

BATH & NORTH EAST SOMERSET COUNCIL RESPONSE TO ID/7

Issue 1: Is the planned district-wide scale of provision for jobs and homes justified and is there sufficient flexibility to reflect uncertainties in forecasting and changing circumstances?

Overarching questions (some aspects explored further in other questions)

2.1 Has the Council had appropriate regard to the balance of factors listed in PPS3, paragraph 33?

2.1.1 In relation to the coverage of the factors listed in PPS3 the Council's position is set out in section 1 of Topic Paper 9 & section 3 of Topic Paper 2. The Council maintains that, at a time of unprecedented uncertainty, re significant downside economic risk, its trajectory for the development of the district, including the commitment to review/adjust this within the next 5 years, strikes a suitable balance between promoting economic growth, the need for housing, the need to maintain environmental capital, the voice of its electorate and the position of Bristol City Council.

2.2 If the requirements of the draft NPPF in relation to planning for housing and employment were to become national policy before the close of the Examination, would planned provision meet those requirements (in particular paragraphs 13, 14 - first bullet, and 20- 30)?

2.2.1 Re paragraph 13, the Core Strategy enables the delivery of 14,100 (gross) and 8,700 (net) jobs (assuming that the economy, despite the downside risk, is capable of generating that level of growth). Based on current short to medium term for the UK economy, this would be a very positive outcome for the B&NES part of the West of England. It represents a far higher level of private sector jobs growth than has historically been achieved. Consistent with the drive for economic growth much of the River Corridor in Bath is identified as a sub-regional Enterprise Area. The employment growth target is stretching yet can be achieved without reducing the environmental capital of the district. Indeed, well designed economic spaces will improve many parts of the district and its attractiveness a place for business – a reinforcing strategy.

2.2.2 The co-location of labour (via homes) and jobs is an important consideration for sustainable economic growth, environmentally so as to minimise carbon emissions and socially so as to minimise the cost and time taken to travel to work. Thus in a territory free of other considerations the Council would aim to plan for the full

employment-led housing requirement. However, for reasons set out elsewhere it has chosen not to.

- 2.2.3 This Council's position will not constrain economic growth (aside from within the housing construction sector) but it will have an impact on that amount of labour that needs to be imported from beyond the administrative boundary. Economically, this is of limited significance. The established Bath Travel to Work Area is not coterminous with the B&NES administrative boundary. This area excludes Keynsham but includes parts of West Wiltshire and Mendip. However, it is acknowledged that the gap in supply may, very marginally, affect the sustainability of travel patterns re carbon emissions (based prevailing technologies and current modal split) and therefore the sustainability of economic growth. Measures such as the Intercity City Express Programme (see BNES/7, paragraph 5.4.1) and the GBBN will mitigate the sustainability consequences of the mismatch between newly arising labour demand and supply.
- 2.2.4 If one reads the first bullet point of paragraph 14 in isolation the Council's proposed policy of planning for 11,000 to homes against a technical requirement for 12,100 homes is at odds with "objectively assessed development needs should be met". However, the draft NPPF policy wording is subsequently caveated by "unless the adverse impacts of allowing development would significantly and demonstrably outweigh the benefits". Therefore, the drive for economic recovery and the ideal housing scenario (in travel to work terms) does not automatically trump other considerations.
- 2.2.5 In B&NES, meeting objectively assessed needs would mean developing in the Green Belt. Boosting housing supply by developing in the Green Belt adjoining Bath would significantly harm a suite of environmental and heritage assets. The current Council considers that the dis-benefits of additional supply significantly outweigh the benefits. This position is fluid. Judgements may change within an evolving context of development needs, economic growth prospects and the availability of other land resources to cater for these needs. . The ability of Bath to grow beyond its current limits without fundamentally affecting the OUV of the WHS and its overall character is negligible. The position of English Heritage and the Cotswolds AONB Conservation Board hold great weight in relation to this matter.
- 2.2.6 In respect of Keynsham RPG10 states that development should not increase the dormitory function of towns. Keynsham was not identified for Green Belt Development in the draft RSS. The Green Belt around Keynsham was not presented in the draft Core Strategy growth option for these reasons. The Core Strategy proposals for represent a significant uplift in employment and housing growth vis-à-

vis the previous decade. Job growth expectations are already stretching. Additional housing in the Green Belt would struggle to achieve complimentary employment provision.

