Topic Paper 4A: Describing housing growth— update

4A

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Anglesey & Gwynedd Joint Local Development Plan

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Update: Topic Paper 4A Describing Housing Growth – update (2014)

Background

This is one of a range of topic papers prepared to offer more detailed information and explain the approach of the Plan to different topics and issues affecting the Joint Local Development Plan Area. This paper will look specifically at the latest information about **Housing Growth**. It will explain the background which will help to identify how the Plan's housing requirement has been identified in the Deposit Plan.

The Deposit Plan is the second statutory stage in the preparation of the Joint Local Development Plan (JLDP). The JLDP shapes the future growth of communities in the Joint Local Development Plan Area and will set out the policies and land allocations against which planning applications will be assessed.

The Deposit Plan will be submitted to the Welsh Government, which will appoint an independent inspector to assess the soundness of the Plan in the Examination in Public. If the inspector considers the Plan to be sound it will be recommended for adoption. When adopted the JLDP will supersede the Gwynedd Unitary Development Plan (2009) for the Gwynedd Local Planning Authority Area and the Gwynedd Structure Plan (1993) and Ynys Môn Local Plan (1996) for the Ynys Môn Local Planning Authority.

This topic paper can be read in isolation or in conjunction with the other Topic Papers and Background Papers that have been prepared to give a full picture the Joint Local Development Plan Area.

You may refer to the Topic Paper as a basis for making comments about the Deposit Plan. It must be noted that only comments on the Deposit Plan will be considered by the Inspector at the Examination in Public rather than specific comment made on the Topic Papers.

If you have any questions or would like to discuss any of the Topic Papers or Background Papers with a member of the Joint Planning Policy Unit you can contact us:

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Context

1. Housing is one of the key strategic spatial issues for Anglesey and Gwynedd.

2. The Councils must plan for housing growth over the Plan period. The Plan must set a **realistic housing supply target** in order to sustain **a continuous 5 year supply of land for housing**. It must facilitate enough homes in appropriate locations to help support sustainable development and achieve the Councils' wider aims and objectives.

3. Setting a suitable housing requirement is not a straightforward matter. There is no one right answer. The figure used in a development plan will have to be subject to a degree of judgement, giving full consideration to the policy context for setting housing requirements, recent demographic and development trends and other factors that influence future housing need and demand. As well as considering the local aspirations for the demand for new homes, it needs to be ensured the final requirement is one that it is believed can be met. For example, although a 'nil migration' scenario is provided by the Welsh Government and some stakeholders suggest that kind of growth is more appropriate, it is not one that can be achieved because local authorities cannot prohibit movement within its boundaries or in and out of the area.

4. The population in the Plan area has grown steadily since 2001. The need for homes has also slowly increased, due to the common trend of households becoming smaller, combined with a general ageing of the population.

5. The Preferred Strategy for the Gwynedd and Anglesey Joint Local Development Plan was published in May 2013 for public consultation. The Strategy identified a level of housing growth that was preferred after considering the Welsh Government 2008-based projections for Gwynedd and Anglesey and other growth scenarios (seen in table 1 below) as well as policy considerations.

Housing Scenario	Total number of new housing units 2011 - 2026	Average building rate per year – housing units per year
T1 Trend based growth – based on 2007 regional apportionment requirement (based on 2003 based household projections)	6675	445
T2 Welsh Government trend based growth (based on 2008 housing projections)	9570	638

Housing Scenario	Total number of new housing units 2011 - 2026	Average building rate per year – housing units per year
T3 House building trend growth (based on long term average annual build rate 2000 – 2010)	6240	416
T4 Economic base growth not combined with demographic change	5835	389

6. See part 5 of Topic Paper 4 (2013) for an analysis of these scenarios, a description of the response received during the public participation period and other considerations. A growth level was selected for the preferred strategy, which equates to 511 housing units per year during the life of the Plan. This is a medium growth level and reflects consideration of:
    a. demand for housing units in order to deliver affordable housing;
    b. opportunities to strengthen the local economy;
    c. condition of the local housing market.

7. The proposed growth level did not include a slippage allowance.

8. The latest projections suggest that population growth is expected to continue at a steady pace throughout the period of the Welsh Government's latest projections (2011 – 2036) in Gwynedd, though the rate of growth is higher than for the 2008-based projections.

9. In Anglesey the 2011-based population projections, though starting at a higher point than the 2008-based projections, show a very different pattern for future population. After a period of population growth, population totals are expected to decline in the 2020s, – they are expected to start to fall after 2026 for the 10 year trend variant projection, and even earlier for the 'principal' projection, where 2020 is the last year of predicted population growth.

10. Comments were received from the Welsh Government and other parties about the level of housing growth set out in the Preferred Strategy for the Joint Local Development Plan (JLDP) published for public consultation in 2013. There wasn't a clear consensus of opinion. The comments expressed fall into three broad categories:
    - The Welsh Government reminded the Councils to make sure that the housing targets are adequately justified, particularly if they deviated from the national projections.
    - The development industry and landowners considered that the target should be higher.
    - Some local communities, individuals, or groups were of the opinion that the target should be lower as, in their opinion, the preferred target didn't reflect local need and it

may encourage in-migration, which in turn could have an adverse impact on predominantly Welsh speaking communities.

Purpose and Scope of this Topic Paper

11. In May 2013, at the same time as publishing the Preferred Strategy for public consultation, the Councils also published a short topic paper concerning the potential scale of future housing requirements in the Plan area. It looked at a range of scenarios and a range of housing, economic and demographic factors, trends and forecasts that informed the selection of the preferred scenario. The Councils have produced this update of Topic Paper 4 in order to record work that has happened since the consultation period to refine and update the evidence base in order to understand more about the validity of the medium housing growth option published in the Preferred Strategy. The period of time between publishing the Preferred Strategy was also an important opportunity to compare the housing growth level preferred by the Councils with the most recently published population and household projections from the Welsh Government. Like the original Topic Paper it forms a 'bridge' between the longer documents of the evidence base, which the general reader may find too detailed, and the limited background coverage that can be included in the Plan itself.

12. The changes that have taken place since the original growth options are highlighted. Further consideration is given to the original scenarios, variants of them and alternative growth scenarios. These are all scenarios based on varying projections and they include the latest Welsh Government 2011-based projections. Assistance was obtained from independent specialists (Edge Analytics). This consultant specializes in geographical modelling and research with a specialism in scenario projections. Their work is set out in "Population and household projections Gwynedd and Anglesey: Assumptions, methodology and scenario outputs" (2014). An overview of the scenarios is provided. Nonetheless, these give scenarios that don't reflect policy intervention. The Plan should address the spatial implications of economic, social and environmental change. Then the other issues that need to be considered before recommending a housing growth target are also set out. The Paper presents a potential housing growth target, minus the slippage allowance, that continues to be a medium one and is based on an understanding of the evidence that is currently available.

13. This Topic Paper doesn't attempt to detail every matter with regard to housing provision. There are a number of studies carried out to support the development of the Plan and other studies prepared by the Council and its partners that record relevant information. These include:

- Local Housing Market Assessments, which include Housing Needs Studies;
- Joint Housing Land Availability Studies;
- Affordable Housing Viability Study;
- Housing Strategies;
- Wylfa Nuclear New Build: Accommodation facilities for construction workers study (2011);
- Energy Island and Enterprise Zone: Reassessment of legacy targets, benefits and outcomes (2012)

(this list is not exhaustive)

14. The next chart provides an overview of the process to identify the requirement of new homes and setting a target:

	Area profile (set out in Topic Paper 3 Population and Housing)
Welsh Government Projections (2011 base)	
	Adjusting projections (various scenarios):
	• Demographic
	• Past delivery
	• Future employment
Assessing need	
	• Market signals
	• Affordable housing need
	• Local circumstances not captured by past trends
	• The Councils' policy objections
Housing provision target	

Planning for a Changing Population

15. The projected growth in an area's population and the number of households this translates into is a fundamental driver in the demand for a range of services, including in particular housing. It is very important that the Councils plan to accommodate a sufficient amount of housing to meet both local needs (including the needs of households that would have otherwise moved out of the area) and households returning or moving to the area linked to potential economic futures.

