17 January 2014

North Somerset Core Strategy

Examination of Remitted Policies

Representations by Savills on behalf of Taylor Wimpey

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Executive Summary

These Representations are submitted by Savills on behalf of Taylor Wimpey who have considerable strategic land interests within North Somerset at Ashton Park. Ashton Park comprises approximately 750 acres of land adjoining the Bristol urban area which represents a suitable and highly sustainable location for a large scale mixed use urban extension to Bristol.

Prior to Taylor Wimpey’s acquisition of the Ashton Park site Savills had no previous involvement in the North Somerset Core Strategy. We have since been instructed by Taylor Wimpey to represent their interests at Ashton Park and to promote the land for a strategic mixed-use urban extension.

Since the ruling of the High Court we have followed the Council’s response to the judgement and the subsequent exchange of correspondence between the Council and the Inspector. We do not consider that the Council’s response to the judgement satisfactorily addresses the changing circumstances which have taken place in the passage of time since the previous Inspector’s Report. Indeed, we have a number of fundamental concerns regarding the revised evidence base and its interpretation into the proposed revisions to Policy CS13 of the Core Strategy. It is these concerns which form the basis of our objections to the proposed changes to the Core Strategy.

In summary, our objections are as follows:

i) The evidence produced by Edge Analytics highlights concerns we have with the strategy and spatial distribution of growth. The recommended housing requirement range would put in jeopardy the delivery of the economic growth aspirations of the Council and the West of England Local Enterprise Partnership (LEP);
ii) The changes to Policy CS13 take no account of ‘Market Signals’ as required by the National Planning Policy Framework (NPPF) the draft National Planning Practice Guidance (NPPG);

iii) The Council has failed to ‘plan positively’ in accepting only the bottom end of the housing requirement range recommended in the Edge Analytics Report;

iv) The Core Strategy fails to plan for a ‘significant boost’ to housing delivery as required by Paragraph 47 of the NPPF;

v) The Edge Analytics evidence and the changes to Policy CS13 have no regard to the constraints on housing delivery in the neighbouring local authorities within the same Housing Market Area (HMA), contrary to the requirements of the NPPF and, in particular, the tests of soundness in Paragraph 182;

vi) Contrary to the Council’s view, we will provide evidence which demonstrates that there is demand for in excess of 17,130 dwellings and that this is capable of being absorbed by the market;

vii) We will also demonstrate that in excess of 17,130 dwellings can be delivered in a highly sustainable manner within North Somerset. The Council contend that further development beyond that proposed in Policy CS13 would run contrary to the primary objectives of the Core Strategy and would further exacerbate the area’s ‘inherent unsustainable’. We do not agree with this conclusion as it fails to acknowledge the sustainability credentials of alternative geographical locations capable of delivering substantial sustainable growth within North Somerset, including those previously endorsed through the South West Regional Strategy; and

viii) The spatial distribution of development is of fundamental importance to delivering the proposed scale of housing growth. The overarching strategy of enhanced self-containment is supported in principle but the Council must at the same time acknowledge and respond to the pressures placed on the housing market in North
Somerset from external forces. A spatial distribution of growth which, on the one hand seeks to increase self-containment of the principal towns, whilst on the other meets the needs of the neighbouring authority areas, in particular Bristol, in the most sustainable manner, will assist in the delivery of the strategic housing requirement consistent with the principles of the NPPF.

In response to these objections we have critically reviewed the available evidence and contend that the housing requirement should be increased to 1,400 dwellings per annum for the plan period. This figure is derived from the job-based ‘economic growth forecast’ scenario in the Edge Analytics Report.

In advance of the production of the West of England Strategic Housing Market Assessment (SHMA) this is the only response to the evidence which will provide for a proportion of development to meet the continuing needs of Bristol and in so doing address the significant and fundamental shortcomings of the current approach in the Core Strategy. Only with this change will the Core Strategy be predicated upon robust and credible evidence, boost significantly the supply of housing, plan positively for growth and comply with the tests of soundness in the NPPF.
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Appendix B  Aylesbury Vale Inspector’s Letter dated 7 January 2014

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Appendix D  Extract from the South West Regional Strategy Panel Report
Introduction

These Representations are submitted by Savills on behalf of Taylor Wimpey. Taylor Wimpey acquired a large area of freehold land and Option Agreements over adjoining land on the edge of Bristol at Ashton Park in 2012. The land had previously been promoted for development by the former landowners, who submitted Representations throughout the various consultation stages of the emerging Core Strategy and the Regional Strategy.

This earlier promotion of the site resulted in its inclusion within the South West Regional Strategy as an area of search for an urban extension to Bristol of 10,500 dwellings (9,000 of which are within North Somerset).

Despite the clear recognition of the sustainability credentials of the site and the contribution it was capable of making to the delivery of housing at the Bristol HMA, following the revocation of the emerging South West Regional Strategy, the allocation of Ashton Park was not incorporated into the North Somerset Core Strategy.

Savills were not previously involved in the promotion of land within the North Somerset Core Strategy, however we are fully aware of the background to the current consultation and the Council's position in respect of the strategic housing requirement.

