

**BATH AND NORTH EAST SOMERSET CORE STRATEGY  
EXAMINATION****INSPECTOR'S PRELIMINARY CONCLUSIONS ON STRATEGIC  
MATTERS AND WAY FORWARD – JUNE 2012****Purpose of this Note**

1. This Note and its accompanying Annex sets out preliminary conclusions in the light of all the representations made, including those made in response to the publication of the National Planning Policy Framework (NPPF). In the light of these conclusions the Council will need to decide how it wishes to proceed. The conclusions are tentative because the Council has suggested changes to the Core Strategy which have not yet been the subject of full consultation. In addition, if and when I come to prepare a final report and contemplate recommending main modifications it is likely that relevant circumstances will have changed and I will need to take into account up-dated evidence.
2. My intention is to focus on the main matters that relate to the soundness of the overall strategy, rather than matters concerning the soundness of the topic (core) policies. Depending on how the Council wish to proceed, I could subsequently address detailed matters in another note so as to assist the Council with what changes need to be the subject of formal consultation. Nevertheless, this note has to be wide-ranging and go into some detail because of the inter-relationships between different matters.
3. In its response statement to the NPPF (BNES/38), the Council also produced an updated SHLAA trajectory (CD4/H18) which incorporates completions for 2011/12. This appears to include built and committed student cluster flats; the Council's newly calculated windfall allowance; and changes to the capacity or delivery of sites. Whilst the first 2 matters are discussed in the Council's paper (and earlier papers), the latter changes are not, and are not obvious. There has not yet been the opportunity for other parties to comment on any such changes. Accordingly, when discussing delivery of sites in this note I refer to the SHLAA that was available during the hearings (CD4/H13 and H14) and refer to the recent update only when necessary to address the new points made by Council.

**Preliminary main conclusions**

4. The reasoning for my main conclusions on strategic issues is set out in the attached Annex. My main conclusions at this stage are:
  - the lack of an NPPF compliant assessment of the housing requirement, given the unsuitability of the Council's methodology;
  - the need to make up the shortfall of 850 dwellings to 2006 under the existing Local Plan;
  - the need for a 20% buffer to the 5 year housing land supply;

- a lack of flexibility to accommodate any delay in bringing forward the complex, brownfield, mixed use proposals in Bath and Keynsham
  - a lack of flexibility to properly apply the sequential and exception flood risk tests at the allocation/application stage on the brownfield, mixed use sites in Bath and Keynsham;
  - A general lack of flexibility to adapt to rapid change, including (other than in the Somer Valley) being able to accommodate more business growth, if opportunities arise.
  - Lack of justification for the policy approach for the Somer Valley.
  - The need to explain in the Sustainability Appraisal Report the reasons for the choice made in relation to not fully meeting assessed needs (if that continues to be the Council's strategy).
5. Many of the above points suggest that the plan should be amended to facilitate more housing than currently planned and/or to enable some of the planned housing to be delivered sooner. However, what is required first of all is the objective assessment of housing needs and demands in the manner required by the NPPF. In the absence of adequate evidence in relation to the housing requirement, there are no main modifications which I can suggest now to move the Examination forward. Substantial further work by the Council will be required.

### **The way forward**

6. There would appear to be 2 main alternatives now open to the Council. Either: seek a further suspension of the Examination to enable further work to be undertaken; or withdraw the Core Strategy and undertake the further work as part of an integrated Local Plan, which incorporates site allocations.
7. In order to pursue the first option the Council would need to consider the range of further work necessary and a timetable for its completion. Such further would involve:
- the identification of the housing requirement in a manner consistent with the NPPF;
  - changes to the plan to fully accommodate the assessed needs and demands or evidence to demonstrate that doing so would result in adverse impacts which would significantly and demonstrably outweigh the benefits (NPPF, 14);
  - subject to the outcome of the above, a possible review of the Green Belt's capacity to accommodate further development in a sustainable manner.
  - an updating and clarification of the various matters highlighted in the Annex attached to this note (and in any subsequent note on other matters);
  - the publication of all proposed changes which have not previously been the subject of consultation, including those changes discussed at the hearings, or suggested by the Council subsequently, and which remain relevant in the light of the updated evidence.

- Updating of other evidence.
8. It is highly likely that further hearings would be required once the Examination was resumed. I have 3 main concerns with this scenario. Firstly, the further work required appears substantial and likely to take some time. Bearing in mind that the Examination has already been underway for well over 1 year and has already been suspended once, a further lengthy suspension would make the Examination particularly protracted and complex. It becomes increasingly hard for all parties to participate, given the potential layers of further evidence and possible changes to the Plan. Existing supporting evidence, not previously significantly questioned, may also become outdated.
  9. Secondly, I would be concerned if significant changes were needed which resulted in the final Plan being fundamentally different from the submitted plan. Thirdly, I cannot give the Council any reassurance that the outcome would be a sound plan as there is too much uncertainty. I would need to consider carefully any request for a further extension.
  10. If the Council were to seek a suspension and requested me to do so, I would prepare a further short note dealing with any preliminary findings of unsoundness on matters not covered in the attached Annex. That would enable the Council to include changes to meet any such unsoundness in one overall consultation on proposed changes during the suspension of the Examination.
  11. The second scenario – withdrawal of the Core Strategy – would take matters out of my hands and therefore there is little comment I need make. Part of my concern with the submitted plan relates to uncertainty about delivery/capacity on the major mixed use brownfield sites. A new Local Plan which included site allocations would allow some of this uncertainty to be resolved.
  12. I appreciate that my conclusions leave the Council with considerable difficulties to address, which may require some time for reflection. I would be grateful for an early indication of how long the Council may require before it can advise me of its preferred way forward. Other than considering the procedural way forward, I would not wish to address new evidence in a piecemeal manner. A succession of new evidence and or possible changes would require a series of consultations with interested parties and prelude the necessary comprehensive assessment of all the evidence. If the Examination is eventually to continue I would want the Council to first have published all necessary updated evidence and consulted on all the changes arising from that evidence.

**Simon Emerson**  
**Inspector**  
**21 June 2012**

**ANNEX TO INSPECTOR'S PRELIMINARY CONCLUSIONS****1. Overall housing requirement**

- 1.1 NPPF (47) requires local plans to meet the full, objectively assessed needs for market and affordable housing so far as is consistent with policies of the Framework. Paragraph 14 sets out the circumstances in which an exception can be made. Paragraph 159 sets out the evidential basis for authorities having a clear understanding of housing needs in their area based on a SHMA, prepared collaboratively where the HMA crosses administrative boundaries. The latter element applies here as the HMA covers the 4 authorities in the West of England Partnership area, Mendip and the former district of West Wiltshire, now part of Wiltshire Unitary Authority.
- 1.2 The *West of England Strategic Housing Market Assessment (SHMA) (CD4/H11)* is a complex piece of work, but it did not expressively assess the appropriate level of future housing demand in the HMA. It was informed by the then emerging RS (which was based on population projections from 2004). The SHMA does not fulfil the comprehensive role required by NPPF 159. The Council places little reliance on the SHMA.
- 1.3 The SHMA does, however, set out a very considerable need for affordable housing across the HMA. For Bath and NES this need is considerably more than the total housing planned in the Core Strategy. Although the Council emphasised at the hearings that affordable housing provision was very important, the scale of affordable housing need does not appear to have influenced the overall scale of the housing requirement. The Council has not considered how to meet this need, other than by maximising the *proportion* of affordable housing sought from market housing. Give that overall housing provision is less than affordable needs alone, the Core Strategy results in a very substantial shortfall in meeting affordable housing needs.
- 1.4 The Council has prepared its own assessment of local housing requirements *Bath and North East Somerset Future Housing Growth Requirements to 2026 Stage 2 Report* September 2010 (CD4/H1). This sets out a complicated methodology for identifying the housing requirement for the district. In summary, it derives a jobs-to-homes multiplier from pre-recession trends for the West of England and applies that multiplier to the Council's chosen figure for job growth in the district of 8,700.
- 1.5 The Report of September 2010 identified the multiplier as 1.36 and the resulting housing requirement as 11,600. The methodology draws on the relationship between housing and employment growth between 1998-2003 as this is seen as a stable period of economic and population growth. Post submission, the Council's methodology was further explained in Topic Paper 9 (CD6/S10). This paper

corrected an error in the earlier work such that the multiplier is now 1.39 and the calculated housing requirement is 12,100, but no change was made at that time to what the Core Strategy proposed.

- 1.6 The submitted Core Strategy (policy DW1) proposes 8,700 jobs and 11,000 homes of which around 3,400 were to be affordable. (The Council says that the latter figure is also an error and should be only 3,000). The housing figure in DW1 is primarily determined by the SHLAA. The December 2010 SHLAA (CD4/H6), which accompanied publication, identified a total potential of 11,289, excluding any development in the Green Belt. The updated SHLAA of May 2011 (CD4/H13 and H14) proposed a similar figure (11,205) although there were some significant changes to individual sites.
- 1.7 Following the hearings, the Council is seeking to include off-campus student cluster flats in the assessment of housing supply. As a consequence, it is also proposing that overall housing provision should be increased to 11,500 (BNES/26 and 31) to better reflect the total potential identified in the SHLAA at that time, plus the student cluster flats. The most recent SHLAA trajectory (CD4/H18 - not yet consulted on) includes windfalls and site updates and shows total delivery of 12,906 dwellings.
- 1.8 On the basis of the Council's updated evidence and the overall justification for its position, I do not understand why housing provision should be capped at the recently suggested 11,500 when assessed need is considered to be 12,100 and the Council considers that there is robust delivery of 12,906. However, I have more fundamental concerns with Council's methodology for assessing the housing requirement.