16. It is clear that a new build at Wylfa and other Anglesey Energy Island Programme investments would mean that the employment situation on Anglesey, Gwynedd and beyond would be greatly enhanced over time assuming the best case scenario is realised. The point of both Councils' corporate strategy for development is that they are focused on combating decline, not accepting it.

17. Constructing Wylfa Newydd is likely to have a fundamental impact on the make-up of the population, particularly on Anglesey at various points through the latter half of the Plan period (post 2018). This is due to the requirement for an additional labour force for the construction work and to support supply chain businesses linked to the construction phase of activity.

18. In late September 2014, Horizon Nuclear Power published pre-application consultation stage 1 documents (PAC1) on the development of Wylfa Newydd for public consultation. The company foresees that at the peak of construction, which is likely to be between 2021 – 2024, the potential numbers of 'temporary' construction workers involved in the construction of Wylfa Newydd could be about 8,500 and some kind of accommodation will be required for them either on the Island or in other places.

19. The makeup of the construction workers (e.g. marital status, skill, type of contract) will determine what type of accommodation will be required. The phasing of these workers arriving in the local area will also be important in terms of the demand for temporary accommodation. Evidence submitted to support the proposed development by the Land and Lakes company for a site hear Holyhead as well as evidence to support the "Wylfa Nuclear New Build: Accommodation facilities for construction workers study" (2011) suggest a lead in time for a full range of accommodation to be developed, a period of full occupancy, but, then a rapid exiting of stock. The Isle of Anglesey County Council considers that this needs to be planned for, and where feasible, the site or the built accommodation's legacy should be considered at the outset. The proposed development by Land and Lakes at Holyhead shows that a potential exists for a proportion of the stock developed to be built to be permanent, therefore offsetting longer-term unit requirements (post 2026, that is post the Joint LDP period) to meet local need.

20. It is important that the Joint LDP therefore is sufficiently flexible in its policies to enable the development of New Nuclear adjacent to the existing Magnox plant at Wylfa as well as other investments in the Plan area.

Improving the housing 'offer'

21. In accordance with the Single Integrated Plan and both Councils' plans and strategies, the Plan's vision and objectives and therefore its strategy include an aspiration to improve the whole housing offer in the Plan area. A policy for sustainable communities has the following distinct but connected aspects:

    - Promoting a better, more balanced housing 'offer' through encouragement of a mixture of housing;
    - Creating sustainable mixed communities, addressing housing affordability;
    - Preventing displacement of young people from rural areas, supporting rural services and delivering housing in smaller rural settlements and service centres, as far as the planning system can do so;
    - Providing, in a sustainable way, the right quantity and quality of land to meet current identified needs but also to allow for growth; and
    - Making sure that planning policy contributes to meet the needs of the whole community.

22. The Plan's strategic and detailed polices will set out the components required to achieve the vision, objectives and strategy.

The wider policy context

National planning policy

23. National planning policy as set out in Planning Policy Wales (7th Edition July 2014) (PPW) reminds local authorities, that it is their duty to make sure there is enough housing land to provide for the community's needs, and that there are policies in place to make sure as much new housing as possible is affordable to households on low incomes or with specific needs.

24. PPW requires local planning authorities to use the Welsh Government Population and Household projections as a starting point for estimating overall housing need. It allows local planning authorities to consider the appropriateness of the projections for their area, based upon all sources of local evidence. Where local planning authorities seek to deviate from the Welsh Government projections, they must justify with robust evidence, their own preferred policy-based projections by explaining the rationale behind them in terms of a number of issues listed in paragraph 9.2.1 of Planning Policy Wales.

The local policy context

Legacy of the existing development plans

25. The Gwynedd Unitary Development Plan (UDP) (adopted 2009) sets the direction for the Gwynedd Local Planning Authority area up to 2016.

26. In housing supply terms its strategy:
    - Is concentrated on the main settlements so as to facilitate their regeneration;
    - promotes a mix of sites that offer development locations attractive to local communities to live in the Plan area;
    - focuses also on village sustainability and housing affordability.

27. The UDP allocated a range of housing sites within or on the edge of the existing built form of towns and villages. Low take-up due to low demand or strategies of house builders exacerbated by the 'credit crunch', and the UDP period still having a few years to run, mean that some of this land is still available. Sites that are currently allocated for housing in the UDP, but without planning permission could provide 1,324 housing units, based on a development density of 30 units per hectare.

28. The Anglesey Local Plan (UDP) (up to 2001, adopted 1996) forms part of the statutory 'development plan' covering the Island. In housing terms its strategy is to ensure that there is a sufficient provision of homes for local need. Coupled with the Plan's emphasis on jobs, this approach was intended to ensure that there would be enough housing land for local people to stay.

29. It aimed to ensure that most new housing would be located within limits of existing towns and villages. The amount of new housing directed to each settlement depended on a range of factors. Given the age of the Plan most of its housing allocations have been developed.

30. The Anglesey UDP (stopped 2005) does not form part of the statutory ‘development plan’. However, it is a material planning consideration for development management purposes. It set out the land use planning policy framework until 2016.

31. The UDP’s strategy of ‘active change’ attempts to halt population decline, and lead to stability and then recovery over the period of the UDP. The objective is to reverse outward migration by economic growth and restructuring rather than simply by releasing an excess of housing land.

32. A recent review[1] o of housing sites allocated in the Local Plan and the stopped UDP revealed that the majority of sites have been developed with only 20% of the current land bank consisting of allocated sites and only 230 units remaining on allocated sites without the benefit of planning permission. Within this figure of 230 units are 98 units on the Local Plan sites which have been available since 1996 but still not developed.

Predicting housing land needs in an uncertain housing market and economic environment – future scenarios

33. Predicting how the population and household structure of an area will change in the future is not an exact science. Setting a housing growth trajectory is complicated both by the macroeconomic situation and factors specific to the Plan area, for example:

- the housing and employment land market is generally weak;
- job opportunities do not necessarily drive demand for housing, people who do not work also need somewhere to live, and workers can commute across administrative boundaries;
- parts of the Plan area are faced by challenges caused by their geographical peripherality, making it difficult to attract large scale economic development;
- potential large scale future developments that should make a difference, but which have yet to receive planning permission or be implemented (see paragraph 15 – 19 above and 34, 83 - 90 below);
- just as too much housing in some places can harm the environment and put undue pressure on infrastructure, too little housing can cause harm – for example, from excessively ageing communities, rural depopulation, loss of critical mass to support town centres and other ingredients to vibrant communities.

34. In the Plan area, particularly in Anglesey, forward planning is additionally complicated by a degree of uncertainty associated with the evolving fortunes of the nuclear industry and other energy- related development. When work started on the Joint Local Development Plan it was expected that consent would be given to Wylfa Newydd in 2015 and that a number of other energy related projects would be consented or underway during the first half of the Plan period. This is no longer the case.

[1] Evidence to support the development of an Interim Housing Planning Policy for Large Sites (2011)

35. The relevant issues relating to the nuclear industry and other energy related development on the Island have been the focus of research carried out under the Anglesey Energy Island Programme umbrella.

36. Anglesey and southern Gwynedd has a strong tradition of low carbon energy generation, - nuclear and/ or renewable energy. The energy sector has the potential to respond to climate change and a low-carbon strategy. The Anglesey Energy Island Programme sets out how Anglesey could take advantage of the potential of nuclear, and a variety of renewable energy technologies to become a very important player in the national strategy.

