B&NES SHMA - STATEMENT OF COMMON GROUND (OR AREAS OF DISAGREEMENT)

Covering Note

The draft text of this document was prepared by the Council and emailed to participants to the forthcoming hearing sessions on 14th October. The draft wording is shown in black. Participants (including Barton Wilmore, Tetlow King and Pegasus and the HBF) responded to the Council with a single composite tracked changes version of the draft document on 23rd October. Subsequently Ashlar Group and Hignett Familly Trust endorsed the work undertaken by these participants. The tracked changes are shown in either red text or via the use of a strike through. The Council has not made any further changes, aside from to amend statement 28 to conform its position and torespond to two points where clarification has been sought re the source of evidence re student numbers in statements 5 &10. These further changes are shown in blue text.

Two documents are referred by participants which will been added to the Core Documents list. These are
(1) Hunston Properties Court decision (CD4/H23)
(2) The still current DCLG SHMA Practice Guidance (CD4/H24), which also includes annexes contained in a separate document (CD/4/H25)

The Inspector has confirmed that a hearing will take place on the 10th and 11th December 2013 to consider the following:

- Assessment of the housing requirement (including overall affordable housing assessment);
- All matters concerning the SHMA (and updates/addendums); and
- Calculation of the housing requirement in Annex 1 of the report to Council 4 March 2013.

The timetable leading up to this hearing is as follows:
- 25th October deadline for the Statement of Common Ground/Draft Agenda to be finalised and provided to Inspector;
- 7th November Inspector issues pre-hearing questions;
- 22nd November (noon) deadline for responses to Inspectors questions.
- 2nd December agenda for hearing issued.

The Inspector first requested a Statement of Common Ground or Disagreement on the technical outputs of the SHMA (and addendums) in ID/33 (24/06/13).

The Council has prepared a draft list of statements that form the basis of a statement of agreement or disagreement. Participants are invited to respond positively or negatively to these statements to indicate whether time is required at the hearings to address various matters.

Where there is disagreement, there is no need to issue a long rebuttal now. These are best presented in hearing statements in response to the Inspectors questions.

The Council's latest analysis on the SHMA outputs and their implications for plan-making is presented in BNES/48 and are not repeated here.

The Council understands there there may not be a universal position adopted by participants and so (subject to the nature of the response to this document) may present a matrix showing the position of each participant in relation to each statement.

This document is structured around the following four sections, which themselves present a logical structure for the agenda hearings in respect of the outputs of the SHMA.

- Population Projections
- Household Projections
- Labour Force Projections
- Housing Tenure Projections

If participants feel that their position can be best expressed by adding new statements for the Council to agree to (or not) or by drafting specific questions that they consider need to be debated, they are of course, free to do so.

Participants suggested Starting Points

Inter alia these include:

1. NPPF paragraphs 14, 47 to 55 and 159 (CD2/31)

2. **Hunston Properties v Secretary of State and St Albans and District Council** (High Court Judgment, 5 September 2013)

3. West of England SHMA (June 2009). (CD4/H11)

4. Draft NPPG section on Assessment of Housing and Economic Development Needs (28 August 2013)

5. DCLG Strategic Housing Market Assessments Practice Guidance Version 2 (August 2007)

6. DCLG Estimating Housing Need (November 2010) (CD1/26)

Population Projections

1. The household population of B&NES at the time of the 2011 Census was 169,500.

2. The most recent ONS population projections (2008-based, 2010-based and interim 2011-based) are based on the 'rolled forward' set of mid-year population estimates.

3. The rolled forward mid-year population estimates have been superseded by a revised set of mid-year population estimates.

4. The ONS has not yet published population projections based on the revised set of mid-year estimates.

5. SHMA Addendum 1a sets out a ~~reasonable~~ range of trend-based household population projections for B&NES, for the period 2011-31. There is disagreement as to whether the scenarios assessed are representative of that required to objectively assess need.

These projections are derived from the revised mid-year population estimates for the period 2001-2011. There is disagreement as to how the 'other' element of the revised mid-year estimates components of change should be treated is assessing net migration trends. The 'Other (unattributable)' element of the revised mid year estimates is a balancing factor applied by the ONS to the population between the two Census in order to correct the population in 2011. The ONS has applied the 'other (unattributable)' amount evenly across each of the years 2002 – 2010, raising doubt as to the accuracy of estimates in any individual year between 2002 and 2010. The ONS also concede that there are a number of causes of the 'other (unattributable)' value not all of which are related to migration.

The ONS has published 2011/12 mid-year estimates, and report net migration for 2011/12 to total 1,853. These most recent estimates have not been considered in the Council's evidence.

