



**BATH AND NORTH EAST SOMERSET
CORE STRATEGY EXAMINATION**

ISSUE 2

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Issue 2: Is the spatial strategy for the delivery of housing and jobs justified and are there reasonable prospects for delivery consistent with national advice?

The SHLAA (general)

3.1 Assumptions made in the SHLAA:

- *Does the SHLAA assume that all sites (large and small) with extant planning permission will be delivered?*
 - *Is there any allowance for non implementation? What is the past rate of non-implementation and is this likely to be continued?*
 - *On what evidence has the Council assessed whether sites with planning permission are deliverable?*
 - *On what evidence has the Council assessed whether the SHLAA sites without planning permission are deliverable/developable?*
 - *In the light of the above (and more detailed consideration below) is the trajectory reasonable?*
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1.1 The SHLAA assumes that all sites (large and small) with extant planning permission will be delivered. There is no allowance for non implementation which in our view is unwise especially given the very tight fit between housing requirement and land supply.

1.2 In terms of delivery, the Council have acknowledged in the Cabinet Report of 13th September 2011 that the housing land supply is tight, the Core Strategy plans for 11,000 dwellings and the SHLAA identifies 11,200 dwellings. What is more a significant proportion of these sites are brownfield and are inherently more difficult to bring forward as noted in the SHLAA. The Council have also acknowledged in the Report that there is limited scope to react if development does not progress as planned i.e. if brownfield sites are delivered more slowly or have less capacity than planned. Therefore, even on the basis of the Council's own figures there is the risk of not meeting housing needs and consequently exacerbating affordable housing needs and potentially limiting economic growth (paragraph A1.5 of the Cabinet Report 13th September 2011).

1.3 Unfortunately the Council does not have a good track record on housing delivery. There was a shortfall of 1,000 dwellings¹ during the Local Plan period (1996 – 2011) which is being ignored in the Core Strategy. The two largest allocated sites in the adopted Local Plan (Bath Western Riverside and South West Keynsham K2A and K2B, have not come forward as anticipated in the Plan period. After the first three years of the Core Strategy period, delivery failed to keep up with the residual

¹ Paragraph 3.1 of the SHLAA Report of Findings – May 2011

requirement. Neither does the Core Strategy take into account the backlog of unmet housing need.

- 1.4 It is considered that even on the Council's own housing figure of 11,000 that there is insufficient flexibility to accommodate the reduced scale of growth i.e. reduced compared to ONS Population Projections.
- 1.5 The SHLAA Report provides a Housing trajectory and indicates that delivery during the first five years has already fallen behind by 783 units i.e. over 25% of the Council's estimated requirement. The SHLAA report anticipates delivery getting "back on track" by 2015/16; it is not clear what assumptions were made to arrive at this conclusion given that a significant proportion of the sites are brownfield.

3.2 The SHLAA (CD4/H13, Table 2.1) identifies specific sites for 11,205 dwellings. The Council contend (SHLAA 2.53-2.54) that to this figure can be added at least 400 units and, potentially, 560 units from small sites windfalls in the last 4 years of the plan:

- *Is the numerical assessment reasonable?*
 - *What effect, if any, are the changes to PPS3 June 2010 likely to have on future small site windfalls compared with the past and are any such consequences reflected in the figures?*
 - *Is it reasonable to include at least 400 units as part of the overall supply?*
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1.1 On the basis of past trends there is the possibility that windfalls in the post 10 year period will deliver 400 – 560 dwellings but there are three very important factors to take into account:-

- (i) these numbers (if they emerge) may only offset non implementation of other committed sites;
- (ii) the trend on which this estimate has been based relates to a period prior to the removal of “garden grabbing” from PPS3. More recent trends post this change may show much lower rates of infill particularly with the Localism Act and greater discretion being given to local authorities;
- (iii) the trend period also coincides with very high levels of flat conversions and new build. The market has now changed very significantly towards provision of individual family houses at lower densities.

1.2 Given that this estimate of delivery from windfall sites post 2021 is over 10 years ahead when market conditions may be significantly different we think it unwise to rely on this figure being delivered; we are content for the Council to rely on it as a small contingency element.

