth scenario, with migration assumptions projected from a period of significant economic growth (2001/02–2007/08) prior to the Great Recession. This represents a level of growth conceivable with significant, sustained economic prosperity, particularly favourable market conditions, a boom in housebuilding and an extensive expansion of employment opportunities.
- 3.25 The High Growth Option would result in a significant (12.8%) increase in the County Borough's population, with population growth of 18,683 over the Replacement LDP period. This would produce a 15.6% increase in households (+9,725), translating into an annual requirement of 681 dwellings from 2018-2033. For context, proceeding with the High Growth Option would require a 50% increase in house building per annum based on that achieved over the existing LDP period.
- 3.26 As with the Low and Mid Growth options, the ageing population would still be apparent and there would be growth in the 60+ age category over the Replacement LDP period. However, the overall population change is primarily driven by growth in the 35-44 age category and other working age groups are predicted to decline less than in other scenarios. This scale of population change, and the estimated younger age profile underpinning it, assumes that the pre-recession period of high net migration into Bridgend will re-occur over the Replacement LDP period. In turn, this level of growth could support an annual employment change of up to 524 based on the reduced unemployment assumption.
- 3.27 The High Growth Option would be likely to result in:
- Significant growth in school aged children, placing more pressure on existing schools. However, this level of residential delivery would provide a substantial opportunity to secure additional provision through planning obligations to fund extensions and/or new schools.
 - A more youthful population profile, driven by more extensive in-migration, alongside a growing number of older and elderly people living in the County Borough.

- The retention and also significant attraction of economically active, newly forming households within the County Borough through an exceptionally sustained upturn in housing supply.
- A boost to the number of working aged people residing within the County Borough, and, therefore, a larger local labour force. This would particularly be fuelled by growth in established households (around the 35-44 age group), although significant in-migration could lead to an imbalance between new homes and jobs if employers do not expand or relocate within the County Borough at a fast enough rate (refer to EEBS, 2019). This could potentially lead to an increase in out-commuting and unsustainable patterns of movement.
- The largest scope (of the three options) to secure additional planning contributions to nil grant affordable housing provision (over and above that already secured on sites within the existing housing land bank). This would provide opportunities for the Replacement LDP to make a significant contribution to the need identified in the LHMA. However, this would be entirely dependent on whether the market could support delivery of 681 dpa throughout the Replacement LDP period, a rate that would represent a significant upturn on past delivery. It would also depend on the availability of sufficient sustainable sites conducive to placemaking principles and the need to achieve a balance with the other Aims and Objectives of the Replacement LDP.
- The most pressure on existing open space and recreation provision, necessitating need to secure, enhance and/or remedy deficiencies in good quality open space and recreation provision through planning obligations and strategic master planning.

3.28 This Option is based on the assumption that the period of high net migration during the pre-recession boom will be repeated and sustained over the life of the Replacement LDP, which will, in turn, boost in-migration into the County Borough up until 2033. This level of growth is estimated to support a far more considerable level of employment growth than the Mid Growth Option and baseline, based on the projected population change and alternative labour force profile.

3.29 However, it is questionable as to whether the high levels of migration exhibited prior to the Great Recession will be replicated over the plan period. There is also an element of uncertainty as to whether planning for this level of growth would achieve the strongest equilibrium between the number of economically active people moving into the County Borough and the number of employers relocating and/or expanding within the vicinity. The EEBS (2019) concluded that the employment supported under the Mid Growth Option is likely to be an upper estimate of what can be delivered because the labour supply within the regional population is relatively fixed over the life of the Plan. Bridgend is currently rather self-contained in this respect, with no significant commuting imbalance. However,

planning for much larger scale growth risks altering this balance by increasing the likelihood of new households living in the County Borough and working elsewhere. This could lead to a notable increase in out-commuting for work purposes and additional traffic congestion along the major highway network.

