

Bath and North East Somerset (BNES) Core Strategy Examination**Hearing 17 September 2013 – Inspector’s conclusions on the geographic scope of the Strategic Housing Market Assessment (SHMA)**

1. The hearing on 17 September was to determine the following issue:

In the context of the Examination to date, including my preliminary conclusions on strategic matters in June 2012, does the geographic coverage of the Council’s new SHMA (CD9/H4) in relation to Housing Market Areas (HMAs) provide an adequate basis for the objective assessment of housing needs in accordance with the NPPF? If not, is any departure from national policy justified?

2. In ID/28 (June 2012) I highlighted that in order to make the plan sound further work and changes were needed including, among other matters, an assessment of housing needs that was compliant with the NPPF. NPPF paragraph 47 refers to Local Plans meeting the full objectively assessed needs for market and affordable housing in the housing market area. 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.

3. When I wrote ID/28 the main evidence before the Examination relating to the relevant HMA was set out in the West of England SHMA 2009 (CD4/H1). In that document B&NES was identified as entirely within a HMA which extended beyond the 4 former authorities of Avon. This SHMA also included Mendip and West Wiltshire. My expectation therefore (and that of many parties) was that as a result of the suspension the further work undertaken by the Council would encompass a SHMA for the whole, or at least the greater part of, this West of England HMA.

4. The Council’s new SHMA concludes (Chapter 2, Summary) that the west of B&NES falls within a Bristol-focused 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 B&NES form an entirely separate HMA which extends over a small part of Wiltshire and North Mendip (as shown in Fig 4 of that document). At the hearing, the Council stated that the text of the SHMA at paragraph 2.14 was wrong to indicate that this Bath-centred HMA was a *Tier 2* HMA. It was of comparable status to the adjoining HMA for the rest of the West of England, which I shall term the *greater Bristol* HMA. The Council also indicated that the Bath HMA was based on a Travel to Work Area of 71-72% self containment and 76-80% self containment for household migration. (The figures for the adjoining greater Bristol HMA are 88-91% and 93% respectively.)

5. The 2 HMAs shown in Fig 4 of the SHMA Update are broadly similar with work undertaken for DCLG by the Centre for Urban and Regional Development (CURD) at the University of Newcastle which also identified that B&NES was split between 2 housing market areas. (*The Geography of Housing Market Areas*, Summary Report, July 2010 CD9/H8.) Although this work predates my conclusions in June 2012, it was not relied on by the Council at that time to argue that the SHMA 2009 was wrong in identifying B&NES as part of greater Bristol HMA. In relation to the technical exercise of defining HMAs, there was no evidence of substance to indicate that Fig 4 was fundamentally flawed.

6. The identification of HMAs is the first relevant building block in the evidence for identifying objectively assessed needs. Unfortunately, the SHMA Update did

not explain further why, having identified 2 relevant HMAs, it proceeded to assess housing needs on the basis of B&NES alone and there is only 1 brief further reference in the SHMA to the relevance of these HMAs. In its pre-hearing statement (BNES/45) the Council has, however, set out more fully why it considers that its district-only SHMA is NPPF compliant and represents a reasonable (*silver*) fit to the identified HMAs.

7. Neither Wiltshire Council nor Mendip Council consider that B&NES needs to include any of their areas within the B&NES assessment of housing needs. Both Councils are pursuing SHMAs independently. There has been no indication from the Inspector conducting the Examination of the Wiltshire Core Strategy that the assessment of housing needs must be done jointly with B&NES. Mendip Council was critical of the housing figure in the B&NES submitted Core Strategy and therefore I give particular weight to its acceptance now that B&NES does not need to assess housing needs within any part of Mendip. At the hearing, no contrary view was pursued by any party. Accordingly, I consider that setting aside the extent of the Bath HMA within these 2 adjoining areas is acceptable.

8. The Council consider that given the above and because the Bath HMA within B&NES district covers about 80% of the population of the district, it is a reasonable fit to regard the district as a single HMA for the purposes of producing a SHMA and that this approach is NPPF compliant. The Council finds support for this approach in the still extant CLG Advice Note *identifying sub regional housing markets* 2007 (CD9/H7, paragraph 9).

