



West of England JSP Consultation
c/o South Gloucestershire Council
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SENT BY E-MAIL AND POST

19th December 2016

Dear Sir / Madam

WEST OF ENGLAND JOINT SPATIAL PLAN – TOWARDS AN EMERGING SPATIAL STRATEGY CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations.

As set out in our representations to the Issues & Options consultation ended on 29th January 2016 the HBF is fully supportive of a Joint Spatial Plan (JSP) for the West of England (WoE) which will provide a high level strategic planning policy framework for the constituent authorities of the WoE sub-region. The HBF commends the four authorities of Bristol City Council, Bath & North East Somerset (BANES), North Somerset and South Gloucestershire Councils and the WoE Local Enterprise Partnership (LEP) for coming together to prepare the JSP for the plan period 2016 – 2036.

Housing Needs

The HBF response to the Issues & Options consultation criticised the exclusion of BANES as a separate Housing Market Area (HMA) from the Wider Bristol (Bristol city, North Somerset & South Gloucestershire) HMA when the Objectively Assessed Housing Needs (OAHN) had been calculated. The HBF welcomes the decision to include the BANES HMA and the

undertaking of an up dated OAHN for BANES using the same methodology as the Wider Bristol HMA OAHN calculation. However our concerns about the under estimation of OAHN for both the BANES and Wider Bristol HMAs remain. It is the HBF's opinion is that the JSP will not make adequate provision to address the housing needs of the WoE nor increase the delivery of affordable housing. Therefore the strategic priority "*to meet the need for housing and accommodate the economic growth objectives of the LEP Strategic Economic Plan (SEP)*" will not be achieved.

As set out in our representations to the previous consultation held in January 2016 the original calculation of OAHN of 85,000 dwellings (excluding BANES) was considered to significantly under estimate housing needs. It is known that in response to the Issues & Options consultation three alternative OAHN were submitted which all indicated higher OAHN estimates. These are summarised as :-

- Nathaniel Lichfield & Partners on behalf of CEG identified 132,000 – 145,000 dwellings (including BANES) ;
- Glen Bramley on behalf of Business West identified 130,000 dwellings (excluding BANES) ;
- Barton Willmore on behalf of a consortium of house builders identified 153,440 dwellings (including BANES).

Whilst it is acknowledged that there is no standard methodology for the calculation of OAHN and each assessment is based on different assumptions the general convergence of the three alternatives at figures significantly above 85,000 dwellings re-enforce our concerns about an under-estimation of housing needs. The consequences of under estimating housing needs will :-

- Constrain the economic growth of the region undermining the ambitions of the LEP so the sub region becomes less competitive with problems associated with labour supply, recruitment and retention of skilled workers ;
- Lead to less sustainable patterns of development with increased commuting and congestion contrary to the objectives of the JSP ;
- Worsen affordability of housing as house prices and the cost of private renting increase ;
- Add to the ever increasing backlog of housing needs including the under delivery of affordable housing.

It is noted that a revised OAHN figure of 105,000 dwellings (including BANES) is now proposed in the WoE Housing Target Paper dated September 2016 by ORS. However this figure is only a preliminary proposal and it is subject to further detailed work which will be published as part of the pre submission JSP consultation expected in Summer 2017. Therefore the following commentary is submitted without prejudice to any further comments made by the HBF to the pre submission JSP and the accompanying final report on OAHN.

The figure of 105,000 dwellings is based on an OAHN of 97,800 dwellings comprising 85,000 dwellings for Wider Bristol HMA and 12,800 dwellings for BANES HMA plus an adjustment of 4,400 dwellings for older persons housing and a 2% buffer. These 105,000 dwellings will support jobs growth of 82,500 jobs for the period 2016 – 2036.