- 3.30 Such an outcome would contrast with the key issues the Replacement LDP is seeking to address, including promotion of sustainable forms of transport and reducing the need for people to travel long distances to work. The Replacement LDP also aims to provide a realistic level and variety of employment land to facilitate delivery of high quality workspaces and job opportunities, whilst seeking to achieve a better balance between the location of jobs and housing. There is a risk that planning for too high a level of growth would undermine this objective.
- 3.31 The High Growth Option does exhibit the greatest scope to help address the affordability issues of the County Borough, seemingly providing the most significant scale of growth to secure additional affordable units through the planning system. However, it is questionable whether this scale of growth is deliverable and would be realised in reality. Residential build levels of this scale have not been consistently achieved in the County Borough and it is highly doubtful that there will be a sudden and sustained upturn in build rates in the region of 50% additional dwelling completions per annum. This level of growth may prove undeliverable if demand is not forthcoming, which is pertinent considering the High Growth Option is reliant on in-migration returning to the unprecedented levels witnessed prior to 2008/09. This is a highly tenuous assumption, especially following the United Kingdom's withdrawal from the European Union.
- 3.32 Planning for a level of housing provision that is significantly in excess of the need for the County Borough could also result in unnecessary environmental and landscape impacts, especially considering that many of the existing brownfield land opportunities have already been developed or are committed under the existing LDP. A significant number of new green greenfield allocations would need to be earmarked in order for this option to be enabled. This would be at odds with the Preferred Strategy, which seeks to prioritise the brownfield residential development opportunities remaining in the County Borough and support them with viable, deliverable and sustainable sites elsewhere including a limited number of carefully selected greenfield, sustainable urban extensions most conducive to placemaking principles. As such, scope to deliver higher levels of affordable housing per se is not considered an over-riding factor and it must be recognised that the planning system is not the only source of affordable housing delivery.
- 3.33 Equally, the market may not support such a drastic upturn in dwelling completions, especially where several house builders would need to be developing several sites simultaneously in the same settlements in order to deliver this scale of growth. In practice, this could lead to the most profitable greenfield allocations being 'cherry

picked' for development on the periphery of settlements, with excessive emphasis placed on delivering housing numbers on those sites as opposed to enabling more sustainable, transit-orientated development grounded in placemaking principles. This could, in turn, serve to make the remaining brownfield sites less economically attractive to develop during the Plan period and represent an approach that would be in conflict with Planning Policy Wales and Future Wales.

- 3.34 The Vision of the replacement Plan seeks to deliver sustainable levels of growth to the established towns in a manner that supports existing local services and facilities, whilst also protecting and enhancing the County Borough's environmental and heritage assets. The risk with the High Growth Option is that it may place too much emphasis on outright economic growth and could necessitate allocation of excessive greenfield sites on the periphery of settlements, which could promote car-dependency, place undue pressure on existing infrastructure, encourage out-commuting and necessitate unsustainable patterns of movement. This would be at the expense of more placemaking-led sustainable urban extensions and regeneration schemes. This may render it difficult to balance the four strategic objectives and achieve an equilibrium between economic growth and sustainable development. The Mid Growth Option would conversely facilitate more sustainable levels of growth to enable these objectives to occur without being reliant on significantly high and unprecedented level of net migration to justify a sustained upturn in residential completions.

Preferred Growth Option, Preferred Strategy Stage

- 3.35 Overall, the Mid Growth Option was therefore selected to underpin the Preferred Strategy, considered likely to perform best by supporting economic growth, enabling the delivery of key infrastructure, securing affordable housing and improving connectivity without resulting in over-development. At Preferred Strategy stage it was concluded that this Growth Option would deliver against the full range of issues the Replacement LDP is seeking to address and enable realisation of all four Strategic Objectives.

4. Revised 2018-Based Projections, Variants and Alternative Scenarios

- 4.1 In August 2020, WG published 2018-based population and household projections, a first update since the 2014-based equivalents. These new WG projections provide a refreshed baseline for the LDP demographic evidence base, analysed within the LDP Demographics Update (2020) alongside a range of growth scenarios, including trend and housing-led alternatives. These additional scenarios also incorporated the 2019 mid-year estimate, published by ONS in June 2020. The implications of this refreshed demographic evidence now need to be considered to determine whether the Mid Growth Option, as justified at Preferred Strategy Stage, remains appropriate to underpin the Replacement LDP.