3.3 Five year housing supply:

- *What is the current 5 year supply position?*
 - *Will the Core Strategy facilitate the provision of a 5 year supply over the plan period?*
 - *If the requirement of the draft NPPF in relation to housing supply of 5 years plus 20% (paragraph 109) were to become national policy before the close of the Examination, would the Core Strategy facilitate such provision?*
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1.1 In this context updated PPS 3 (June 2011) contains extensive advice on ensuring adequate supplies of housing land. Accordingly, one of the central Government's objectives set out in PPS 3 is to ensure that the planning system delivers a flexible, responsive supply of land for new homes.

1.2 Currently PPS 3 seeks a "Step Change" in housing delivery, through a new more responsive approach to land supply at the local level. Paragraph 32 of PPS 3 states that:

"The level of housing provision should be determined taking a strategic, evidence based approach that takes into account relevant local, sub-regional, regional and national policies and strategies achieved through widespread collaboration with stakeholders."

This objective for many more houses has been repeated more recently in the Growth Agenda with Ministers seeking in excess of 200,000 homes per annum.

1.3 One of the primary policy "levers" in PPS 3 is that Local Planning Authorities (LPAs) are expected to identify sufficient housing sites to deliver the first 5 years of dwelling requirements. PPS 3 requires that LPAs assess and demonstrate the extent to which existing plans fulfil the requirement to identify and maintain a rolling 5 year housing land supply, which needs to readily deliverable land for housing². Paragraph 55 requires LPAs to identify a further supply of specific, developable sites for years 6-10 and where possible for years 11-15.

1.4 Before looking at the 5 year Land Supply position it is relevant to look at a comparison of actual completions as against those anticipated in the Council's plans.

a) Housing Completions and the BANES Local Plan.

1.5 The Council's Annual Monitoring Report 2009/2010 monitors the progress of housing delivery against the adopted Local Plan (this being the only part of the statutory

² Paragraph 7 of Planning Policy Statement 3: Housing. Published 2010

Development Plan which contains a readily understandable housing number for the BANES area). The Local Plan housing requirement for the period 1996 – 2011 is 6,855; progress against this figure has been slow and the Table below was taken from the SHLAA Findings Report 2011.

- 1.6 The SHLAA Findings Report May 2011 (CD4/H14) provides an update on the housing land supply.

Housing completions in BANES Compared to Local Plan Housing Requirement

Source: Table 1 SHLAA Findings Report

Local Plan 1996 – 2011 (457 pa)	6,855
Net additional dwellings since the start of the LP period (1996 – 2010/11)	5,709
Forecast shortfall	1,146

- 1.7 The Council in its own assessment has acknowledged that the Council will fail to meet even the modest housing provision target set in this Local Plan; the residual requirement is 1,146 dwellings during the final year of the plan. This means that only 83% of the Local Plan target will have been achieved. One of the major reasons for this is that two large allocated sites have failed to come forward one of which is partially controlled by the Authority. The Western Riverside site at Bath was intended to provide 450 - 600 houses by 2011 and the South West Keynsham was intended to provide 500 homes (of the 700 estimated to be its total capacity). Neither has come forward as anticipated. Part of the South West Keynsham site was considered by the Council at Committee on 27th October 2010 and although recommended by officers for approval the Council refused the application. The applicants went to appeal in June 2011 and the site was subsequently granted, although implementation is unlikely to occur until mid 2012 at the earliest.

- 1.8 CD4/H14 shows past completion rates. In only four of the last fourteen years of the Local Plan have housing completions been in excess of the anticipated annual provision in the Local Plan. Only in the early years did completions exceed the target.

b) Emerging Core Strategy

- 1.9 CD4/H14 provides an assessment of housing land supply against the emerging Core Strategy Housing Delivery Target 2006 – 2026 i.e. 11,000 dwellings. Even against the Council's latest housing figure of 11,000 the housing delivery during the first 5 years of

the Core Strategy has been 71.5% of the indicative annual rate need to deliver the Core Strategy. This means that the delivery is currently 783 dwellings behind the indicative cumulative requirement. Thus whilst the annual average over the whole period is 550 dwellings, the annual average completions for the five years to 2009/10 is only 393. The Council acknowledge that based on its own figures it is already about 1½ years behind on its own estimate of requirements.

