

**BANES  
CORE STRATEGY DPD  
EXAMINATION**

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**DAYS 1 & 2**

**Issue 1: Scale of Provision for Jobs  
and Homes**

**HEARING DATE:**

**TUESDAY 17 & WEDNESDAY 18  
JANUARY 2012**

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**STATEMENT**

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**For**

**The Duchy of Cornwall**

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**December 2011**

**Executive Summary: Test of Soundness**

*PPS12 sets out the principal components to be included in local spatial plans.*

*Paragraph 4.42 of the PPS requires that in order to be “sound” a core strategy should be justified, effective and consistent with national policy.*

*PPS3 sets out the specific outcomes that the planning system should deliver. It also sets out a requirement for development plans to take into account evidence of current and future levels of need and demand for housing and affordability levels based upon, inter alia, local and sub-regional evidence of need and demand as set out in SHMAs. This duty to cooperate is carried forward under Part 6 (Sec.110) of the Localism Act 2011, the requirements of which may come into play if further preparation and/or consultation is likely.*

*In order to be justified the Core Strategy (CS) must be founded upon a robust and credible evidence base and represent the most appropriate strategy when considered against the reasonable alternatives. Effective means that the document must be deliverable, flexible and able to be monitored.*

*For the reasons set out in our submissions, we are of the view that the Core Strategy fails the following PPS12 tests of soundness:*

**Justified**

*The suggested approach to (i) establishing a housing requirement (ii) housing delivery; and (iii) distribution does not represent the most appropriate strategy when considered against the reasonable alternatives.*

**Effective**

*The approach to addressing housing, employment and growth related needs has not been demonstrated to be either deliverable or flexible.*

**Consistent**

*The proposals are not consistent with national policy in that they fail to provide a sufficient supply of deliverable/developable housing land.*

*The draft CS should be amended in accordance with our detailed representations.*

***In accordance with our recommendations we are of the view that additional technical work is required to be undertaken in relation to the Green Belt and the District-wide scale of provision for jobs and housing. This would need to be followed by a further round of public consultation and re-examination of the changes before the plan could be found sound.***

## **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?**

### **Overarching Questions: Inspector's Paragraphs 2.1 to 2.4**

#### **Summary**

- 1.1. For the reasons set out in our detailed representations submitted in response to the submission draft CS and the subsequent Significant Changes consultation, we are of the view that the CS is unsound. We expand upon our reasoning below.
- 1.2. The Council's approach to the overall amount of housing to be met during the plan period is neither justified or effective in so far as it fails to represent the most appropriate strategy when considered against the reasonable alternatives and nor does it provide either a deliverable or flexible strategy.
- 1.3. The evidence base points to a need to plan for a higher number of dwellings than the 11,000 currently proposed in the submission draft CS. This requires a change to the Core Strategy which matter can only be addressed through further consultation, to include:
  - i. The need to plan for a greater number of dwellings during the plan period; and
  - ii. The need to undertake a review of the Green Belt at Bath in order to provide for housing in the area of greatest need.
- 1.4. In preparing our Statement we rely upon our earlier submissions comprising:
  - Representations upon the submission draft CS
  - Representations upon the Significant Proposed Changes

## Statement of Case

### Q2.1 and 2.2

- 1.5. Inspector's Note ID/1 sets out a helpful summary of the position in relation to the relevant considerations having regard to the level of housing growth to be met during the plan period.
- 1.6. As identified by the Inspector, housing land supply and site delivery represent the principal issues to be resolved in terms of assessing the soundness of the CS within the context of the need to plan for an appropriate level of net additional dwellings in the period 2006 to 2026.
- 1.7. As set out in our representations upon the Significant Proposed Changes consultation, together with the Inspector's pre-examination notes, the various requirement figures are summarised below:

*Table 1: Housing Growth Scenarios*

SoS Proposed SWRSS Changes	21,300 (1,065dpa)
SWRSS Panel's Report	18,800 (940dpa)
BANES SHMA (affordable need only)	16,940 (847dpa)
Draft South West RSS	15,500 (775dpa)
BANES Spatial Options 2009	15,500 (775dpa)
Baker Associates	14,500 (725dpa)
IPPR Trading	14,400 (720dpa)
ID/7, paragraph 2.8	12,100 (605dpa)
Woodhead Report	11,600 (580dpa)
Submission Draft CS	11,000 (550dpa)