2.2.7 At SE Bristol it is inappropriate to develop in the Green Belt to meet needs arising in B&NES until such time as development in the Green Belt is needed to meet the needs of Bristol (see BNES 11. This is not currently the case. When it is the case the Green Belt at SE Bristol will need to be fully reviewed under the duty to cooperate and weighed against other locations.

2.2.8 Re paragraph 14 “sufficient flexibility to respond to rapid shifts in demand or other economic changes” should be read in terms of both upward pressures and potentially more likely downside risks. At the outset this means that an “aspirational yet realistic” (Para 22 of dNPPF) development trajectory should be set that is capable of reasonably swift adaptation. The identification of a contingency development area in the Green Belt would be a possible response this part of the dNPPF but it is not the only response. The dNPPF does not include the word “contingency”. Rather, paragraph 21 of the dNPPF notes that a Local Plan can be reviewed in whole or in part to respond flexibly to changing circumstances. Such circumstances could include unforeseen macro-economic performance, locally specific matters related to delivery or the need to extend the end date of the plan. Triggers for review could include evidence from the SHLAA indicating the likelihood of entrenched problems with 5 year supply that cannot be recovered before the end of the plan period.

2.3 Does the Council’s methodology for assessing the technical “need” for housing (Stage 2 Report – CD4/H1 - and Topic Paper (TP) 9 – CD6/S10) represent an established methodology used in the past and/or one being used elsewhere?

2.3.1 An earlier regional version of the Council’s methodology was used to prepare the figures for Draft RSS for the SW and was positively received during the EiP of that Plan.

2.3.2 The Draft RSS ratio was derived from the 2003-based ONS projections and applied to three broad statistical sub-areas of the South West, in the case of B&NES that of the northern sub-area.¹ The ratio for the Core Strategy has been derived from the revised 2004-based projections for the West of England Partnership Area. Following the suspension of the preparation of the RSS and the demise of the ‘command and control’ use of household projections by Government via regional plans, the bottom-up calculation of local housing requirements is an emerging field of expertise.

¹ This comprised West of England, Gloucestershire, Swindon, Wiltshire minus the former Salisbury District and Mendip District in Somerset (Draft RSS Discussion Paper 16, July 2005)

Alternative methodologies have been found sound e.g. Sedgemoor DC, though this does not mean that other approaches are not at least equally valid. In the absence of any CLG guidance on the establishment of local housing demand each approach must be considered on its merits. The Council considers that its methodology is open, transparent, justified and makes an important contribution to an evolving area of work. Based as it is on very high employment growth, the output of the methodology is a housing requirement that seeks to provide for higher level of demand than that generated solely by newly arising locally based demand emanating from the assumed impact of demographic and household changes on the local base population.

2.4 What policy weight, if any, or other significance should be given to the Secretary of State’s Proposed Modifications to the emerging RSS for the South West? Parties should be aware of the conclusion I came to on this matter in my report of the Bristol Core Strategy (paragraph 12, March 2011).

2.4.1 The Council’s position on this matter is set out in paragraphs 1.1-1.14 of BNES/1 and reflects the conclusion reached in the report on the Bristol Core Strategy.

Economic/Job Growth forecasting

2.5 Is the Council’s assessment of likely economic growth/job creation over the plan period in the district reasonable or too optimistic/pessimistic? Do the assumptions and overall intentions satisfy the aim of the Ministerial Statement: Planning for Growth (23 March 2011) in particular the Government’s expectations in the 4th paragraph: Local planning authorities should...?

2.5.1 Section 4 of TP9 demonstrates that the Core Strategy is planning towards the optimistic end of the economic/employment growth spectrum. To this end the Core Strategy it is compatible with the ‘proactive’, ‘driving’ and ‘supporting’ role for LAs set out in the Planning for Growth Statement.

2.5.2 The 5 year period 2006-2011 has resulted in a contraction of the employment base of the district and the sub-region. This contraction needs to be recovered before any growth against the 2006 baseline is achieved. Most recent OBR GDP growth forecasts for the UK are set out below. Based on the most recent forecasts, it is not likely to be until 2014 that employment in the UK returns to pre-recession levels. These growth forecasts are markedly more pessimistic than those upon which the Core Strategy figures are based.