Core Strategy Housing Requirement for Bath and North East Somerset

	Dwellings	Average dwellings per annum
Housing Requirement 2006 - 2026	11,000	550
Completions 2006 -2010/2011	1,967	
Residual requirement for 2011 -2026	9,033	602
Requirement for 5 years – 2011 - 2016 (residential annual average of 602 dwellings x 5 years)	3,010	602

c) Five Year Land Availability Calculations: Delivering a flexible supply of land for housing

1.10 It is central Government’s stated objective to ensure that the planning system delivers a flexible, responsive supply of land for residential development. To that end PPS 3 seeks the development of policies and the implementation of strategies to “**ensure that sufficient, suitable land is available to achieve their housing and previously developed land delivery objectives**”.

1.11 In this context PPS 3 (Paragraph 53) states that:-

At the local level, Local Planning Authorities should set out in Local Development Documents their policies and strategies for delivering the level of housing provision, including identifying broad locations and specific sites that will enable continuous delivery of housing for at least 15 years from the date of adoption”.

1.12 It should be noted that if the plan was adopted in 2012 it would only be 14 years before the end of the plan period.

1.13 In the ensuing paragraphs PPS 3 established a clear methodology for the bringing forward of sites in both the short term i.e. first 5 years, the medium term (6 to 10 years) and in the longer term (11 – 15 years). So far as short term sites are concerned Paragraph 54 of PPS 3 makes it clear that there is a requirement to ensure that there

is an adequate supply of sites which are capable of being delivered within the first 5 year period. By contrast, sites for the medium term should be “developable” within that period. Paragraph 54 elaborates on the term “deliverable” stating that such sites should be:-

- “• **Be Available immediately.**
- **Be Suitable – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities.**
- **Be Achievable – there is a reasonable prospect that housing will be delivered on the site within five years”.**

1.14 The current 5 year supply position has to be considered against the statutory development plan. In this case the only document which falls into that category is the BANES Local Plan dating from 2007. However, as noted above this only covers the period 1996 to 2011 and would need to be extended to achieve a 5 Year requirement. Account would also need to be taken of approximately 1,146 units which have yet to be constructed from the overall total of 6,855 over this period (see above). The Table below sets out a housing requirement total for the period April 2010 to April 2015 based on the dwellings remaining to be constructed in the last year of the Plan period (2010/11) followed by four additional years at the average Local Plan build rate across the whole 15 year period.

1.15 In addition to the 5 Year housing requirement derived from the BANES Local Plan the Table below also includes calculations showing the 5 Year requirement from other sources.

1.16 Having established a range of 5 Year housing requirements the Council’s assessment of land supply as set out in Table 4.2 of the SHLAA Findings Report 2011 has been used to calculate the 5 year supply. It must be stressed that this calculation is based on the Council’s optimistic assumptions from the SHLAA. Pegasus believe that the supply of many of the urban sites will be delayed thereby reducing the requirement to less than a 5 Year supply even based on the Council’s own Local Plan requirement and Core Strategy submission.

1.17 The Table below sets out the 5 Year land supply position depending on the overall requirements used. This assessment has used the BANES 5 year deliverable supply. It will be seen from this that even using the modest annual build rates from the core Strategy are vulnerable with only 5.2 years. The Council cannot demonstrate a 5 Year

supply of housing land when the higher housing requirement estimates from the RSS or from ONS Projections are used, the size of the deficit increases.

- 1.18 It is considered that the Core Strategy will fail to facilitate the provision of a 5 year supply over the plan period even based on the Council's own housing requirement; due to the fact the housing land supply is tight and there is little scope for flexibility or contingency.
- 1.19 Given the above, the Core Strategy would be unable to facilitate a provision of a 5 year land supply plus 20% in accordance with the draft NPPF. This is especially the case as the strategy is based almost entire on the development of brownfield sites so there is little or no flexibility on the supply side. Indeed, the likelihood is that any flexibility will be on the negative side due to delays in bringing forward urban sites which are heavily dependent on viability issues and current use values.

Table: Comparing 5 Year Land Supply with dwelling requirement.