*Consideration of the Council's methodology against the requirements of the NPPF*

- 1.9 There are 5 critical problems with the Council's methodology. Firstly, it is primarily an assessment for Bath and NES only, rather than a SHMA for the HMA. (Although the multiplier of 1.39 is derived from figures for the West of England, that does not make it compliant with NPPF, 159).
- 1.10 Secondly, it gives overriding primacy to a linear link between homes and jobs. Whilst NPPF 158 refers to authorities ensuring that their assessments of, and strategies for, housing, employment and other uses are *integrated*, that is not justification for making this link the primary consideration, particularly given the detailed explanation for the content of the SHMA which follows in NPPF 159. The Council suggest that the draft RS was based on this methodology and endorsed by the EIP Panel. However, this is not borne out in the Panel's Report. The Panel relied on the 2003 household projections (CD3/5, 4.0.15).

- 1.11 The relationship of the housing requirement to economic growth and local jobs is clearly an important one, not least to ensure that there are sufficient workers to fill planned jobs or to achieve other objectives, such as to reduce commuting. But the Council is, in effect, using this link to determine a cap on the housing requirement. In an area such as Bath and NES, which is such an attractive place to live and attracts people who are not economically active, the link between homes and jobs cannot be the primary determinant of the housing requirement. The NPPF makes clear (eg 47) that Local Plans should meet the full, objectively assessed needs for market and affordable housing. Even if it cannot do so because the exceptions in NPPF 14 are met, needs must be objectively assessed so as to identify any unmet need that should be sought in adjoining areas.
- 1.12 I recognise that the Council's multiplier does embed a significant component for net in-migration and for the growth in the non-economically active. But this is a fixed component. There is a danger that the Council's rigid model underestimates these elements. Economic development would be stifled if, for example, in-migration of non-economically active is greater than assumed, taking the place of needed workers. Suppressing housing provision below actual demand may mean that local people in need of a home lose out to wealthier in-migrants. Such concerns and the difficulty with such a link are acknowledged in several comments in section 3 of the Stage 2 Report.
- 1.13 The ratio of 1.39 is derived from past trends of jobs and homes in the West of England and would be the same for any of the 4 authorities in the sub-region to which the methodology might be applied. The ratio is the same as used to determine the housing requirement for North Somerset. That plan was found sound subject to a 5 year review of the housing requirement, but that report was published before the publication of the NPPF.
- 1.14 It is surprising that the same ratio would be appropriate for the different authorities making up the West of England, given their varying characteristics. The outcome of using this multiplier may be more justified in one area than another, depending on its underlying characteristics and the aims of the plan concerned. The Council also seeks to justify the ratio approach by comparison with the ratio of jobs to homes which are planned elsewhere and, for example, found sound in the Bristol Core Strategy in 2011 (CD3/15). But such similarities are a comparison of outcomes rather than methodology and adoption of that plan pre-dated the NPPF.
- 1.15 The Council assumes that the relationship between trends drawn from around the turn of the century are preferable to more contemporary data because of the recession and changing circumstances relating to international migration. However, it is difficult to see why the ratio between such past trends should be a

sound model for the appropriate relationship between jobs and housing over the long term, given the undoubted changes to the economy that have and will take place to 2026.

- 1.16 Thirdly, the use of the multiplier means that the reliability of the identified housing requirement is totally dependant on the reliability of the projection of future job growth. Forecasting economic growth and related job growth is a difficult and inevitably uncertain process, particularly given the severity of the recent recession. This is acknowledged by the Council. The Stage 2 Report comments that economic forecasts and projections are inevitably an educated *shot in the dark* (CD4/H1, paragraph 6.1). Topic Paper 2 (CD6/S3/3.13) refers to *inherent uncertainty*. I therefore do not understand the Council's confidence in relying solely on a single figure for job growth to identify a specific housing target for the plan.
- 1.17 Although seriously challenged by many, I have not found the Council's assumptions about economic and job growth unreasonable, subject to greater flexibility in the plan to accommodate more jobs. But the Council's methodology compounds the inevitable uncertainty by basing its housing requirement directly on a single figure for job growth.
- 1.18 Fourthly, there is a lack of transparency in the methodology. The Council argue that the methodology reflects an appropriate holistic approach which creates a stable method for long term projections and avoids the inevitable volatility in many of the variables which more traditional methods rely on. However, whilst the multiplier itself is a transparent element of the process, its derivation embeds many assumptions which are less transparent compared with more traditional methodologies where a range of factors are presented and weighed in determining the housing requirement. This lack of transparency is highlighted by the emergence, post submission, of an error which had the effect of increasing the housing requirement by 600. Such an error was not readily identifiable by others.
- 1.19 Fifthly, the methodology cannot adequately accommodate a review and reflect changing circumstances. The Council is proposing a change to the submitted plan to introduce a review of the Core Strategy within 5 years (RCs 9 and 53 in CD6/E2.2). Reference would be made to reviewing the most appropriate growth targets for housing and employment. But the Council considers that there would be no need to review the ratio/multiplier already established. Thus any change in housing requirement would arise only from a change in projected job growth.
- 1.20 Over time, the rational for the chosen multiplier would be increasingly questionable, even if it was reasonable now. Acceptance of the methodology as the long term basis for planning for this area would mean ignoring other data in the future, even if that were to suggest that the ratio was not appropriate. This is a

compelling reason why the methodology is not justified as basis for determining the housing requirement. It may also be very difficult to monitor job growth accurately to achieve a reliable basis to test the assumptions made.

### *Economic factors*

- 1.21 Because the Council's methodology for calculating the housing requirement is directly linked to the planned job growth, the predicated figure for job growth and assumptions about economic development become a much more critical issue than is normally the case.
- 1.22 The Council's assumptions about job growth are informed by *The Business Growth and Employment Land Study Update* (CD4/E2) which projected job growth in the order of 8,7000-11,200. Oxford Economics published on behalf of SWRDA and SW Councils economic projections for the sub-regions within the South West. Three scenarios were presented for Bath and NES 3,000, 5,900 and 11,300. More recently the Council has been informed by *GWR Business West Smart Economic Growth Report* (CD4/E10). This equated 8,7000 net jobs with annual economic growth of 1.9%. Topic Paper 9 compares this 1.9% with the average for the same period of a little over 2% for the UK economy as whole based on OBR March 2011. It assumes that growth in the period 2016-2026 will be 2.8% (BNES/26, 2.9).
- 1.23 Many representations challenge the Council's assumptions of economic/job growth, especially at Bath, as pessimistic or not sufficiently optimistic to reflect the Government's policy in *Planning for Growth*. In relation to projections of economic growth over the next 15 years, it is impossible to say that one projection is right and others wrong, there is too much uncertainty. It is most likely that no projection made now will accurately reflect what actually happens. The short term position has worsened since the representations were made.
- 1.24 There are further problems. There is considerable difficulty in comparing figures for different periods; any annual average figure over the Core Strategy periods reflects a wide range between negative growth during the recent recession and a return to more normal growth in later years. There is not always clarity about whether assumptions of job growth are net or gross, which is particularly relevant here given projected and known considerable job losses. In assessing soundness, 2 important matters are the degree of alignment with the economic strategy of the West of England Local Enterprise Partnership (LEP) and flexibility to respond to changing circumstances, so as to maximise the potential that may arise. These are considered below.
- 1.25 The Council is a member of the West of England LEP and has expressed support for its aspirations. But prior to and during the



hearings the Council appeared to be distancing itself from the ambitions of the LEP and questioned the realism of its economic assumptions. Subsequently, BNES/25 argues that there is a close alignment between the aspirations of the LEP and the Core Strategy. This has made the Council's position difficult to understand.

- 1.26 The creation of the LEP has been approved by the Government and it will be the vehicle for the distribution of the Regional Growth Fund within the sub-region. It is reasonable to regard the ambitions of the LEP as embodying the Government's aspirations for economic growth. As set out in its bid prospectus to Government and its recent Business Plan, the LEP aims to achieve 95,000 jobs in the period 2010-2030 and 3.4% annual growth in GVA by 2020. There is no specific apportionment to the 4 local authorities making up the LEP and thus assessing the alignment with the LEP is not easy. At present, Bath and NES has 15% of the employment in the sub region. The projected job growth of 8,700 within Bath and NES represents only about 12% of the jobs planned/assumed by the LEP over the comparable period. Whilst this scale of growth may appear to lack ambition, there is evidence to explain a more cautious approach.
- 1.27 The Oxford Economics Central Forecast for the West of England indicated that GVA growth 2010-2020 for Bath and NES would be significantly lower than for the other local authority areas in the sub region (CD3/22, Table 3.3). The 2,800 MOD jobs which are moving from Bath to Bristol means that gross job growth in Bath has to overcome this loss in achieving 8,700 net new jobs, but these jobs are not a loss to the sub-region and do not affect the LEP's aim of 95,000 new jobs. The LEP has made no criticism of the Core Strategy. It has made Bath Riverside an Enterprise Area which it is promoting along with other key locations and is supporting its development with funding. Accordingly, it is reasonable to conclude that the Council's intentions with regard to employment align with the aims of the LEP.
- 1.28 Notwithstanding the above, Bath and NES has many positive attributes which would support economic growth provided there are the opportunities to allow this to happen. To be sound, there must be no suggestion that job growth would or should be capped at 8,700 and there should be flexibility for more economic development to take place if circumstances are favourable. Because the Council calculates the housing requirement directly from the job figure, the latter assumes greater significance and the implications for the housing requirement discourages a more flexible approach to the job figure, given the Council's view of constraints.
- 1.29 I consider the degree of flexibility in the context of delivery in the different spatial areas below. In Bath and Keynsham, I conclude that there is very limited flexibility, whereas in the Somer Valley

there is more than enough land to meet more ambitious job growth if the economy grows better than expected.