Whilst the High Court challenge to the Core Strategy was only successful on the grounds that the Inspector erred in the reasoning and justification he provided in his Report, in the passage of time since the High Court judgement there have been significant changes to planning policy and guidance. It is entirely necessary and in the interests of proper planning that the Council should revisit the evidence underpinning the housing requirement for the Core Strategy and plan for a scale of growth which has been derived from a methodology which is consistent with the most up to date policy and guidance in the NPPF and draft NPPG.
It is our view that the Council has failed to devise a housing requirement which will pass the necessary tests of soundness in the NPPF. The recommendations of the evidence are in our view flawed and the resulting housing requirement takes no account of ‘Market Signals’ nor of the objective to boost significantly the supply of housing.

These Representations explain the concerns we have with the changes to the Core Strategy and the supporting evidence base. The evidence, in our view, indicates a need for a significantly higher strategic housing requirement, the reasons for which are explained in the conclusions at the end of each section of these Representations.

Context for the Changes to the Plan
The High Court Challenge and subsequent remittance of the housing requirement and land supply policies provides a unique context for the review of the Core Strategy. The Judge made it clear that the decision to remit those policies relating to housing supply and delivery should not obstruct delivery of the strategic housing allocations in the Core Strategy. There are therefore up to date policies in place supporting the delivery of housing which can continue to deliver while in the meantime the Council ensures that the overall requirement is based upon NPPF-compliant, robust and credible evidence.

The implications for the Core Strategy in these circumstances are very important. Unlike other emerging Development Plans where there is a pressing need to put in place strategic allocations to support increased scales of growth, there is no need to expedite the plan-making process in North Somerset in order to ensure the short-term delivery of housing. The Council and if necessary, the Inspector, can take the time necessary to put in place the evidence to ensure that the changes to the Core Strategy are founded on robust and credible evidence and are consequently sound.
Structure of these Representations

These Representations address each of our objections to the Core Strategy in turn. Where necessary and appropriate, specific evidence has been produced to support the arguments made in the Representations. The separate evidence is contained within the Appendices.

We consider that changes are required to the Core Strategy in response to the objections that we have raised in our Representations. The final section of these Representations provides our conclusions and explains the changes we consider to be necessary and the reasons why these would result in a sound plan.
Matter 1: The Evidence Produced by Edge Analytics

The ‘Demographic Analysis and Forecast’ Report produced by Edge Analytics on behalf of North Somerset Council provides a helpful understanding of the population forecasts under various scenarios in North Somerset. It therefore provides a good starting point, however we have a number of concerns, both with the evidence, and how it has been interpreted into the Core Strategy housing requirement.

With the evidence itself, we do not agree with a number of the assumptions used in the Edge Analytics Report. For example, the Report analyses both the 2008-based (Table 5) and 2011-based interim (Table 6) household headship and applies a simple average of the outputs in the conclusion (Table 8). This methodology is inconsistent with that used by Holmans\(^1\) which, for the reasons explained in his Report, we consider to represent a more robust figure for future forecasts.

However, rather than produce a detailed critique of the assumptions and their implications for housing requirement scenarios, we have focused on the Report’s findings on ‘Internal Migration’, its recommendations and the Council’s interpretation of the findings into the strategic housing requirement for North Somerset.

**Internal Migration**

We have no reason to object to the evidence of internal migration which has been summarised in Figure 10 of the Edge Analytics Report, however we do have one observation on the evidence which it is pertinent to highlight.

Figure 10 of the Report contains a breakdown of the Top 10 inflows and outflows of internal migration to North Somerset. By far the most dominant net inflow is from the City of Bristol where there was an average net inflow of 1,306 internal migrants per annum over the period 2001/2 – 2010/11. There will be a number of reasons for the scale of this flow, however chief amongst these is likely to be the availability and relative affordability of housing in North Somerset compared to Bristol.

The Population and Household Projections consistently show a greater demand for housing within the Bristol City boundary than the requirement in the Core Strategy. Figure 1 below demonstrates this by reference to the Core Strategy and the 2008-based and 2011-based Interim Household Projections.

Figure 1  Bristol Housing Requirement, Delivery and ONS Household Projections
We have also included on Figure 1 the rate of housing delivery in Bristol since 2006/07. This shows a high growth in the years 2006/07 – 2011/12, but a steep decline subsequently. It is notable that there was a significant outflow of migration from Bristol to North Somerset even when the rate of delivery in Bristol was at its peak.

It is reasonable to assume therefore that insufficient housing has been delivered in Bristol in recent years to match needs and those that are unable to meet their housing aspirations in Bristol are looking beyond the City boundary to the neighbouring local authority areas. One significant affect of this is the increased level of economic commuting between the main towns of North Somerset and Bristol, details of which are provided later in this section of these Representations.

The housing requirement contained within the Bristol Core Strategy was acknowledged by the Inspector as being constrained by the capacity of suitable land within the urban area. Furthermore, there is no NPPF-compliant objective assessment of the housing needs of Bristol which can be used to quantify either the scale of housing need in Bristol or (by elimination) the shortfall which would need to be met within the neighbouring authority boundaries. Nevertheless, it is quite clear from the difference between the Core Strategy requirement and the Household Projections and the Core Strategy Inspector’s conclusion that Bristol is not capable of delivering the housing growth required to meet future needs within its boundary.

For the reasons explained elsewhere in these Representations, the solution that we advocate in these circumstances is to support on the one hand the enhanced self-containment strategy that is proposed by the Council through the Core Strategy, but also to acknowledge and embrace the important functional role of Bristol and the demands that it places on the housing stock in North Somerset. Rather than ignore the influence of Bristol and focus entirely on a strategy which requires housing growth to be commensurate with employment delivery, we strongly advocate a dual strategy

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2 See the note produced by the Inspector for the B&NES Core Strategy - ID/32.
which, at the same time as seeking to enhance self-containment in the principal towns in North Somerset, seeks to meet a proportion of the growth arising from Bristol in the most sustainable location for a resident of North Somerset working in Bristol.