The household population projections in the SHMA are for the general population only and do not include students. A request that the Council clarify where this is set out. Paragraph 14 of SHMA Addendum 1a

6. SHMA Addendum 1a supersedes the Draft SHMA due to the application of the revised mid-year population estimates, 2001-02 to 2010-11. The Council has not considered the most recent mid year estimates for 2011-12 published by the ONS (26 June 2013). The effect of these latest mid year estimates would be to increase past migration trends.

7. The household population projections in Addendum 1a are 13,700 (low trend), 16,600 (mid trend) and 19,600 (high trend). This equates to growth of 8.1%, 9.8% and 11.5%.

8. These are 20 year figures. The plan period is 18 years.

9. The household and population projections in SHMA Addendum 1a represent the ~~plausible~~ range of outputs based on the data that is available or BANES between the 2001 and 2011 censuses. There is disagreement as to whether these are plausible, given the Council's calculation of past migration trends. They should be updated to reflect 2012 Mid-Year Estimates and should consider alternative assumptions about migration and household formation based on analysis of the underlying causes of past trends and explicit assumptions about future trends, including assumptions about recovery from economic recession.

10. The forecast growth of the student population is a separate component of change and is identified in the SHMA Addendum 1a as lying between about 2,400 and 4,400. A request for the Council to clarify source table and numbers. Council response: Student Numbers and Accommodation Requirements Paper (July 2013) published alongside BNES/43

11. ~~Whilst there is agreement on the range of population projections in the SHMA for B&NES that have been derived from the revised inter-censal mid-year population estimates.~~ There is no~~t~~ agreement on which population projection should form the basis of plan-making.

12. The Council bases its Core Strategy on ~~the~~ it's mid trend household population projection. This assumes net migration of 552 migrants per annum. In contrast the revised MYE shows long term migration trends (2002 – 12) to average 668 net migrants per annum (including other 'unattributable'), increasing to 1,077 (excluding 'other'). Short term migration trends (2007-12) average 795 migrants per annum (including 'other'),

increasing to 1,168 (excluding 'other'). Whilst there is disagreement as to the treatment of 'other' in the trend based migration calculations, irrespective of this the Council's Core Strategy housing target is based on a level of net migration which falls below the most recent migration trends (whether that be long or short term).

The underlying causes of past trends have not been considered adequately, including the impacts on household formation and migration of the recession and constraints on the supply of housing land – as suggested by draft online National Planning Practice Guidance. The selection of the 5-year and 10-year averages is arbitrary and unrelated to contextual monitoring of housing completions, prices and affordability, overcrowding, indicators of housing stress and other relevant considerations that should influence the choice of trends used for projection.

Household & Dwellings Projections

13. Headship rates are applied to the age/gender structure of the projected household population to arrive at household projections.

14. Household projections are converted to dwellings projections after applying an allowance for vacancy and second homes. A request for the Council to clarify assumptions. There is no dispute in respect of how BANES has converted household to dwellings projections. There is a dispute about the need to make additions for baseline housing need arising from homelessness, temporary housing, over-crowding, concealed households (including young adults forced to stay with parents), housing tenants in unsuitable accommodation and others in housing need. This backlog of housing needs is not clearly and explicitly considered in the SHMA.

15. SHMA Addendum 1a provides dwellings outputs based on the application of the 2008-based and 2011-based headship rates to the household population projections also set out in SHMA Addendum 1a.

16. SHMA Addendum 1c provides a further set of dwellings outputs based on a hybrid set of headship rates. There is disagreement as to the appropriateness of the 2011-based and hybrid rates, both of which assume continued constraints on household formation as a result of recent recessionary trends. The Council's approach applies 2008-based trend rates of change after 2021, but does not address convergence with the long-term trend based on the easing of medium-term economic constraints on household formation. (See for example, the report of the Cambridge Centre for Housing & Planning Research to the Cheltenham, Gloucester and Tewkesbury Councils on the implications of the 2011-based Interim Household Projections, May 2013.)

17. Addendums 1a and 1c supersede the household and dwellings projections of the Draft SHMA

18. Addendums 1a and 1c provide the ~~plausible~~ range of future housing needs for 2011-31. The plan period is 18 years (2011-29). There is disagreement as to whether these represent a plausible range. The range of scenarios assessed are not considered to represent objective need, which fails to meet demographic change, and provide the necessary level of housing to balance with job growth aims. The draft National Planning Practice Guidance is a material consideration, and it confirms that an objective assessment of need based on facts and unbiased evidence, and that Plan makers should not apply constraints to the overall assessment of need. The Council's SHMA does not give consideration to the National Planning Practice Guidance.

19. To the forward looking housing requirement evidenced by the SHMA must be added the Local Plan shortfall of 1,16~~7~~9 at 2011 excluding student housing (paragraph 1.37, I/D28).

20. There is not agreement in respect of which forward looking dwellings projection the Local Plan shortfall should be added to.

