

**James Stevens
Home Builders Federation**

BATH AND NORTH EAST SOMERSET CORE STRATEGY EXAMINATION

WRITTEN STATEMENT: ISSUE 1

Issue 1: Housing. Response to BNES 25

The fallacy of making a connection between jobs and homes

We have noted the Council's paper BNS 25 which sets out how the B&NES core strategy is aligned with the ambitions of the West of England LEP. In relating to housing, the Council shows how the LEP's employment target is supported by the proposed core strategy.

Firstly, the HBF would wish to make it clear (as we did at the hearing session) that using projected jobs growth as the basis for calculating future housing requirement is a very weak and unreliable way of planning for the future housing requirements of the district. Since the Council cannot impose occupancy conditions on the residents of new housing in the district, insisting that only those with a new job in the district can live in a new home, the Council has no way of monitoring whether its methodological approach for establishing the district housing requirement (i.e. jobs homes ratio) is an effective or realistic one. In truth existing and new residents of Bath will continue to commute to Bristol and other locations within and without the West of England sub-region.

The jobs homes ratio multiplier is also a very unreliable mechanism. While this can be of use on a regional scale (as in the case of the SW RSS) it becomes much less useful as an indicator at district level, and is meaningless at settlement level, evidenced by the fact that many towns and villages in the South West have very low numbers of jobs but high number of commuters, non-economically active households, and second home owners.

In paragraph 6 of BNES 25 the Council states that achieving a target of 14,100 gross jobs is 'very stretching' and represents a 'significant upping of performance'. In view of the Council's own uncertainties surrounding whether it is feasible for B&NES to secure this many new jobs, it begs the question whether the jobs homes ratio methodology is an appropriate and reliable measure.

Alignment of the LEP target and the plan period

The LEP's jobs growth target of 95,000 homes between 2010 to 2030 does not align with the time period that has been used by B&NES to calculate its housing requirement. The Local Plan is based on a plan period of 2006-2026. As such the Council is unable to show how the first four years of its plan (2006-2010) has informed the jobs-homes calculation and the LEP target. If the projected jobs range does indeed fall between 8,370 and 9,120 in the period 2010 and 2026 as the Council maintains (see paragraph 5) then the Council would still need to add to this

figure jobs growth for a further four years to account for the plan period 2006-2010 (assuming that the jobs homes ratio is a valid one).

Paragraph 2 of the Council's response in BNES 25 is supposed to address this issue. The Council states that there is no need to calculate the jobs created between 2006 and 2010 because there was no net jobs growth in the district in this period. No evidence is provided to support this.

However, even if the Council is correct in maintaining that no new net additional jobs were created in the period 2006-2010 it is unclear how this squares with the Council's jobs homes ratio which is the methodology it uses to calculate its housing requirement (as set out in the Stage 2 report, CD4 H1. If there really is a direct link between the number of new jobs created and the number of new homes needed, as the Council maintains, then presumably no new houses would needed to have been built between 2006-2010 because no new jobs were created? As it happens (according to the DCLG statistics on the number of completions in B&NES) 1,070 net additions to the housing stock were achieved. This demonstrates the fallacy of assuming a link between housing need and projected jobs and proves that there is no direct link between housing demand and jobs in the district of B&NES.

We suggest that the jobs multiplier is merely a statistical output rather than a driver of housing need per se. The Council has no way of controlling the economic status of the migrants into or out of the District or the number of jobs created by new industries in the District. Thus the ratio of houses to jobs could change significantly meaning that the Council's spuriously accurate ratio is changed. As stated above this becomes less of a problem at a national or sub national level but at a very small geographic area the data can produce huge swings in the multiplier. There is nothing "magic" about the Councils multiplier of jobs to homes ratio. Measurement over a different geographic area would produce a different figure.

Providing more housing plays an important role in supporting economic growth, as the Government recognises in its housing strategy (*Laying the Foundations: A Housing Strategy for England*. HM Government, November 2011). Building more homes in B&NES will improve labour mobility and encourage further job creation. This in turn could fuel even higher levels of demand for homes than the Council's complacent plan allows for. Higher jobs growth could be achieved but only through a more purposive and permissive plan.

Pro-rata figure of 76,000

The Council states that the LEP Business Plan pro-rata figure for the period 2010 to 2026 is 76,000 jobs (that is 95,000 divided by 20 years = 4,750 x 16 years = 76,000). However, since the plan period for the BANES core strategy runs from 2006 to 2026 presumably an allowance would need to be added to the pro-rata figure to account for jobs growth in the period 2006-2010. This is necessary as the Council is operating a jobs homes ratio calculation. It needs to calculate a housing requirement over the full plan period, not just for years 2010 to 2026.

What is the justification for the apportionment of the LEP target?

It is not clear from the paper (BNES 25) why BANES is apportioned an 11% share of the 76,000 target. Why 11% and not another figure? This is not explained in the paper.