This strategy is not only relevant to the spatial distribution of growth within North Somerset but also to the overall scale of the housing requirement. Indeed, if the West of England LEP aspirations, or indeed baseline forecasts, are to be achieved, then there will be a need for growth within North Somerset to meet the needs of Bristol. This factor cannot be set to one side in determining the housing requirement for North Somerset and we strongly advocate that, for this reason and those outlined elsewhere within these Representations, the Council address this in the existing Core Strategy, based upon current available evidence, as opposed to through a review.

Report Recommendations and their Interpretation

One element of the Edge Analytics Report with which we strongly disagree is the recommendation that “North Somerset Council adopts the range of ‘current trend growth’ scenarios as the basis for its review of future housing provision in the Unitary Authority” (paragraph 6.18). This recommendation too readily sets to one side the other scenarios that have been tested through the evidence and in particular the job-led ‘economic growth forecast’ scenario. This scenario is based on a potential job growth target of 9,750 jobs in the period 2011 – 2026 which was set by the Council to inform the evidence base.

The NPPF encourages local planning authorities to put in place Local Plans which are ‘aspirational but realistic’ (paragraph 154). Given that the economic growth forecasts represent a major component of the Councils plans and are part of the adopted Core Strategy, we do not consider that the housing requirement derived from the ‘economic growth forecast’ scenario can or should be dismissed. Analysis of employment trends and the forecasts derived from these are recognised in the draft NPPG as an important factor in establishing housing growth requirements.
Paragraph 6.16 of the Edge Analytics Report nevertheless guards against the use of the economic growth forecast scenario, on the basis that this assumes there will be no change to the existing commuting balance for the authority area. At present, North Somerset is a net out-commuter of employment to neighbouring authority areas, in particular Bristol. The Edge Analytics Report contains a sensitivity analysis of the commuting balance to establish the effects of greater levels of self-containment on the output from the job-led scenario.

In planning for housing growth, the Council must adopt a realistic and achievable assumption for future self-containment. In deriving this assumption, it is imperative that the Council assesses not only job growth within North Somerset, but also growth in the neighbouring authority areas, particularly Bristol and South Gloucestershire. If the economic growth in Bristol takes place as envisaged by the LEP, then in all likelihood, even with a rebalancing of jobs and homes at Weston-Super-Mare, the current commuting ratio will remain.

In addition, it is recognised that future development in Bristol City is constrained by the capacity of sites within the built up area. A number of the major regeneration sites have come forward in the past few years and whilst there are further sites with planning permission, the supply of viable and deliverable sites has decreased considerably between 2008/09 – 2012/13. As housing delivery in Bristol slows, partly as a result of constraining supply, the pressure on the housing stock in North Somerset will only increase.

Furthermore, despite the intention of the Council to enhance self-containment we are aware of no evidence to demonstrate that this has taken effect. In fact the opposite trend appears to have taken place in recent years. Travel to work data from the Office

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3 The Bristol Residential Development Survey reports that there were 12,997 plots with planning permission in 2008/09 and this has reduced to 8,379 in 2012/13.
of National Statistics\textsuperscript{4} shows the change in employment flows over the period 2001-08 and further statistics\textsuperscript{5} are available for 2011. The key statistics are:

\begin{figure}[h]
\centering
\begin{tabular}{|l|c|c|c|}
\hline
& 2001 & 2008 & 2011 \\
\hline
North Somerset residents working in Bristol & 27.0\% & 27.5\% & 28.3\% \\
Bristol residents working in North Somerset & 2.3\% & 1.8\% & 2.0\% \\
\hline
\end{tabular}
\caption{Change over time in commuting between North Somerset and Bristol}
\end{figure}

The data for 2008 is provided in the ONS analysis and has been included in Figure 2 above as it enables comparison of pre and post recession trends.

The key findings for the purposes of this analysis are:

- There has been an increase between 2001-11, albeit marginal, in the percentage of residents living in North Somerset and working in Bristol City (27.0\% to 28.3\%). The rate of increase was higher during the recessionary period 2008-11 than before; and

- The scale of employment flows between Bristol and North Somerset demonstrate that North Somerset places significant (and increasing) reliance on Bristol as a location for employment, whereas Bristol residents place very little reliance on North Somerset as a place of work.

Based on the evidence of commuting flows that have taken place in recent years there is no reason to assume that flows from North Somerset to Bristol will reduce as

\textsuperscript{4} Commute – Annual Population Survey from Commuter View produced by ONS.

\textsuperscript{5} Annual Population Survey commuter flows, local authorities in Great Britain, 2010 and 2011.
anticipated by the Council. For the reasons set out above, the commuting balance sensitivity testing should not have any bearing on the interpretation of the evidence.

A very similar set of circumstances were recently considered by the Inspector appointed to examine the Aylesbury Vale Local Plan. In paragraphs 37-38 of his letter to the Council dated 7 January 2014 (a copy of which is attached at Appendix B), he explains the issues relating to the economic growth scenario tested by the Council. There are very clear similarities to the situation in North Somerset. As is the case in North Somerset, achievement of the Council’s own economic growth forecast would require substantially more housing and there is no substantive evidence to support the contention that there would be a reduction in out-commuting.

