

BATH AND NORTH EAST SOMERSET - CORE STRATEGY EXAMINATION

Response to the Inspector's note of 26 January 2012, ID/25 SHLAA Sites in Somer Valley - assessment of housing supply

Introduction

- 1 This note prepared by Baker Associates for Strategic Land Partnerships provides an assessment of Bath and North East Council's evidence on the supply of housing in the Somer Valley according to the published SHLAA. On the basis of the analysis presented, there are implications for the wording of the submitted Core Strategy policies SV1, SV2 and SV3, and for completeness any consequent changes that would need to be made to these policies are suggested in this note.

Provision made in the Core Strategy

- 2 Policy SV1 of the submitted Core Strategy requires up to 2,700 new homes (of the 11,000 proposed within the whole of the B&NES area) to be built in the Somer Valley, which comprises Midsomer Norton, Radstock, Westfield, Paulton and Peasedown St John.
- 3 The dwelling supply to meet the Core Strategy housing provision of 2,700 units is set out in the SHLAA (CD4/H14), updated in May 2011, with a further update note for the Core Strategy Examination dated November 2011.
- 4 The Somer Valley was not specifically mentioned within draft RSS, which required that, beyond Bath and South East Bristol, the District should accommodate 2,000 homes. The RSS Panel's Report subsequently recommended that beyond Bath, SE Bristol and Keynsham, the rest of the District accommodated 2,300 homes. This view was endorsed within the Proposed Modifications.
- 5 The Core Strategy Options consultation considered a range of 2500-3600 homes within the rest of the District. At this time a geographical split was made between Midsomer Norton and Radstock (between 1000 and 1700 homes) and the remainder of the District, including Paulton and Peasedown (between 1500 and 1900 homes). Latterly, during the preparation of the Draft Core Strategy it was considered that Paulton and Peasedown logically formed part of a single Somer Valley functional area with Midsomer Norton and Radstock.
- 6 The draft Core Strategy in Policy SV1 seeks 2,700 homes within the Somer Valley and this level of growth has been carried forward to the Submission version.
- 7 Policy SV2 of the submitted Core Strategy relates to the Strategy for Midsomer Norton Town Centre. The Key Opportunities and Priorities relate to regeneration, retail and leisure developments. Under the heading 'Scope and Scale of Change', Policy SV2 proposes to make provision for 'about 200 homes including existing commitments'.

- 8 Similarly, Policy SV3 relates to the Strategy for Radstock Norton Town Centre. The Key Regeneration Opportunities relate to under-used and vacant sites within the town centre. Under the heading 'Scope and Scale of Change', Policy SV3 proposes to make provision for 'about 200 homes including existing commitments'.
- 9 There is considerable doubt whether particular sites, and hence the level of housing development identified in SV1, SV2, and SV3, can be delivered within the plan period. The sites in doubt are discussed below, summarised in table 2, and detailed in Appendix 1.

Summary of housing supply 2006 - 2026

- 10 Of the 2,700 dwellings specified in Policy SV1, 599 homes have been built in the Somer Valley during the first 5 years of the Core Strategy period from 2006 - 2011, leaving 2,101 to be delivered. The SHLAA has identified 2,044 further potential dwelling completions, which the Council has assessed as being suitable, available and either deliverable or developable.
- 11 This SHLAA supply of 2,044 dwellings is made up as follows:

location	Sites with planning permission		speculative SHLAA sites without planning permission		totals
	large sites	small sites	large sites	small sites	
Midsomer Norton/Radstock	399	60	756	0	1215
Paulton/Peasedown St John	787	42	0	0	829
Somer valley total	1186	102	756	0	2044

Table 1 – B&NES assessment of housing supply in the SHLAA

- 12 The deliverable/developable supply estimate does not include a future 'windfall' allowance for small sites. However, small site completions and units with planning permission (102) have been counted towards supply without any discounting.