37. Gwynedd Council's Strategic Plan (2013 – 17) sets out how Gwynedd's economy can be promoted by strengthening resilience within the County, retaining local economic benefits, improving the quality of jobs and salary level, and improving access for the local residents to work and responding to barriers.

38. Employment projections undertaken on behalf of the Welsh Government in 2011 (described in the Employment Land Review 2012 report) to inform a North West Wales Labour Market Study start from a baseline of predicted long term job contraction. They also examined the potential impact the Nuclear New Build project could have on the North West Wales economy as well as additionally factoring in a number of other potential new development projects.

39. In 2012 Anglesey and then the former Trawsfynydd Nuclear Power Station site and Llanbedr Airfield were singled out by the Welsh Government as priority areas for investment. This took the form of Enterprise Zone designations. Although Trawsfynydd and Llanbedr are located in Snowdonia National Park, and therefore outside the Joint LDP area, the Enterprise Zones are expected to benefit communities within the Plan area. Enterprise Zones are geographical areas that support new and expanding businesses by providing a first class business infrastructure and compelling incentives. The assignment of Enterprise Zone status to the Island of Anglesey complements the existing Energy Island Programme, set up to bring high skilled jobs to the area from major energy investments and establish the Island as a world renowned centre of excellence in low carbon energy generation. The Trawsfynydd site has exceptional energy infrastructure, and the Llanbedr Aviation Centre and Enterprise Park site has the potential capacity to significantly increase Wales' Unmanned Aerial Systems capability.

40. It is clear that both Councils are of the view that we should "plan for success", in the sense of making plans that allow for the growth potential of the Energy Island Programme and Gwynedd Council's Strategic Plan to be realised.

41. It should be noted at this point that the relationship between housing and economic development (and with language and culture) is complex and multi-faceted. It is very difficult to draw conclusions based on simple relationships and it could be dangerous to do so. While employment land and associated changes to the scale and profile of the local and sub-regional economy will impact on housing demand to some degree, there is often a non-linear, indirect spatial link between employment opportunities and housing demand. The decisions

made by households regarding the location and type of housing unit are multiple and of course not all housing demand is directly related to employment.

42. There are limits to the ability of policy makers to direct people to live and work in different areas. While there will certainly be housing need implications of bringing forward additional employment land, it is important to recognise that migration and commuting patterns are influenced by a range of factors. These include housing availability, affordability and quality, town centre viability, access to shops and services, performance of local schools (this list is not exhaustive).

43. A range of potential scenarios of change were looked at in order to inform the development of the Plan. The Joint LDP's Preferred Strategy document and Volume 1 of Topic Paper 4 (May 2013) discussed a range of possible house building levels derived from 'scenarios', which were considered by stakeholders during November 2011 – January 2012. The annual figures ranged from 389 housing (employment led growth[2]) to an 'aspirational' 638 annual growth (Welsh Government 2008-based population and household projections), which is twice the average rate achieved in the Plan area in the last 10 years. The Preferred Strategy set out what was considered to be a realistic possibility based on the evidence existing at the time – namely 511 housing units per year (without a slippage allowance) for the Plan area (225 for Anglesey and 286 for Gwynedd). This was a medium level of growth and more realistic and attainable to provide. Infrastructure developers had noted they could, in principle, provide at this level of growth. It provided for and facilitated growth in the local economy, particularly in the energy sector, together with net growth in jobs and an associated increase in the demand for housing and services.

44. As referred to previously, there was no clear consensus in responses during the public consultation about the Preferred Strategy. There are understandable aspirations for a higher growth-oriented figure, but those advocating figures of around 600 per annum do not appear to be basing that on evidence that the housing market could achieve it. Others noted a lower growth orientated figure, which either equated to the WG nil-migration population and household projection (presented for consideration) mainly because this was the lowest figure, or to the figure linked to the employment-led growth option. Assurance was requested regarding the employment led, since that did not include an assessment of change in the composition of the population.

45. The Councils recognise that a sound planning strategy has to be based on what is deliverable rather than what is wished for.

Refining the scenarios

46. Since the Options stage (2011 – 2012) and then the Preferred Strategy's publication in 2013 a number of changes have occurred:

[2] The employment led growth was subject to sensitivity assumptions that not all new jobs would lead to an equal amount of new housing units

New demographic evidence has become available.

Following the 2011 Census, the inter-censal mid-year population estimates (MYEs) were revised by the Office for National Statistics (ONS), providing updated historical population statistics for Anglesey and Gwynedd.

In July 2013, the Welsh Government (WG) released its 2011-based population projections for local authorities. These replaced the earlier 2008-based local authority population projections. For the 2011-based projections, four 'variant' scenario projections were produced by the Government alongside the 'principal' projection for each authority. In February 2014, the WG released its 2011-based household projections for local authorities in Wales, based on the 2011-based population projections. More information about the projections is provided below.

Changes in investment decisions

In March 2012 German utilities RWE and E.ON scrapped plans to develop two reactors sites in the UK, including one at Wylfa. Horizon Nuclear Power was subsequently bought by Hitachi. The company is currently on course to submit an application for a Development Consent Order during 2017, with an anticipated start of major on-site work in 2018 and first nuclear construction around 2019. This decision has also impacted on National Grid's timetable to upgrade the network.

In July 2014 Celtic Array decided not to proceed with work to develop the Rhiannon Wind Farm.

In August 2014 Marine Current Turbines/ Siemens decided to review their strategic deployment due failure to secure public and private investment. This means that the project near Skerries will not be proceeding for the time being.

Projecting economic growth

The effects of the recession have had a major negative impact on North West Wales. Anglesey has seen a major reduction in jobs in the production sector. Gwynedd has fared slightly better. The impact of cuts and redundancies in public sector employers and redundancies is likely to continue to have a negative impact on the local economy in Anglesey and Gwynedd over the coming years. Because of that, growth post-recession is very likely to be more gradual and later than what was predicted / desired. The economic growth projections and associated jobs-led housing modelling must be viewed with this in context.

Evidence base

Population/household projections

47. As indicated above, the Councils are required to use the Welsh Government's population and household projections as a starting point when considering long term housing targets.

48. Changes to population are driven by three demographic factors or components. These are:

- natural change i.e. the difference between births and deaths;
- internal migration i.e. the net movement in and out of an authority from other parts of the UK; and finally
- international migration, the net movement of people into and out of the authority from outside of the UK.

49. The latest version of Topic Paper 3: Population and Households (2015) provides information about these factors as does the "Gwynedd and Anglesey Population and Household Forecasts: presumptions, methodology and scenario results (September 2014).

50. When the Preferred Strategy document was being prepared, which included consideration of different housing growth options, the Welsh Government's 2008-based population and household projections were the most recent projections.

51. In July 2013 the Welsh Government's 2011-based population projections were published. These were followed by the Welsh Government's 2011-based household projections publication in February 2014.

52. These projections provide an up-to-date indication of the likely population and household growth up to 2036. The Welsh Government and the Planning Inspectorate will consider how the Plan relates to the 2011-base projections as opposed to the 2008-base projections.

53. Whilst the latest projections suggest that household growth will continue across Gwynedd, the level of change between 2011 and 2026 is projected to be lower than the previous 2008-based household projections suggested.

54. The difference between the total housing requirement set out in the two projections is particularly marked for Anglesey, with the most recent principal (990 units) and 10 year migration trend (1,845 units) projections being between 75% and 52% lower than the 2008-based principal projections.

55. The following tables compare the anticipated level of household growth and dwelling requirement as set out in the 2011-based projections with the previous 2008-based projections.

