

BATH & NORTH EAST SOMERSET CORE STRATEGY EXAMINATION

COUNCIL RESPONSE TO ID/49

Context

1. In Nick Boles' (Planning Minister) second letter to PINS (March 13th 2014) he writes:

Following the recent publication of the new planning practice guidance, I would also strongly encourage continued momentum on Local Plan examinations. The guidance supports the NPPF and provides useful clarity on the practical application of policy. It should provide helpful support for Inspectors and should not normally be a reason for extending examinations. I should be grateful if this could also be made clear to all Planning Inspectors.

2. The PPG was not published with an accompanying caveat or transitional arrangements (these had been anticipated in respect of it not being applicable to plans already submitted or for examination). However, Nick Boles' correspondence with PINS (1 week later) is a *de facto* caveat. The Government will have understood that Plans submitted for examination prior to August 28th 2013 (Draft PPG publication) could not have taken it into account. Now that the final version has been published, it advises that examinations need not normally be extended (presumably in both scope and time). The evaluation of soundness in relation to the NPPF itself remains the necessary test.
3. B&NES offers the following additional observations.

On defining the HMA for the purposes of preparing a SHMA

4. B&NES is of the view that our approach does not fundamentally conflict with the NPPG.
5. There is a tension within the NPPG in relation to the identification of HMAs that are blind to LA administrative boundaries and the data that is available to objectively assess needs. The same tension exists within the NPPF.
6. B&NES notes in 010 of the SHMA section of the PGG that government anticipates that's HMAs will
 - **Overlap and cut across** LA boundaries (for example Keynsham relates most strongly to the Bristol HMA, but is not unrelated to the Bath HMA and the Bath HMA probably 'bumps into' the West Wiltshire HMA at Bradford on Avon).

- **Vary in size** (the Bath HMA is unsurprisingly smaller than the Bristol HMA given the relative size of the two cities). B&NES do not consider the Bath HMA to simply be a sub market within the Bristol HMA.
7. There is scope for great complexity here that could act as a considerable brake on the timeliness of efficient plan preparation and review (e.g. if LPAs have to wait until two or more SHMAs for two or HMAs in their areas are prepared, then covert these outputs into a District wide requirement).
 8. The PGG says that LPAs should work with all other constituent authorities within the HMA under the DtC (Duty to Co-operate). The Council thinks that part of this co-operation could involve making decisions on about how to deal with HMA complexities in developing the evidence base and formulating policy. This might include agreement on the how the evidence base is prepared, spatially (i.e. the geographical jigsaw puzzle) and subsequently how functional relationships are taken into account in plan making.
 9. B&NES remains of the view that SHMAs can only produce defensible and transparent outputs based on groups of LAs or single LAs where justified. B&NES has not observed otherwise in practice. This is primarily because NPPG requires the use of CLG household projections as the starting point for addressing needs, but these (and population projections/ migration trends) are based on LA boundaries. Where a functional HMA cuts across parts two or more LAs it is not possible to source an official projection for that area.
 10. Whilst data on some of the market signals identified in the NPPG is more readily sourced/constructed for different geographies, these must supplement the LA bound household projections.
 11. The B&NES SHMA identifies two housing markets operating within the District; a Bath HMA and a Bristol HMA. Further, the Council recognises other relationships (though not strong enough for HMA inclusion on the totally NPPG compliant 70% migration and commuting thresholds used e.g. Frome in Mendip and parts of west Wiltshire). The outputs of the SHMA relate to B&NES, not to the HMAs operating within B&NES for the reasons above. There is a relationship between the west of B&NES and Bristol, but the Council has concluded, that (based on current data) it is legitimate for plan-making in B&NES to proceed on the basis of a B&NES only SHMA. The NPPG does not cause us to change this view. However, the release of 2011 census data, the WoE SHMA review and future DtC discussions may cause the Council to re-evaluate the on-going validity of a B&NES SHMA.

On assessing housing needs

12. B&NES' comments here are briefer. Paragraphs 001-020 of the SHMA section of the PPG are about the identification of an overall housing figure and 021-028 are about '*breaking down*' that figure by tenure etc (ref 021). This is precisely what the SHMA does. The affordable housing/tenure assessment is entirely related to the overall figure, rather than being derived by a separate method that produces questionable affordable housing requirements when compared to the overall housing figure (see para 29 of Tetlow Kings statement to Dec 2013 hearing for Guinness Partnership regarding the 2008 WoE SHMA).
13. The SHMA presents information on market signals, though perhaps not to the extent required by the PPG in respect of the number of indicators to be looked at and comparisons across space and time. Nevertheless it present sufficient data to confirm that housing in B&NES is in high demand, is expensive, that prices have recovered at a faster rate than in neighbouring areas and that there is a significant 'need' issue. The PPG suggest that this requires an uplift in housing numbers beyond the base demographics case. The SHMA doesn't make a recommendation in this respect (the section on market indicators being published a few months before the Draft NPPG) but this matter was debated at the hearings in December 2013.
14. In response to paragraph 029 of the PPG we have increased the housing requirement to 13,000. This is significantly (30%) above the base 'demographics' case (10,000) to fully address affordable housing needs (albeit with an on-going reliance on the private rented sector contributing to meeting needs with LHA as it does now). The overall housing requirement figure is therefore in tune with a high migration/2008-based household formation rate output of the Addendum SHMA (12,800). One must then convert this to 18 years and add the LP backlog (arriving at 12,687).
15. The additional (enabling) market housing will itself bring benefits to the stock of property for sale at any one time (thus enabling a better correlation between the demand and supply). We make no estimate of how the additional market housing might affect prices (the PPG requires none). The simple point is that if more housing is built each year, this may at least result in a slower level of house price inflation than would otherwise be the case. The difference might be marginal and depends on what is happening across England in relation to building and other economic factors.