

**Bath and North East Somerset Core Strategy Examination**

**Inspector's Note June 2013**

**(A) The Strategic Housing Market Assessment (SHMA) and Housing Market Areas (HMAs)**

**(B) Consultation matters**

1. I have resumed work on the Examination and I am reading the new evidence/background documents published by the Council to accompany the Proposed Changes and reading the representations made on those changes. This preparation is on-going. However, there is one matter that has caused me immediate concern and that is the scope of the SHMA. I have issued this note to alert the Council to this concern at the earliest opportunity. I have a number of other more detailed and technical questions and clarifications about the SHMA and the way that the Council has worked out the housing requirement (as set out in Annex 1 of the report to the Council on 4 March 2013 - CD9/PC3) which will follow in a note next week. I also raise in this note some questions about consultation matters.

**SHMA**

2. The SHMA document I have been sent is CD9/H14 – which is headed *Draft 18 March 2013*. When was this version published during the consultation? Is it still a draft? If so, what does that mean and when is it intended to finalise this document?

3. My concerns regarding the Council's previous methodology for calculating its housing requirement are set out in my Note and Annex of June 2012 (ID/28). I listed the required further work as including:

- the identification of the housing requirement in a manner consistent with the NPPF.

4. NPPF paragraph 47 refers to Local Plans meeting the full objectively assessed needs for market and affordable housing in the housing market area (my emphasis). NPPF paragraph 159 refers to Local Planning Authorities (LPAs) preparing a SHMA to assess their full housing needs working with neighbouring authorities where housing markets cross administrative boundaries (my emphasis).

5. The Council's new SHMA concludes (Chapter 2, Summary) that the west of BANES falls within a Bristol focussed (Tier 1) housing market (covering the whole of North Somerset and South Gloucestershire and the fringes of adjoining counties) whereas the City of Bath and the south of BANES form a (Tier 2) local housing market which extends in to a small part of Wiltshire and North Mendip. This is a change from how the HMA is understood compared with the West of England SHMA 2009 (CD4/H11). From my initial reading, the identification of this new combination of HMAs relevant to BANES does not appear to be strongly disputed.

6. Unfortunately, the new SHMA does not then say any more about the housing needs of the HMAs that have been identified and sets out figures for BANES only. On this basis I am unclear how the Council can realistically expect me to be able to find this SHMA as compliant with the NPPF. If it is not NPPF compliant, I cannot see how the new housing requirement which draws on this SHMA could be found sound.

7. Given the indication in the SHMA that 2 different housing market areas straddle the district, the matter would seem potentially highly relevant to considerations of the spatial strategy and, in particular, the merits or otherwise of strategic scale development closer to Bristol than Bath. If the HMAs have not been addressed appropriately, then the spatial strategy which takes a district only approach would be flawed.

8. Several representors highlight that the *West of England LEP, Planning and Communities Board* have agreed to commission a new joint West of England Strategic Housing Market Assessment Review during 2013/2014. It appears that all the Council's recognise the need for a HMA-based approach to the SHMA. The intention to produce a comprehensive SHMA strongly suggests that the Council accepts that the recently published SHMA is not adequate.

9. The Proposed Changes intend that land will be released from the Green Belt in several locations. The new boundaries would be defined in the forthcoming Place-Making Plan. The NPPF requires that such new boundaries should endure in the longer term beyond the present plan period. I cannot see how such permanent new boundaries could be defined unless there was a high degree of confidence about housing needs. This is especially pertinent as some of the areas proposed for Green Belt changes are within the wider Bristol HMA.

10. In paragraph 1.35 of the annex to my note, I acknowledged some likely difficulties for the Council in doing an NPPF compliant SHMA, but I did not suggest that the task could be avoided. One of the reasons that the Council requested, and I agreed to, such a lengthy suspension was the inevitable complexity of doing a joint SHMA based on the HMA (understood at that time to be solely the greater Bristol HMA). There was nothing to suggest that this was not the Council's intention. As the Council will be aware, one of the major controversial matters relating to housing was the district versus a HMA approach to assessing housing need. My position was set out in my note last year. I should not have to re-address again a fundamental issue on which I have already come to a clear conclusion, given that there has been no change in national policy since then.