Assessment of B&NES SHLAA

- 13 There are serious issues with the entire SHLAA, and the way it has been carried, leading us to conclude that is not a reliable piece of evidence. When the methodology was consulted upon, the importance of a partnership approach was emphasised, as required by the SHLAA Practice Guidance, paras. 11-13.
- 14 This requires Councils to engage with the development industry in forming a housing market partnership, so that a view can be taken on the availability and deliverability of sites, and how market conditions may affect dwelling yields and economic viability. None of this has been carried out, so the SHLAA, and all its conclusions on site dwelling capacities, phasing, suitability, availability and viability is in doubt, and cannot be relied upon.

- 15 The SHLAA produced in isolation by the Council has assessed sites that have made their way into the Council's housing supply to count towards the already-reduced requirement. In the Somer Valley, the sites yet to gain permission are exclusively brownfield sites. Given the nature of former employment sites, many related to the former mining industry, they cannot all be relied upon to be developable. This is for various reasons including contamination, and the viability of the sites in the changed housing market since the SHLAA was carried out. This approach is over-optimistic, and offers no flexibility in the housing supply, as required by government guidance.
- 16 According to the SHLAA, the supply of former employment sites would be eroded to the considerable detriment of the potential local employment base, notwithstanding the Council's wish to see the number of jobs in the area increase. The Town Council made it clear at the Hearing that it does not agree with allowing all the available employment sites in the town to be used for housing, and would strongly prefer the employment sites to be protected. The SHLAA site schedules do not reflect this approach.
- 17 Table 1 shows the Council's estimated future housing supply in the Somer Valley, in addition to those units completed 2006-2011, of 2,044 dwellings. It is contended that this supply is over-estimated by about 387 dwellings.
- 18 Ten sites in the Midsomer Norton and Radstock area are included in the SHLAA supply without adequate justification. In order to be included in a housing supply, PPS3 advised that sites should be either deliverable in the first 5 years of the plan, or developable in years 6-15. In order to be deliverable, sites need to be available now, offer a suitable location for development, and be achievable and viable, with a reasonable prospect that housing will be delivered on the site within five years.
- 19 To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available, and could be developed, at the point envisaged.
- 20 A number of sites, comprising a total of 295 dwellings, are evidently not developable in the foreseeable future and should be deleted from the housing supply. **Appendix 1** is an assessment of the housing land supply in the Somer Valley, and shows the details of each site together with why some site cannot be considered to be deliverable. Most sites in this category have no evidence of availability, with no owner promotion, whilst others are likely to be developed for other uses. There is not therefore, 'a reasonable prospect that the site is available, and could be developed at the point envisaged', as required by PPS3.

SHLAA site ref	location	B&NES estimate of capacity	Baker Associates estimate of capacity
MSN 2	Chesterfield House, Midsomer Norton	10	0
MSN 3	Martins Block, Midsomer Norton	10	0
MSN 4a	South Road Car Park, Midsomer Norton	10	0
MSN 6	The Hollies, Midsomer Norton	80	0
RAD 3	Charltons, Frome Road,	50	0
RAD 4	Old Bakery, Waterloo Road, Radstock	40	0
RAD 5	Post Office, Fortescue Road, Radstock	20	0
RAD 6	Library/Youth Club/ Church Street Car Park, Radstock	15	0
RAD 7	Fortescue Road, Radstock	10	0
RAD 13a & b	Coomb End North A & B, Radstock	50	0
	Dwelling capacity	295	0

Table 2 - sites not developable within plan period

- 21 Table 1 shows the estimate of 102 dwelling completions arising from small sites with planning permission. Past completion rates show that not all permissions are built; some permissions are obtained for valuation purposes, whilst land economics sometimes changes, with alternative uses becoming more valuable over the time of the consent. Such consents lapse, and an allowance should therefore be made for non-implementation, and Inspectors have often used 20% as a reasonable guideline in this respect. It is suggested therefore that supply for small site permissions is reduced by 20 units, to 82 dwellings.
- 22 In addition, the SHLAA has over-estimated the supply likely to be completed at Paulton, which is part of the Somer Valley. A large regeneration scheme of the former Polestar Purnell printing factory is identified in the SHLAA, as site Pau 2. Phases 2 and 3 have outline consent, with 592 dwellings not expected to be started until 2013/14 at the earliest. The SHLAA anticipates that the site will be built out at a rate of between 120 and 153 dwellings per annum (dpa), and be completed by 2016. This is a very significant over-estimate of the market capacity.
- 23 Paulton is a village with limited demand. Regular market research we carry out with developers for SHLAAs and for housing delivery trajectories in similar market areas indicates that developers anticipate a completion rate of about 40 dpa, which means that of the 592 dwellings, only 520 will be completed by 2026, leaving a shortfall of 72 units uncompleted. In effect phase 3 will only deliver 138 dwellings as opposed to the 210 anticipated in the SHLAA. The yield from planning permissions therefore needs to be reduced from 1,186 to

1,114 units as a very maximum, and this additional shortfall needs to be added to the already identified shortfall.