- 4.2 As with any projection, these revised estimates are not policy-based forecasts of what may happen and do not make allowances for the effects of public policies on future population levels and distribution, or change caused by other social and economic factors. These assumptions should not be interpreted as predictions of the future but as plausible scenarios based on what has happened in the past. Furthermore, as the process of demographic change is cumulative, the projections become increasingly uncertain the further they are carried forward.
- 4.3 The key changes in the 2018-based round of WG projections is that they incorporate revised evidence on the long-term outlook for fertility (births) and mortality (deaths). In effect, both components of population change have been 'dampened'. The latest range of scenarios for Bridgend have factored in these updated assumptions, resulting in an enlarged, 'negative' impact of natural change. Nevertheless, Bridgend County Borough's recent profile of population growth has been characterised by relatively high net in-migration from other parts of the SE Wales region, in particular. Therefore, even with the introduction of dampened assumptions on fertility and mortality in the latest round of WG projections, the growth outlook for the County Borough is still positive relative to the WG's 2014-based projections. In addition, the age-structure differences between the 2014-based round of projections and the latest suite of 2018-based output, result in a more positive impact upon labour force projections, with higher growth evident in the younger adult age-groups over the LDP period.
- 4.4 The refreshed suite of projected scenarios include the 2014-based principal projection, the variants that make up the 2018-based WG projections, POPGROUP trend scenarios (incorporating a 2019 base year) and dwelling-led scenarios. Variants on the PG-Short Term scenario are also presented, considering growth outcomes underpinned by higher fertility and mortality assumptions. These are provided for purposes of comparison. Under each scenario, household growth has been estimated using household membership rate assumptions from the WG's 2018-based household projection model, in combination with a dwelling vacancy rate of 4.8% for Bridgend. This vacancy rate was derived from 2011 Census statistics and is consistent with the previous range of scenarios used to inform the Preferred Strategy. All ten scenarios are defined in more detail within the LDP Demographics Update (2020) and are presented in Table 1 overleaf for ease of reference. The revised projected population change for the Plan period (2018–2033) period ranges from 3.3% under the WG 2014-based principal scenario to 10.9% under the PG-Short Term (Fert-H Mort-H) scenario. This range of population growth equates to an estimated housing requirement of 271–549 dpa, respectively.
- 4.5 Evidently, the 2018-based principal scenario projects a higher baseline than the 2014-based principal scenario, with double the population growth or 40%

additional growth in households over the plan period. This is despite the introduction of dampened assumptions on fertility and mortality in the former and the recent history of high net in-migration to Bridgend County Borough is the key driver of the higher growth outcomes.

- 4.6 The Mid Growth Option underpinning the Preferred Strategy was already pitched considerably higher than the original 2014-based principal baseline to enable continuation of the positive, sustainable growth witnessed in the years following the Great Recession. Even though the 2018-based principal projection is now higher than the original 2014-based baseline, the number of dwellings it would support (i.e. 378 per annum, on average) is still far below the level justified at Preferred Strategy stage. This is an important consideration as it demonstrates that the dwelling requirement under the Mid Growth Option (i.e. 505 dpa) would

Table 1: Summary of Refreshed Demographic Scenario Outcomes

Scenario	Change 2018-2033				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment
PG-Short Term (Fert-H Mort-H)	15,820	10.90%	7,847	12.70%	1,142	549	502
PG-Short Term (Fert-H)	15,278	10.50%	7,519	12.20%	1,145	526	485
Dwelling-led 5Yr	14,231	9.80%	7,297	11.80%	1,191	511	456
Dwelling-led 10Yr	13,736	9.50%	7,099	11.50%	1,161	497	451
PG-Short Term	13,681	9.40%	7,079	11.40%	1,166	496	451
PG-Long Term	12,050	8.30%	6,425	10.40%	1,054	450	423
WG-2018-HIGHPOP	11,724	8.10%	6,395	10.30%	1,014	448	332
WG-2018-PRINCIPAL	9,130	6.30%	5,401	8.70%	960	378	293
WG-2018-LOWPOP	5,453	3.80%	4,104	6.60%	905	287	253
WG-2014-PRINCIPAL	4,743	3.30%	3,865	6.30%	363	271	4

Source: Edge Analytics, 2020

still enable more positive, yet sustainable economic growth in the County Borough, over and above the revised baseline, in accordance with the Replacement LDP's Aims and Objectives.