GDP	2009	2010	2011	2012	2013	2014	2015	2016
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OBR Nov 10	-5.0%	1.8%	2.1%	2.6%	2.9%	2.8%	2.7%	
OBR Mar 11	-4.9%	1.3%	1.7%	2.5%	2.9%	2.9%	2.8%	
OBR Nov 11		1.8%	0.9%	0.7%	2.1%	2.7%	3.0%	3.0%
Nov 10-Nov 11		-0%	-1.2%	-1.9%	-0.7%	-0.1%	+0.3%	

2.5.3 When the Council published the Draft Core Strategy in December 2010 a jobs growth figure of 8,700 net (14,100 gross) seemed reasonable but stretching in the context of (1) the then current OBR forecasts and (2) the level of commercial property market investment / risk taking that would be required. For Bath, the practical built environment implications of achieving the forecasts are unprecedented even compared to the 1980s surge in investment in commercial space. Given events during 2011, the prospects for 2012, the underlying tone of the Chancellor's Autumn Statement and the OBRs Economic and Fiscal Outlook, the Council now considers that the Core Strategy target has shifted even further towards the optimistic end of the spectrum. The underlying strengths of West of England economy means that it has the potential to recover more quickly other core city LEAs so this target remains a tough but achievable policy goal, subject to a return wider economic stability across the Eurozone.

2.5.4 As a reflection of repeated downward revisions to growth expectations, if the multiplier of 1.39 is applied to a net jobs target of 8,000 (an illustrative figure) it results in an employment led housing requirement of 11,120.

2.6 Given that: Economic forecasts and projections are inevitably an educated "shot in the dark" (CD4/H1, paragraph 6.1) to what extent should any one growth figure be relied on for determining employment provision and related housing?

2.6.1 The Council has not uncritically relied on one growth figure from the outset. The process by which the jobs growth figure has been derived began with the establishment of a spectrum of possible outcomes (from multiple studies) that ranged between 3,000 and 11,300. A central+ scenario of 8,700 has formed the basis of the economic growth trajectory of the Core Strategy. If achieved as envisaged such a level of growth would result in a very positive outcome for the district. The reason for not planning at the top of the range is set out in paragraphs 4.1-4.11 of TP9 and in 2.5 of this statement. Strong leadership requires the Council to clearly state to its electorate its desired outcome for the district and the implications of this on the built environment.

2.6.2 The Smart Growth Work (CD4/E10) has done much to reduce the 'shot in the dark' uncertainty. It developed a series of employment/workspace scenarios linked to different levels of supportive provision/intervention and development of the

economic factors of production of land and premises, labour supply and business investment. This also included an analysis of 'what works' in supporting economic growth to test how the scenarios could be achieved.

2.6.3 The angle of the proposed economic growth trajectory is steep enough to already cater for a situation where the UK's performance is far better than assumed in the OBRs central forecast of November 2011.

2.6.4 Practical issues re flexibility are addressed in 2.15-2.17

2.7 Is the plan's assumption of economic growth in the district and likely increase in the number of jobs consistent with the aspirations of the West of England Partnership's Local Enterprise Partnership Bid in September 2010 (notably 95,000 new jobs by 2030 and 3.4% cumulative annual growth in total GVA 2010-2020 in the WEP area)? Does any inconsistency undermine the plan's approach? Is the Council distancing or disassociating itself from the LEP's aspirations (see footnote 1 in TP2 and paragraph 4.13 of TP9)?

2.7.1 The Local Enterprise Partnership is a private sector led partnership. It has the freedom to put forward aspirational targets separate from any local planning process. The West of England LEP target was established by the private sector partners in order to put in a bid to Government for LEP status. The aspiration of the LEP is to enable a strong and sustained recovery within the West of England. To this extent the Council shares and supports the vision of the LEP and there is consistency.

2.7.2 The Council is not distancing itself from the aspirations of the LEP but does not share the specific growth target to 2030 and its implications to 2026. There is no publically available evidence to support the LEP's aspirational target. The Council has set achievable targets based on a shared evidence base, including the OBR's Fiscal and Economic Outlook. As indicated in 2.5 the B&NES economy has seen a decline in job numbers over the period 2006-2011 and the short-medium term outlook is for a slow, fragile and choppy recovery. The expectation implicit in the LEP's specific position is that the rate of annual jobs and GVA growth will rapidly increase later in the plan period and that this will be sustained to 2030. The Core Strategy plans for this too but not to the same extent. The dNPPF (para 22) requires Local Plan to be aspirational but realistic. Simply adopting the LEP's position would make the Core Strategy overly aspirational which would call into question its achievability.

