

Issue 1 – Is the planned district-wide scale of provision for jobs and homes justified and is there sufficient flexibility to reflect uncertainties in forecasting and changing circumstances?

Tuesday 17 January 2012

Overarching Questions

2.1 Has the Council had appropriate regard to the balance of factors listed in PPS3, paragraph 33?

1. Paragraph 33 remains the starting point for setting housing targets in Core Strategy documents. We do not consider that the Council has had appropriate regard to the balance of factors set out in this paragraph. These are set out below in relation to each bullet point.
2. Local Planning Authorities in the West of England have not worked together to set housing targets which will meet the substantial demand for housing in the sub-region in their Core Strategies. We made reference to this in our representations (para 3.11) to the publication version of the Core Strategy (M9/1109-02). However, it is worth noting that in our recently updated research for the National Housing Federation, the total reduction in housing targets for West of England authorities from RSS targets are set out below:
 - Bristol City Council – **9,560 dwellings**
 - Bath and North East Somerset Council – 10,300 dwellings
 - North Somerset Council – 12,750 dwellings
 - South Gloucestershire Council – **11,300 dwellings**.
3. This is a regional sub-total reduction of 43,910 dwellings or 37% of the RSS target (Secretary of State's Proposed Changes). This is despite the 2008 household projections for the region (produced after the Secretary of State's Proposed Changes to the RSS), showing no overall reduction on the 2006 projections. This does not demonstrate local authorities working together. To the contrary, this reduction represents 16% of all the reductions we are aware of nationally, (which totals 261,624 dwellings) even though the sub-region is one of the strongest economies in the country outside of London and has significant growth prospects (as set out by Oxford Economics).

4. We have previously set out our concerns in our representations to the December 2010 Publication version of the Core Strategy (our ref M9/1109-02) about the failure to properly consider the factors set out in this paragraph on the NHPAU projections (para 3.10 – 3.11), the SHMA (para 3.6 – 3.9), the SHLAA (3.12 - 3.16) and the Government's overall ambition to increase supply and affordability in the housing market.

5. It is worth noting that the Coalition Government has clearly restated these ambitions in the recently released Housing Strategy. The opening statement of the Executive Summary of the Housing Strategy clearly sets out the Coalition Government's ambition for housing:

'A thriving, active but stable housing market that offers choice, flexibility and affordable housing is critical to our economic and social wellbeing.'

6. Paragraph 3 of Chapter 1 of the strategy states:

'Improving affordability is crucial for aspiring homeowners. Seventy per cent of these households are living in the private rented sector – privately rented housing can support.'

7. It is therefore clear that the Council must look to provide sufficient affordable housing to meet the Coalition Government's ambition of improving affordability in the housing market. We do not consider that the current affordable housing target allows for this. The Council have set an affordable housing target of 3,000 dwellings, roughly a third of the overall housing target. However, we consider this level to be insufficient given the scale of the need. We consider that the absolute minimum of affordable housing target should be 5,000 dwellings. Our representations on behalf of Guinness Hermitage, highlighted how BANES has one of the highest levels of housing need in the region.

8. It should be noted that the Secretary of State's Proposed Changes to the draft RSS set a target of 21,300 dwellings, 35% of which were to be affordable. This would amount to a target of around 7,100 affordable dwellings. Whilst it is duly accepted that no weight should be given to the RSS, weight should be given the evidence base that underpins the document. This evidence pointed the Secretary of State towards setting a target for the district which would deliver this many affordable homes, in this context 3,000 affordable dwellings is clearly inadequate. Since this decision was made the number of people on the housing waiting list has doubled. Our target of

5,000 affordable dwellings would be far more appropriate to meet affordable housing need in the district, although we fully accept that even this would not meet the affordable housing need, but would help to stabilise affordability in the housing market in BANES.

9. However, the Council's approach to affordable housing delivery is to set it at whatever level fits within the overall housing target, which is ultimately set at an artificially low level to fit with the Council's policy of not releasing any greenfield sites. The delivery of affordable housing is therefore dependent on how much housing can be crammed in to settlement boundaries, rather than any consideration of how a higher housing target can be used to address affordability issues. This is acknowledged by the Council in Topic Paper 9 - Justification for Housing and Employment Provision. In paragraph 6.8 they state:

'The Council is aware of the amount of additional affordable housing that could be generated from the various Green Belt sites that are being promoted and the implications of not providing additional affordable housing. It is recognised that development in the Green Belt would at least narrow the gap between the estimated need for affordable housing and its projected supply under the proposals of Core Strategy. However, on this matter the Council weighs environmental costs, infrastructure implications and overwhelming public resistance to development in the Green Belt more highly.'