In concluding on this matter the Inspector stated that “notwithstanding the difficulties associated with economic forecasting, it is clear that the Council is planning for a level of housing well below that indicated by its own evidence in terms of potential economic growth”. It is our contention that this conclusion applies equally to the circumstances in North Somerset given it’s relationship with Bristol.

Through these representations we contend that the housing requirement for the North Somerset Core Strategy must take into account the impact and needs of Bristol. In advance of the publication of the West of England SHMA one indicator of need for housing in North Somerset which allows for some growth to meet the needs of Bristol is the ‘economic growth forecast’ scenario based upon a continuation of the existing ‘commuting ratio’. For this reason, it is our view that the Council must give considerable weight to the ‘economic growth forecast’ scenario (1,400 dwellings per annum) within the Edge Analytics Report in determining the strategic housing requirement.

Conclusion
Our conclusions in respect of this specific matter are that:
1.1 The Edge Analytics Report is a helpful component of the evidence base, but it should not be relied on as the sole determining factor for the derivation of the strategic housing requirement;

1.2 There is no evidence which indicates that there will be an increase in self-containment in North Somerset over the plan period. In the absence of substantive evidence which indicates there will be a positive change in self-containment, the Core Strategy must derive the strategic housing requirement on the basis that existing patterns will continue; and

1.3 Given the circumstances pertaining to North Somerset, the ‘economic growth forecast’ scenario must be given considerable weight in determining the strategic housing requirement.
Matter 2: Draft National Planning Practice Guidance

The Draft NPPG acknowledges that “establishing future need for housing is not an exact science” and “no single approach will provide a definitive answer”. The changes to Policy CS13 of the Core Strategy are however based exclusively on the recommendations of the Report produced by Edge Analytics. No account has been taken of any other factors that may influence the appropriate scale of the strategic housing requirement for North Somerset. This is contrary to both the NPPF and the guidance in the draft NPPG.

The NPPF states at paragraph 17, that “Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities”.

In making changes to Policy CP13 the Council has had no regard to any such factors either implicitly or explicitly through the evidence base. Indeed, there is no evidence provided which indicates that the Council has even considered how ‘market signals’ have changed over time and how the rates of housing delivery could have a bearing on such factors.

Market signals are an extremely important factor in determining the housing requirement. Unless such factors are taken into consideration, the scale of development will inevitably be tied to past rates of delivery and perpetuate the effects of historic under-delivery which have had significant negative consequences in recent years. Careful consideration must be given to the scale of housing delivery in order to improve affordability in North Somerset.

In order to provide an alternative perspective we have produced evidence which complies with the methodology proposed in the NPPG. This evidence, which is
provided in the ‘Housing Requirement in North Somerset’ Report in Appendix A, takes the 2011-based interim household projections as the starting point and, in accordance with the NPPG, assesses whether this should be adjusted to reflect market signals.

The Report (attached at Appendix A) comes to the conclusion that “taken together, the three market signals indicate that housing need in the HMA, including North Somerset, Bristol and South Gloucestershire, is higher than the national average”. As a consequence it concludes that the housing requirement indicated by the 2011-based interim household projections (1,450 dwellings per annum) represents the minimum level of growth that should be planned for in the Core Strategy.

Conclusion
Our conclusions in respect of this specific matter are that:

2.1 Contrary to the requirements of the NPPF, the Council has had no regard to ‘Market Signals’ in determining the strategic housing requirement in the Core Strategy.

2.2 The ‘Housing Requirement in North Somerset’ Report attached at Appendix A demonstrate that the need for housing is North Somerset is higher than the national average.

2.3 Based upon the 2011-based interim Household Projections (the ‘starting point’ defined by the draft NPPG), the housing requirement should be increased to a minimum of 1,450 dwellings per annum during the plan period.
Matter 3: The Council has failed to ‘Plan Positively’

In an earlier section of these Representations we critique the evidence produced by Edge Analytics which has informed the changes to the scale of housing required through Policy CS13 of the Core Strategy. We maintain that certain scenarios tested in the evidence produced by Edge Analytics have been dismissed without justification and that the implications of this are that the housing requirement is not based on robust and credible evidence. Notwithstanding these objections, we do not consider that the Council has responded appropriately to the recommendations of the evidence it has elected to use in the changes to the policy wording.

The figure of 17,130 dwellings over the plan period is the bottom end of the range recommended by Edge Analytics and indeed is over 3,000 dwellings below the top end of the range. The Council has sought to justify the use of the bottom end of the range in Paragraph 96 of the Consultation Document. It is claimed that the figure represents:

(i) a practical solution in advance of the production of the West of England SHMA; and

(ii) that it would enable the Core Strategy to retain the existing Spatial Strategy and hence other remitted policies would not need to be re-examined.

We do not consider that either of these reasons provide a legitimate justification for supporting the lower end of the range, nor do we consider the selection of the bottom end of the range to be consistent with the NPPF. Furthermore, the requirement that this produces is based on an unrealistically low rate of internal migration and will fail to deliver the economic growth aspirations of the Council or the West of England LEP. We now address each of these matters in turn.
A Practical Solution in Advance of the SHMA

A practical solution is clearly helpful where this is an option, however, it does not override the fundamental test in the NPPF that the plan must be sound. If it is not sound then it is irrelevant whether the approach proposed is practical or not as the Core Strategy cannot be adopted if it is not sound.