*Other considerations relating to the housing requirement*

- 1.30 CLG 2008 (ONS) based household projections were published in late 2010. They indicate a projection of 16,000 new households for the district by 2026. The Council rejected these projections as a primary source for determining future housing because it considers such projections are an unreliable guide to the future. A number of participants put forward alternative housing requirements based on these or related household projections. These were generally in the range of 14,000 – 16,000 if calculated for the district in isolation, but considerably more if based on an assumed proportion of growth in the West of England sub-region. These alternative scenarios do not equate to a SHMA as required by NPPF 159 and are insufficient for me to do conclude what the housing requirement should be.
- 1.31 NPPF 159 refers to both household and population projections. Since the hearings, more recent population projections have been published which show less growth in the district and sub-region than informed the 2008-based household projections. The Council suggests that this population projection might equate to about 11,000 more households, although ONS have not yet done such projections (BNES/38, paragraph 24).
- 1.32 The Council regards this latest (reduced) projection as supporting its scepticism of the 2008 household projection and the NPPF guidance as validating its methodology. However, in practice the Council's methodology ignores recent and future household and population projections. The housing requirement would change only if the projected net job growth assumption was to change. The fact that more recent projections may be more in line with its identified housing requirement does not mean that the Council's methodology is justified, for the reasons already given. The NPPF refers to catering for demand. The Council's methodology would potentially limit demand and has not explicitly sought how to better meet the substantial affordable housing needs.
- 1.33 The Council's assessment focuses on the housing requirement solely for the district in isolation. The previously emerging RS had projected a substantial scale of development for the district which partly was to accommodate some of the projected growth in the sub-region as a whole. Several representors submitted detailed evidence of a housing requirement based on projections for the West of England and an apportionment of the resulting requirement to the district.
- 1.34 Within the West of England, the Core Strategies for Bristol and for North Somerset have been adopted (June 2011 and April 2012 respectively). The Core Strategy for Bristol (CD3/15) does not identify any particular requirement for its housing needs to be

accommodated beyond the City boundary. It notes that household growth may be greater than is being provided for and plans to review the housing requirement within 5 years. Bristol City Council is not seeking any additional housing provision within Bath and NES nor is it contesting the soundness of the plan in any respect. The North Somerset Core Strategy has been found sound on the basis of modifications which include a review of the overall housing requirement within 5 years and a potential review of the Green Belt with other West of England Authorities. The South Gloucestershire Core Strategy is still under Examination.

- 1.35 In the absence of a SHMA based on the HMA, there is no up-to-date and NPPF compliant evidence to indicate housing needs of the wider area and whether there may be needs from Bristol that should be accommodated, in part at least, within this district. A cross-border SHMA and the subsequent determination of the optimum spatial distribution of any such future needs around Bristol requires joint working between all the relevant authorities. This is what is intended to occur as part of the review envisaged in the Bristol and North Somerset Core Strategies. This leaves the evidence base for the Bath and NES Core Strategy in limbo. I recognise that the Council cannot undertake this task alone and those Council's with adopted Core Strategies may be in no rush to undertake the necessary joint work. But given the shortcomings in the Council's methodology there is currently an inadequate basis on which to allow this Plan to move forward, particularly given my other main concerns.
- 1.36 I have considered whether these deficiencies in the methodology and uncertainty about the appropriateness of the housing requirement could be set aside on the basis of the Council's suggested review of the Plan. The Plan could then be reviewed along with the adopted plans in adjoining authorities. In practice that would mean a review 4 years from now, as a year has already passed since the adoption of the Bristol Core Strategy. Such an approach is not contemplated in the NPPF. In addition, I am not persuaded that this Plan is so essential in its present form for achieving other positive planning outcomes as to outweigh this lack of compliance.

*Local Plan shortfall*

- 1.37 The adopted Local Plan covers 1996-2011. Annual delivery was expected to be 457 dwellings per annum. At 2006, there was a shortfall on delivery of about 850 dwellings against the Local Plan requirement (excluding any reduction for the student flats built in that period) (BNES/32 and elsewhere.) The submitted Core Strategy has an annual average build rate of 550 per annum. Despite this intended increase over previous planned delivery, actual delivery has still lagged behind even the rate required by the Local Plan (BNES/32). In the context of the planned provision of 11,000 dwellings and given the continuing low levels of delivery to

date, this shortfall is not an insignificant matter. At 2011, the shortfall against the Local Plan requirement was 1,169 (excluding student housing).

- 1.38 Once the Core Strategy is adopted, delivery against the Local Plan's requirement would no longer be a consideration in matters of land supply. The Council has not included the shortfall to 2006 in its assessment of the housing requirement. It regards any needs such a shortfall once represented as having been dissipated within the sub-region. The new local assessment of the housing requirement is seen as a fresh start. In the past, Regional Strategies set the context for the plan period for lower order plans and often dealt with how any previous shortfall was to be addressed. With the intended abolition of RSs there will be no external direction for determining plan periods or the treatment of past shortfalls.
- 1.39 The Council proposes to a review of the Core Strategy within 5 years and this is likely to roll-forward the plan period. If it is accepted now that the past failure to deliver in the Local Plan period to 2006 can be ignored, this would justify ignoring in the future the failure to deliver which has already occurred between 2006-2011 against the Core Strategy's target. This approach could be repeated in all subsequent reviews. Ignoring past shortfalls will progressively depress the housing requirement, creating a self-fulfilling justification for less housing growth to be planned than is required. The recession does not explain the shortfall up to 2006. The Local Plan shortfall to 2006 should be added to the housing requirement.

## **2. Housing supply**

### *SHLAA Overview*

- 2.1 The SHLAA should be the key document to demonstrate the deliverability of the housing strategy in the Plan. The SHLAA that formed the main basis for discussion at the hearings was that of May 2011 (CD4/H13 & 14). The assessment of the suitability of sites has been strongly influenced by the emerging strategy rather than being an objective assessment of opportunities and capacity to inform the strategy. There appears to have been little or no direct contact with owner/developers about the achievability of sites. There is an absence of supporting evidence from developers about delivery on most of the largest sites. For larger sites within the 5 year supply reliance is placed on discussions with affordable housing providers rather than the main developer about delivery. But these sites are only a part of the overall mix of sites in the SHLAA.
- 2.2 Until the recent inclusion within years 1-10 of a contribution from windfalls, the Core Strategy was reliant on almost all the SHLAA sites being developed by 2026 to achieve the planned outcomes.

There was no identified headroom within the SHLAA and little or no choice between SHLAA sites to be made in the Place-making Plan.

### *Windfalls*

- 2.3 The SHLAA May 2010 (CD4/H13) suggested that an allowance of 400-560 units from small site windfalls could be added to supply for the post 10 year period (BNES/6). These are sites below the threshold for inclusion in the SHLAA. This range is calculated from past delivery rates, but discounted from the higher levels achieved in recent years.
- 2.4 The Council now proposes (BNES/38, paragraphs 43-51) to include a contribution of 350 from small sites windfalls in the first 5 years. (Confusingly the figure included in the latest SHLAA Trajectory CD4/H18 is 56 p.a. rather than 70 p.a.) This figure is based on the average small site completions over the past 6 years, minus the proportion that have been on greenfield sites, such as garden land, and minus existing small site permissions. A windfall allowance is also included for the remaining 9 years of the plan at 100 p.a. which the Council considers adequately discounts for greenfield sites.
- 2.5 NPPF, paragraph 48 indicates that a contribution from windfalls can be included as a component of a land supply in the first 5 years and in my view this can be extended over the whole plan period. It is logical to restrict such a contribution to that from small sites, below the threshold of the SHLAA, since the SHLAA should have captured all larger sites. But the Council's justification relies solely on past delivery, whereas the NPPF also requires compelling evidence that such sites will continue to provide a reliable source of supply. The Council needs to address this element of the justification and the resulting evidence needs to be open to comment by others before I could conclude on the justified contribution from small site windfalls.

### *Student Housing*

- 2.6 Late in the hearings, the Council suggested that it wished to include purpose-built, off-campus student cluster flats as part of the housing land supply. Its position was confirmed in post hearing paper BNES/31 which was subject to comment by relevant participants. As a consequence, and in recognition that the SHLAA at that time identified delivery of 11,200 the Council suggested a change for the plan to deliver 11,500 units rather than 11,000.
- 2.7 The DCLG definition of dwellings now includes self-contained student flats with a cluster of bedrooms. The status of such accommodation has been confirmed by the Ministerial Parliamentary Answer in December 2011 (see BNES/31). There is no suggestion that such accommodation should only be counted if it is potentially available or suitable for use by the wider population.