Gwynedd

	2011-based WG household projections		2008-based WG 5 year mig trend
	Principal (5 mig year trend)	10 year mig trend	
Number of households			
2011 (base year)	52,411	52,411	52,967
2026 (15 year period)	56,711	57,336	58,500
Change 2011-26 (no.)	4,300	4,925	5,533
Change 2011-26 (%)	8.2%	9.4%	10.4%
Household size			
2011 (base year)	2.248	2.248	2.192
2026 (15 year period)	2.176	2.169	2.063
Change 2011-26 (no.)	-0.073	-0.080	-0.129
Change 2011-26 (%)	-3.2%	-3.5%	-5.9%
Possible dwelling impacts			
Change 2011-26 (no.)	5,004	5,732	6,383
Change 2011-26 (%)	8.2%	9.4%	10.4%

Anglesey

	2011-based WG household projections		2008-based WG 5 year mig trend
	Principal (5 mig year trend)	10 year mig trend	
Number of households			
2011 (base year)	30,655	30,655	31,482
2026 (15 year period)	31,540	32,306	35,026
Change 2011-26 (no.)	885	1,651	3,544
Change 2011-26 (%)	2.9%	5.4%	11.3%
Household size			
2011 (base year)	2.254	2.254	2.182
2026 (15 year period)	2.181	2.183	2.031
Change 2011-26 (no.)	-0.073	-0.071	-0.152
Change 2011-26 (%)	-3.3%	-3.2%	-7.0%
Possible dwelling impacts			
Change 2011-26 (no.)	990	1,845	3,880
Change 2011-26 (%)	2.9%	5.4%	11.3%

56. "Explaining the difference between Welsh Government's 2008- and 2011- based projections for Gwynedd" (2014) and a similarly named document covering Anglesey set out the reasons why the latest projections anticipate a lower number of households over the Plan period, particularly in Anglesey. The reasons are summarised below:

- the recalibration of all data after the results of the 2011 Census were published
- changes in migration trend that was used
- the difference between predicted and observed household size at 2011 – average household size was larger than expected, so fewer households were forming than past trends had predicted.

57. Average household size was bigger than expected because:
- fewer young people than predicted are leaving the family home and forming their own households, perhaps due to housing costs
- fewer people than predicted are living alone or in small households after family break-up
- death rates for men have reduced, meaning fewer household of lone older females living alone than predicted
- there are more households where adult children are living with their parents
- there are more households made up of unrelated adults who are sharing living costs

58. The Welsh Government's projections serve to provide a useful baseline scenario. They identify what would happen in the future if the key factors such as, birth and death rate, number of migrants, household formation rate and number of people not living in households, continued at the same rates. They do not offer users the flexibility to adjust or add any further assumptions about what may happen in the future, e.g. the implications of local planning restrictions/ development; decline/ growth of the local economy; or longer/ shorter term trends in birth, death and migration rates.

Scenarios

59. The scenarios considered when preparing the Preferred Strategy were reviewed and refined and alternative ones were developed and are compared to the Welsh Government 'principal' 2011-based local authority population projections and the earlier 2008- based local authority population projections. The scenarios cover Anglesey and the Gwynedd as individual areas. The data is then combined to provide a Plan-wide picture. The scenarios identify the population and household growth over the Plan period, as well as the total number of dwellings and the average annual dwelling numbers.

60. The scenarios continue to include the potential transformational changes linked to Wylfa Newydd and other related investment. They reflect the best information available in July 2014. The scenarios include:

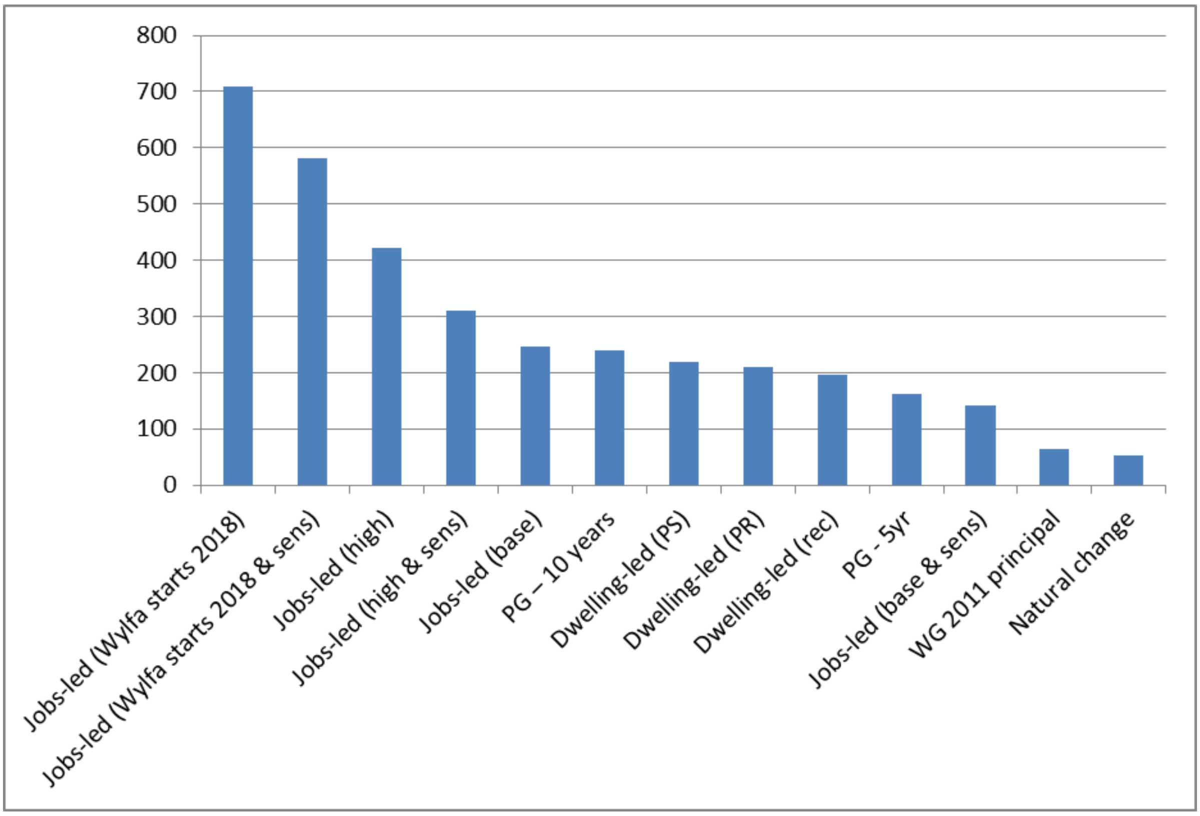
- 'trend' scenarios based on varying migration assumptions,
- 'dwelling-led' scenarios based on growth in the number of housing units, and
- 'jobs-led' scenarios, which are driven by growth in jobs available in an area.

A detailed description of the different scenarios is provided in the Population and Household Projections for Gwynedd and Anglesey: Assumptions, methodology and scenario outputs (2014) report. Appendix 1 to this Paper provides a definition of the scenarios described below:

61. Summaries of the scenario results for Anglesey and Gwynedd (excluding the Snowdonia National Park) are provided in the form of a table and a chart. The final version of this Topic Paper will also provide tabulated information. The scenarios are ranked (high to low) according to the level of population growth over the Plan period (2011 – 2026).