Relationship of Jobs to Housing

2.8 Is the Council's multiplier of jobs to new homes justified? (NB TP9 Justification for Housing and Employment Provision October 2011 - CD6/S10 –ID/7 notes that there is an error in the Stage 2 Report such that the multiplier should be 1.39 and not 1.33 as in that report. This results in a calculated housing requirement of $8,700 \times 1.39 = 12,100$ rather than the 11,600 previously stated.) Is this multiplier preferable to the use of projected economic activity rates?

2.8.1 Both the Stage 2 multiplier methodology (labour demand approach) and the economic activity rate (labour supply approach) (TP9) are sensitive to relatively small variations in the assumptions that are used. However, in combination they can be used to validate each other. The multiplier methodology alone is unable to take account of factors such as recent and projected trends of higher participation rates in people over 50, and the impact of the state pension age on these trends. Section 7 of ID/7 is clear that the Stage 2 multiplier of 1.39 only holds true if economic participation rates in the WoE rise from 80% to 83%. Section 7 of ID/7 demonstrates why this is a reasonable expectation. A 3% rise in the participation rate is also required in B&NES – from 75%-78% to validate the Stage 2 methodology.

2.8.2 Question 2.8 refers to whether the multiplier is preferable to the use of protected economic activity rates. The Council considers that the use of the multiplier is preferable as a starting point but that the application of the participation rate approach enables a refinement/ validation of the original methodology. See also 2.17.

2.9 Points for detailed clarification by the Council:

The last sentence of paragraph 5.1.4 of the Stage 2 report refers to the ratio as (erroneously) 1.33 and then to a needed rounding up of the ratio to 1.33 (sic). How does the corrected ratio fit into this sentence? Does the new 1.39 need an additional rounding up?

2.9.1 Here, the figure of 1.39 needs to replace 1.33. This is an oversight. The explanation in this part of paragraph 5.1.4 was not particularly well articulated. The Stage 2 Report was trying to convey that the non-job related elements of housing demand were incorporated into the ratio and that this had already put its value up to 1.33 in its original version. The figure of 1.39 therefore still stands and no additional allowance on top of this is required.

Where has the figure of 127,038 come from in 3.1 of TP9? How does it relate to 126,763 in Table A7 of the Revised Appendix 2 tables in TP9?

- 2.9.2 The figure of 127,038 is misquoted from draft rather than final recalculations of the Revised Appendix 2. The correct figure is 126,763 (as showing Appendix 2 of TP9). The difference between the two figures is 0.2% and has no impact on the 1.39 ratio. Calculations/arithmetic/formula are available in excel format for scrutiny.
- 2.9.3 The Appendix 2 figure of c.127,000 for the West of England is actually high than comparable figure of 123,130 derived from CLG Revised 2004-based household projection of 120,000. Based purely on the CLG derived figure, the ratio would be 1.345. A margin of generosity vis-à-vis official data is therefore created within the ratio of 1.39

Why is a ratio derived for the West of England sub region seen as appropriate to be applied specifically to a job growth estimate for B&NES when this is not necessarily the basis being used now for planning in other parts of the sub region?

- 2.9.4 The foundation of the homes component of the homes/jobs multiplier is the Revised 2004 population projection. Geographic based projections tend to be more reliable the broader the area of analysis. B&NES is a political rather than a functional economic area with artificial boundaries. Using the aggregate West of England figure removes a level of uncertainty from the multiplier. Whilst there will inevitably be deviation away from the aggregate ratio depending on the specific demographic characteristics of a place (e.g. a greater incidence for non-economically related migration/house purchases), these characteristics should not necessarily be encouraged to continue. The Council does not wish to, nor can it cannot suppress the demand for non-economic related house purchases, however it can avoid significantly overproviding housing (to the detriment of its other plan objectives) to cater for the what might be termed retirement sector of the housing market. A West of England ratio takes these factors sufficiently into account without unduly overproviding for this aspect of demand.
- 2.9.5 North Somerset Council is using the West of England ratio derived from the Stage 2 Report.
- 2.9.6 The ratio of homes to jobs within the Draft RSS for the West of England area was 0.96 (88,500 homes and 91,500 jobs). For B&NES it was similar. The ratio of 1.39 that forms the basis of the Core Strategy housing requirement suggests that a much more sustainable strategy (in terms of the co-location of new workers and new jobs) can be achieved in B&NES vis-a-vis the provision of the Draft RSS. A higher ratio takes

into account demand from non-economic migrants. The ratio makes generous provision in this regard compared to the Draft RSS.