10. Using the Green Belt as the ultimate constraint to affordable housing delivery is contrary to PPS3 and the Coalition Government's Housing Strategy. The Sustainability Appraisal (CD4/A10 – pp22) fully acknowledges the extent of the affordability issue, but states that the affordable housing policies within the plan represent 'pro-active planning', given the Council's we consider that this calls in to question the soundness of the Sustainability Appraisal. Our recommendation is for a housing target of 14,000 – 16,000 dwellings over the plan period, with an affordable housing target 5,000. This would meet housing demand in the district and help to address the level of housing need in the district.

2.2 If the requirements of the draft NPPF in relation to planning for housing and employment were to become national policy before the close of the Examination, would planned provision meet those requirements (in particular paragraphs 13, 14 first bullet, and 2030)?

11. The draft NPPF clearly has a greater focus on promoting economic growth and also contains more direction on the production of housing targets without relying on regional targets. We do not

consider that the current housing target accords with PSS3 or the draft NPPF. Of particular concern is that the housing target is not sufficiently flexible to meet changing demands over the plan period and does not plan for 15 years of supply (a requirement of both documents). These requirements are reinforced by the draft NPPF.

12. With regards to the draft NPPF, the evidence base produced by the Keith Woodhead appears even less sound as it is based on conservative estimates of economic growth, contrary to paragraph 13.

13. The draft NPPF also focuses on the need for integrated strategies for employment. As stated in our previous representations, the Core Strategy does not provide for higher economic growth aspirations of the Local Enterprise Partnership.

14. We also do not consider that the housing target is based on a proportionate and robust evidence base as required by paragraph 28. The Core Strategy could not be considered sound if the draft NPPF was adopted as it is currently written, as the housing target does not accord with the following requirements:

‘—meets household and population projections, taking account of migration and demographic change

—addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and

—caters for housing demand and the scale of housing supply necessary to meet this demand.’

15. The justification for this is set out in set out in paragraphs 3.18 – 3.39 of our representations (our ref M9/1109-02).

2.4 What policy weight, if any, or other significance should be given to the Secretary of State’s Proposed Modifications to the emerging RSS for the South West? Parties should be aware of the conclusion I came to on this matter in my report of the Bristol Core Strategy (paragraph 12, March 2011).

16. As per the Inspector’s Report in to the Bristol Core Strategy, the Draft RSS incorporating Proposed Changes will not have been adopted by the current Government. However, the

evidence base underpinning it is still a material consideration. We do not consider that the evidence for the housing target set out by the Council represents a robust evidence base and as such can not be considered to supersede the RSS evidence base. It does however provide a useful background to housing target set by the local authority.

2.5 Is the Council's assessment of likely economic growth/job creation over the plan period in the district reasonable or too optimistic/pessimistic? Do the assumptions and overall intentions satisfy the aim of the Ministerial Statement: Planning for Growth (23 March 2011) in particular the Government's expectations in the 4th paragraph: Local planning authorities should...?

17. The Ministerial Statement for Growth clearly encourages local authorities to plan for higher levels of economic growth, rather than the conservative levels suggested in Keith Woodhead's study which underpins the housing target. This ties in with previous points we have made (prior to the publication of the ministerial statement) about the lower economic growth forecasts being used becoming a self-fulfilling prophecy which will further increase house prices and restrict economic growth (paras 3.28 - 3.36).

2.6 Given that: Economic forecasts and projections are inevitably an educated "shot in the dark" (CD4/H1, paragraph 6.1) to what extent should any one growth figure be relied on for determining employment provision and related housing?

18. Reliance on one economic forecast over the plan period is extremely problematic; any forecast will remain just that, a forecast. We consider it extremely important that flexibility is built in to the Core Strategy to ensure that the delivery of housing is not restricted by one forecast that may become dated very quickly. This is also at the heart of both PPS3 (paragraph 8) and the draft NPPF paragraph 14, which states that local authorities should:

'prepare Local Plans on the basis that objectively assessed development needs should be met, and with sufficient flexibility to respond to rapid shifts in demand or other economic changes.'