- 24 Accordingly, the supply in the Somer Valley should be reduced by 387 dwellings, (295 from table 2, 20 small site non-implementation allowance, and 72 at Paulton) from 2,044 units to 1,657 units. The total supply, with the 599 completions is therefore 2,256 dwellings. Since the requirement is for 2,700 completions between 2006 and 2026, there is a shortfall of 444 dwellings in the Somer Valley. The revised supply table should therefore be as follows in table 3.

location	Sites with planning permission		speculative SHLAA sites without planning permission		totals
	large sites	small sites	large sites	small sites	
Somer valley total	1,114	82	461	0	1,657

Table 3 – Baker Associates' assessment of housing supply in the SHLAA

- 25 This 444 shortfall will have to be made up through the identification of further sites that are suitable, and likely to be developed by 2026, so they must also have a reasonable prospect of being available, and viable. The shortfall is calculated in the context of a requirement for the whole of the B&NES area of just 11,000 dwellings, greatly reduced from earlier RSS targets. If the requirement for B&NES is increased, the Somer Valley target is likely to be increased, and the shortfall will be exacerbated.

Implications for required changes to Policies SV1, SV2, and SV3.

- 26 For the plan to be sound the strategy, proposals and policies have to be rooted in evidence. We do not believe this to be the case for this plan on many counts, though this note is confined to the evidence on housing supply in the Somer Valley, and what this means for the proposed policies.
- 27 The foregoing evidence means that Policy SV1 will have to change. This deals in part 4 with the level of further supply to be identified in addition to commitments to make up the proposed provision. We believe the level of provision to be too low - it would not even address the combination of the household requirements arising from a combination of falling household size and the (pessimistic) increased level of jobs for instance. Part 4a of Policy SV1 therefore needs to change. On this approach the figure would need to be at least 3400. This is noted because Policy SV1, part 4b would have to change in relation to the evidence on commitments that it refers to, and what it changes to has also to reflect the need for a higher level of overall provision.
- 28 Policy SV1, part 4b is somewhat misleading. It is actually about what the Council wants from housing that takes place, not about the quantification of the supply of housing, and including the number is entirely superfluous. The requirements in the policy for employment benefit and the contribution to the Town Park were discussed at the Hearing and these points are not addressed here.