    There is disagreement as to whether unmet need from surrounding authorities should be taken into account. The Council's Core Strategy housing target does not account for unmet need from surrounding authorities such as Bristol. Irrespective of the technical arguments surrounding housing market area definitions, this is a fundamental flaw of the Core Strategy, and one which ignores the requirements of the National Planning Practice Framework, and National Planning Practice Guidance. The effect of not meeting the un-met need of surrounding authorities will simply be to place increased pressure on the local housing market, worsening affordability.

21. ~~As per (11)~~ There is not agreement on which household population projection should be planned for. There is further disagreement in respect of which headship rates should be applied to generate a household and dwellings projection.

    There is also disagreement as to the Council's 'actual housing requirement' of 8,727 which they propose be used in determining 5 year land supply, as set out in paragraph 39, BNES/ 48.

22. *The Council's position (set out most recently in BNES/48) is that the hybrid headship rates are applied to the mid trend household population projection.*

Labour Force Projections

23. There is agreement that people will be living longer, there is however disagreement as to the extent to which people will be ~~and~~ working for longer as the plan period progresses and the associated impact on ~~that~~ economic participation rates, ~~particularly amongst older age groups will continue to rise.~~ For this reason the Council included a sensitivity scenario in SHMA Addendum 1c which assume constant participation rates.

24. There is agreement that such social trends should be taken into account in plan-making, there is however disagreement as to the extent to which the Council has solid evidence as to the extent to which economic participation rates in older age groups will change, and has placed too much reliance on this as a means of driving down levels of housing growth..

25. There is not agreement on the precise nature of the assumptions that the Council has used.

26. The SHMA sets out the justification for its assumptions in Addendum 1a (paras 17-28).

27. The Council sets out its position in BNES/48.

Affordable Housing Outputs

    The calculation of affordable housing need brings together two distinct elements; the current unmet housing need and the projected future housing need.

The ORS SHMA Update does not fully consider or quantify unmet need which must be regarded as backlog. This unmet need includes inter alia homeless households, those in priority need in temporary accommodation, overcrowded households, concealed and sharing households, existing affordable housing tenants in unsuitable dwellings, other households in need who cannot afford to access suitable housing in the market.

It is not clear that the ORS SHMA Update has included all the types of household identified as being in 'housing need' (see both the NPPG and CD)

In preparing a SHMA it is not appropriate to calculate current unmet needs purely on the basis of an identified shortfall in delivering previous Local Plan requirements. This may be material to the subsequent fixing of the housing requirement but not at the prior stage of objectively assessing the need.

The NPPG refers to the need for SHMAs to take account of both historic undersupply and worsening local affordability. It is not evident that the SMA update has done this.

The NPPG refers to care home and extra care needs and to the importance of collaboration with housing, health and care departments; and emphasises that the need for older person's housing may be critical given the projected increases in households aged over 65. It is not clear how such needs have been assessed and quantified in the SHMA Update and with what degree of collaboration.

28. The Council submit that the methodology used to identify the overall need for ~~newly arising~~ future affordable housing needs is well established, and is the same as that applied most recently by Alan Holmans in 'New estimates of housing demand and need in England, 2011 to 2031 (TCPA Tomorrow Series Paper 16, September 2013). Further that, as expressed in ID/43 (3.15) the SHMA methodology and outputs does not ignore backlog of existing housing need as all persons present in the District

29. The ORS Housing Mix Model used to develop the SHMA outputs is similar to the Holmans approach but extends it by splitting the identified affordable need into social rented and intermediate components.

30. Addendum 1b (Figure 1) provides ~~agreed~~ putative affordable housing outputs re the 08-based and 11-based headship rates (applied to the low, mid and high migration household population projections).

31. Addendum 1c (Figure 6) provides an additional putative set of outputs for the hybrid headship rates, but applied only to the mid trend household population projection.

32. The housing mix model outputs for affordable housing are based on the premise that housing benefit support (i.e. the caseload) for households living in private rented housing remains constant at 2011 levels. Therefore, the Private Rented Sector may continue to play a role in meeting some affordable housing needs throughout the plan period. As there is continuing downward pressure on housing benefit support for private rented tenants, the need for affordable housing is likely to be underestimated. In an area like Bath, there is also the likelihood that private rented stock, and especially HMOs, will be lost to 'gentrification' as historic town houses revert to their use as family homes.

33. There is not agreement in respect of which set of household population projections or which headship rates should be used for plan-making. There is also the question about what considerations (described in the draft NPPG) have been brought to bear to analyse past trends and assess the current situation, including the use of market signals and social indicators of housing need and housing stress.

    The West of England SHMA identified an annual affordable housing shortfall of 847 dwellings per annum in B&NES between 2009 and 2021. This has previously formed a fundamental part of the Council's evidence base underpinning the submitted Core Strategy. As noted by the Inspector the original SHMA included much useful evidence in respect of affordable housing. The SHMA Update provides an insufficient statistical update and analysis of the various secondary data contained therein.