- 1.8. The LPA's locally derived figure of 11,000 dwellings to be met during the period 2006 to 2026 is materially below the level of need identified under any of the alternative scenarios.
- 1.9. In considering the above scenarios, we are aware of the Inspector's findings in relation to the housing requirement to be met in the Bristol Core Strategy and the requirement that regard should still be had to the evidence base to preparation of the RSS.
- 1.10. As set out in the Planning and Compulsory Purchase Act 2004, the strategic housing requirement set out in the RSS is the starting point against which the housing requirement to be met within BANES is to be assessed. However,

the delivery of housing is seen as a matter of national priority and there have been various recent statements both by the Chancellor of the Exchequer and other Ministers of DCLG indicating the importance of housing delivery and the benefits of the same to both the National and Local economies. Moreover, recent SoS appeal decisions confirm the significant weight to be attached to planning for economic growth including increasing the delivery of housing.

- 1.11. In all of the circumstances, the need to provide for and address housing delivery is an issue which must be viewed both positively and urgently by local planning authorities. This approach is reaffirmed by the Coalition Government in the draft NPPF.
- 1.12. The draft makes it clear at paragraph 109 that in significantly increasing the supply of housing LPAs should meet the full requirements for market and affordable housing. This in part, carries forward the requirements set out in PPS3 which states that, inter alia, when determining the local level of housing provision LPAs are required to take into account evidence of current and future levels of need and demand for housing and affordability levels based upon, inter alia, local and sub-regional evidence of need and demand, set out in Strategic Housing Markets Assessments (SHMAs) and other relevant market information such as long term house prices.
- 1.13. The evidence base, including the Council's own Housing Needs Assessment, identifies a level of need totalling 847 affordable dwellings per annum. This further emphasises the need to plan for housing growth now and to ensure the early delivery of housing allocations.
- 1.14. As set out at paragraph 33 of PPS3, when determining the local level of housing provision LPAs are required to take into account evidence of current and future levels of need and demand for housing and affordability levels based upon, inter alia, local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments (SHMAs) and other relevant market information such as long term house prices. They are also required to take account of the Government's overall ambitions to improve affordability and increase housing supply.
- 1.15. In response to the Inspector's Q2.1 and 2.2 we do not accept that the Council has had appropriate regard to the balance of factors listed in PPS3, paragraph 33 and/or, the stated NPPF paragraphs.

- 1.16. Against the above background, the evidence base points to a need to plan for a higher number of dwellings than currently proposed in the submission draft CS.
- 1.17. Given the level of housing need identified by the evidence base to the CS (noting in particular the high level of affordable need) the components of supply relied upon by the LPA must be demonstrated to be deliverable/developable at the point envisaged.
- 1.18. As set out below, there is no contingency in the CS that could otherwise take up any slack in the event that the identified components of supply fail to come forward at the point envisaged.
- 1.19. It is clear from the level of housing need in BANES that the 11,000 requirement under provides for the likely requirement which is expressed as a range in Table 1 above.

### **Q2.3**

- 1.20. The Inspector will be aware of the content of the independent research paper prepared by IPPR Trading submitted as part of our representations upon the Significant Changes consultation which suggests that the housing requirement should be in the region of 14,400 dwellings. This is broadly aligned with the 14,500 figure set out in the Baker Associates report.
- 1.21. In responding to the “Woodhead Model” (CD4/H1 and CD6/S10), the principal findings of the IPPR report are:
  - A variety of methods and scenarios can be used to estimate housing needs. Those methods that are mostly based on demographic change generate higher estimates than those based on economic factors. Academic research would tend to favour methods that are based on demographic factors as the basis for long term housing need.
  - The BANES projections as per Woodhead (2010) appear to be much lower than the official CLG projections. This is because Woodhead (2010) only projects working-age household change on the basis of net immigration. Adding demographic change effects to the Woodhead (2010) estimates brings the estimates closer to the CLG projections. The remaining gap could potentially be explained by the conservative job growth estimates utilised and an overestimation in the CLG model of the rate of household formation.

- Regardless of future demands, currently there are indicators that the housing provision in BANES is insufficient, particularly in the social rented and affordable housing sub-sectors.
- Even on the conservative Woodhead (2010) estimates, recent housing supply has been well below that required to meet need; as such the rate of housing supply needs to be increased beyond previously estimated rates.

1.22. Against the above background, it is inconceivable (particularly given the affordable housing need identified in the Council's own evidence base) that BANES could arrive at a requirement figure as low as 11,000 dwellings. This clearly fails to represent the most appropriate strategy when considered against the reasonable alternatives.