2.10 From TP9 (eg box under 3.1), the Council's intention appears to be to balance the planned number of (net) new jobs and the growth in the economically active population from new housing. Is this aim of the Core Strategy?

2.10.1 The intention is, as far as possible, given the constraints identified, taking account of and weighing the considerations in paragraph 33 of PPS3, to enable a level of housing development that demonstrably supports economic/employment growth objectives.

If so:

- **How does that meet Objective 5 bullet 1?**
- **Is the intended balance at the margin (ie only in relation to the planned growth) the right approach?**

2.10.2 Across B&NES (at the start of the plan period) there was broad balance between the number of workers and the number of jobs jobs. Planning for such balance at the margin will continue to support this relationship. There is currently no significant net in-commute or out-commute from the district. The impact of not planning for quite enough housing at the margin (whilst a shortfall of the overall strategy against some plan objectives) will not significantly upset this overall structural relationship. In any case, as mentioned in TP9 this relationship is considered to be more important for broader and more credible economic areas. As mentioned in BNES/7, sub-regional transport improvements affecting Bath will positively impact on movement across the sub-region and into and out of the city. The Council has taken the view that the apparent dis-benefits of the strategy is significantly outweighs by the dis-benefits of additional housing provision and can be mitigated.

- **Would more housing and/or fewer jobs result in unsustainable patterns of development? (See also question on commuting below.)**

2.10.3 At Bath, probably not given the existing deficit of local workers compared to local jobs. Within the Somer Valley and at Keynsham most certainly yes, unless there is major modal shift for trips to Bristol and Bath.

2.10.4 Since the 1960s Bath's economic and employment base has grown disproportionately to the supply of labour within the city. Successive plans have restrained housing development to within topographical, landscape, and heritage limits. Much housing development the 1980s and 1990s, built to meet Bath's needs

leap-frogged the Green Belt. The rapid growth of Peasedown St. John is the clearest expression of this. However, the reasons for repeated periods of restraint are compelling. Bath is uniquely constrained. The value ascribed to its well established boundaries and the land beyond still outweighs the potential travel-to-work benefits accruing from development adjoining them. The position of English Heritage and the Cotswolds AONB Conservation Board hold great weight in relation to this matter.

The spatial/practical implications

2.11 What is the Core Strategy's intention in relation to the future pattern of commuting? Council to explain what is the practical intention of:

- **1c The Vision: a more sustainable relationship between the city's labour and job markets.**
- **2b The Vision for Bath: same quote as above.**
- **Policy B1 part 4 a and b.**

2.11.1 It is about enabling a better co-location of workers to jobs than currently exists and that has resulted via previous plans. Focusing attention on newly arising commuting has benefits for existing patterns. At Bath, the 2001 census shows that there were 38,000 workers and 52,000 jobs. At best only 73% of labour could be sourced from within the city. In fact only 71% (27,000), of resident workers worked in the city filling 52 % of workplace jobs. The 71% retention figure is not in itself an unsustainable proportion. However, it would be beneficial in respect of some plan objectives to improve the 73% figure.

2.11.2 Other things being equal (re participation rates and pension ages), 6,000 homes will yield upwards of 12,000 people about 6,000 workers to fill 5,700 net additional jobs. Setting aside the period 2001-2006 (for which reliable data is not available) this level of change will increase the global figures (against the 2001 baseline) to 44,000 workers and 57,700s jobs. Therefore, at best (assuming perfect behaviour) 76% of labour could be sourced from within the city, resulting in a not insignificant sustainability benefit.

2.11.3 There are two key factors that need to be taken into account that will affect the overall labour force within the city and its self-containment. These relate (1) to the impact of pension reform on an already upward trend re the propensity of someone over 50 to remain in the labour market and (2) to the nature of the jobs growth being targeted within Bath (i.e. as with all places it will have to be private sector and higher value) thus potentially clawing back job seekers from Bristol by improving relative opportunity/pay prospects.