11. In Annex 1 to the report to Council 4 March 2013 (paragraph 3.5) there is a brief explanation as to why the SHMA has not addressed the Bristol HMA. It firstly refers to the adopted Bristol Core Strategy as not identifying any unmet need to be met outside its boundaries. However, I cannot see that is relevant, post NPPF. The Bristol Core Strategy does not clearly identify a housing requirement and takes primarily a capacity based approach. The scope of the Bristol Core Strategy is nothing new. It was something that was raised in the hearings in January 2012 and of which I was well aware when drafting my note last June. Annex 1 goes on to state: *Bristol is scheduled to review its Core Strategy in 2016 based on an updated SHMA evidence. It is therefore inappropriate for B&NES to undertake a SHMA for the separate HMA and preempt a policy response to it.* This justification for the Council's approach appears to ignore what the NPPF requires - which is joint working and an HMA approach. In addition, if the Council intended to rely on this argument it should have made it clear prior to the suspension. But as I have highlighted above, the lengthy suspension was to allow the appropriate complex task to be done. Preemption would not occur if Councils were working collaboratively.

12. I see no purpose in arranging a full set of hearings if it were inevitable that the proposed changes would not make the plan sound. If the Council considers it essential to address me on this matter then I will arrange a hearing relating to the SHMA. It would be simplest and require little further work from most parties

if such a hearing focussed solely on the HMA issue. If, however, such a hearing were to fully address the technical content of the SHMA and the Council's subsequent calculation of its housing requirement then I am likely to want some further work done to clarify various technical matters. I would also probably seek a statement of common ground (or reasons for disagreement) between the Council and those representors who have submitted detailed technical criticism of the SHMA or put forward alternative methodologies. The Council has not had the opportunity of taking into account informed comment and criticism of the SHMA/housing requirement methodology and should be able to do so before a hearing.

13. If, following any such focussed hearing on the SHMA/HMA issue, I concluded that the SHMA is not NPPF compliant and any housing requirement based on it was inevitably unsound, then the only practical course of action would be for the Core Strategy to be withdrawn.

14. I have been as open as possible in this note because I do not want the Council to be unclear about the seriousness of the concern that I am raising. I want to avoid the potential for wasted expense, including that of any further preparation by me. However, I will need to carry on with my preparation from the 12 June so that I am able to arrange a hearing on this issue if that is the route that the Council wants to take. I therefore seek the Council's earliest response as to how it wishes to proceed.

#### **Consultation matters**

15. I have seen a number of comments expressing concern about the consultation process. Clarification of these matters is likely to be most relevant if the Examination continues to a full set of hearings, but I raise them now for convenience, to ensure that I am fully aware of the background and of how the Council intends to proceed.

16. Please would the Council explain:

- Which documents were published during (rather than at the beginning) of the consultation period and the date they would put on the website.

- Which documents were changed during the consultation period, the date the changed document was put on the website and the nature of the changes made. I understand that such documents were not given a fresh reference number. I assume that I have been given the most recent versions. Is this correct?

- I have been sent a *Schedule of Proposed Changes to the Submitted Core Strategy* (March 2013) CP9/PC1. This appears to include amendments to some of the Proposed Changes made in April. Is this correct?

- Was the Schedule of Proposed Changes altered during the consultation period such that the reference numbers of changes at the beginning of the period was subsequently different? If this did occur, how can the Council and I be sure that comments made on the first schedule have been correctly recorded?

- Given the above, whether the Council is satisfied that appropriate consultation has taken place and, if so, why.

- Whether and, if so, how the Council intend to take into account the representations received and whether it intends to consider and respond to

representations which suggest that information relied on by the Council is factually incorrect.

- Whether the Council is intending to take into account industry comments on the SHLAA sites or involve stakeholders in any forthcoming update of the SHLAA?

- In the context of the all above, is the Council satisfied that it will have met its commitments in the Statement of Community Involvement (or elsewhere) concerning consultation on major proposals and its appropriate response to such consultation.

17. The response regarding the SHMA/HMA should not be delayed for the response to the above consultation questions.

18. This note should be given an ID number and published on the Examination page so that all parties are aware of the matters raised (publication should not be delayed for the Council's response).

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**Inspector**  
**7 June 2013**