	Adopted BANES Local Plan rolled forward	Core Strategy Submission (December 2010) 11,000 dwellings	RSS Proposed Changes 21,300 dwellings	2008 based ONS household projections (Nov 2010) 16,720 dwellings	Chelmer Trend Based Run * 20,770 dwellings	Chelmer Dwelling Led run* 34,726 dwellings
Projected Backlog against the Local Plan	1,146	1,146	1,146	1,146	1,146	1,146
LP requirement 2011 Year 1 of housing land supply	1,146	1,146	1,146	1,146	1,146	1,146
Total requirement for Year 1 2011 – 2016	1,146 + (4 x 457) = 2,974	1,146 + (4 x 550) = 3,346	1,146 + (4 x 1,065) = 5,406	1,146 + (4 x 836) = 4,490	1,146 + (4 x 1,039) = 5,302	1,146 + (4 x 1,736) = 8,090
Annual 5yr requirement	595	669	1,081	898	1,060	1,618
5 yr supply LPA	3,622**	3,622	3,622	3,622	3,622	3,622
Number of Years Supply	6yrs	5.4yrs	3.4yrs	4yrs	3.4yrs	2.2 yrs

* See Issue 1 Appendix 1 Demographic and Housing.

** SHLAA Findings Report May 2011.

3.4 Assuming adoption in 2012, there would be only 14 years to the end of the plan period in 2026.

- Should the Core Strategy demonstrate how housing supply will be maintained over at least 15 years from adoption to comply with PPS3 53?
- If so, where would continued housing development take place?

1.1 PPS 12, which is still national guidance until replaced by the NPPF, states that Core Strategies should look over a long time frame - 15 years usually but more if necessary. Paragraph 4.46 states that:

"Plans should be able to show how they will handle contingencies: it may not always be possible to have maximum certainty about the deliverability of the strategy. In these cases the core strategy should show what alternative strategies have been prepared to handle this uncertainty and what would trigger their use. Authorities should not necessarily rely on a review of the plan as a means of handling uncertainty."

1.2 Although 4 years seems to be only slightly below the guidelines the lack of dwelling allocations and the lack of flexibility in the supply of sites makes this fact significant and sufficient in itself to find the Strategy unsound.

1.3 On the basis that the Inspector does not wish to hear of specific sites (for the reasons outlined at the preliminary meeting) there are two categories of site that need to be released:

- (i) sites around Bath and the larger towns such as Keynsham to meet local need;
- (ii) sites around the urban edge of Bristol to meet part of the City's unmet need

1.4 Both sites will necessitate an urgent review of the Green Belt. Although the Council has now sought to resile from its earlier work on urban extensions (as it does not have to follow the emerging RSS) the earlier work on the Green Belt relaxations and the accompanying SEAs would appear to suggest that these are the best locations for adding to housing requirements with specific allocations to match the most recent population projections as required by PPS3. This includes land at Whitchurch and Keynsham both of which are part of strategic locations which were previously deemed to be appropriate for release for larger dwelling numbers. Consequently they should be re-examined.

Flood risk (strategic sequential test)

3.5 Has the PPS25 sequential test for flood risk been appropriately addressed in the broad locational strategy? (See Council's further explanation in BNES/2 1.8-1.14.) (Council to note: I do not accept the last sentence of 1.9. The Core Strategy is the only opportunity to meaningfully apply the sequential test to the broad locational choices being made in the strategy, even though the specific housing capacity in the Bath River corridor at high flood risk may be uncertain until more detailed work is done. The Placemaking Plan would not be able to alter the strategic choices being made now.

1.1 No comment on this as primarily addressed to Council.

3.6 Should the Core Strategy include a contingency in case the more detailed work in the Placemaking Plan cannot satisfy the exception test?

1.1 The Council have already acknowledged that the land supply is tight and that there is very little flexibility. If sites cannot pass the exceptions test from PPS25 then this simply adds to the reasons for finding the Plan unsound. Unfortunately a contingency arrangement would not only be too small to make up any shortfall but the Council has already shown itself to be unwilling to introduce such a measure. Pegasus Planning Group considers that the Core Strategy is fundamentally flawed as it does not propose a strategy but restates the commitments arising from the Local Plan (see response to Issue 1 and Appendix 1). The only solution is for the Core Strategy to be found unsound followed by a fundamental review of the Core Strategy including the Green Belt. There are no disadvantages of finding the plan unsound as it will not delay any sites coming forward as they are already allocated in the adopted Local Plan or are sites with planning permission (or which would receive planning permission). No new sites are identified. The lack of a plan will not open up any protected areas because of the strength of the existing designations e.g. Green Belt, AONB.