19. The current housing target is restricted by the council stated policy of not releasing any Green Belt land. By doing so, the housing target is restricted to 11,000 and the Council are unwilling to consider any level higher than this, even if this will constrain high levels of economic growth. This also acts as an overall constraint on the provision of affordable housing as set out earlier.

2.8 Is the Council's multiplier of jobs to new homes justified? (NB TP9 Justification for Housing and Employment Provision October 2011 CD6/S10 notes that there is an error in the Stage 2 Report such that the multiplier should be 1.39 and not 1.33 as in that report. This results in a calculated housing requirement of $8,700 \times 1.39 = 12,100$ rather than the 11,600 previously stated.) Is this multiplier preferable to the use of projected economic activity rates?

20. We had previously raised concerns about the use of 1.33 as multiplier for jobs to homes (para 3.22 - 3.27 our reps - ref M9/1109-02) and are pleased to see it is being revised upwards. It is still unclear why this figure was amended by the Council. We have always maintained that the 1.33 multiplier is not appropriate for BANES and would like to see the Council fully justify the higher figure.

2.10 From TP9 (eg box under 3.1), the Council's intention appears to be to balance the planned number of (net) new jobs and the growth in the economically active population from new housing. Is this aim of the Core Strategy? If so:

- *would more housing and/or fewer jobs result in unsustainable patterns of development? (See also question on commuting below.)*

21. We do not consider that more housing in the district would bring about unsustainable levels of development. First of all, there are high levels of in-commuting to Bath already that needs to be rebalanced. Secondly a very large proportion of household growth (45%) in the district comes from older person households – those aged 65 and above who (mostly) would not be economically active. New housing needs to be built as much of the population growth will come from people who already own homes in the district and will remain in them over the plan period. New housing is needed to make up for the reduction in turnover of housing stock, in addition to the new older person care and accommodation for those who wish to leave their homes. Finally, failure to meet housing demand will have a significant impact on affordability and will lead to people commuting longer distances to get to jobs in the district. The impact on Wiltshire and Mendip is likely to be significant.

2.12 Have the cross boundary implications of the strategy been properly taken into account (both within and outside the sub region)?

- *Should the plan be taking into account any needs or delivery requirements from adjoining areas?*

22. We restate our previous points about the undersupply of housing planned across the sub-region from issue 2.1.

2.14 Is the Council justified in not making additional provision to offset the shortfall against intended delivery in the Local Plan to 2006 of 850 dwellings? (TP9, 6.36.5 and CD4/H13, 3.13.4.).

23. Given that the RSS and the Core Strategy runs from 2006 and the Local Plan up to 2006, we consider that the Core Strategy should make provision for this shortfall. This amounts to a backlog of two years of supply that has not been delivered, in addition to the unmet demand brought about by a very low Local Plan housing target previously.

24. The fact that the Council have previously failed deliver the Local Plan target of 413 dwellings per annum points to the need to aim for an ambitious target and built in flexibility to the Core Strategy. The Council's justification that the as the homes were planned to meet housing demand up to 2006 means these people will now be housed elsewhere, raises the question as to what was the point in planning for these homes in the first place?

2.16 Core Strategy paragraph 7.05 anticipates a review of the Core Strategy every 5 years.

- *is such a review compatible with the intended long term nature of Core Strategies?*
- *does the Government's planned removal of regional plans make a planned review more important than before?*
- *should the Core Strategy be more explicit about what would be reviewed/when and what might trigger a contingency or review of the spatial strategy;*
- *should a spatial contingency be an explicit part of the strategy?*

25. We do not consider it is appropriate to set an artificially low housing target in the Core Strategy and then review it in five years time when economic conditions might be different. The Core Strategy should be sufficiently flexible to deal with differing economic conditions over the plan

period – this is the approach taken on the affordable housing policy. Ensuring a flexible supply of housing land over the 15 year period is also required by paragraphs 55 - 61 of PPS3.

26. The planned removal of the RSS does not make a review in the next five years more important. The evidence base underpinning the RSS should still be a material consideration for the short and medium term, even after the RSS itself has been formally abolished when the provisions within the Localism Act come in to force. Furthermore, the Council claims to have produced their own robust and credible evidence base on which to base its housing target, this is the approach which the Coalition Government has stated will be the way in which housing targets should be calculated. The problem is that the Council's evidence base is not credible or robust, if it was, it would be acceptable to base the 15 or 20 year housing target upon it.