Are these statements consistent with each and how do they relate to the explanation about commuting in TP9 (paragraphs 6.20-6.28) which appears to focus on the planned increase in housing/jobs and not any changes to existing patterns.

2.11.4 As explained above, whilst the focus has on the planned increase at the margin, rather than on attempting to alter embedded relationships the impact of the Core Strategy (in combination with other changes affecting the labour market) is positive re existing patterns of movement.

2.12 Have the cross boundary implications of the strategy been properly taken into account (both within and outside the sub region)?

- **Do the assumptions of the methodology used (e.g TP9 2.21 first sentence and in the box after 3.1) have potential implications for adjoining authorities?**
- **Should the plan be taking into account any needs or delivery requirements from adjoining areas?**

2.12.1 The evidence base underpinning the Bristol Core Strategy found that land in the Green Belt in the Hicks Gate area of Bristol was available for housing development. However, BCC considered this land was not needed to meet its development needs. The inspector's report to the Bristol Core Strategy did not disagree with this position. Land in the Green Belt was recommended only as a contingency rather than as part of the plan from the outset. On this basis there is currently no rationale for identifying land in the Green Belt within B&NES for development during the Core Strategy period (where this would be to accommodate Bristol's housing needs). When Bristol identifies a need for development in the Green Belt (over and above the capacity of it contingency at Hicks Gate) a sub-regional Green Belt review will be required and will be carried out under the duty to co-operate.

2.12.2 Concern has been expressed from Mendip DC that B&NES is under-providing housing and that demand for homes within B&NES will be met in places such as Frome, thus out-competing local demand for homes arising in Mendip. Given the shortfall against the technical requirement there is some risk of this, though it is not significant. However, even without the shortfall, the house price differential between Bath and surrounding towns will always serve to make these housing in these places better value to many purchasers. This will not change unless Bath's attractiveness as a place to live diminishes very badly (which would of course be contrary key planning objectives). As a primary employment centre there will always be working households (not in need of affordable housing) who will live beyond the city rather than within it. Some of this is forced, some it is by choice as some purchasers will weigh floorspace over location.

2.13 If the assumptions in the Stage 2 Report/TP9 are reasonable / justified in calculating a need for 12,100 dwellings (as now corrected):

- **Is the Council justified in planning for 9% less at 11,000 dwellings?**

2.13.1 Core Strategy policy development, taking account of the considerations in paragraph 33 of PPS3, was undertaken in the context of a technical requirement of 11,600 dwellings. The shortfall has risen from 5% to 9% given the amended technical requirement of 12,100. The additional shortfall means that a target of 11,000 dwellings represents a marginally less sustainable policy approach at the margin in terms of the co-location of workers and employment within the district. A broad balance is still maintained at the margin. For the reasons set out under 2.2 and 2.10 the Council continues to hold the view that, at present, the benefits of a Green Belt solution to address the shortfall does not outweigh the costs. The mismatch is not sufficient to be regarded as the exceptional circumstances needed to justify development in the Green Belt.

- **Prior to TP9, all the Council's justification has been in the context of a smaller gap - a need of 11,600 – where/when has the Council weighed this larger gap in its decision making?**

2.13.2 The confirmation of the discovery of the error in the Stage 2 arithmetic (September 27th 2011) has not permitted the Council to formally consider whether housing supply should be boosted in response. The Council meeting re the Post Submission Significant Changes took place on 15th September 2011. The Council has formally accepted the impact of a shortfall of 600 but not 1,100. The Council has informally assessed the impact of the additional shortfall and concluded the cost of meeting this need does not outweigh the benefits.

- **What are the consequences of planning for less than the assessment?**

2.13.3 Aside, from an impact in the housing construction sector, economically, nothing. Housing will not be a constraint to economic growth if 91% of technically determined supply is delivered. Socially, greater competition for fewer homes could negatively impact on the realisation of locally generated demand if in-migrants are able to out-complete local demand. Environmentally, the district will have to import more workers from beyond its administrative boundary (unless existing patterns of behaviour change). This will slightly weaken the plans' credentials re the minimisation of carbon emissions from transport. The positive consequences are that the Green Belt, Cotswolds AONB and OUV of the World Heritage Site and its

setting will be protected and that than plan will reflect the predominant thrust of local opinion.