Retention of the Existing Spatial Strategy

It is entirely irrelevant whether the proposed scale of housing can be delivered within the existing Spatial Strategy. The proposed scale of housing delivery cannot be justified simply on the basis that it is consistent with a Spatial Strategy devised to deliver fewer homes. On the contrary, if the objective assessment of housing need points to a higher housing requirement (i.e. above the 14,000 dwellings proposed in the previous Core Strategy), then the Spatial Strategy must be revisited to determine whether it is the most sustainable solution. This approach is consistent with both the NPPF and the principles of good planning.

The NPPF contains a transparent and logical approach to plan-making. First it is necessary to determine the extent of the objectively assessed need for housing. This should then be adjusted if there are particular factors which indicate the requirement should be lower (e.g. environmental constraints) or higher (e.g. meeting the need from a neighbouring authority area). Once the housing requirement is settled, the Spatial Strategy should be devised to deliver the required scale of development in the most sustainable manner. However great the benefit of retaining the existing Spatial Strategy and shoehorning a greater scale of development into that strategy, this cannot outweigh the importance of planning properly for the delivery of the most sustainable form of development over the plan period to meet, in full, the identified need.
Unrealistically Low Rate of Internal Migration

In light of the findings and recommendations of the Edge Analytics Report, the Council has elected to adopt the bottom end of the ‘current trend growth’ scenario, which equates to the provision of 812 dwellings per annum in the period 2011 – 2026. If one discounts the ‘zero net migration’ scenario from the analysis, then this represents the lowest of the eight remaining scenarios which have been tested by Edge Analytics.

The scenario calculates there will be a total of 1,171 net in-migrants per annum, a figure which appears to be entirely unrealistic when viewed in the context of the ten year average, between 2001/02 and 2010/11. Indeed, as noted in paragraph 3.20 of the Edge Analytics Report, there has been a positive net inflow of on average 2,130 over this ten year period, of which 1,306 net migrants have come from the City of Bristol. A net migration level of 1,171 people per annum appears therefore to be highly unlikely.

Impact on the North Somerset Workforce

We note that the Edge Analytics Report calculates the effect of the proposed scale of growth on job creation. Due to the changing demographic profile within North Somerset, it is calculated by Edge Analytics that a 9% population growth, equating to 708 dwellings per annum, is required just to maintain the scale of the existing workforce (see paragraph 5.38). Housing delivery of 812 dwellings per annum as proposed by the Council will, in accordance with Table 5, only result in an additional 61 jobs in the workforce of North Somerset. This represents less than 10% of the employment target which was proposed by the Council to assess the ‘economic growth forecast’ scenario.

Our evidence elsewhere in these Representations demonstrates that it is not appropriate to assume any greater levels of self-containment in North Somerset than had been achieved historically. On that basis, the evidence from the Edge Analytics Report demonstrates that the Council’s proposed housing requirement will have a very damaging effect on the delivery of economic growth.
Consistency with the NPPF

Paragraph 14 of the NPPF outlines the presumption in favour of sustainable development and how this should operate in respect of plan-making. It states that “for plan-making this means that: ... Local Plans should meet objective assessed needs, with sufficient flexibility to adapt to rapid change”.

Paragraph 47 of the NPPF requires that “to boost significantly the supply of housing, local planning authorities should: ... use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the market area, as far as is consistent with the policies set out in this framework”.

It further states at Paragraph 154 that “Local Plans should be aspirational but realistic” and later, in Paragraph 158, that “each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence”.

The first test of soundness outlined in Paragraph 182 of the NPPF requires that Local Plans are “positively prepared” which means that “the Plans should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development”. We address the relationship with the neighbouring authority areas elsewhere in these Representations.

The second test of soundness is whether the Plan is ‘justified’. To be justified, “the Plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence”.

The above extracts from the NPPF are all directly relevant to this particular objection. In a number of instances, the NPPF makes reference to the importance of the evidence base, planning positively and flexibly, and to plans being
aspirational but realistic. The adoption of a strategic housing requirement which represents the bottom end of the range recommended by the Council’s own consultants and will fall so far short of delivering the Council’s economic growth objectives, is not consistent with any of these principles in the NPPF.

A similar set of circumstances arose during the examination of the Brighton & Hove City Plan. In that instance the range of the objectively assessed need identified for the HMA was 16,000 – 20,000 dwellings. In response to the evidence (see Appendix C) the Inspector concluded that “bearing in mind the Framework’s requirement that local authorities should assess their full housing need (my emphasis), including affordable housing, my view is that the Plan should indicate that the full objectively assessed need is the higher end of the range, i.e. 20,000 new dwellings”.

This interpretation of the NPPF is consistent with ours and recognises the need to plan positively to meet housing requirements.

For the reasons outlined above, we do not consider that the explanation for adopting the requirement at the bottom end of the range is justified. In contrast, we consider that the use of the top end of the range represents a position more closely aligned with the requirements of the NPPF to ‘plan positively’, ‘boost significant the delivery of housing’ and plan with sufficient ‘flexibility’.