- 4.7 The Dwelling-led 5yr and Dwelling-led 10yr scenarios, which continue the average rate of past housing growth, result in an estimated population growth of 9.8% and 9.5%, respectively, by 2033 and an average annual net in-migration to Bridgend of +511 and +497 per year. Whilst these dwelling-led scenarios do project a more considerable boost to the labour force (as aforementioned and considered further below), they nevertheless still support the same scale of dwelling growth as identified under the Mid Growth Option.
- 4.8 The PG-Short Term Variant, which originally underpinned the Mid Growth Option, has also been updated. The refreshed PG-Short Term Scenario, as detailed within Table 1, uses an ONS 2019 Mid-Year-Estimate base year and calibrates its migration assumptions from a more recent 6-year historical period (2013/14–2018/19), an approach consistent with ONS methods. This period still captures the more positive socio-economic and demographic trends post the Great Recession and therefore still represents a period of sustainable, economic growth for forward projection. This is consistent with the approach at Preferred Strategy stage, although is based on more recent demographic data. It also pre-dates the shorter-term impacts caused by the pandemic, thereby ensuring the scenario is not grounded in negative, recession-laden trends. Clearly, the revised PG-Short Term Variant still supports the same level of dwelling growth as identified at Preferred Strategy stage. The overall scale of population and household change is also not significantly different in absolute terms. However, there is a projected change to level of employment that this population is estimated to support.
- 4.9 The relationship between population and employment has been modelled using key assumptions on economic activity rates, unemployment and commuting (refer to LDP Demographics Update, 2020). The economic activity rates determine the estimated annual change in the resident labour force, while the unemployment and commuting ratios link the labour force to workplace-based employment in the County Borough. The respective age-group profiles reveal important differences in the older age-groups, with the dampened life expectancy improvements in the WG's 2018-based assumptions, resulting in lower growth in the 85+ age category. At the same time, with a recent history of high net in-migration to Bridgend, higher growth in the younger adult age-groups (20-44) is evident in the latest PG-Short Term scenario, with a correspondingly higher growth in the youngest age-ranges, 0-14. The higher growth in the younger adult age-groups is particularly important when considering the link between Bridgend's population change and the size and profile of its resident labour force. Hence, the latest PG-Short Term scenario

estimates that a higher level of employment³ (+451 per annum) could be supported with dwelling provision similar in scale to the original PG-Short Term Scenario.

- 4.10 The labour force impact of this projected change was considered in the EEBS Update (2021) and is further elaborated on within the Employment Background Paper. However, for ease of reference, the economic consequences of the refreshed PG-Short Term Scenario were tested through an economic forecasting model (Experian) to provide an economics-led estimate for completeness. This complementary approach forecasted that this level of growth could support up to 7,500 employed people over the plan period (i.e. 500 per annum), based on Experian's latest assessment of economic activity rates. The demographic-led and forecast-led estimates of employment generated by the PG-Short Term Growth Scenario differ because of underlying economic activity assumptions, with the latter accounting for double-jobbing. The Study demonstrated that this proportionate increase in the working age population can be satisfactorily accommodated by the flexibility and margin built into the original employment land supply (71.7ha) identified at Preferred Strategy stage. Enabling re-development of the former Ford Manufacturing Plant (45ha) will provide additional flexibility, whilst simultaneously providing a means to replace the 1,700 jobs that have been lost (through closure of the Plant) and maximising a key economic opportunity located on one of the County Borough's premier industrial estates. As such, whilst the refreshed PG-Short Term Scenario does project a larger labour force within a comparable dwelling requirement, the Replacement LDP has capacity to respond positively should economic growth be triggered by the availability of this increase in labour supply.
- 4.11 Finally, the effect of dampened fertility and mortality assumptions upon growth outcomes is evaluated with two variants of the PG-Short Term scenario, the first using fertility assumptions from the WG-2018- HIGHPOP scenario, the second using fertility and mortality assumptions from this scenario. The PG-Short Term (Fert-H) scenario results in a 6% increase in the dwelling requirement (526 dpa) from the PG-Short Term outcome (496 dpa). With the addition of a higher mortality assumption, the PG-Short Term (Fert-H Mort-H) scenario results in an 11% uplift in the requirement (549 dpa). These scenarios represent a departure from the main, central assumptions about future fertility and mortality considered to best reflect demographic patterns at this time. They do however present alternative future scenarios, for purposes of comparison and to provide an indication of uncertainty, but do not represent upper or lower limits of future demographic behaviour. Moreover, neither scenario would demonstrate a need for a significantly

³ Workplace-based employment is a 'person-based' measure, rather than a jobs-based measure of economic activity. The two measures are directly related, but the jobs-based measure is that typically reported in employment forecasts derived from econometric models and will include both full-time and part-time positions. The workplace-based employment figure measures the number of people employed, linking directly to person-based unemployment, commuting and economic activity rate parameters and therefore to the population resident in Bridgend.

different planning response to that identified in the Mid Growth Option in terms of the dwelling requirement. They both demonstrate a boosted labour force, although, as summarised above, the Replacement LDP does have sufficient capacity and flexibility to ensure economic growth would not be constrained over the plan period. The policy-based reasoning used to justify the Mid Growth Option at Preferred Strategy stage is still considered to remain valid in light of this latest demographic evidence.