Our main concerns about this revised interim figure include :-

- It is not based on 2014 SNHP as its starting point ;
- Whilst the principle of an adjustment for long term migration is accepted it is not agreed that the proposed adjustment has been correctly applied as the resulting population is reduced below 2014 SNPP ;
- The appropriateness of using household formation rates (HFR) which project forward declining numbers of households in younger age groups ;
- No allowance for vacant and second homes (see Table 3) ;
- The misalignment of homes and jobs which will not fully support economic growth. Whilst the LEP SEP is formulated on the Oxford Economics baseline forecast the LEP remain committed to ambitions for higher levels of growth than the baseline. The OAHN is both below this baseline projection and the higher ambitions for growth. The EDNA also identified that higher economic growth is possible. If the JSP is to deliver economic growth then its strategies for homes and jobs should be consistent and integrated.

The calculation of affordable housing needs has also been under estimated. The actual affordable housing need is considered to be significantly above 32,500 dwellings. Historically the authorities have only delivered 22% affordable housing provision in the period 2006/07 – 2014/15 and the JPS proposes to deliver only 17,100 affordable dwellings. However there is no proposal to increase overall housing requirement to help deliver affordable housing. It is not agreed that any such increase would create an imbalance between homes and jobs since the currently proposed 105,000 dwellings is based on an economic growth forecast which is less than the LEP SEP commitment.

Spatial Strategy

The JSP will set out the most appropriate spatial strategy and strategic locations to meet development needs as well as identify the transport and other infrastructure needed to support sustainable development.

Currently there are 66,000 dwellings proposed in adopted Local Plans across the WoE so on the basis of a proposed housing requirement of 105,000 dwellings 39,000 more dwellings will have to be accommodated by the plan end date of 2036. If as contended by the HBF and other parties OAHN has been under estimated an even higher amount of housing land supply will have to be identified.

It is noted that the current consultation continues to refer to prioritising brownfield land and a sequential approach to identifying strategic locations to meet development needs. This reference suggests a pre-determined attitude to the spatial strategy and strategic locations rather than an open mindedness to consider all reasonable alternatives. The JSP should be encouraging the most efficient use of brownfield land in accordance with the NPPF rather than prioritising. As stated by the HBF in our response to the Issues & Options consultation the meeting of housing needs in the WoE will require a combination of all four previously proposed options (urban intensification, urban expansion, town expansion and other locations). It is acknowledged that urban extensions are a sustainable way to deliver housing however such locations alone will not meet OAHN in full nor sustain rural communities so development in other locations will also be needed.

Whilst some Green Belt release is proposed it is noted that strategic development locations on the inner edge of Green Belt are specifically excluded. Therefore development will not necessarily be located as close as possible to where those housing needs arose. So for housing needs to be accommodated in the most sustainable pattern of development it must be accessible via sustainable modes of transport.

It is noted that the original proposal for 12,000 dwellings from urban intensification has been increased to 14,300 dwellings (12,000 dwellings in Bristol, 1,000 dwellings in the North & East of South Gloucestershire, 1,000 dwellings in Weston Super Mare & 300 dwellings in Bath). This level of urban intensification has not been justified or evidenced by the authorities. It seems to be an overly optimistic proposal which reduces the residual HLS to 24,400 dwellings. There are associated risks with an over reliance on brownfield sites. It should be acknowledged that the availability of brownfield land will decline over time as it is a finite resource. The authorities should confirm that there has been no double counting of existing planning consents or allocations or windfall allowances. The artificial constraint of housing on greenfield sites will not ensure delivery of unviable brownfield sites nor will it assist with the delivery of affordable housing. The WoE authorities should confirm that the appropriate balance between housing and employment land in difference locations across the JSP area will not be disrupted by an over reliance of urban intensification for residential development.

There are 21,000 dwellings identified in 10 proposed strategic development locations (SDL) comprising :-

Outside the Green Belt (total of 12,800 dwellings) at :-

- M5/A38 corridor - 5,400 dwellings ;
- Nailsea / Backwell - 3,600 dwellings ;
- Thornbury - 600 dwellings ;
- Charfield - 1,000 dwellings ;
- Buckover Garden Village - 2,200 dwellings.