Projected jobs growth is only one indicator that the Council should have regard to in planning for housing in B&NES. It is not the only one, and the Council will need to have regard to how it will accommodate commuters, economically inactive households (unemployed, retired, second home owners etc) as well as existing resident workers who will need to be accommodated within the district. While B&NES's share of the LEP's projected jobs growth may be the lowest of the four districts, it cannot assume that it will cease to perform a role as a dormitory for the more affluent working elsewhere in the sub-region or indeed further afield.

Issue 1: Housing. Response to BNES 26

Student accommodation

In paragraph 2.1 we are unclear why student accommodation built in the ten years between 1996 and 2006 should count towards reducing the Local Plan backlog, since the Local Plan only begins in 2006. Only student housing built since 2006 should be counted towards meeting the total housing requirement.

Growth forecasts

In paragraph 2.10 the Council has maintained that basing its strategy on the Oxford Central Plus economic forecast is sufficiently reliable as an indicator of the number of jobs that will be created in B&NES over the plan, and that it is 'inconceivable' that B&NES will outperform Bristol economically. As we have argued above, the problem with this argument is that it ignores the role that B&NES plays as part of the West of England sub-region. B&NES will inevitably perform a dormitory role to Bristol and the rest of the city region and there is little that the Council can do to stop this, other than applying the bluntest and most regressive tactic of restricting housing supply in the face of the evidence of overwhelming need (its own housing waiting list, its own technical housing requirement, the SHMA and the household projections).

To refuse to acknowledge the extent of B&NES's dormitory role and to try and frustrate this function will jeopardise the growth ambitions of the LEP. Additional housing in B&NES is necessary to support economic growth in the rest of the city region, and in turn, an increase in supply in B&NES will enhance labour mobility and should encourage an increase in new jobs in the district - above the 8,700 that the Council anticipates. If new employment opportunities come forward in Bristol or South Gloucestershire or North Somerset, then some of these workers (the better paid ones no doubt) will probably look to B&NES as a place to live. Failing to account for these forces will have a particularly regressive effect on middle and low income households in the district who will be priced out by the consequence of rising housing prices and rents guaranteed by housing scarcity.

To repeat the concern we cited in our original representations: the problem with the B&NES Local Plan is that it lacks ambition. It assumes, somewhat fatalistically, that it is unable to effect any positive change by deploying the planning instruments it has at its disposal to support higher rates of growth. It is very apparent that B&NES views itself as existing in splendid isolation from the rest city region and those forces in operation outside of its borders. Such an insular strategy means that the plan is very much contrary to *Planning for Growth* and its requirement that plans take into account cross-boundary issues (we will reflect on this further in our Written Statement on the Duty to Cooperate).

Issue 1: Housing. Response to BNES 31

Student Housing

The housing requirement will need to be re-calculated to take into account the need to make provision for the projected level of student housing needed over the plan period.

We note with interest the statement by Grant Shapps, Minister for Housing, that is included in BNES 31. If student housing is now to be counted towards the housing requirements of the district then the Council will need to assess what the student housing need is over the plan period. We are not aware of the Council having done so either in its SHMA (CD 4/H11) or in its Stage 2 Report (CD4/H1).

Since the housing requirement is derived from a jobs to homes multiplier (8,700 jobs x 1.39 = a technical housing requirement of 12,100) it is unclear how a newly created student places at a higher education institution in B&NES will fit-in alongside this methodology and how this would impact upon the overall level of need. Student places, afterall, are not new jobs. The Council will need to clarify whether it will apply the same multiplier to each new student place created over the plan, i.e. that each new university place will also be multiplied by 1.39 to come up with the necessary number of student homes.

If the number of student dwellings needed is a one-off fixed number (for example 300 units to meet a defined need over the plan period as the Council suggests), then how does B&NES justify lifting the capacity-constrained housing target from 11,000 homes to 11,500 homes to accommodate the needs of students, but is happy to ignore the needs of other households including those identified in the SHMA and the 12,000 resident households currently on the housing waiting list? Why are students treated differently from those with other housing needs in the district? We argue this not because we dislike students but to illustrate the subterfuges the Council is forced to resort to in order to reduce its overall residual housing requirement. The Council is factoring in student housing simply to reduce its residual housing requirement and the need to identify land.

In paragraph 7 the Council argues that the student need can be accommodated within the 'generous' cushion that it has factored-in to accommodate non-economically active households. But if the student housing need over the plan period has not previously been accounted for (and assessed by the SHMA or Stage 2 report) then how can this be the case? The plan is unsound because it has not

planned for an increase in student numbers. Failing to provide for students would exacerbate the housing stress in the district.

But also, as we have argued before, this 'generous' cushion for non-economically active households does not exist in reality. The multiplier of 8,700 jobs by 1.39 generates a technical requirement of 12,100 homes. The technical requirement therefore only addresses the need arising from new jobs. Moreover, since the technical requirement has been capacity constrained to 11,000 homes there is, therefore, no cushion in actuality for either any increase in the non-economically active let alone any increase in student numbers.

James Stevens
Strategic Planner

Email: james.stevens@hbf.co.uk
Tel: 0207 960 1623