4.12 Planning for future development at a point where the socio-economic and demographic impacts of the pandemic are yet to be fully understood, presents a real challenge. The gradual easing of the COVID-19 social restrictions will see businesses and communities adapting to different rules and guidelines for all aspects of daily life, including workplace activities, retailing, travel, education, healthcare, and leisure activities. The housing industry will be a critical component of the economic bounce-back and a key driver of the future growth and distribution of population. Currently, there is insufficient evidence to inform an assessment of the COVID-19 impact upon long term demographic trends. It would not be appropriate to unduly base the Replacement LDP on the very short-term trends caused by the pandemic. However, the latest scenario evidence provides a timely and robust suite of outcomes which have enabled re-evaluation of the preferred growth strategy at this point in time, providing sufficient flexibility for the Replacement LDP to enable post-COVID-19 recovery.

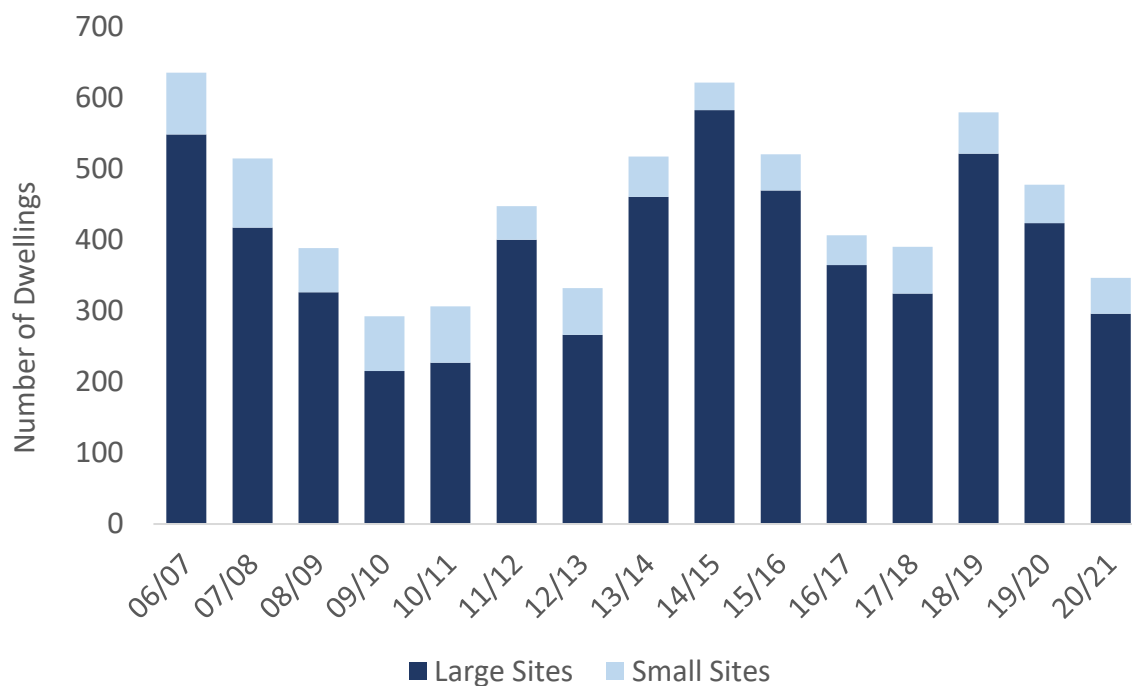
5. Past Build Rates and Future Plan Direction

5.1 The high growth, regeneration-led Spatial Strategy that underpins the existing 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. In order to provide a useful benchmark against which to compare future projected growth, the annual number of dwelling completions over the whole existing LDP period (2006-2021) is illustrated in Figure 2 overleaf.