Anglesey scenario outcomes 2011 - 2026

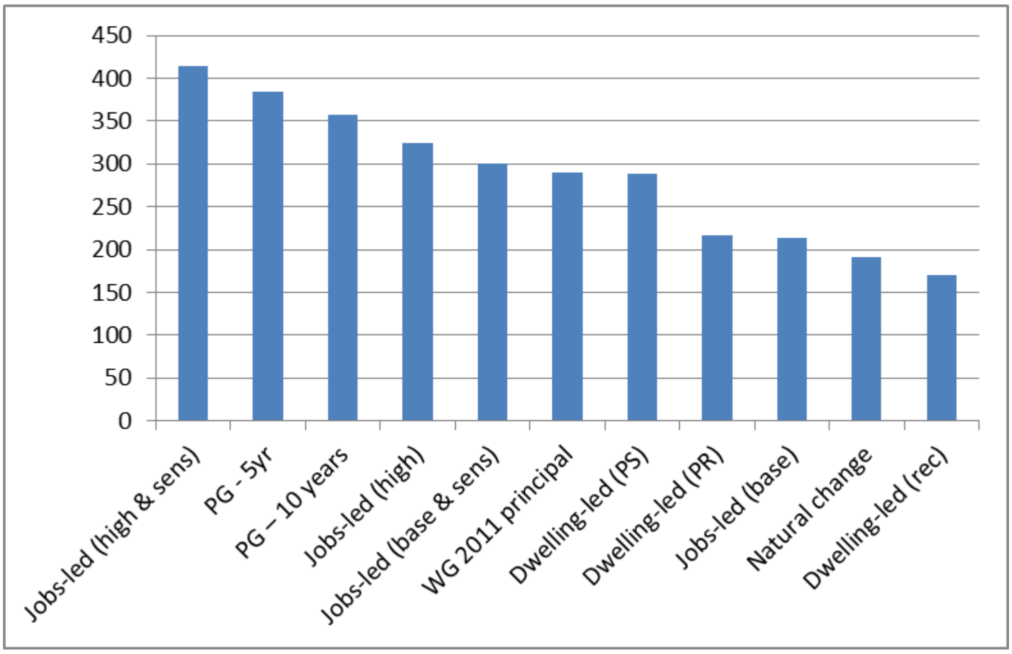
Scenarios	**Total housing units**	**Average per annum**
Jobs-led (Wylfa 2018 start)	10,635	709
Jobs-led (Wylfa 2018 start & sens)	8,730	582
Jobs-led (high)	6,315	422
Jobs-led (high & sens)	4,500	310
Jobs-led (base)	3,675	246
PG - 10yr	3,600	240
Dwelling-led (PS)	3,285	219
Dwelling-led (PR)	3,150	210
Dwelling-led (rec)	2,855	197
PG - 5yr	2,415	161
Jobs-led (base & sens)	1,995	142
WG 2011 principal	780	64
Natural change	960	52



Average number of housing units per annum per scenario (Anglesey)

Gwynedd scenario outcomes 2011 - 2026

Scenario	Total housing units	Average dwelling per year
PG - 5yr	7,965	384
Jobs-led (high & sens)	6,240	416
PG - 10yr	5,355	357
Jobs-led (high)	4,845	325
Jobs-led (base & sens)	4,530	300
WG 2011 principal	4,350	290
Dwelling led (PS)	4,335	289
Dwelling-led (PR)	3,255	217
Jobs-led (base)	3,195	214
Natural change	2,865	191
Dwelling-led (rec)	2,550	170



Average number of housing units per annum per scenario (Gwynedd)

Setting a housing target to meet the demand in the Deposit Plan

62. The requirements seen for the ‘migration led’, ‘dwelling-led’ and ‘jobs-led’ scenarios projections described above provide a nationally and locally focussed indication of potential population and household change. However, they cannot be accepted by in isolation as a basis for drawing up policy in the Plan area. The reasons for that include the following:

i. The scenario of natural change is demographically unrealistic because population movement in and out of the area cannot be prohibited.
ii. Even if the gloomy figures identified for Anglesey are accepted, the purpose of the strategy in the Plan, in alignment with Anglesey Energy Island Programme, is to promote development that tackles decline rather than satisfying it.
iii. Promoting growth based solely on the migration pattern in the past would neither support nor include economic forecasts nor meet the vision for the Plan area;
iv. Care needs to be taken when dealing with jobs based figures. Although the study has considered change in commuting patterns it’s difficult to come to a definite conclusion without detailed information about jobs, availability of skills to meet them and the workforce’s aspirations in terms of where they would wish to vive. It’s also complicated by the temporary nature of much of the increase seen in the number of jobs.
v. Some promote a level of growth that is much higher than has been addressed by the market, even before the recession.
vi. The high jobs-led scenarios, although they adjust commuting figures, do not reflect options to deal with the influx of temporary construction workers

63. It's important to consider the full picture when considering the likely demand for housing units in the area.

64. The housing requirement recommended for the Deposit Plan was developed taking into account:

- demographic and economic projections (see the scenarios above)
- need to facilitate the rebalancing of the age structure of the area's population by accommodating people of working age staying, returning or moving into the area
- other policy imperatives such as affordable housing and responding and supporting growth in the local economy
- availability and viability of land delivery
- current market conditions, capacity of the construction industry to deliver and the level of market demand
- past levels of housing provision taking account of rates before and during the recession
- infrastructure capacity to accommodate growth
- social/ community capacity to accommodate growth

65. As in the case of the preparatory work for the Preferred Strategy, the recommended housing requirement in the Deposit Plan combines the most up to date economic and demographic forecasts in the context of the local housing market, community sustainability and environmental constraints in the Plan area.

Matters to consider in formulating the housing target – which are likely to drive the figure either upwards or downwards

Housing mix and affordability

66. The housing requirement is for the delivery of both open and local market homes and affordable homes across the Joint LDP area.

67. Providing a mix of high quality (open and local) market and affordable housing to meet people's needs is essential if the Councils are to reduce outward migration of working age persons and therefore stabilise the age makeup of the population in the Plan area.

68. Based on the median house price to medium income the affordability ratio of the Plan area is 6.1 and 6.0 in Gwynedd and Anglesey, respectively (2013). This Plan area figure masks some more negative factors. The first is that in some more rural parts of the Plan area, average house prices are almost twice the median house price in the Plan area, e.g. 15.3 in Llanbedrog, 13.0 in Abersoch, 9.9 in Rhosneigr and 8.7 in Cadnant (see paragraph 7.8 in Topic Paper 3 Population and Housing). However, they are not expensive compared to prices in high value areas elsewhere in the UK. This makes it relatively easy for in-migrants, including those seeking holiday or retirement homes, to out-compete local people and push prices up in certain parts of the Plan area. Secondly, the average income, particularly in Gwynedd, masks the disparity between higher salaries paid in some occupations and low income in other sectors (such as agriculture and tourism), along with pockets of high incidence of

unemployment in the Plan area. This means that a large majority in need cannot buy even at the comparatively low prices in parts of the Plan area, and are in essence looking for rented properties.

69. The Housing Needs Surveys (2013) indicate an annual need for 635 and 709 affordable housing units in Anglesey and Gwynedd, respectively, over a 5 year period. This is based on households spending 25% of their household income on mortgages or rent. This would meet the backlog and emerging need for affordable housing. The Isle of Anglesey County Council has calculated that the annual need would be 134 affordable housing units based on households spending 30% of their income on mortgages or rent.

70. Therefore the provision of affordable housing is an important consideration in developing the housing requirement over the plan period. There is a basic need for new homes. Nonetheless, it is important to consider the extent of the planning system's role in facilitating the provision of affordable housing, i.e. what proportion of the annual requirement for housing can the annual affordable housing need reasonably be, particularly in an area where there are places of low value in terms of the housing market and there is a lack of choice in the present housing stock. Low income levels, high house prices and increasing building costs can mean that many of the households projected to be created are unable to buy or rent in the area.