Conclusion

Our conclusions in respect of this specific matter are that:

3.1 In principle, there is no justification for accepting a housing requirement at the lower end of the range proposed in the evidence base. This is not justified by the reasoning given in the Consultation Document and is inconsistent with the provisions of the NPPF.
3.2 Notwithstanding, our objections elsewhere within these Representations point to an alternative housing requirement for North Somerset and it is that figure which we propose as an alternative to Policy CS13;

3.3 The evidence of internal migration flows from Bristol is a strong indicator of how the housing market functions in this part of the West of England and how many Bristol residents relocate to North Somerset as a means of achieving their housing aspirations. This should be embraced by the Council and form a key component part of the strategy and spatial distribution of housing within North Somerset; and

3.4 The economic growth scenario has been unjustifiably dismissed in the recommendation of the Edge Analytics Report. Instead we consider the output from this scenario should be afforded considerable weight in determining the strategic housing requirement for the Core Strategy. This suggests a housing requirement of 1,400 dwellings per annum.
Matter 4: The Core Strategy fails to boost significantly housing delivery

Paragraph 47 of the NPPF sets out the measures that local planning authorities must adopt in order to “boost significantly the supply of housing”.

The need to increase housing delivery above the growth levels of recent years is not a new policy, nor is it the preserve of one political party. Indeed, as far back as the Barker Report in 2004 there have been successive Government statements of support for increasing housing delivery.

Since coming to power the Coalition Government has reiterated its commitment to growth and increasing housing delivery on a number of occasions. The Plan for Growth in March 2011 is just one example of the Government’s stated intention to increase housing delivery.

In 2007 the then Labour Government committed to increasing the supply of housing to 240,000 per annum by 2016. While in opposition, the Labour Party has again put housing growth high on its list of political priorities. Indeed, it has set up the Lyons Commission with the sole purpose of determining how to support the delivery of 200,000 dwellings per annum across England.

The Government drive for increased housing delivery as a means of addressing needs and affordability is substantiated by recent research which demonstrates the link between house prices and housing delivery. Research by the Spatial Economics Research Centre at the Economic and Social Research Council states that “the result is that ever since 1947, when we first introduced our planning system, it has been providing less and less land relative to demand – and so prices have gone up and up, both absolutely and relative to incomes”. The research goes on to conclude that
“regulatory constraints are largely to blame for the extraordinary high house prices in most of England”.

Independent research on behalf of the Town & Country Planning Association also indicates a need to significantly increase housing delivery. The Report by Professor Alan Holmans\(^6\) advocates a total projected newly arising demand and need for housing of 243,300 dwellings per annum.

**Figure 3:** Dwelling Completions in England Compared with Indicators of Need

![Graph showing dwelling completions and indicators of need over time.](image)

Source: DCLG and Town & Country Planning Tomorrow Series Paper 16 (by Alan Holmans)

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Across England the scale of housing delivery has fallen well short of the identified scale of demand and need. Figure 3 shows the national rate of housing delivery set against various projected levels of need.

We recognise that these figures relate to the national picture, however, they are extremely important in setting the context for the Government’s commitment to growth and the NPPF requirement to ‘boost significantly’ housing delivery. Indeed, this is a very serious and important commitment in the NPPF and a key component of the ‘Plan for Growth’. North Somerset Council must play its part in boosting significantly the scale of housing delivery, however, the requirements of Policy CS13 as currently drafted fail to achieve this important objective.

**Figure 4:** Annual and Average Housing Delivery in North Somerset and Proposed Strategic Housing Requirement.
Figure 4 shows the rate of housing delivery in North Somerset since 1981/82. Over the past 32 years there has been a total of 915 annual dwelling completions which it is reasonable to conclude represents the long term average. Policy CS13 now requires a total of 17,130 dwellings which equates to an average of 815 dwellings per annum over the period 2011-2026.

The proposed future rate of housing delivery will therefore fall below the levels achieved over the long term average. Not only will they therefore fail to achieve the Government’s requirement to ‘boost significantly’ the supply of housing but it would in fact lead to a reduction in housing delivery, precisely at a time when there is strong evidence and political support for increasing the rate of house building.

We consider this to be a significant shortcoming in the proposed revisions to Policy CS13 which, in combination with other considerations, undermines the soundness of the proposed housing requirement.

Conclusion

Our conclusions in respect of this specific matter are that:

4.1 The housing requirement in the Core Strategy fails the NPPF objective to ‘boost significantly the delivery of housing’ and that it is contrary to stated political objectives and evidence as it plans for fewer dwellings than have been delivered historically.

4.2 In order to boost significantly the supply of housing consistent with the NPPF the Core Strategy must plan for a significantly greater scale of development.
Matter 5: Housing Delivery within the Bristol HMA

One of our key objections to the housing requirement within the Core Strategy is the failure of the Council to acknowledge and respond to the housing needs arising from the neighbouring Bristol City Council. This is in our view a fundamental weakness in the evidence and a shortcoming which must be addressed in order for the plan to be sound.

The NPPF is very clear on the requirements for evidence and the approach that local planning authorities should adopt in deriving a Local Plan housing requirement. It requires at paragraph 159 that the housing requirement evidence for the Local Plan comprises a “Strategic Housing Market Assessment to assess the full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”.

Paragraph 47 of the NPPF also requires that local planning authorities “use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area” [our emphasis].

These two components of the NPPF are encapsulated in the tests of soundness in paragraph 182. In order for the Core Strategy to fulfil the first tests of soundness it must be ‘positively prepared’. This means that “the Plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development”. It is our contention that it is not only reasonable to address a proportion of the unmet requirements from the neighbouring area of Bristol City within North Somerset, but that it is both necessary for good planning and consistent with achieving sustainable development.
The evidence produced by Edge Analytics on behalf of the Council recommends a housing requirement which has no regard for the impacts of Bristol and is explicitly inward looking in its proposed housing requirement range. Basing the changes to Policy CS13 on this evidence is contrary to the provisions of the NPPF and fails the ‘positively prepared’ test of soundness.