- 2.8 In my view, counting dedicated student cluster flats as part of the housing supply is only justified in the context of this Core Strategy if appropriate consideration has also been given to the assessment of the need for student accommodation over the plan period. Otherwise, any increase in purpose-built accommodation would count as contributing to housing supply whilst not meeting the needs for which the housing requirement was identified.
- 2.9 The Council's *Student Numbers and Accommodation Information Paper* December 2010 (CD6/D1) sought to undertake such an analysis, but this will need updating to better reflect the impact of any recent changes, including increased student fees. This analysis is not directly taken into account in determining the housing requirement. The Council say that student needs are included in non-job related element built into the multiplier, but this covers all types of need and demands for housing from the non-economically active and student needs are not separately identified.
- 2.10 Given the ability to monitor the change in student numbers over the plan period and to make some informed estimates of future changes, it is particularly weak to simply regard student numbers as part of a large and diverse mix of non-economically active households which is in a fixed ratio to job growth. Student numbers could increase relatively independently of job creation. As part of a revised, NPPF compliant, approach to assessing the housing requirement, the Council should assess the likely changes in student numbers and the effect on demand for student accommodation.
- 2.11 Notwithstanding the above, I have some practical concerns about the backdating of the inclusion of cluster flats in the land supply. There will be a disparity in the Council's published records up to 2011/12 (including any returns to DCLG) which record dwelling completions and subsequent publications which rework data for earlier years, such as the SHLAA and Annual Monitoring reports. This will create an undesirable discrepancy in public information. The Council should clarify whether its approach accords with any national advice or best practice on changing past records of completions.
- 2.12 Even if it is legitimate to rework completion data from 2006 onwards as part of this new plan period, it would be inappropriate to go back earlier than this date. The Council suggests that 120 units built between 1996 and 2006 should be retrospectively added to the land supply up to 2006, thus reducing the shortfall in delivery of housing required by the Local Plan. It is not clear that the demand for student accommodation was included in the Local Plan housing requirement. Over the Local Plan period of 1996-2011 numbers at Bath University double and they trebled at Bath Spa (CD6/D1). The additional on-site accommodation planned in that period is still to be fully realised. So there will have been a

substantial effect on the local housing market from this student growth. I therefore regard the Local Plan shortfall to 2006 as 850, as previously accepted by the Council.

- 2.13 Turning to the actual numbers involved, the Council intends to include 300 units in the land supply based on the 645 existing bed-spaces built in Lower Bristol Road since 2006 and the 345 bed spaces within the outline planning permission at Western Riverside. The figure of 300 is an estimate by the Council based on applying an average size of 3.3 bedrooms per unit. But the representation on this point by the Hignett Family Trust indicates that there is a range in the sizes of units within the existing accommodation and the actual number of units coming within the DCLG definition could be materially less than the Council calculate. More clarity on the actual number of flats coming within this DCLG definition is required.
- 2.14 Core Strategy Policy B5 states that off-site accommodation will be refused where this would adversely affect the realisation of other aspects of the vision and strategy. A proposed change would limit this constraint to the Central Area, Western Corridor and on MOD land and to adverse effects in relation to housing and economic development. If cluster flats are to be counted as part of the housing supply within the context of the proper consideration of student accommodation, it is difficult to see the justification for this constraint.

*5 year supply and 5% or 20% buffer*

- 2.15 NPPF 47 requires the 5 year supply of housing to be supplemented by an additional buffer of 5% (moved forward from a later period) or of 20% where there has been a record of persistent under delivery of housing. The SHLAA Findings Report (CD4/H13, table 3.2) shows completions between 1996/7 and 2010/11. Over those 15 years, the Local Plan requirement was met in only 4 years and since 1999/2000 there was under delivery every year except 2007/8. (These figures do not include any completions from student housing.) As noted above, this had resulted in a cumulative shortfall against the Local Plan of about 850 dwellings at 2006. Whilst the current severe recession is inevitably part of the reason for under delivery in the past 3 years, there was under delivery in the earlier boom years.
- 2.16 The submitted Core Strategy is proposing a higher annual average rate of delivery than the Local Plan at 550 p.a. (based on 11,000 dwellings overall.) With the provision of 11,500 dwellings now suggested by the Council, the annual average increases to 575 p.a. Delivery for the past 6 years (including 2011/12) is shown on the latest iteration of the SHLAA Trajectory (CD4/H18). This now includes student cluster flats in the completions. The annual average was not met in any of the past 6 years and total

completions were substantially below the 6 year cumulative total of the annual averages.

- 2.17 The Council now consider that housing delivery and the calculation of the 5 year housing supply over the plan period should not follow a constant annual average, but be split 40%/60% either side of 2016 (BNES/38). On this basis, the annual requirement would be 460 p.a. to 2016 and 690 p.a. thereafter. The Council justify this because of its methodology which links the housing requirement to economic and job growth and the expectation that economic growth after 2016 will be greater than in the first half of the plan period.
- 2.18 This split to skew delivery to the latter half of the plan period is not proposed in the Plan, has not been previously suggested by the Council and other parties have not had the opportunity to comment on it. However, I have already concluded that the housing methodology is not justified and so I see no good reason for using it to justify a skewed delivery. What the Council is suggesting would compound past under delivery rather than providing the significant boost to the supply of housing sought by the NPPF (47). On the evidence before me, the suggested split in delivery is not justified.
- 2.19 It is reasonable to judge whether there has been a persistent shortfall in delivery over an extended period, such as 10 years or more, so that the effect of the economic cycle is evened-out. I see no need to limit such consideration to specific plan periods. Given all the above, there is convincing evidence that the Council has a record of persistent under delivery in housing. A 20% buffer is therefore required, equating to a need to show a 6 year supply of deliverable housing. On the Council's figures (BNES/38, paragraph 40) this 20% buffer is not met if calculated on a constant annual average of 575 p.a. (Based on the Council's calculations which now include student housing and windfalls as discussed above.) Changes to the Core Strategy are needed to demonstrate how the required land supply can be provided.

#### *15 year plan period*

- 2.20 NPPF 157 indicates that local plans should be drawn up over an appropriate timescale, preferably a 15-year time horizon and take account of longer term requirements. Even if this Plan were to be adopted in 2012 (which now seems unlikely), there would be less than 15 years to the end of the plan period. Other than possible small site windfalls, there is little indication of how housing delivery might be sustained beyond the plan period. Whilst the NPPF does not make a 15 year span a requirement, a longer term perspective is particularly important if there needs to be any review of the Green Belt. A 15 year plan period and longer term requirements should inform any further significant work on this Plan.



**3. The strategy and prospects for delivery in the Spatial Areas****Bath**

- 3.1 The delivery of the planned 6,000 dwellings and 5,700 jobs in the City is largely to be achieved through the implementation of the outline planning permission at Bath Western Riverside; a number of other sites intended for mixed use development in the City Centre and river corridor; and mainly housing on 3 MOD employment sites which are to be released for redevelopment.
- 3.2 The Council is clearly ambitious in its aims to transform the economy of the City to create the *City of Ideas* as described in the *Bath Economic Regeneration Delivery Plan* (CD4/E4). There has been a series of supporting evidence studies to establish and verify the scale of new development that the city centre/riverside can appropriately accommodate. The position is summarised in Topic Paper 8. The key studies are the *Urban Design Led Review of Bath City Centre Sites* and of *BWR East/Green Park Station* (CD4/UDL15 and 16) and the *Bath Building Heights Strategy* (CD4/UDL2-5). The Bath urban capacity studies incorporate a 20% contingency reduction in site capacity to reflect the sensitivity of the locations. This cannot be relied on now to demonstrate flexibility to deliver more. BNES/26 2.17 rightly acknowledges that it is the role of the Place-making Plan to determine the extent to which the assessments of capacity are realisable in the context of all objectives.
- 3.3 The scale of change to be accommodated in different business sectors is supported by the *Smart Growth Study* (CD4/E10). The Council's economic aspirations are supported by the LEP through the designation of the Bath Riverside City of Ideas Enterprise Area and financial support for necessary infrastructure. The Report of the Council's Advisory Group: *The Bath Avon River Economy Report*, Summer 2011 (CD4/E17) advocates a need to embrace the diverse potential of the River Avon and its corridor to achieve a variety of benefits. But many of the suggestions made are too detailed for a core strategy. Whilst it advocates the need to develop a *spatio-temporal economic model*, there is not the evidence to undermine the Council's broad assessment of the type and scope of development that is possible along Bath riverside.
- 3.4 Other than disagreement about the general economic projections, there is little evidence to seriously undermine the studies relied on by the Council. The main challenges to the soundness of the scale of change proposed within Bath are whether the sequential flood risk test for proposed scale of development has been properly applied; whether the exception test will be able to be met in the future, and in particular the likelihood of delivering the planned upstream flood compensation scheme; and other delivery issues, including the constraint imposed by the Windsor Road gas holder.