5.2 Clearly, completion rates over the existing LDP period have been a product of contextual influences, with evident troughs during the Great Recession. There was undoubtedly a rise in completions following adoption of the existing LDP in 2013, although this gradually levelled off to the 400 unit per annum mark in 2016/17 and 2017/2018 before rising again to 579 units in 2018/19. This recent peak is primarily attributable to several large strategic sites being built out, also influencing an upturn in completions towards the end of the plan period before a notable dip in

2020/21, which is attributable to the pandemic. On average, this represents an annual average completion rate of 450 dwellings over the whole existing LDP period. Small site completions (sites of less than 10 units) have also been generally stable over the plan period, averaging at 62 dpa. Approximately 1,000 dwellings remain in the existing LDP land bank and will continue to be delivered during the early stages of the Replacement LDP.

Figure 3: Dwelling Completions, Bridgend County Borough



5.3 Underpinning the Replacement LDP with a dwelling requirement of 505 dpa therefore represents a realistic and sustainable upturn in average dwelling completion rates compared to that witnessed during the existing LDP period. As previously justified, this level of growth is considered optimal to deliver the Replacement LDP’s Vision and Objectives whilst addressing the key issues it is seeking to address. However, given that the majority of existing brownfield regeneration sites have been delivered or are committed (and expected to come forward within the next few years), it will not be possible for the Replacement LDP to be so reliant on such sites to deliver future housing requirements for the County Borough up to 2033.

5.4 Equally, not all of the remaining regeneration sites allocated by the existing LDP are now considered immediately deliverable and capable of contributing to the immediate land supply. This will necessitate re-designation of some existing brownfield allocations to long-term Regeneration Sites, upon which the housing land supply will not be dependent, as they require longer lead-in times, preparatory remediation-based enabling works and more detailed strategies to enable their

delivery. These sites will therefore be considered 'bonus sites', and will not be counted as part of the immediate housing land supply, notwithstanding the fact that the Council remains committed to their redevelopment. This recognises the fact that the deliverability timescales of these sites are more difficult to specify, despite their high credentials in terms of sustainable development and placemaking. This is considered in further detail within the Spatial Options Background Paper, the Minimising the Loss of the Best and Most Versatile (BMV) Agricultural Land Background Paper and the Candidate Site Assessment.

- 5.5 These considerations, coupled with a detailed analysis of windfall rates (small sites and large sites), anticipated delivery rates for sites with planning permission and anticipated delivery rates for future housing allocations (rollover allocations and new allocations) have informed development of the Housing Trajectory. This ensures the timing and phasing of all components of housing supply have been properly considered over the plan period, equally informed by detailed work on infrastructure requirements, site deliverability and viability. Therefore, whilst it is important to understand past delivery rates and the contextual circumstances that influenced them, the evidence based work underpinning delivery of the Mid Growth Option provides certainty that this scale of growth is achievable. As demonstrated throughout this paper, the Replacement LDP's evidence base has not simply relied on past build rates as the sole evidence base to quantify future employment and housing land requirements. A rich and detailed evidence base has been developed and evaluated to identify the scale of new jobs and homes necessary to deliver the Vision, Aims and Objectives.

6. Conclusion

- 6.1 This Paper has evaluated a range of evidence to inform the basis for Bridgend County Borough's housing and economic growth from 2018-2033. A suite of 2014-based scenarios and alternatives were initially analysed in combination with more recent data from Mid-Year Estimates and a broad range of historical demographic scenarios, with varying migration assumptions. This analysis informed development of three growth options (Low, Mid and High) at Preferred Strategy stage, selected on the basis of being representative of identified scenarios, reasonable in relation to the evidence base and sufficiently diverse to enable different strategic planning responses. Each option was evaluated to determine how far it correlates with the evidence base, how far it will deliver the key issues the plan is seeking to address and whether it would achieve alignment between housing and economic growth in a manner that minimises the need to commute.
- 6.2 After detailed evaluation, the Mid Growth Option was initially justified as the most appropriate to achieve a balanced and sustainable level of economic growth that will facilitate the continued transformation of the County Borough into a network of safe, healthy and inclusive communities that connect more widely with the region. It was considered likely to perform best by supporting economic growth, enabling

the delivery of key infrastructure, securing affordable housing and improving connectivity without resulting in over-development. The analysis also demonstrated that the Mid Growth Option is realistic and deliverable when benchmarked against past delivery rates, whilst also being robustly grounded in post-recession demographic and migration trends. It was therefore concluded that this Growth Option would deliver against the full range of issues the Replacement LDP is seeking to address and enable realisation of all four Strategic Objectives.