### **Q2.3**

1.23. Our response to the "weight" to be applied is set at paragraph 1.9 above. The evidence base to preparation of the RSS clearly carries weight as a material consideration in arriving at an appropriate housing requirement to be met during the plan period.

### **Economic/Job Growth Forecasting**

1.24. CD4/H1 pre-dates the November 2010 announcement in relation to the reinstatement of RSS policies as part of the development plan to the extent that it carries limited weight in determining an appropriate strategy for the District.

1.25. Notwithstanding the limited weight to be attached to the document, we note reference within the executive summary to the adverse effects resulting from shortfalls in the delivery of sufficient housing land. We also note the fact that the Paper sets out a job based requirement totalling 11,600 dwellings (580 per annum) (the Inspector suggests a higher figure totalling 12,100 dwellings @ 605dpa) whilst a higher growth scenario (although still based on constrained growth at less than a constant 2.8% pa) would result in a requirement for some 14,896 dwellings. Even these scenarios, despite being limited in their suitability given the omission of an assessment of the requirements within the wider Bath TTWA, provide for a requirement above the 11,000 dwellings planned for in the draft CS. Moreover, and as set out in the letter from DCLG

to Chief Planners dated 6 July 2010, even if the RSSs are subsequently revoked, LPAs will still be required to justify housing numbers in plans.

- 1.26. Further information is set out in the report prepared by IPPR.
- 1.27. Additional parts of the evidence base in seeking to plan for an appropriate amount of housing growth in the context of the West of England is the Local Enterprise Partnership which sets out the aim of achieving 3.4% growth and creating 95,000 new jobs by 2030, including 5,000 new jobs by 2026 within Bath Riverside. It is unclear how the employment aspirations are to be reconciled with the planned redevelopment of the Riverside for housing. Moreover, there are likely to be a number of job losses resulting from the closure and planned redevelopment of the MOD sites.
- 1.28. A further issue to be considered is the content of the South West Growth Scenarios Final Report (June 2010) which identifies a range of growth options from 1.3% to 2.75%. It is also identified in the report that the effects of an ageing population progressively reduce the contribution of labour supply. Accordingly, there is a demonstrable need to plan for an appropriate level of house building in order to provide for people of working age to ensure continued growth in the economy.

### **Relationship of Jobs to Housing**

- 1.29. In responding to this question/issue, we rely upon our earlier representations and will expand upon the position in our “round the table” discussions at the Examination.
- 1.30. Bath is the principal urban area within the District and provides for the most employment opportunities. Accordingly, providing for an appropriate level of house building at Bath would be likely to reduce the need for longer distance commuting.

### **The Spatial and Practical Implications**

#### **Q2.11 and 2.12**

- 1.31. The housing requirement set out in the Panel’s Report on the draft RSS and the subsequent Proposed Changes take account of the need to plan for



growth in the context of cross-administrative boundaries, particularly in the case of commuting between the main conurbations including, inter alia, Bath and Bristol.

- 1.32. As set out in the SoS's Reasons for the Proposed Changes, the level of growth to be met within the Bath SSCT was increased for the following reasons:

*“The proposed increase in the level of housing provision at the Bath SSCT over and above that recommended by the Panel will:*

- *secure a better alignment between job creation and housing development thereby reducing the need to travel in line with policies SD1 and SD4*
- *better reflect the West of England Partnership's vision for the West of England sub-region to become one of the fastest growing in Europe”*

- 1.33. As set out at paragraph 4.1.24 of the Panel's Report, SWRDA supported the view that Bath is seen as a desirable business location but suggested at the EiP that its role is constrained by a lack of available employment land and sought an increase in employment land supply. It was suggested by them that this could be addressed in part by the allocation of land at south west Bath to provide for a mixed use urban extension of up to around 2,000 dwellings together with associated infrastructure provision and employment opportunities.

- 1.34. Although not formally approved as policy, the Proposed Changes to the RSS provide the most up to date and independent review of housing and employment need in the area and in accordance with DCLG advice in July 2010 (Chief Planning Officer's Letter) represent a material consideration which should be taken into account in preparing the CS.

- 1.35. The subsequent work by the Council in reviewing future employment growth rates is also clearly relevant but is limited in its scope and does not take account of other issues which favour growth in and around Bath. This includes sustainability factors such as discouraging long distance commuting and doubts over the availability of existing major housing sites in Bath.