The remainder of this section expands upon these concerns and demonstrates why it is necessary for the North Somerset Core Strategy to have regard to the housing requirements of the HMA. It then uses the evidence available to conclude what we consider to be the appropriate housing requirement for the Core Strategy. It will do so by demonstrating the following:

- The entirety of North Somerset falls within the Bristol HMA;
- The needs of Bristol City cannot be satisfied within the administrative area; and
- It is both necessary and in the interests of sustainable development to provide for an appropriate scale of housing within North Somerset to meet the needs of Bristol.

**Why North Somerset is part of the Bristol HMA**

Section 2 of the Report attached at Appendix A contains our analysis of the available evidence which defines the geographical extent of the Bristol HMA. The analysis includes evidence produced by the Centre for Urban and Regional Data Studies (CURDS) and an analysis of internal migration flows. There is a clear categorical link between North Somerset and Bristol and for the purposes of strategic planning, North Somerset quite clearly falls within the same HMA as Bristol.

This is extremely important in determining the appropriate scale and spatial distribution of growth in a manner consistent with the provisions of the NPPF. It also highlights the key differences between the approach and subsequent Inspector’s conclusions in respect of the Bath and North East Somerset (B&NES) and South Gloucestershire Core Strategies.
In the first of these, the Inspector concluded that the appropriate position to take in respect of the Core Strategy is that the HMA is coterminous with the authority boundary. As a result, there was no necessity to consider the wider growth needs of Bristol. This conclusion was based on the same evidence which demonstrates that North Somerset falls entirely within the Bristol HMA and hence the circumstances are very different.

With regards the South Gloucestershire Core Strategy, the vast majority of growth within the Core Strategy is directed towards the North Bristol communities where it will contribute towards the economic growth of the Bristol conurbation. The difference in North Somerset is that, whilst it is intrinsically part of the Bristol HMA, it does not respond to its growth needs and instead focuses exclusively on enhancing self-containment at the principal settlements within the Unitary Authority area.

Notwithstanding the comparisons with B&NES and South Gloucestershire, the evidence clearly demonstrates that North Somerset falls within the Bristol HMA and that, in order to comply with the NPPF, the Core Strategy must seek to meet the full, objectively assessed needs of the HMA.

The needs of Bristol cannot be satisfied within the City boundary
Evidence presented elsewhere within these Representations demonstrates that the growth requirements of Bristol cannot be accommodated through development focussed entirely within the existing administrative area. Indeed, the acknowledgement by the same Inspector that examined the Bristol Core Strategy in his note on the Bath and North East Somerset Core Strategy confirms that the Bristol housing requirement is based upon a capacity constrained assumption and evidence which pre-dated the publication of the NPPF.

Figure 1 in these Representations also shows that the Bristol Core Strategy housing requirement requires fewer dwellings per annum than either the 2008-based or 2011-based interim Housing Projections.
On the basis that the Bristol housing requirement is capacity constrained and that it falls well below the latest household projections, there is evidently a need arising from Bristol which cannot be accommodated within its administrative boundary. In such circumstances it is incumbent upon the neighbouring authorities, including North Somerset, to deliver housing with the specific purpose of meeting the shortfall within Bristol.

In advance of the publication of the West of England Strategic Housing Market Assessment (SHMA), it is necessary to use the available evidence to establish the appropriate scale of the strategic housing requirement. This evidence, which principally comprises the Edge Analytics Report, contains an alternative scenario which we consider better reflects the need of the HMA. It is this matter which we turn to next.

**How should the Core Strategy housing requirement be derived?**

In advance of the West of England SHMA, we believe it is possible to use the available evidence within the Edge Analytics Report to derive an appropriate housing requirement for North Somerset. We consider that the ‘economic growth forecast’ scenario represents the most reasonable and robust evidence to support the housing requirement in the Core Strategy. This scenario is based upon the following important assumptions:

- It will support the delivery of the economic growth targets set by the Council; and

- It maintains the current commuting balance between North Somerset and Bristol and thus will support, as a minimum, the existing level of economic growth in Bristol.

Based upon the available evidence, we consider that this scenario represents the minimum reasonable acceptable level of growth for the Core Strategy.
Conclusion

Our conclusion in respect of this specific matter is that:

5.1 The evidence demonstrates that the entirety of North Somerset falls within the Bristol HMA. In order to comply with the NPPF, the Core Strategy must therefore plan for the delivery of the HMA housing requirement;

5.2 The housing needs of Bristol cannot be satisfied within its administrative area and growth is required in the neighbouring authority areas in order to meet Bristol's needs; and

5.3 In advance of the West of England SHMA the Council should adopt the housing requirement derived from the ‘economic growth forecast’ scenario, i.e. 1,400 dwellings per annum in the period 2011 – 2026.
Matter 6: Market Delivery and Absorption

In the concluding comments in paragraph 95 of the Consultation Statement (November 2013), the Council contend that “even if a higher housing quantum could be justified, if it can’t be physically constructed and marketed within the plan period, in step with essential infrastructure, then it is simply a paper exercise”. It is the Council’s view that a maximum of 17,130 dwellings are capable of being delivered during the plan period and hence this should represent a cap on the scale of planned growth.

We fundamentally disagree with this statement both in terms of the conclusions regarding the scale of the potential delivery and also the principle of capping the strategic housing requirement at a perceived rate of market delivery. We deal with these two issues in turn.