- 29 It does follow from the analysis in this note however, that the requirement that the additional housing to be provided at Midsomer Norton and yet to be identified has to be within the Housing Development Boundary (HDB) has to be dropped. There is no evidence that the required but yet-to-be identified number of houses can be provided within the Housing Development Boundary. Indeed the Council's own SHLAA provides the evidence that they cannot, since some of the sites identified by the Council in the SHLAA that count towards the 'commitments' are outside the HDB and any sites that are suitable and available that are within the HDB could have been expected to be identified in the SHLAA. Accordingly, more flexibility has to be provided from the plan, and the boundary moved to accommodate further housing, or sites outside the HDB developed for housing. This is what the policy needs to provide for.
- 30 Policy SV1 is misleading in its reference to 2,200 'commitments'. Commitments are completions and sites with planning permission. The stated number of completions since the start of the plan period, 2006, is 599. According to the Council, there are 1,186 large site units, 102 small site units with permission and the Council's SHLAA suggests there is potential from developable sites of a further 756 dwellings. The Council's evidence therefore is that the number of commitments is actually 1,887.
- 31 **However, our analysis shown in table 3 suggests that the permissions should be 1,114 units, the 102 small sites with permission should be reduced to 82, and the potential SHLAA sites should be reduced to 461 dwellings. The combined total of commitments and the reasonably reliable potential is therefore 2256, leaving 444 dwellings to be found to meet the (already too low) housing requirement.**
- 32 Policy SV1 should be changed as follows:
- 4a should be rewritten as; 'Enable up to (*add a figure to be determined, but greater than the present figure*) new homes to be built at Midsomer Norton, Radstock, Westfield, Paulton and Peasedown St John, requiring the identification of further land in addition to existing commitments. This provision will include affordable housing to meet the needs of the local communities. (Policies RA1 and RA2 are applicable to the other settlements in Somer Valley).
 - 4b should be omitted.
- 33 Policy SV2, part 2b refers to making provision for about 200 dwellings in Midsomer Norton Town Centre, including existing commitments. The SHLAA includes 110 dwellings in Midsomer Norton Town Centre on 4 sites identified in table 2 as not being developable in then plan period. This policy therefore needs to provide for further developable land to come forward to make up the shortfall, or, and more likely given our analysis, acknowledge that 200 dwellings will not be achievable so that more of the overall target will have to come from elsewhere at Midsomer Norton.
- 33 Policy SV3, part 2a refers to making provision for about 200 dwellings in Radstock Town Centre, including existing commitments. The SHLAA includes 185 dwellings in and adjacent to Radstock Town Centre on 6 sites identified in table 2 as not being developable in then plan period. This policy needs to provide for further developable land to come forward to make up this shortfall,

or, and more likely given our analysis, acknowledge that 200 dwellings will not be achievable so that more of the overall target will have to come from elsewhere at Radstock.

**APPENDIX 1 - Somer Valley
Comparative assessment of housing land supply 2011 - 2026**

			B&NES estimate of supply	Baker Associates estimate of supply	Baker Associates comments on deliverability
SHLAA Ref:	Planning Ref		Total		
	00/00316/FUL	NR9: Chilcompton Road II	2	2	
MSN.1	09/0448/FUL	Land to rear of 52 High Street	23	23	
	10/03397/FUL	Rear Of No 43, Elm Tree Avenue, Westfield	28	28	
	10/04015/FUL	NR15: Cautletts Close (Resolution to permit)	112	112	
RAD.1	08/02332/RES	NR2: Radstock Railway Land Area 2	83	83	
RAD.1	10/00777/RES	NR2: Radstock Railway Land Area 1	56	56	
RAD.1	06/02880/EOUT	NR2: Radstock Railway Land Area 3	71	71	
MSN.10i	04/00096/FUL	NR11: Hazel Terrace	24	24	
		Small Sites with PP @ 1st April 2011	60	48	reduce by 20% to allow for non- implementation
RAD 20	07/03795/FUL	Radstock County Infants (PCo)	14	14	
RAD15	09/02612/OUT	Old Pit Yard, The Downs Clandown (PCo)	31	31	
MSN 16	11/001221/FUL	St Peter's Park	14	14	
MSN.15	08/00035/PADEV	NR4: St Peters Factory, Phase II	60	60	
		NR13: Coomb End	30	30	
MSN.9		NR14: Welton Bibby and Barron	100	100	

MSN 2		Chesterfield House, Midsomer Norton	10	0	site comprises 4 retail units with storage above on High Street. There are no proposals to redevelop the site. Site recommended for new retail on ground floor with flats above. Very low demand for flats in town centre, with low sale prices. High build cost likely to be in excess of sale value. No evidence of ownership or owner's intentions. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
MSN 3		Martins Block	10	0	site comprises 4 retail units with storage above on High Street. There are no proposals to redevelop the site. Site recommended for new retail on ground floor with flats above. Very low demand for flats in town centre, with low sale prices. High build cost likely to be in excess of sale value. No evidence of ownership or owner's intentions. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
MSN 4		South Road Car Park	10	0	site is currently a large car park for the town centre. The Midsomer Norton Town Centre Economic Regeneration Delivery Plan envisages redevelopment for a major foodstore, plus replacement parking. Depends on other major regeneration of High Street for access. Development and Major Projects officer confirms no proposals by landowner (B&NES), and that housing unlikely to be proposed by a retail developer, and unlikely to be viable, with low sale prices. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
MSN 6		The Hollies	80	0	Site currently occupied by Sainsburys, car parking, and Hollies Gardens a major green public space and a location for the monthly farmer's market. The Midsomer Norton Town Centre Economic Regeneration Delivery Plan envisages redevelopment for a major retail, commercial leisure, offices, plus residential. Depends entirely on redevelopment of South Road Car Park (site 4) for relocation of Sainsburys, which is unlikely to be achieved within at least 10 years. There are no proposals by the landowner and housing unlikely to be proposed or be viable, with low sale prices. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
MSN 10		Alcan	150	150	
RAD 2		Rymans	0	0	