- 3.5 Before turning to the delivery issues referred to above, there is one relevant policy for the riverside corridor that needs comment as it has implications for some sites in the SHLAA and flexibility/contingency. Policy B3 applies to Twerton and Newbridge Riverside. The policy is unsound because it does not clearly express the Council's intention and would be ineffective.
- 3.6 Although B3.1a states that Newbridge Riverside will retain its principal function as a place for industrial activity (and this aim is not generally contested), such an aim is undermined by the approach to managing change in part 4 of the policy as submitted. Considerable rewording of the policy is proposed by the Council in PCs 31, 32, and 33 (CD5/22). This makes clearer that there is a presumption in favour of retaining land at Newbridge for industrial use and that refurbishment, intensification or redevelopment for such use will be welcome. But this aim is still undermined by the apparent applicability of other options in part 4 of the policy which allows for offices, other economic and non-economic uses. The Council maintain that it is self-evident that these options do not apply to Newbridge, but the wording and structure of the policy indicates otherwise. Policy B3 needs further restructuring to express clearly the Council's intentions.
- 3.7 Policy B3 proposes Twerton as a multi-use economic development area. Given the existing range of activity here and the proximity of the western end to Bath Western Riverside, a more mixed approach, rather than an industrial focus is justified. Residential development here could be part of the mix of uses in certain circumstances, but where priority is still given to economic development. The Council's proposed change (CD6/E2.2, RC21) makes clear that residential development here is subject to evidence that the area is no longer required for economic development purposes.
- 3.8 The residential capacity of the SHLAA (CD4/H14) sites within Twerton Riverside Area are intended to reflect the residential potential in the context of commercially-led redevelopment consistent with the policy emphasis of B3 (as proposed to be changed). These capacities are about half the capacity if the sites were to be redeveloped solely for housing. But hearing change RC 21 (CD6/E2.2) means that residential development cannot at this stage be assumed to be acceptable. These capacities (eg of sites WES 2, 5, and 6) are therefore speculative and cannot be relied on as contributing to delivery.
- 3.9 Paragraph 2.53 of the Plan refers to a delivery contingency at Newbridge Riverside for office and residential development. Given how policy B3 needs to be changed to be sound, the reference to Newbridge is clearly wrong. PC53 (CD5/22) changes the reference from Newbridge to Twerton and is necessary for soundness. In the context of policy B3 as proposed to be changed, Twerton can be seen as having a contingency role for accommodating office

development. However, its role to provide additional land for housing is spurious. Firstly, mixed use development including significant residential development is already included in the SHLAA sites, as mentioned above. More intensive residential use would displace economic uses for which there is also a need. Even if housing on these sites is excluded from the SHLAA, the sites cannot be a contingency for both offices and housing. The last sentence of 2.53 should be deleted, but the rest of the change in PC53 should be made.

*Flood risk in the Bath river corridor*

- 3.10 BNES/6 Table 2, lists 21 sites within Bath where at least part of the site is in Flood zone (FZ) 2 and, in some cases, partly in FZ 3a as well. Some are quite small sites which may be developed entirely for housing, others are major sites for mixed use economic-led redevelopment where housing may be only a modest part of the overall development. In total these sites are expected to contribute 1,095 dwellings in the plan period. Some are key sites for the overall strategy.
- 3.11 The sequential test and (if necessary) exception test should be applied on the basis of flood risk taking into account climate change. This is made clear in the NPPF (98) and in the accompanying Technical Guidance (eg paragraphs 4 and 14). Whilst I consider that this was the logical inference from the previous advice in PPS25 and its Guidance, that was not the Council's view. Whilst in some of Council's evidence the flood levels for sites already at high risk of flooding took into account climate change, sites which are currently not at high risk, but may be in the future, were not properly addressed. The Council will need to update its evidence to be to be compatible with the NPPF.
- 3.12 The sequential test for Bath river corridor sites is set out in *Flood Risk: Sequential and Exception Tests* November 2010 (CD6/D2). I accept that the test is met for the economic uses in the river corridor as peripheral locations would be less sustainable for offices and related development. There is also a need to regenerate these central brownfield sites. The reasoning in relation to the residential element within the river corridor sites was consistent with the Council's view as to the unacceptability of urban extensions in the Green Belt on the edge of Bath. But at that time Council had not assessed more modest urban extensions comparable with the scale of residential development at flood risk. This was done later. I have not come to any conclusions about the potential acceptability of some housing development in the Green Belt because that can only be weighed in the light of an appropriate assessment of housing requirements. The fact that the Green Belt housing sites would be sequentially preferable in terms of flood risk needs to be weighed in the balance in any re-assessment by the Council.

- 3.13 Assuming the sequential test is met for the residential element within the river corridor, it is not possible to be certain at this stage whether the exception test would be met. There may, in theory be sufficient space on most of the sites to accommodate the residential development on those parts outside FZ 3a and possibly FZ 2 (BNES 6/Table 2). But there is not the evidence to demonstrate that such an arrangement would be compatible with achieving all the other objectives for the development of such sites and whether there would be safe access to and from them. The Lower Bristol Road is also at flood risk.
- 3.14 It is important that the Core Strategy embeds an element of flexibility in its expectation of the scale of residential development to be delivered in the river corridor. It is essential to ensure that there is not such a need to deliver this housing if meeting the exception test would compromise other plan objectives in the preparation of more detailed guidance for these sites in the next part of the Local Plan.

*Flood risk – Upstream Compensation Scheme*

- 3.15 The *Flood Risk Management Strategy*, June 2010 (CD4/FR2-5 and FR15-33) recommended the provision of compensatory storage upstream combined with on-site flood defences to enable development to proceed on sites at flood risk within the Bath river corridor. The scheme would have to provide the volume of water that would be displaced by the defences for the new development sites (estimated in that report as 345,000m<sup>3</sup>). This is the position reflected in the Core Strategy (paragraph 2.48) and the Key Diagram and Diagram 5 show an area of search for the location of a flood storage facility along the river Avon upstream of the city. (This notation needs correcting so as not to extend into Wiltshire).
- 3.16 Post submission, the Council's consultants have produced some preliminary assessments of the potential of 3 particular locations for this upstream compensation (CD4/FR35) based on a revised schedule of displaced flood volumes from the riverside development sites (CD4/FR36). The latter now excludes sites which already have planning permission and sites not likely to be implemented within the plan period. This further evidence prompted detailed technical challenges from several parties as to the credibility of the Council's proposals. A Statement of Common Ground (BNES/28) for the hearings clarified matters to a limited extent only. Subsequent to the hearings, the Council produced further detail of the potential of one of the previously identified sites to be expanded to encompass the land previously proposed for the east of Bath Park and Ride site (BNES/34).
- 3.17 The provision of upstream compensatory storage would involve large scale excavation in the Avon Valley. The excavation work would need planning permission. The area of search is subject to a number of environmental or policy constraints. The Council was to

undertake a public consultation on the appropriate site(s) in Spring 2012, but I do not now if this has occurred. Site selection may be locally controversial.

- 3.18 For a Core Strategy, it is not realistic to expect all technical and delivery issues to be resolved, but it is necessary to establish whether there are reasonable prospects for delivery and the consequences if there is delay or unforeseen difficulties. There are a number of important technical aspects which can only be established by further work. The Council accepts that the effectiveness of any scheme can be verified only by hydraulic modelling. No such modelling has yet been published.
- 3.19 The Council accepted that level-for-level and volume-for-volume compensation should be provided, but the upstream nature of these works may mean that this principle cannot be fully achieved. The consequences will need to be tested through the hydraulic model to ensure that there is no detriment anywhere else. BNES/34 makes clear that the Council is intending only to utilise excavated land that does not currently contribute to flood storage with retention banks allowing the excavated areas to fill at the right time/level in the flood event. Prior to BNES/34 the position had not been clearly explained.
- 3.20 The appropriate volume for compensation also requires further consideration. The Council's calculations include an allowance for climate change in relation to the flood levels for sites already in FZ3. But no compensation is included for sites currently only in FL2, but which would be in FL3 with climate change (CD4/FR36, 1.3 bullet points). This is contrary to the advice in the NPPF as already highlighted. The implications would only become apparent when such sites came to be redeveloped. By then there might not be sufficient spare capacity in the compensation scheme to mitigate for displaced flood waters from such sites. At the time that any planning applications are considered for such sites the implications of climate change for flood risk would have to be addressed.
- 3.21 In addition, it is not clear whether the sites and volumes included in the Council's calculation include lost storage from the need to protect from flooding the Lower Bristol Road itself (not just the sites adjacent to it) so as to ensure that this was available for access/egress during a flood event (CD4/FR2, 4.102). Conversely, the necessary compensation volume may be able to be reduced because the type of development that might proceed on the Recreation Ground is unlikely to require compensation over the whole site, whereas a substantial volume is included for the site in CD4/FR36. Accordingly, there is insufficient evidence at this stage for the Core Strategy to refer to a specific volume. The figure in paragraph 2.48 should be deleted.
- 3.22 There is only a general estimate of costs for the works at £3-£5m. Costs may vary widely depending on the location, scale and

technical complexity. It is unclear whether the cost of disposing of large volumes of material off-site has been taken into account. The LEP has money from its Regional Infrastructure Fund to contribute to infrastructure needed to support its Enterprise Areas, which include Bath Riverside. The Council would still need to make a bid to secure funding, based on achieving economic aims. The Council would aim to recoup funds through CIL or other mechanisms. It is impossible to know at this stage whether available funding would enable the project to proceed, although clearly it is an identified funding priority.

- 3.23 The Council is making progress on this project, but on the evidence published as part of this Examination it is too early to have a high degree of confidence that a scheme that is effective can be implemented successfully in the timescale envisaged. That does not, of itself, make the elements of the plan reliant on the project unsound, but the implications of uncertainty and possible delay should be addressed. The SHLAA does not rely on housing from sites which are dependent on this project until mostly the latter part of the plan period, but many are major sites for economic development and key to securing the planned job growth.
- 3.24 The Council explained that if the flood compensation scheme could not go ahead then development could still take place, but with reduced capacity from the potential of each site as space would be lost for flood compensation. Also, the *Flood Risk Management Strategy* June 2010 (CD4/FR2-5 and FR15-33) had identified some potential locations for flood compensation within the river corridor in the city. These alternatives are clearly sub-optimal solutions to the development of the riverside sites, which is why they are not the Council's preferred strategy or even an explicit fall-back position. Alternative compensation sites would pose their own challenges in this sensitive location. In any case, pursuit of any alternative would be unlikely to compensate for delay since alternatives would not be actively pursued until it was clear that there was no prospect of the upstream scheme proceeding. The latter would provide the greatest scope for owners to maximise the development potential of their sites. There is no effective contingency if the flood compensation scheme is delayed or abandoned because of technical, environmental or funding difficulties.