Green Belt releases (total of 8,700 dwellings) at :-

- SE Bristol Whitchurch - 3,500 dwellings ;
- Yate / Chipping Sodbury - 2,600 dwellings ;
- North & East Keynsham - 1,100 dwellings ;
- Coalpit Heath - 1,500 dwellings.

There is also an allowance for non-strategic growth in villages and towns of 3,400 dwellings (1,000 in BANES, North Somerset and South Gloucestershire respectively and 400 dwellings in Bristol). This is small proportion given the need to support rural communities as well as large villages and towns located outside the main urban areas.

Therefore large strategic sites should be complimented with smaller scale sites. A broad portfolio of sites will maximise housing delivery and ensure that the JSP is positively prepared, justified and effective. When identifying any additional strategic locations the WoE authorities should maximise housing supply via the widest possible range of sites, by size and market location so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets including multiple outlets on sustainable urban extensions (SUEs). However in general increasing the number of sales outlets available means increasing the number of housing sites. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand.

The overall HLS as proposed by the JSP has no contingency. The WoE authorities should be planning in some flexibility because not all land is developed and sustainable urban extensions are developed over long periods of time often extending beyond plan periods. The HBF recommends as large a contingency as possible (circa at least 20%) to the overall HLS to provide sufficient flexibility for unforeseen circumstances and in acknowledgement that the housing requirement is a minimum not a maximum figure. The Department of Communities & Local Government (DCLG) presentation slide from the HBF Planning Conference in September 2015 illustrated a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate. The slide emphasised *“the need to plan for permissions on more units than the housing start / completions ambition”*. The recently published Local Plans Expert Group (LPEG) Report also recommends that *“the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF”* (para 11.4 of the LPEG Report). The JSP should identify reserve sites.

It is noted that the JSP is not qualifying document for Permissions in Principle (PiPs). The JSP will only identify strategic development locations which will be subsequently allocated in individual Local Plans based on the agreed housing requirement for each authority. As the JSP will not allocated specific sites the

WoE authorities will struggle to meet timetables set out for the review of adopted Local Plans. These timescales are :-

- Bristol City – within 5 years of adoption (2011) so by 2016 ;
- North Somerset – by 2016 ;
- BANES – around 2016 ;
- South Gloucestershire – by end of 2018.

In the interim period between adoption of the JSP and adoption of reviewed Local Plans the WoE authorities may not be able to maintain 5 YHLS and therefore risk existing housing policies in adopted Local Plans becoming out of date.

The proposed sustainable pattern of development for the expansion of the main urban area and other towns to accommodate future development is dependent on accessibility to sustainable modes of transport. The Transport Vision Summary Document identifies an infrastructure funding requirement of £7.5 billion. There is reliance on financial contributions from both public and private sectors but there is a significant identified funding gap. Any significant failure to deliver the required infrastructure to support housing and employment development will impede delivery of the proposed spatial strategy. It is known North Somerset Council has withdrawn from joining the WoE Combined Authority. As a consequence there may be repercussions on infrastructure funding in North Somerset because presumably monies given to the Combined Authority could not be spent outside the Combined Authority's administrative area. It is suggested that any increase in the proposed housing requirement could help contribute towards the infrastructure funding gap.


Conclusion

It is recommended that the WoE authorities give further consideration to the above mentioned representations in order to produce a sound WoE JSP which is positively prepared, justified, effective and consistent with national policy. The HBF is concerned that :-

- The proposed strategy will not address the housing needs because it is based on an underestimation of OAHN nor will it deliver affordable housing needs ;
- There are significant risks to delivery from an over reliance on brownfield land, an identified funding gap for infrastructure provision and no contingency planning in overall housing land supply.

In the meantime it is hoped that these comments are helpful in informing the next stages of the WoE JSP. If you require any further information or assistance please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**


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