- 6.3 Since publication of the Preferred Strategy, WG published 2018-based population and household projections (in 2020), thereby updating the 2014-based equivalents. These new WG projections provide a refreshed baseline for the Replacement LDP's demographic evidence base, which this paper subsequently considered alongside a range of growth scenarios, including trend and housing-led alternatives. This was to ensure the Mid Growth Option, as justified at Preferred Strategy Stage, remains appropriate to underpin the Replacement LDP.
- 6.4 Even with the introduction of dampened assumptions on fertility and mortality in the latest round of WG projections, the growth outlook for the County Borough remains positive relative to the WG's 2014-based projections. This is primarily because the County Borough's recent profile of population growth has been characterised by relatively high net in-migration from other parts of the SE Wales region, in particular. This is a fundamental consideration as it demonstrates that the dwelling requirement justified by the original Mid Growth Option (i.e. 505 dpa) will still enable more positive, yet sustainable economic growth in the County Borough, over and above the revised baseline, in accordance with the Replacement LDP's Aims and Objectives.
- 6.5 Ultimately, the refreshed PG-Short Term Scenario still supports a comparable level of dwelling growth as identified under the original Mid Growth Option. The overall scale of population and household change is also not significantly different in absolute terms. However, there is a projected change to level of employment that this population could support, due to a more youthful age structure. The higher growth in the younger adult age-groups is particularly important when considering the link between Bridgend's population change and the size and profile of its resident labour force. Hence, the latest projection estimates that a higher level of employment (+451 per annum) could be supported with dwelling provision similar in scale to the original Mid Growth Option, or up to 500 jobs per annum based on a revised Experian forecast.
- 6.6 The EEBS Update (2021) Study demonstrated that this proportionate increase in the working age population can be satisfactorily accommodated by the flexibility and margin built into the original employment land supply (71.7ha) identified at Preferred Strategy stage. Enabling re-development of the former Ford Manufacturing Plant (45ha) will provide additional flexibility, whilst simultaneously

providing a means to replace the 1,700 jobs that have been lost and maximising a key economic opportunity located on one of the County Borough's premier industrial estates. As such, whilst the refreshed PG-Short Term Scenario does project a larger labour force within a comparable dwelling requirement, the Replacement LDP has capacity to respond positively should economic growth be triggered by the availability of this increase in labour supply.

- 6.7 Overall, the refreshed demographic evidence base does not warrant a fundamental departure from the growth levels underpinning the Preferred Strategy. The housing requirement of 505 dpa is still considered deliverable, realistic and positive to enable sustainable levels of growth across the County Borough. A more youthful age structure is now projected, which could generate up to 500 jobs per annum, although this uplift can be accommodated through the Replacement LDP's employment land supply.
- 6.8 Due to the success of the existing LDP, there is not an abundance of viable, previously developed sites and/or underutilised sites remaining in the County Borough. However, this level of growth could still be accommodated in a sustainable manner through complementary allocations on the edge of existing settlements. Delivering this level of growth would meet the needs of newly forming households, enabling the attraction and retention of an economically active labour force to counter-balance the naturally ageing population in Bridgend. This growing pool of skilled labour would subsequently render Bridgend County Borough an even more attractive prospect for employers to move into or expand within, thereby helping to achieve a better balance between the location of employment and housing, whilst facilitating delivery of varied job opportunities.
- 6.9 With a sustainable boost to housing supply, above the baseline, the Mid Growth Option would also provide a significant means for the Replacement LDP to help address affordability issues across the County Borough. New development would be planned for at a scale significant enough to secure a deliverable level of affordable housing as part of private residential schemes. This would enable the right types of affordable housing to be secured and made accessible to those in housing need, in accordance with the findings of the LHMA. In addition, this Growth Option would provide significant scope to deliver necessary infrastructure and complement existing centres by linking new homes to jobs and services via sustainable, multi-modal forms of transport. This will prove key to creating productive and enterprising places, whilst also helping deliver the ambitions of the Cardiff Capital Region. This Growth Option is still therefore considered optimal to deliver against the full range of issues the replacement Plan is seeking to address and enable realisation of all four Strategic Objectives. It will enable a balanced level of housing and employment provision that will achieve sustainable patterns of growth, minimise out-commuting, support existing settlements and maximise viable affordable housing delivery.