Affordable housing and development viability

71. The Affordable Housing Viability Assessment (2013) and an update to it in 2014 were produced to demonstrate the levels at which housing development is capable of being delivered profitably while at the same time providing an appropriate level of affordable housing and tenure mix. The viability of providing affordable housing will be considered in addition to the overall level of need when setting the quotas in relevant policies in the Plan

72. The Affordable Housing Viability Assessment suggests a share of at least 25% 'affordable' housing in 'high value areas' unless there is an improvement in market conditions. These areas are generally in or near the AONBs or near Snowdonia National Park. The remaining parts of the Plan area are classed as 'moderate value areas' or 'low value areas' for example Blaenau Ffestiniog and Holyhead which are classed as being of 'low' market attractiveness, whilst, for example, Bangor and Llangefni are 'moderate'. The Assessment suggests that at least 15% of affordable housing could be promoted in these areas.

73. Taking into account the viability of providing affordable housing as a proportion of the total units in a market housing development, it is acknowledged that it isn't possible to deliver a level of affordable housing that will actually meet affordable housing need as identified in the Housing Needs Assessments by the two Councils.

74. Whilst the two Councils can promote and encourage sustainable development through their development plan policies, the final level of development will be driven by market factors beyond the control of the Councils. The housing provision is unlikely to go beyond thresholds where the amount of profit is compromised. There is a need to identify a realistic level of housing provision, and consider the building rate in the past and the ability of sites to cope with new housing units in the future. An analysis of the Candidate Land Register and the

conclusions of the annual Land Availability Study for Housing provide evidence of sites' ability to deliver development and the market's ability to yield housing during a period of a current development plan or a period when there are interim policies in place to underpin a development plan and national planning policies.

Candidate Sites Register – an analysis

75. Stage 1 of the CSR filtering process identified sites capable of providing a total of 15,810 housing units within or near (150m) to identified settlements (excluding those in the clusters category). An analysis at Stage 2 based on assessing the development deliverability, having considered information from various stakeholders, showed that the 'deliverable' capacity was 6,180 in the Service Centres and Service Villages, with a further 7,290 in the 'marginal' category. Therefore there is a possible supply of land available for development.

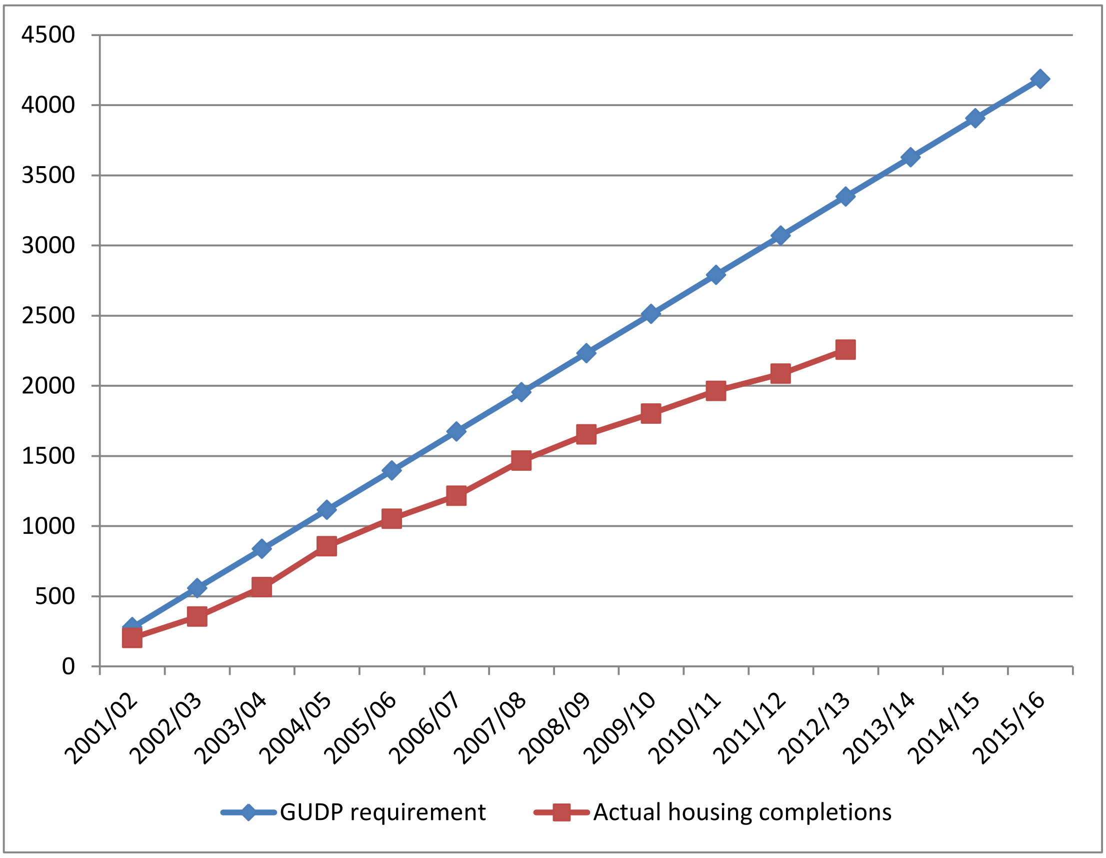
Joint Housing Land Availability Studies – an indication of the capacity of the construction industry to deliver and the level of market demand.

76. Since 2003 housing delivery in Anglesey has varied from a maximum of 240 and an average delivery of 215 net housing units per annum. Since the start of the Plan period (2011) 341 housing units have been built up to March 2013

77. In Gwynedd the housing delivery over the same period has varied from a maximum of 292 and an average delivery of 190 net housing units per annum. Since the start of the Plan period (2011) 292 housing units have been built up to March 2013

78. The following chart and table set out the annual housing completion rates recorded in the published Joint Housing Land Availability Studies up to 2013. Because the Joint Housing Land Availability Study in Gwynedd looks at a period that is still within the lifespan of an adopted Plan, the chart compares the housing development level with the level expected in the Unitary Development Plan.

Gwynedd



Anglesey

Number of Homes completed on:			
Year	**Large Sites**	**Small Sites**	**Total Completions**
2003-05 (2yrs)	189	145	334 (2yrs)
2005-07 (2yrs)	290	191	481 (2yrs)
2007-08	153	125	278
2008-09	177	119	296
2009-10	104	121	225
2010-11	80	63	143
2011-12	45	74	119
2012-13	135	88	223

79. The Studies are indicators of the impact of the ‘credit crunch’ on the supply of new housing units, particularly in Gwynedd. A number of the housing allocations considered in 2009 (when the UDP was adopted) to be ones that could be developed are unlikely to be developed or they are providing fewer housing units. As the chart shows, the level of development has been lower than that foreseen by the UDP, despite the availability of land and that planning consent has been given.

80. Developers have been unable to get funding from lenders to enable planning permission to be implemented. As the Affordable Housing Viability Study has shown, house prices that are reducing in some areas and development costs that are rising mean that a number of sites are not economically viable, particularly on brownfield land in areas with a weaker housing market.

81. The conclusions of the Joint Housing Land Studies for Anglesey and Gwynedd Planning Authority Area since the beginning of the Plan’s lifespan are as follows:

Year	Gwynedd	Anglesey
2011 – 2012	4.8	5.8
2012 – 2013	4.5	5.3
2013 - 2014	Under consideration	Under consideration

82. Because of the age of the development plan for Anglesey, the building rate method is used to measure the availability of land for housing as shown in the table above. In Gwynedd, the residual method is used. If the building rate method is also used for the whole of Gwynedd Planning Authority area, here are the results for the same period:

Year	Supply using the building rate method
2011 – 2012	12.1
2012 – 2013	11.75
2013 – 2014	-

Empty housing units and summer homes/second homes

83. Gwynedd (County) and Anglesey had almost 1,078 and 855 long-term empty housing units in 2013/ 14, respectively, and better use should be made of them. Whilst a number of empty homes are needed to allow turnover, long term empty units need to be tackled and the trend counteracted. It’s possible they could be changed or revamped in order to make better use of them. Topic Paper 6 Urban Capacity Study shows the situation in the Centres in the Plan area. Both Councils have an Empty Houses Strategy.