2.13.4 Under average UK conditions private housing stock turnover in "normal" market conditions is around 10% pa and the proportion of this which is new housing is around 10% (i.e. annually, sales of new dwellings equal around 1% of the entire housing stock). Reducing the total new build total to 91% of what has been identified as being needed only very marginally reduces the pool of dwellings available people can choose to buy/rent with B&NES, with marginal impacts on the mobility of labour.

2.14 Is the Council justified in not making additional provision to offset the shortfall against intended delivery in the Local Plan to 2006 of 850 dwellings? (TP9, 6.3-6.5 and CD4/H13, 3.1-3.4.)

2.14.1 Between 1996-2006 housing development in Bristol was significantly above Structure Plan and RPG10 levels. Enough surplus housing was built to 2006 to allow unmet demand in B&NES to be met in the Bristol part of the HMA. Sub-regionally there was no shortfall. The growth in housing in B&NES provided for is far higher than previously per annum demonstrating how rigorous the Council has been in trying to do all it sensibly can to maximise housing numbers in a manner that consistent with its other planning imperatives.

Flexibility and Review

2.15 What flexibility exists within strategy if the Council's assessment of growth/job creation or delivery are not borne out? (The practical implications of the contingencies referred to at the end of DW1 and 2.53 are best explored in the context of Bath under issue 2.)

2.15.1 Given the optimistic nature of growth/job creation targets it is more likely that economic performance will be weaker rather than stronger than currently planned for. In such circumstances the Council is not proposing to revise downwards its housing growth target (and headroom is therefore built in).

2.15.2 Non-delivery is considered to be more of a risk. Whilst there is considered to be good chance of delivery at the assumed levels, it cannot be guaranteed. As set out in BNES/7, in respect of upward revisions to housing supply, there is some scope to refine upwards the SHLAA capacities for MoD land within Bath during the preparation of the Placemaking Plan DPD. Current estimates are a clearly justified minimum rather than an achievable maximum. Furthermore, the size of the Enleigh

site could be doubled by the utilisation of playing fields adjoining the site but not within the Green Belt or AONB. Further, as previously identified, the Stage 2 methodology generates generous homes/jobs ratio of 1.39 compared to the Draft RSS.

2.16 Core Strategy paragraph 7.05 anticipates a review of the Core Strategy every 5 years.

Is such a review compatible with the intended long term nature of Core Strategies?

2.16.1 The Core Strategy has been prepared and is being examined at time of unprecedented uncertainty and economic turmoil. The Council has planned for high levels of housing and economic growth. If the situation changes significantly, then it may be necessary to revisit the balance of matters which informed the proposed strategic framework for development. Against that background it is sensible for there to be provision for a review. The Core Strategy is also based in part on assumptions derived from 2001 ONS census data. New data will become available in 2012 that may challenge these assumptions. Current public funding sources are relatively short term in nature and do not run for the entire plan period. The Council will inevitably have to react to future Government policy and funding announcements and this may entail a review of the plan. This will enable a co-ordinated a review across the West of England in light of the commitment by Bristol and North Somerset to review at the same time (with S. Gloucestershire expected to follow).

2.16.2 Given the constraints in the district, a more considered review process is preferable to identification of a contingency now which could undermine regeneration proposals and lead to a distortion of the plan's strategy. The prospect of and subsequent implementation of a contingency could negatively impact on the delivery/ sales rates of brownfield sites, notably BWR, MoD land and Somerdale.

2.16.3 Paragraph 21 of the draft NPPF re whole or part review "to respond flexibility to changing circumstances" is relevant here.

Does the Government's planned removal of regional plans make a planned review more important than before?

2.16.4 The Council considers that it is important to establish a plan-led framework within which decision making can be made across the West of England. The current suite of Core Strategies has been prepared in a transitory period between the disbandment of a regional planning tier and the creation of LEPs alongside the new duty to

cooperate. In future, the absence of a rigid regional command and control function will enable local authorities or groups of authorities to review their plans independently of a higher tier of spatial planning. The prospect of review, either locally or sub-regionally is more likely and therefore more important to refer to in the current plan.