#### *Windsor Road Gas Holder*

- 3.25 The Health and Safety Executive (HSE) do not want to see any increase in the number of people present within 300m of this facility. This places an embargo on the occupation of new dwellings or other new buildings over a substantial proportion of the Western Riverside outline planning permission and a number of adjoining sites. Whilst the HSE's concern does not prevent redevelopment getting underway with the gas holder still in place, no redevelopment is likely to start unless there is certainty that the

constraint will be lifted by the time new buildings are ready for occupation. It is thus a fundamental constraint on the effective delivery of a major part of the strategy. The constraint and need for it to be overcome is not mentioned in the submitted plan and this silence makes the plan ineffective and thus unsound. PCs 12, 20 (point e) 29, 50 and 52 would introduce relevant references as to the need for this constraint to be overcome.

- 3.26 Despite the implications of this constraint, little work appears to have been done to progress its resolution until recently. Tesco Stores Limited/St James Investments have an agreement in place with Wales and West (who own and operate the gas holder) and Crest Nicholson to secure the removal of the gas holder and thus lift the HSE embargo. This agreement provides good evidence that there is a technical solution (involving replacement storage in larger diameter pipes to be installed in a rural location); that Wales and West are willing to allow and facilitate the work; and that the timescale is about 2 years for the physical work (with Tesco/St James allowing for the whole process to take up to 3 years). However, implementation of this agreement is dependent on Tesco/St James receiving planning permissions for a new store on the Bath Press site which the Council has refused and which was the subject of an appeal (which I understand has been withdrawn).
- 3.27 If the Tesco agreement is not triggered, the Council is primarily reliant on Crest Nicholson progressing the removal of the gas holder as and when it wants to progress with the further stages of the outline permission. Whilst the Council may be able to contribute some public funds to support the work, it does not seem in a position to take the lead in making it happen. Given the potential cost (estimated at up to £11.8m) over and above all other costs of proceeding with this brownfield redevelopment, there must be a risk that delivery will be delayed.
- 3.28 The SHLAA (CD4.H14) expected delivery from the rest of the outline permission to commence in 2015/16 (80 units stepping up about to over 180 in the following 3 years and up to 200 units p.a. from 2019/20). An additional 151 units on the outline site could be developed without being affected by the constraint of the gas holder (BNES/7 4.3.2), but whether or not these would constitute a realistic phase to be undertaken in isolation is not clear. In practice, there is less than a year before the process to decommission the gas holder needs to get underway. The potential risk to the timing of delivery is evident.
- 3.29 The Council has a Corporate Agreement with Crest Nicholson (not published) and the SHLAA trajectory is said to reflect that agreement. The scale of annual delivery seems ambitious in the context of the rate for the current Phase 1; of a single developer operating on effectively one site; and the similar competing developments nearby that are expected to be on the market in the latter plan period. This optimism is accentuated in the SHLAA

update which now expects 200 units every year from 2017/18 to 2026. In my view, the SHLAA reflects the maximum that might be achieved with a real risk that annual delivery could be lower or the start delayed.

#### *Other sites in Bath*

- 3.30 Outside the Central Area/Riverside the main contribution to housing supply is expected from 3 MOD administrative sites at Foxhill, Ensleigh and Warminster Road. The SHLAA identifies the potential of these sites as 700, 350 and 140 dwellings respectively (sites Cdn1, Lans 5 and Bwk 1, CD4/H14) with delivery beginning on each in 2016/17. There is now more certainty than at submission that these sites are to be released by the MOD and sold for development. Foxhill and Warminster Road are to be sold by 2013. The sale of Ensleigh will be more complicated, but about half of that land will be sold in 2012 and the remainder sold in 2013, but not be available for redevelopment until 2018. The timing in the SHLAA for the commencement of delivery is reasonable.
- 3.31 The MOD and the Council suggest that the capacity of the sites may be more than assessed in the SHLAA, particularly at Ensleigh where the Council suggest much greater potential involving adjoining land. However, there is no published appraisal to demonstrate and test such potential and at this stage such greater potential is too uncertain to be given much weight. The Place-making Plan is the vehicle to explore capacity further. It is appropriate for the Core Strategy to reflect the up-to-date position on disposal and the role of the Place-making Plan. This is reflected in RC22 (CD6/E2.2). The MOD sites form the major part of housing to be found in Bath's outer neighbourhoods. The submitted plan refers to a yield of about 2,500 in this area, but this figure was based on the SHLAA of December 2010 (CD4/H7 Appendix 2) which had not included any capacity for Ensleigh. PC34 (CD5/22) updates the figure to 2,800 reflecting current evidence.
- 3.32 Taking into account all the above, the reference in paragraph 1.36 of the Core Strategy and the last paragraph of DW1 concerning flexibility and changing circumstances is not justified. The Core Strategy does not set out a robust strategy for Bath to ensure necessary delivery.

#### **Keynsham**

- 3.33 The spatial strategy for Keynsham is set out in policy KE1 and includes the provision of around 1,500 new homes and 1,500 net additional jobs with the aim of increased self-containment. It is the only spatial area where the provision of new homes is not planned to exceed the number of new jobs. If these figures were achieved there would be potential for increased self containment (as measured by the proportion of local people working locally).



- 3.34 The Council sees the aim of increased self-containment as consistent with RPG10 policy SS19 (which seeks to limit housing growth in market towns near larger urban areas where it would fuel commuting rather than meet local needs). In its view, a significantly greater scale of housing would be in breach of this policy. This RS may, of course have been revoked by the time the Examination concludes.
- 3.35 The Secretary of State's proposed changes to the Draft RS treated Keynsham rather differently. Keynsham was seen as having a strong functional relationship with Bristol and as forming part of the Bristol SSCT (Strategically Significant Cities and Towns). Expansion of Keynsham by up to 3,000 new homes was proposed (including a Green Belt Area of Search) with the intention of strengthening its role as a service centre (CD3/6: 4.1.3 and policy HMA.1).
- 3.36 Increased self containment is a desirable objective, but it should not override all other considerations. In the context of the Council's overall spatial strategy, the approach to Keynsham is sound, but if there is a need for more housing to be accommodated, the aim of increasing self containment could be eased whilst still being compliant with RPG10. Additional housing would require land to be released from the Green Belt.
- 3.37 The SHLAA (CD4/H13, Table 2.1) identifies a maximum potential of 1,539 for the planned provision of 1,500 homes at Keynsham (increased by a 100 in the CD4/H18). There was no scope for slippage in planned delivery or for the Place-making Plan to make any selection from alternatives and only very limited flexibility suggested now. Delivery is particularly reliant on the two K2 greenfield releases made in the local plan and the redevelopment of the former Cadbury factory at Somerdale. Delivery circumstances for the K2 greenfield sites may well have changed since the hearings so I do not review that evidence here.
- 3.38 Redevelopment of the Somerdale factory is proposed to create a mixed use development. The SHLAA at the hearing proposed 600 homes. (This has been increased to 700 in CD4/H18, although no explanation is given for this in BNES/38.) The site is to be purchased by Taylor Wimpey. An illustrative master plan (CD4/UDL11) shows how a mix of uses might be accommodated on the site, but it is fairly broad brush. This draws on earlier work (CD4/UDL19 and UDL20).
- 3.39 A particular constraint in achieving all the Council's intentions for this location is flood risk. About 10ha of the 25ha area suggested for redevelopment/new development is in FZ2 and the edge of this area abuts FZ3 (CD4/FR11, Map F). With an allowance for climate change, FL3 extends over much of the area currently in FZ2 (Map C). In applying the sequential and exception tests, climate change should be taken into account.

- 3.40 *Flood Risk: Sequential and Exception Tests* November 2010 (CD6/D2-4) addresses Somerdale in the context of policy KE2 which includes the town centre proposals. It notes (section 6, p13) that master-planning has yet to be undertaken. It indicates that a sequential approach should be taken within the Somerdale site to direct the most vulnerable uses to FZ1. That is clearly the appropriate approach. However, it goes on to note that the preferred layout also needs to ensure that the optimum use of the site is made from an urban design perspective. It concludes that there are no alternative areas within FZ1 to facilitate the level and type of development required to support the regeneration of the town centre and redevelopment of the Somerdale site.
- 3.41 The illustrative masterplan shows part of the area in FZ1 as suitable for parkland and offices. The area within FZ2 and FZ3 with climate change is included in a broad area described in the master plan as a flexible development area with potential for a range of employment, residential, community and leisure uses. Thus the master-plan contemplates some residential development in the higher risk areas.
- 3.42 I accept that, in principle, the sequential test is met for mixed use redevelopment at Somerdale linked with the strategy for the town centre. The *Business Growth and Employment Land Study* highlighted the market potential for offices at Somerdale (CD4/E1, 8.29 - 8.35) and saw this site as the key to changing market perceptions of Keynsham and attracting more office jobs. In contrast, the Study did not regard the employment site which is part of K2 on the south-west periphery of the town as attractive for employment use. Theoretically, there is sufficient land at Somerdale outside FZ2 and FZ3 with climate change to accommodate 600 homes. But there is not the evidence to demonstrate that 600 homes can be so accommodated whilst securing other appropriate objectives for the site and making it successful. Furthermore, there is not the evidence to demonstrate that least 600 homes are needed to make all other aspects of the proposal work or that at least 600 dwellings should be accommodated here regardless of flood risk.
- 3.43 The Place-making Plan or a planning application is the appropriate stage for more detailed consideration of the distribution and scale of different uses across the site. But if the Core Strategy were to be adopted as it stands it would create a self-fulfilling justification for meeting the sequential and exception tests for up to 600 homes anywhere on the Somerdale site. This is because there is no flexibility/contingency to accommodate any remnant of the 600 homes which cannot be accommodated within FZ1 at this location. If 600 homes are not accommodated here, the Council would be in danger of failing to deliver its overall housing requirement. The plan rules out development in the Green Belt which is the only land available in FZ1. Accommodating some of the 600 homes on higher risk areas at Somerdale is not justified by the existing evidence.