- 1.36. As set out in our representations, by decanting part of the strategic housing requirement which was proposed to be met in the form of an urban extension to Bath, the CS is encouraging more dispersed growth that is unlikely to provide for a sustainable pattern of development. Such an approach is only likely to serve to increase commuting and travel distances to Bath to access employment opportunities and the retail and leisure attractions provided within the Bath urban area.
- 1.37. Bath City is acknowledged by all parties as the predominant settlement in BANES and provides the most sustainable location for growth in the District.
- 1.38. Recent advice and legislation makes clear the requirement to take account of cross-boundary issues (e.g. the draft NPPF and Localism Act); the CS fails in this regard. Accordingly, we are of the view that the CS fails the tests at PPS12 concerning the need for a collaborative approach. The CS demonstrates little if any consideration for the potential implications for adjoining authorities as a result of the inadequate levels of housing growth proposed. The problem in the wider sub-area is exacerbated by the lower levels of housing growth planned for in the adjoining authorities when compared with the requirement set out in the emerging RSS. This includes Wiltshire County, South Gloucestershire and Bristol (where it is acknowledged that limited house building opportunities are available). This general approach will place further pressure on BANES.

**Q2.13**

- 1.39. For the reasons set out above, the Council's approach to the overall amount of housing to be met during the plan period is unsound as it cannot be said to be justified, effective or consistent with national policy.
- 1.40. The draft NPPF makes it clear at paragraph 109 that in significantly increasing the supply of housing LPAs should meet the full requirements for market and affordable housing. This in part, carries forward the requirements set out in PPS3. This states that, inter alia, when determining the local level of housing provision LPAs are required to take into account evidence of current and future levels of need and demand for housing and affordability levels based upon, inter alia, local and sub-regional evidence of need and demand, set out in Strategic Housing Markets Assessments (SHMAs) and other relevant market information such as long term house prices.

- 1.41. The consequences of planning for a level of housing growth below the required level are likely to have an adverse impact upon economic growth as well as failing to meet identified housing needs resulting in an inherently unsound CS.

### **Flexibility and Review**

#### **Q1.15 to 2.17**

- 1.42. There is no flexibility in the Core Strategy, which matter would have been addressed, albeit only in part, had the Council endorsed the officer's proposal to consult upon contingency allocations which matter was considered at Full Council in September 2011 where it was clearly identified that the housing need is at Bath.
- 1.43. A review of the CS at five year intervals fails to provide the certainty required by PPS12 and avoids making the difficult decisions which matter is addressed in the Examining LDFs document prepared by PINS.
- 1.44. The inherent failings of the CS is compounded by the fact that even at the 11,000 dwellings planned for to be met during the plan period, the CS fails to provide for a contingency in the event that any of the identified components of supply fail to come forward at the point envisaged.
- 1.45. Guidance in relation to the need to plan for contingency and provide for a flexible strategy to deal with changing circumstances is set out in PPS3 (para 62), PPS12 (Para 4.46, 4.47 and Pg20) and Examining LDFs (paras 11 and 13). We will refer to these requirements at the Examination.
- 1.46. For the reasons set out above, a spatial contingency should be an explicit part of the CS. However, the CS should include a requirement to plan for a Green Belt review as part of the baseline housing requirement.
- 1.47. In accordance with Part 6 (112) of the Localism Act, modifications, requiring further technical work to be carried out, to include a Green Belt review followed by a further round of public consultation would be necessary before the plan could be found sound.

**1.48. As submitted, the CS is unsound as:**

- In light of the importance the Government is now placing on promoting economic growth it is unable to respond to greater than anticipated economic growth, migration and housing pressures
- It is not sufficiently flexible to accommodate even the planned scale of growth at 11,000 dwellings, particularly if the brownfield first strategy (focusing upon the Western Riverside) fails to deliver housing numbers at the envisaged rate and/or if they have less housing capacity than planned due to, inter alia, flood constraints (which matters are addressed in our Issue 2 Statement)

**1.49. Policy DW1 should be amended as follows:**

**Point 2 – levels of growth (jobs and housing) to be revised upwards with the housing target to be aligned with the IPPR figure and thus setting a target for the delivery of 14,400 dwellings as a minimum<sup>1</sup>**

**Point 3 – adding the word “suitable” before “brownfield”**

**Point 4 – this should be deleted and replaced (following preparation of the necessary technical work) by inter alia, a strategic allocation for 2,000 dwellings and 2,000 jobs at west of Twerton, Bath.**

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<sup>1</sup> This figure would be a minimum of 15,120 if the plan period is extended to 2027.