Should the Core Strategy be more explicit about what would be reviewed/when and what might trigger a contingency or review of the spatial strategy; should a spatial contingency be an explicit part of the strategy?

2.16.5 Council responses to paras 2.2 & 2.15 above deals with contingency

2.16.6 Table 9 of the Core Strategy confirms that the Council will be monitoring housing, completions (including affordable) and creation of jobs and that this is reported through the AMR. The Council is in the process of increasing the regularity of its housing completion monitoring. The Core Strategy could be more explicit about the trigger for a review as follows

2.16.7 Wording added into para 7.05 as set out in bold type below:

The Core Strategy is anticipated to be reviewed about every 5 years after its adoption. The review process will commence around 2 to 3 years in advance of the review date in order to enable the timely and considered preparation and adoption of revised policies. **If, after the first 5 years following adoption, monitoring demonstrates that the planned housing provision is not being delivered at the levels expected and there would be no reasonable prospect of the delivery of 11,000 homes to 2026, then the review of the Core Strategy will entail changes to rectify the housing shortfall. This will include implementing the contingencies referred to in paragraph 1.36 of the Core Strategy but may also include changes to the spatial strategy if required. This will be undertaken in liaison with neighbouring authorities, particularly in the West of England and is likely to include a review of the plan period.** The timetable for preparing other Local Development Documents is set out in the Council's Local Development Scheme.

2.17 Does the Council's methodology for assessing housing requirements enable assumptions to be tested in the future against new evidence in a transparent way?

- **What data could be monitored/used to assess whether the plan was working as intended or whether it was having unintended consequences?**
- **For how long would the homes/job ratio of 1.39 be used for future work? What would trigger its review?**

2.17.1 The ratio provides a normative link between employment growth and overall housing provision against the full spectrum of demand, whether this is job linked or otherwise. The normative element is derived from the original approach of the RSS which had been tested and supported at EiP, but applied to reflect the conditions faced by the Council following the economic downturn of 2008/9 and its continuing effects. This approach ensures consistency and continuity with the preceding generation of planning work but brings it forward to make it fit for purpose under conditions that now prevail and are currently projected as likely to so do in the foreseeable future. The approach is therefore designed to ensure sufficient planning continuity during current turbulent economic times whilst fully reflecting the fact that planning circumstances are now very different from those prevailing immediately before the recession. The key indicators are therefore:

- 1) Whether the net jobs increase of 8,700 (2006-26) is on track.
- 2) Whether housing delivery is being achieved at the proposed rate - sites coming forward, build-out rates, Current plan monitoring systems (the Annual Monitoring Report) and the SHLAA are of course essential elements of this. See Table 9 of Core Strategy.
- 3) Whether future economic prospects are widely accepted, by both OBR/HM Treasury and by the average of the panel of independent forecasts used by HM Treasury, as having improved significantly and sustainably (i.e. including allowance for the high likelihood of at least one further cyclical downturn between now and 2026) beyond the Oxford Economics UK growth rates set out in its June 2010 study of the SW Economy (see Stage 2 Report Table 3a "Economic Growth Scenarios for the UK"). The lesson of the RSS/ RES growth assumptions is that planning just on the basis of data on growth levels achieved during the "upside" of the economic cycle is completely unrealistic. This reflects the now discredited approach where there was to be "no more boom and bust". Instead data from the entire economic cycle including inevitable periods of recession/ low growth needs to be taken into account even if a realistic margin to achieve policy aspirations for growth need to be added.

2.17.2 Monitoring these and related indicators will pick up any significant unintended consequences of the plan. About four to five years of delivery is required to establish reliable data on how the CS policies are having effect (the "monitor/manage" elements of the implementation process). Until the review, the ratio value of 1.39 will remain valid as this is based necessarily and deliberately on a pre-recession projection to provide the link with pre-recession RSS planning requirements. On

review, a decision will need to be taken as to whether the Homes/jobs ratio approach is still appropriate given that the period of post-recession turbulence may have passed by then and new relationships established between local economic/ employment conditions, housing needs and wider housing market conditions. A decision will then need to be taken on whether to continue the methodology or whether a refinement of the "labour market" requirements method should then be used. The basis for this transition has already been set out in the validation work on the Homes/ jobs ratio results carried out by the Council. Under the Duty to co-operate sub-regional partners will have to agree a shared evidence base