There has been no testing of a sequential approach for, say, a modest scale of residential development in the Green Belt compared with homes at Somerdale in FZ3 with climate change.

- 3.44 Policy KE2 is unsound for the above reason. To be sound the policy should acknowledge the flood risk constraint on accommodating homes on the Somerdale site and indicate that the sequential and exception tests would have to be met to justify any dwellings in higher risk parts of the site. In addition, this matter reinforces the need for some flexibility/contingency to accommodate the required level of housing so that, in this particular case, houses are not forced to be accommodated in higher risk areas without the necessary justification.
- 3.45 The SHLAA envisages the first housing being completed on the site in 2013/14. Whilst this timescale is not unreasonable in favourable circumstances, there is little scope to accommodate delay or unforeseen events. Various related infrastructure works on and off site are required to accommodate the Somerdale/town centre proposals (Core Strategy, Table 6). None appear to impose an exceptional burden. Improvements will be required at the Keynsham Sewage Treatment Works, but no overriding constraints have been identified by Wessex Water (CD4/I7). The Somerdale Factory itself generated substantial flows and had its own downstream sewer connection. There may therefore be spare capacity for new development.
- 3.46 The redevelopment of the Town Hall site which is also proposed in KE2 is at an advanced stage. The Council has appointed a developer partner to undertake this work, which is expected to commence later in 2012. The new development will provide retail space, a new library and Council and commercial offices. This part of the policy is sound.
- 3.47 The *Bath Avon River Economy Report* (CD4/E17) makes specific proposals for the Avon Valley to the north east of Keynsham, including: greater linkages to the town; flood compensation; a marina; relocation of industrial uses and waste management and waste transport. Landowners are supportive of such ideas. Whilst there may be more scope for creating links between the town and the River Avon than shown on the Keynsham Spatial Diagram, the plan is not unsound for not exploring all such possibilities which can be done in more detailed plans. Policy KE1 1b already refers to making better use of green and blue infrastructure. The implementation of the Core Strategy's proposal for Keynsham, and specifically Somerdale, does not require upstream flood compensation (Core Strategy, Table 6, Key Infrastructure for Keynsham). Flood protection measures for existing businesses in the flood plain here are not essential for the strategy. Waste matters are covered by a separate Waste Development Plan Document. There is not the evidence to demonstrate that the strategy is unsound without a marina here.

**Somer Valley**

- 3.48 Part of the vision for the Somer Valley (Core Strategy 4b) is that the area will become more self-reliant. The Council explained that this is a wider aim than the self containment referred to elsewhere in the Plan and was part of a vision which had emerged from engagement with the local community. Although there is some difficulty in translating what self reliance may mean in practice, there appears to be general support for the concept.
- 3.49 The Council accepts that the 2,700 homes and the expectation of 1,000 jobs proposed in policy SV1 will worsen self containment from the 2001 figure of 44% of the working population working locally. Policy SV1 4b refers to existing commitments of 2,200 dwellings and that additional housing development should be within the housing development boundary (HDB) and either have employment benefit or contribute to the Town Park. However, the total of units built and sites with planning permission is 1,887. Some of the SHLAA potential sites have been regarded as commitments by the Council, which is confusing.
- 3.50 The SHLAA (CD4/H14) identified the potential to accommodate 2,642 dwellings in this area (2,744 in CD4/H18) which might suggest that the plan is seeking to maximise opportunities by planning for up to 2,700 dwellings, but this is not the case. The SHLAA's assessment of sites here has been heavily influenced by the chosen strategy. Hence a number of sites outside the existing HDB (eg MSN27 and 28) are defined, apparently, as unsuitable primarily for this reason, in the absence of other serious constraints identified in the SHLAA. There is also inconsistency in the way that the SHLAA treated sites outside the HDB, since the Alcan site (MSN10) is regarded as suitable although it is outside the HDB. (A planning application for the redevelopment of this site primarily for housing has now been agreed by the Council.)
- 3.51 There is also inconsistency (or lack of explanation) with regard to the assessment of existing employment/commercial sites. A number of the SHLAA sites regarded as contributing to the supply are in existing employment use and in some cases the SHLAA indicates that existing businesses would need to be relocated (RAD3, RAD12, RAD13a and b, RAD14). But these assessments are difficult to understand in the context of Policy SV1 3c which seeks, with limited exceptions, to protect land in existing business use.
- 3.52 I turn now to the delivery of existing commitments. To be relied on for delivery of the strategy, sites should be either deliverable (if contributing to the supply in the first 5 years) or developable for the within 5-15 years (PPS3, paragraphs 54-56). Beyond firm commitments (1,887) sites relied on from the SHLAA are brownfield sites. Some of these sites are allocations previously made in the Local Plan which have not yet come to fruition and involve a number of sites with complex issues to weigh and resolve.

- 3.53 As the Core Strategy is not making any specific site allocations, it is not for me to determine the acceptability of any individual site - that is the role for the Place-making Plan or consideration of a planning application. Some sites such as RAD1 are locally controversial. There is an outstanding application to renew the outline permission on RAD1 for this mixed-use development. The scheme has not proceeded because of lack of viability. However, the Council has started work on the major highway alterations in Radstock Town Centre which provide access across the RAD1 site and which are necessary for the previously approved scheme on RAD1 to proceed. Thus there has been more progress recently than in the past.
- 3.54 The renewal of the planning permission on RAD1 and its implementation would preclude a railway station close to Radstock town centre if the Radstock to Frome line were to be reinstated. Policy SV1 6a refers to safeguarding and extending sustainable transport routes. The implication of that aim in the context of the development of RAD1 will be a matter for the decision maker when considering the renewal application or the allocation of the site in the Place-making Plan. JLTP3 (CD4/T6, Box11a) lists plans and aspirations for other Significant Transport Schemes which includes rail enhancements, for example, reopening the Radstock to Frome line. The reopening is listed in the Network Rail *Great Western Route Utilisation Strategy* (CD4/T3 Appendix G) as a stakeholder aspiration, but with no indication that Network Rail intend to take such a project forward. The Council note that the reinstatement of the line has been costed at £44m. Given that there is no clear proposal by relevant bodies to implement such a reinstatement during the lifetime of the Core Strategy, the plan is not unsound by remaining silent on the matter.
- 3.55 Other smaller sites in the SHLAA relied on for housing in Radstock and Midsomer Town Centre appear only possibilities rather than having any particular impetus from land owners. The effect on existing businesses or the need to retain or replace existing functions such as the library car park and the Post Office Sorting Office raise uncertainties of whether these are all realistic prospects at this stage. For some suggested redevelopments, viability may be an issue (eg RAD4, 5, 6, 7). The SHLAA includes the residential element of several redevelopment opportunities in Midsomer Town Centre that are suggested in the illustrative town centre regeneration strategy (CD4/UDL10).
- 3.56 For several of the small sites there is no indication that the owner has any intention of pursuing them or that a redevelopment would be viable (eg MSN2 and 3). More significant is the 80 dwellings assumed to be delivered as part of the redevelopment of the Hollies existing supermarket (MSN6). Any such redevelopment is dependent on the construction of a new supermarket. The regeneration strategy envisages this being on the South Road Car

Park site (MSN2a) for which there appears to be no firm proposals. I do not question the overall strategy for regeneration implied by the strategy, but the delivery of 100 or so dwellings from various elements of town centre redevelopment appears uncertain at this stage.

- 3.57 A major contribution to the delivery of housing in the Somer Valley is expected from the former Polestar Purnell Site in Paulton. Two parts have reserved matters approval. The remainder of the site with outline permission is expected to deliver up to 153 dwellings p.a. at the peak. The Council explained in BNES/35 that the site includes a retirement community (210 units) which would serve a different market to general housing thus boosting sales potential. Nevertheless, delivery would seem optimistic for a site in a village.
- 3.58 Overall, the SHLAA does not provide a reliable or consistent assessment of the housing potential of the Somer Valley towns to inform the strategy. In addition, delivery of the scale of development proposed would require all of the sites relied on to come forward and would not give the Place-making Plan any real role in further assessing the suitability and deliverability of the SHLAA sites.
- 3.59 Given the limitations of the supporting evidence it is difficult to draw any firm conclusions as to the soundness of the proposed 2,700 dwellings. It would be unsound to preclude the prospect of additional housing above existing commitments, particularly given the economic restructuring which is occurring in the area and the Council's plans for town centre redevelopment. Conversely, if the number of new homes were to be greatly increased above expected job growth there would be a much greater increase in out-commuting which is a disadvantage in the planning balance. The strategy needs to be informed by a more coherent SHLAA reassessment.
- 3.60 I turn now to other aspects of policy SV1. The constraint imposed in SV1 4b of requiring any additional housing to be within existing HDB is not justified. The HDB around the Somer Valley towns is unusual. The built-up shape of these towns is complex with fingers of underdeveloped land penetrating close to the centres. Land outside the HDB is not necessarily furthest from the main centres, although some of the undeveloped areas in and around the built-up areas are important for landscape/townscape reasons or subject to other constraints. The HDB generally excludes the largest employment sites, particularly where these are on the edge of the built-up area. In addition, there have been a number of developments since the HDB was defined. Since submission, the Council has accepted that there is a need to review the HDB by PC62 (CD5/26). But that addition to the text would make SV1 4b unclear and inconsistent. The Place-making Plan needs to be given a clear steer as to the objective of any review of the HDB.