84. In addition, there were 8,602 and 3,589 household spaces with no usual residents in Gwynedd (County) and Anglesey in 2011, respectively. According to Council Tax Records (2013) 6.1% and 8.0% of properties on average classed as second homes in Gwynedd and Anglesey, respectively. This form of house ownership imposes a pressure on the housing stock, particularly in coastal

settlements, e.g. 39.8% in the Abersoch Community Council area, 24.5% - Aberdaron Community Council, 25.5% - Llanfaelog Community Council, 25.3% - Trearddur. Planning permission is not required to use a house in this way. The existence of summer/holiday homes and the demand for this kind of ownership increases the demand for housing units for the local communities. The Councils will in time be deciding whether to change the Council tax rate on this kind of home. The effect of that decision will need to be monitored.

Infrastructure and environmental constraints

85. Assessment of sites included on the Candidate Sites Register includes an appraisal of infrastructure required that in turn informs the strategy for infrastructure required to implement the Plan's strategy. Topic Paper 13 Community Infrastructure (baseline information) is published as a supporting document to the Deposit Plan at the public consultation stage. In particular it identifies:

- potential gaps in provision of community facilities, e.g. school facilities
- potential gaps in capacity of waste water treatment facilities
- shortcomings of road capacity

86. In general, the strategy isn't jeopardised by these potential gaps in infrastructure. As far as housing is concerned, the need for new or improved facilities or road improvements will influence the phasing of site release as opposed to preventing development.

87. However, a number of potential housing development sites have had to be ruled out due to the risk of flooding. This is a particular issue in most of Porthmadog and parts of Pwllheli. This means that the Plan can't allocate land for housing in Porthmadog or in the lower parts of Pwllheli.

88. The risk of flooding and topographical constraints means that the choice of 'deliverable' land for housing in Blaenau Ffestiniog is extremely limited.

Welsh language and culture

89. The Plan is required to consider how the land use planning system could be used to consider whether the effects of development on the Welsh language and the sustainability of Welsh speaking communities need to be ameliorated. During the last decades, the reduction in the number of communities in Wales and the Plan area that were previously almost completely Welsh speaking can be attributed to the following factors:

- the language not being transferred within the family
- lack of Welsh medium social opportunities
- outmigration of young people
- lack of employment opportunities
- lack of available housing and affordable housing
- incoming non-Welsh speaking population

90. One of the messages regularly heard from discussions with professional individuals and community representatives when drawing up the Gwynedd Language Strategy (2014 – 2017) was the importance of the relationship between the economy, housing and the Welsh language.

91. During 2013, a housing and language study was conducted jointly between Gwynedd Council, Anglesey Council and Snowdonia National Park Authority. The review was conducted using a questionnaire for residents, with the intention of trying to shed light on the relationship between the housing market, Welsh language skills of the respondents and use of the language.

92. The Housing and Welsh Language Study (2014) has identified the following key messages, which confirms the complex relationship between different components:

- interrelationship between fluency in Welsh, respondents' views of the importance of the language and the opportunities to use it.
- education policy having a positive effect on children's language skills, but the use of the language varying outside the education situation.
- employers' attitude can be a boost to the Welsh language, e.g. the private, public and voluntary sectors being more supportive of the language in Gwynedd than in Anglesey.
- opportunities to use Welsh in social situations boosts the language
- access to affordable housing, of the right type and size, and within the travel to work area, are important drivers in the development of the use of Welsh in some areas.
- in-migration weakens the situation of the Welsh language.
- apathy weakens the situation of the Welsh language.

Community need for new homes

93. A number of communities have undertaken surveys to try to identify local 'need' for housing in their communities. Rural Housing Enablers have worked with some communities to prepare them.

94. 'Bottom up' approaches are extremely useful when a specific development is planned in an area, as it provides useful information that can influence the type of housing units required in the area at that point in time. However, care need to be taken in applying this information at a county/ strategic level, for the following reasons:

- usually, those that respond are asked to note their probable need for the next 5 year period. Therefore it only reveals a 5 years snapshot;
- if respondents are asked to provide information for a longer period of time it is doubtful how robust that information would be;
- it would be inappropriate to take the information provided for the five year period and project it forward for the remaining Plan period. There is no formula to ensure that it can be summed up to a county level;
- it only provides a snapshot of residents' needs/ aspirations without reference to any possible need arising from households that need to move into the village or town from other villages or towns, for example, to work;

- the surveys do not analyse the area's demography, linking household information with future requirements, e.g. estimating the proportions of future households in each range and household type (lone adult, couples, etc), identifying hidden households;
- it is unlikely that a 100% response rate can be achieved in order to provide a robust picture.

Projecting economic growth

95. It's inherent that national economic performance is key to the revival of the housing market in Wales. The national economy's performance is fragile and there is much discussion on the matter of revival and growth. The UK Government continues to try to reduce the financial deficit and reducing public sector investment continues to be on its agenda. Financial markets are still trying to improve since 2007 and funding for housing is still limited. There is a considerable difference between the current situation and that in the pre-recession period.

96. Therefore the timing of economic recovery remains uncertain but it seems inevitable that this will take longer than anticipated. Slower recovery will constrain housing development and will continue to limit options for house purchase due to affordability issues and the availability of appropriate credit facilities. This may well mean that an assumption of declining average household size is improbable in the short term as low completion rates continue as well as reduced household formation due to affordability issues, particularly for first-time buyers.

The influence of Wylfa Newydd, decommissioning Wylfa, and other investment projects

97. Economic changes are drivers affecting housing demand and household formation rates.

98. An important factor that needs to be factored in to the economic circumstances that could have an impact on housing provision is the construction of Wylfa Newydd. It will have implications because of the need for workers to build the new nuclear power station and associated developments as well as workers in the businesses supplying the building work. There could be a need for a comparable level of homes, which could comprise of existing and new homes, to support the growth of economically active residents.

99. During the construction period accommodation will be needed for members of the workforce. Numbers of construction workers that will require 'new' accommodation in the Plan area will remain uncertain until planning reaches the stage of being able to identify how many staff will be absorbed by the existing local labour supply and how many temporary residents will be absorbed by existing local accommodation.

100. The Councils are working on initiatives to try to ensure that as many as possible of the local workforce can take up the work opportunities that come with the Wylfa Newydd Project.

- use of existing incentives and programmes, particularly the Enterprise Zones, and
- the investment in skills training and workforce development to maximise benefits locally.

101. On the basis that the following is successful, it is reasonable to assume that jobs growth in Anglesey and Gwynedd can lead to changes in commuting patterns. The "Population and Household Projections for Gwynedd and Anglesey" (2014) records the **possible** effects of this on the demand for new housing units. On top of that, particular attention needs to be paid to how to address the unique and temporary demand for so much accommodation.

102. It's important not to plan in the traditional way for the requirements of the new nuclear power station's workers. The fact that some of the workers will not be coming from the local area needs to be considered, particularly if they are single person households without any dependents. Therefore, it is likely there are a number of ways of responding to workers' requirements for accommodation.

- workers will be commuting into the area on a daily basis, for example, from settlements within Snowdonia National Park or Conwy or from further away;
- workers will be staying in lodgings or bed and breakfast accommodation;
- permanent housing for workers on relatively long term contracts who might move into the area;
- longer term temporary 'campus' accommodation for several years, when construction work is at its most intense: it is likely in the earlier years 'civils' building workers will require accommodation and then later on more engineering-related trades;
- short term caravan or similar accommodation for a short time when the workforce is at its peak;
- permanent housing for the power station operational workforce, demand for which will be mostly in the later stages of the construction period.