9. The contrary view at the hearing was that, irrespective of the statistical definition of HMAs, for reasons of good planning and to properly reflect the thrust of the NPPF for Councils to plan strategically across local authority boundaries (paragraphs 178-181) and for plans to be positively prepared (paragraph 182) the housing needs of B&NES should be assessed on the basis of a West of England SHMA (covering the former county of Avon). I recognise that such an approach would be consistent with the long-standing joint working between the 4 West of England authorities on other matters and align the assessment of housing needs with economic considerations, as advanced by the Local Economic Partnership. It would also align with the decision of the West of England authorities to undertake a joint SHMA to be completed by the end of 2014.

10. I acknowledge the benefits that these wider planning factors represent for seeking joint working on housing needs irrespective of the identification of 2 HMAs. However, the NPPF's clear advice (paragraph 159) is that SHMAs should be based on HMAs. If there is sufficient alignment between a SHMA and the main HMA relating to a district it would be unjustified to require a Council to undertake a SHMA covering a multi-authority area. In addition, forcing the Council down this route would have disbenefits. Although, the 4 West of England authorities have embarked on a joint SHMA, the lengthy timetable for this work is predicated on using up to date evidence from the Census (which will emerge in stages during 2014) and the timescale for the review of other plans, particularly the Bristol City Core Strategy. Importantly, at the hearing all 3 of the other West of England Authorities supported B&NES use of a district only SHMA at this time. These authorities are not currently requiring any of their housing needs to be met by adjoining authorities such as B&NES.

11. There would need to be an overriding and clear-cut justification to require B&NES Council to either considerably delay progress on its Core Strategy to wait for the joint SHMA or to force the Council to undertake now such an assessment themselves. The latter would not be consistent with effective joint working. There is not such overriding justification to depart from a straightforward

application of the advice in the NPPF about SHMAs being related to HMAs. My previous expectation that B&NES would be undertaking an assessment of housing needs over a wider area than B&NES was based on the same straightforward application of the advice in the NPPF (given the evidence at that time of a single greater Bristol HMA encompassing the district).

12. Taking into account all the above, it is reasonable for the Council to rely on the dominant coverage within the district of the Bath HMA to have undertaken a district only SHMA. Accordingly in terms of the overarching issue for determination following the hearing on 17th September I conclude that the geographic coverage of the Council's SHMA Update (CD9/H4) provides an adequate basis for the objective assessment of housing needs in accordance with the NPPF. The Examination will therefore continue.

13. The Examination will be exploring at a hearing in due course the justification for the Council's numerical assessment of housing needs and the housing requirement proposed for the plan. One consequence of my conclusion that the geographic coverage of the SHMA is adequate is that I will not explore housing needs in the adjoining greater Bristol HMA as some representors seek.

14. It is worth highlighting some related points that came out clearly at the hearing. Firstly, whether or not B&NES is included in the final outputs of the new West of England SHMA on which work is just starting will depend on the outcome of the first phase of work in identifying HMAs. If the new Census data indicates that B&NES is predominantly part of a greater Bristol HMA, then B&NES would be included in the outputs of the joint SHMA, but if the HMAs remain along the lines shown in Fig 4 of the present SHMA Update, the new joint SHMA would not cover B&NES. Accordingly, it cannot be assumed that there will necessarily be an update of housing needs in B&NES in the next couple of years.

15. Secondly, in BNES/45, paragraph 85, the Council accept that even if the new West of England SHMA did not cover B&NES (because the evidence on HMAs showed it still to be mainly a separate HMA), the Council would still have to respond positively to any request from adjoining authorities to accommodate housing needs that could not otherwise be met within Bristol. The Council also agreed at the hearing that acceptance now of a SHMA for B&NES only would not give the Council any reason to resist any such request in the future. In my view consideration of such requests from adjoining authorities is an additional factor than the identification of needs within a best-fit HMA/SHMA.

16. Thirdly, I indicated at the hearing that I find the currently proposed changes in relation to the timing and scope of the review of the plan unclear and asked the Council to give these changes further thought. The scope and purpose of such a review will be a matter to be discussed at a later hearing.

17. I am responding in a separate note to the Council's comments in BNES/47 dealing with various matters of concern that I raised relating to the proposed broad locations for development in the Green Belt, which may have implications for the timing of future hearings.

Simon Emerson
Inspector
23 September 2013.