- 3.61 The Council indicates that 1,000 net new jobs is not a cap, but based on a realistic expectation of what is possible over the plan period. The planned scale of development for office and industrial floor space is justified by the Council's evidence. Importantly, there is sufficient land available for employment development to accommodate up to 2,500 jobs if economic circumstances are more favourable than assumed by the Council. It should be made clear in the Plan that the 1,000 jobs is not a cap on local job growth.
- 3.62 SV1 3c protects land in employment use, except in limited circumstances. Given that there is ample employment land to achieve an optimistic/aspirational level of job growth above what the Council consider is realistic, this requirement is inconsistent with national policy. That fact that such a policy constraint may already have proved useful in negotiating economic benefits from housing applications on employment sites is not a sound justification. The Core Strategy should set out clear, positive policies for what the Council wants to see happen, not impose hurdles that have to be overcome. A more positive expression for the management of change is required which encourages the redevelopment of underused/outdated and inappropriately located employment sites for alternative uses, including mixed use, to achieve a range of sizes and types of employment sites and premises attractive to the market.
- 3.63 In the above context of managing change, the role of the Place-making Plan should be highlighted as the means to fulfil the strategic aims. This would include identifying the most important existing sites and future land for employment/economic use. With this positive approach it would not be necessary to restrict housing to that which produces an economic benefit since sites where an employment focus is appropriate will be identified in the Place-making Plan.
- 3.64 Finally, housing development is seen as acceptable if it contributes to the implementation of the proposed Town Park. However, the Council's evidence and justification for this implies that it is primarily the land adjoining the park and in the same ownership which is envisaged as funding the park. The park is justified to serve the needs of the wider town and would not be directly required to make a modest additional housing development in this location acceptable. It is difficult to envisage the financial linkage meeting the CIL Regulations. Leading up to the hearings, the Council suggested that the Town Park could be funded by CIL more generally. If this were to be successfully progressed it would appear a potential mechanism which would not restrict which housing sites in the area might contribute. Accordingly, this specific constraint is neither justified nor likely to be effective in the manner envisaged.

**Rural Areas**

- 3.65 The Core Strategy envisages around 800 homes and 500 jobs for the rural area outside the Somer Valley. The 800 dwellings includes about 250 additional dwellings above existing commitments. The modest scale of development is appropriate in the context of the overall strategy bearing in mind the small size and very limited range of local facilities/services in most villages and limited access to higher centres other than by car. A substantially greater scale of housing in this area would be more likely to foster a substantial increase in car journeys. There is no clear evidence that increasing the number of dwellings in any particular village necessarily helps retain existing services/facilities or leads to the introduction of new services. Whether, for example, a village shop is successful or not depends on many factors not just the number of houses in the village. In addition to the planned 250 extra dwellings, further development may also occur under policy RA4 Rural Exceptions Sites (see below), the Community Right to Build and infilling as windfalls.
- 3.66 Policy RA1 in the submitted plan allows further residential development in certain villages within and adjoining the housing development boundary provided that it is of a scale, character and appearance appropriate to the village and meets 3 criteria. Two of these concern local facilities and bus access. The third (criterion c) is that there should be local community support for the principle of development. Paragraph 5.18 indicates that local community support will be demonstrated by the views of the Parish Council and lists 6 villages which currently meet the criteria. The Council made clear that this list is indicative only and that the villages meeting the RA1 criteria could change over the lifetime of the plan.
- 3.67 I raised a number of concerns about the wording of the rural settlement policies in my Preliminary Comments (ID/4). The requirement in policy RA1 for community support is unsound. The overall strategy relies on development occurring in some RA1 villages as part of needed housing delivery, but this criterion creates a veto over such needed development. In addition, there is a lack of clarity about the relationship of this policy to the saved policies in the local plan relating to villages, particular villages in the Green Belt.
- 3.68 The Council's final proposed changes on this matter, which were discussed at the hearings, are at RC29–RC35 (CD6/E2.2). In summary, these amend RA1 to apply only to villages outside the Green Belt; delete criterion c relating to the need for community support; indicate that Place-making Plan will review the housing development boundary and that development outside HDBs will be acceptable if identified in an adopted Neighbourhood Plan, and makes clear that employment development (of an appropriate scale and character) will be acceptable both within and adjoining HDBs.



There are consequential changes to the text and the indicative list of RA1 villages is deleted.

- 3.69 These changes would meet my previously expressed concerns. There would be a clear distinction between the RA1 villages (which are outside the Green Belt) and existing policies for the Green Belt villages. There is no longer a veto on necessary development. Given that the criterion requiring community support has been deleted, it is justified to remove from the policy the acceptance of housing outside HDBs at this stage. Housing beyond existing HDBs will have to await the review of such boundaries through the Place-making Plan or identification of sites in a Neighbourhood Plan, both of which provide appropriate mechanisms for community involvement regarding the scale and location of new housing in a village.
- 3.70 It is not necessary for the Core Strategy to identify the RA1 villages. As amended, the policy will provide objective criteria for such villages to be identified in the Place-making Plan. As amended in the Council's changes, paragraph 5.21 refers to around 30 dwellings in each of the villages which meet the criteria. Although the scale of development appropriate at different villages will vary, this figure is a useful guide without being a straightjacket. A Neighbourhood Plan would be the vehicle to explore more development in a particular village. Paragraph 5.20 should be deleted as it has become superfluous, but its retention would be confusing. It refers to Green Belt villages, but RA1 no longer applies to Green Belt.
- 3.71 Policy RA4 (Rural Exception sites) allows for a small proportion of market housing where necessary to cross subsidise the affordable housing. This is consistent with NPPF 54.

#### **4. Green Belt**

- 4.1 Policy CP8 seeks adherence to the detailed boundaries of the Green Belt already shown on the Proposals Map. Adherence to the existing general extent of the Green Belt is reflected in the spatial area policies. The Council is strongly opposed to any significant change to Green Belt boundaries.
- 4.2 Whether or not there are the exceptional circumstances to justify amending the Green Belt and the scale of any such change that might need to be accommodated cannot be determined in the absence of an objective assessment of housing need and demand, including likely requirements beyond the plan period. Whilst the NPPF reiterates the great importance of Green Belt, it envisages Green Belt boundaries being altered where necessary as part of the review of Local Plans.
- 4.3 There is no up-to-date and comprehensive review of the Green Belt in the district to see whether all the land so designated fulfils clear

Green Belt purposes; the degree of significance which should be attached to various parts of the Green Belt; or the extent to which some development in the Green Belt would promote sustainable patterns of development. The Council had considered and rejected various specific locations for urban extensions in the Green Belt, but that was in the context of the Council not envisaging any great shortfall in meeting its housing requirements. It was also in the context of fairly fixed proposals rather than an assessment of what potential there might be to accommodate development with the least adverse/most beneficial impact.

- 4.4 On the evidence before me, it is possible that some development in the Green Belt may need to be contemplated. The NPPF (83) makes clear that any review of Green Belt boundaries should have regard to their intended permanence in the long term so that they should be capable of enduring beyond the plan period. It is therefore essential that there is a proper assessment of long term needs.

## **5. Sustainability Appraisal**

- 5.1 There has been a series of iterations in the *Sustainability Appraisal Report* since pre-submission publication (CS4/A13, CD4/A17, CD4/A20, CD4/A21). One of the tasks of such a report is to explain the reasons for the selection of the chosen strategy/policies from the reasonable alternatives considered. The SA report (CD4/A13) does try to explain the change in relation to the spatial approach from the *Spatial Options Consultation* (CD5/4) which included urban extensions and was based on providing 15,500 dwellings and the submitted plan which excludes urban extensions and is based on providing 11,000 dwellings.
- 5.2 In light of all the evidence, the SA report can now be seen as inadequate in explaining the choice of 11,000 dwellings. At submission the Council believed that its assessed housing requirement was 11,600 dwellings, whereas on the Council's own methodology the figure was in fact 12,100. The SA should have recognised that there was a choice to be made in whether to fully meet that figure and the implications of not doing so. The assessed need for affordable housing was also substantially not being met, but this is not brought out in the assessment.
- 5.3 Notwithstanding any of the concerns set out in this Annex, in the light of the Council's own most recent evidence there would be a need to review the SA in the light of the proposed provision of 11,500 dwellings and the increased supply that the Council considers is available and explain the reasons for the choice being made.
- 5.4 The SA is likely to have to be reworked in the light of the necessary reassessment of the housing requirement to comply with the NPPF. The SA should test the implications of fully meeting the objectively

assessed needs and of any alternative which the Council wants to explore of not fully doing so. If objectively assessed needs could only be met by some changes to the Green Belt then a Green belt review to explore the scope to accommodate development in the Green Belt would need to be undertaken to inform any such SA assessment.

**Simon Emerson**  
**21 June 2012**