103. If there is no control over the way accommodation is provided for building workers there is a risk of having too many housing units that would meet the demand during the peak period but lead to an oversupply of housing units after 2026, which could undermine the performance of the housing market at that time. It will be necessary to ensure continued economic investment in the area after 2016 to maintain the demand for housing units.

104. The Study into Building the New Wylfa Power Station: Study of Facilities for Building Workers on behalf of the Isle of Anglesey County Council in 2011 looked at how to provide for workers building the new nuclear power station. A number of different options to satisfy the need to satisfy this demand were explored. The Council resolved to promote the following:

- 1/3 of workers accommodated in purpose built accommodation (a minimum on-site to meet operational requirements but the majority off-site)
- 1/3 in private rented accommodation (mix of new and existing)
- 1/3 in tourist accommodation (mix of new and existing)

105. The research at that time found that the scale of new build required to directly meet the needs of the construction workers will be relatively limited - in the order of 400 dwellings. This figure is based on the need for accommodation for 6,000 building workers during the

peak period. Anglesey County Council will revisit the Study when more information is available about the number and type of workers required to build the nuclear power station. The principles of this Study have influenced the range of housing policies in the Deposit Plan.

Conclusion

106. There is a need for balance between new drivers and limitations whilst considering the need to promote sustainable development in accordance with national planning policy, the Single Integrated Plan and the objectives of the Local Joint Development Plan (which is a driver of change and a method of controlling change). Future housing growth therefore needs to contribute to supporting the maintenance and creation of sustainable communities; assisting in tackling the demand for housing across the Plan area; creating an economy that is flexible, adaptive and competitive; protects the Welsh identity of the area; and protects the natural and historic environment.

107. Having considered and assessed the evidence discussed in this paper it is considered sensible to provide for a 'baseline' provision of 1,191 and 1,177 housing between 2011 – 2018 in Anglesey and Gwynedd, respectively. This is based on the number of units already build since 2011 and the assumption that the housing market will not reach a situation similar to that before the recession for some years. Additionally, it is prudent to provide for flexibility of growth by making allowance for 2,400 and 2,416 in Anglesey and Gwynedd, respectively for the remainder of the Plan period. This supports economic ambitions, provides flexibility to respond to it and reflects the possibility that the economic opportunities created following on from the nuclear investment will in fact be converted into a demand for housing because a number will be commuting into the area or living in purpose built accommodation or alternative kinds of accommodation. A figure too heavily dependent on the achievement of an as yet undetermined major infrastructure and other employment projects and their uncertain effects on the Plan area, particularly Gwynedd, would risk undue domination and distortion of the Joint LDP as a whole. That the chosen figure does not exactly correspond to any one of the statistical (non policy based) scenarios does not make it arbitrary. Rather, it is a comprehensive figure which reflects the influences of demographic and economic factors in the Plan area, for which there is demonstrable evidence as summarised in this Topic Paper and set out in various other Topic Papers or published reports.

108. This scenario will on average correspond to 479[3] housing units per year during the Plan period (2011 – 2026). This is slightly lower than the annual housing average target in the Preferred Strategy, which referred to 511 housing units per year. Therefore, the level for the Deposit Plan in terms of the factors considered and numerically are a close reflection of the level in the Preferred Strategy.

109. This figure reflects the possible capacity of the area to cope with more homes. It is slightly lower than what is foreseen for Gwynedd planning area in the 2011 base Welsh Government projections and higher than the 2011 base projections for Anglesey. Therefore, against the most recent Welsh Government projections, when taken as a whole, the Joint LDP

[3] This figure does not include an allowance of 10% for slippage

significantly boosts housing requirement. The Plan's Strategy takes account of Bangor's Sub-regional role and distributes the rest across the Plan area in accordance with each settlement's role in the Settlement Hierarchy. It is considered that the growth identified for the settlements can be delivered and is not likely to compromise social or environmental considerations or infrastructure limitations.

110. The Sustainability Assessment process shows that taking a higher level of growth would bring negative impacts (particularly environmental ones) and that a lower level of growth would not be likely to address the social and economic matters requiring attention.

111. It is considered the Deposit Plan would conform to national planning policy as follows.

- It supports increasing the housing supply.
- The Plan is based on evidence from the Joint Housing Land Availability Study for each Council, Assessment of the Housing Market, Viability Assessment for Affordable Housing, Accommodation Study for Anglesey Construction Workers, Energy Island Assumptions (this list is not comprehensive). The Local Housing Market Assessment and therefore the Housing Strategies lead the Council's method of encouraging housing and satisfying local circumstances.
- Although the present market conditions mean that the viability of sites needs to be monitored, by adjusting the present trends during the first 7 years and an 'upturn' occurring in the rest of the Plan period, there will be an uninterrupted five year supply of land for housing.
- The provision is based on development needs that have been assessed objectively, and prioritized across the Plan area.
- The method in the rural areas is that housing should be provided that meets the needs of the community and supports the sustainability of settlements.

112. The following table compares the revised recommended housing target (excluding a 10% slippage allowance) with the medium growth target in the Preferred Strategy, Welsh Government 2011-base population and household projections converted to housing unit requirements (principal projections and 10yr migration pattern projections).

			WG 2011-base projections	
	Preferred Strategy	**Deposit Plan Housing Target**	**Principal**	**10 yr migration**
Anglesey	3,373	3,472	960	1,845
Gwynedd	4,292	3,712	4,350	4,987
Plan area	7,665	7,184	5,310	6,832

113. It is considered that the housing requirement is realistic but ambitious. Based on the information available at present, the level of housing more than satisfies the need in the Plan area whilst allowing sufficient numbers to support future economic growth aspirations. It follows the requirements of national planning policy, reflects local circumstances and considers responses during periods of engagement and consultation with the public. It can be shown there is sufficient viable land to provide for this level of growth.

114. On this basis, this method is one that can be achieved.

Appendix 1

Explaining the scenarios:

Scenario Type	Scenario Name	Scenario Description
Official Projections	**'WG-2011'**	This scenario mirrors the WG 2011-based population projections for Gwynedd and Anglesey and is the official 'benchmark' scenario.
	'WG-2008'	This scenario mirrors the WG 2008-based population projections for Gwynedd and Anglesey and is included for reference only on the scenario summary charts.
Alternative Trend-based Scenarios	**'Natural Change'**	In- and out- migration rates are set to zero. Population growth is driven by natural change only.
	'PG-5yr'	Migration assumptions are based on the last five years of historical evidence (2007/08 to 2011/12).
	'PG-10yr'	Migration assumptions are based on the last ten years of historical evidence (2002/03 to 2011/12).
Jobs-led Scenarios	**'Jobs-led (URS Base)'**	Population growth is determined by the change in the number of jobs, as defined in the URS 'Base Case' employment forecast for Gwynedd and Anglesey.
	'Jobs-led (URS 4)'	Population growth is determined by the change in the number of jobs, as defined in the URS 'Scenario 4' employment forecast for Gwynedd and Anglesey.
	'Jobs-led (Wylfa)'	Population growth is determined by the change in the number of jobs, as defined in the URS 'Wylfa New Build commencing in 2018' employment forecast for Anglesey only.
Dwelling-led Scenarios	**'Dwelling-led (Preferred Strategy)'**	Population growth is determined by the change in the number of dwellings, as defined in the Councils 'Preferred Strategy' (+511 dwellings per year).
	'Dwelling-led (Pre-Recession)'	Population growth is determined by the change in the number of dwellings, defined using the average 'pre-recession' completion rate (+424 dwellings per year).
	'Dwelling-led (Recession)'	Population growth is determined by the change in the number of dwellings, defined using the average 'recession' completion rate (+359 dwellings per year).