RAD 3		Charltons	50	0	site is currently a timber merchants, with no evidence of relocation. Major constraints and abnormal development costs include access, flood, sub-standard highway network. Likely high costs of relocation, which with abnormal development costs to overcome constraints, and low sales prices, is likely to make site unviable. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
RAD 4		Old Bakery, Waterloo Road	40	0	Site comprises of a 3-storey former bakery building car parking and incidental open space. The bakery building contributes to local character and B&NES may require retention / conversion. SLHLAA assumes that the bakery building will be converted for commercial/non-residential use and that the site frontage to Waterloo Road, and open space is appropriate for residential development. No open space assessment has been completed so this conclusion is in doubt. Site not being promoted by landowner (Coop) who may require it for retail. No evidence of availability, and high build cost and low sale value likely to make residential use unviable. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
RAD 5		Post Office	20	0	This site comprises of Fortescue House with Post Office compound to the rear with access onto Fortescue Road. Without any evidence the SHLAA assumes that the site could be redeveloped as a conversion of Fortescue House to residential or office space, with infill development potential to the rear. There has been no assessment of Post Office operational requirements, since redevelopment depends on the Post Office vacating the site. there is no evidence of availability. Conclusion - No evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
RAD 6		Library/Youth Club/ Church Street Car Park	15	0	Site is Council-owned, and is occupied by the library, youth centre with about 70 car parking spaces to the rear. There are no Council proposals to relocate any of the existing uses, and no evidence of availability. Conclusion - no evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.

RAD 7		Fortescue Road	10	0	Site occupied by a 2-storey block comprising 6 retail units with 6 residential flats above and a further 2-storey block comprising one retail unit with storage above. SHLAA assumes without any evidence that the site will be redeveloped for 6 shops plus 16 flats, despite the fact that the site is within the consented Radstock Regeneration scheme, but is not due to be redeveloped as part of that scheme. There are no proposals by the landowner, no evidence of availability, and housing is unlikely either to be proposed or be viable, with low sale prices. Conclusion - no evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
RAD13a & b		Coomb End North A & B	50	0	This site is occupied by a number of buildings in a variety of industrial and commercial uses, plus a vacant garage. The site is made-up ground, and therefore likely to be contaminated, and require piled foundations. Part of the site is in flood plain. The site is in multiple ownerships, and there is a requirement for relocation of existing uses. An application was made on part of the site but withdrawn. There is no evidence of availability. Conclusion - no evidence of deliverability or developability in plan period to 2026, therefore delete from housing supply.
RAD14		Clandown Scrap Yard (Bidwells):	12	12	
		Town Park Option	50	50	
Pau 3	07/03012/FUL	Paulton Builders Merchants	10	10	
Pau 4	09/01173/FUL	Heal House, High Street, Paulton (PCo)	10	10	
Pau 1	07/00174/RES	V3: Polestar Purnell I, Paulton	41	41	
Pau 2	11/00800/RES	V3: Polestar Purnell II, Paulton (Phase a)	39	39	
Pau 2	07/02424/EOUT	V3: Remainder of EOUT Polestar Purnell II, Paulton	382	382	
Pau 2	07/02424/EOUT	V3: Polestar Purnell III, Paulton	210	138	
Pea 1	08/03263/FUL	V7: Wellow Lane, Peasdown	95	95	

		Small Sites with PP @ 1st April 2011	42	34	reduce by 20% to allow for non- implementation
SHLAA Potential Supply			2044	1657	Supply should be reduced by 387 dwellings, from 2,044 units to 1,729 units