Evidence of Market Delivery in North Somerset

In order to inform our Representations on this matter we have produced specific evidence of market delivery rates and potential absorption levels within North Somerset. In so doing, we have tested a higher growth scenario of 1,450 dwellings per annum. A copy of this evidence is attached at Appendix A.

The evidence provided demonstrates that there is market capacity in the HMA for further housing growth and that, in comparison with other authority areas, there is theoretical capacity to deliver a proportionately higher rate of housing.

Notwithstanding the appended evidence, we can say with full certainty that, should planning permission be granted, Taylor Wimpey would commence delivery of development at Ashton Park as soon as feasible. Market conditions are such that, if planning permission were granted, development would start immediately and there
would be a considerable rate of delivery on the site which would make a significant contribution to housing delivery over the duration of the plan period.

The Principle of Applying a Cap to Delivery Based Upon Perception of Market Delivery

It is quite clear from the provisions of the NPPF and guidance within the draft NPPG that a perceived rate of market delivery does not feature in the methodology for calculating a strategic housing requirement. Indeed, paragraph 47 of the NPPF states that “to boost significantly the supply of housing, local planning authorities should: ... use their evidence base to ensure that there Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as it is consistent with the policies set out in this Framework, including identifying key sites which are crucial to the delivery of the housing strategy over the plan period”.

There are two important messages in this extract from the NPPF. First, there is a clear commitment on the part of Government to support a significant increase nationally in the scale of housing delivery. To do so it will be necessary to deliver housing at a higher rate than has been achieved historically. Capping future housing delivery based upon a perception of what the market was able to achieve when it wasn’t delivering sufficient housing will inevitably result in a perpetuation of previous trends and insufficient housing delivery will become a self-fulfilling prophecy.

Furthermore, any forecast for market delivery is, by its nature, inherently uncertain and predicated upon the inter-relationship of a number of assumptions relating to Government policy decisions, economic trends and planning regulation. Changes in any one of these can influence the availability of land and market demand for housing potentially to a significant degree. For example, a surge in the growth of the new build private rented sector aided by greater institutional investment in housing as at asset class would increase supply from this source. Similarly, increased competition in the
house building market or the increased availability of land would, in all likelihood, lead to higher rates of growth.

These represent just some examples of changes to the market which could influence rates of delivery. The Lyons Commission set up by the Labour Party is currently investigating opportunities to boost housing delivery nationally in order to tackle the housing crisis. The remit of the commission is to investigate further means of increasing the rate of delivery to bring it into line with the delivery of 200,000 dwellings per annum nationally.

For these reasons, it would in our view by entirely inappropriate to limit future housing growth within the Authority area to a level which the Council consider could be achieved within the plan period.

The second message from paragraph 47 of the NPPF (which is also covered in paragraph 156) is that local planning authorities are required to ensure that Local Plans meet the “full objectively assessed need”. The assessment of need must not be fettered by any preconceived perceptions of matters which would potentially limit housing delivery. This principle was recently reaffirmed in the Hunston case in the High Court and subsequently the Court of Appeal7.

We note that the Council’s evidence in the Edge Analytics Report does not seek to limit the objectively assessed need on the basis of the ability of the market to deliver. However, the Council do make reference to this factor in the Consultation Statement and indicate that it is part of the justification for not adopting a higher growth target. For the reasons set out above, we strongly dispute the fact that this should be a consideration at all.

7 Court of Appeal: City and District Council of St Albans v The Queen (on the application of) Hunston Properties Limited and the Secretary of State for Communities and Local Government [2013] EWCA Civ 1610.
Finally, the plan period extends only to 2026, representing a total of 12 years. We note that the Council proposes to remove its commitment to a review. Given that further housing evidence will be available in 2015 in the form of the West of England SHMA, this appears to be a somewhat peculiar decision. Nevertheless, the point remains that after 2026 there will inevitably be a need for further housing growth. Given the time taken to produce a development plan and to undertake the necessary steps of the planning process for large strategic sites, there is in our view a clear benefit to taking a positive approach to growth through this Core Strategy. Any land allocations which have not been delivered in full by the end of the plan period will provide for a continuity of supply leading into the subsequent plan period.

This situation has been recognised elsewhere and, for example, in the Taunton Deane Core Strategy, the Council allocates land for development and, in order to provide certainty, indicates the direction of future growth which will meet needs beyond the plan period. This in our view represents a good model for the approach in the North Somerset Core Strategy.

Conclusion

Our conclusions in respect of this specific matter are that:

6.1 We do not agree with the Council that the stated level of maximum market delivery is correct. Our evidence indicates that market delivery could achieve 1,450 dwellings per annum.

6.2 It is inconsistent with the NPPF to impose any limitation on the scale of the strategic housing requirement as a result of perceptions of market delivery during the plan period.
Matter 7: Sustainability of Further Housing Development in North Somerset

This section of the Representations addresses our objections by posing and answering the following three questions:

- Whether development in North Somerset is ‘inherently unsustainable’;
- Whether the Spatial Strategy is consistent with the requirement to deliver sustainable development; and
- Whether an increase to the housing requirement for North Somerset can be accommodated in a sustainable manner.

Whether development in North Somerset is ‘inherently unsustainable’

One of, if not the, primary objective of the Core Strategy is to increase self-containment and reduce out-commuting. This, it is contended by the Council, will lead to a more sustainable pattern of growth in North Somerset and reduce dependence on Bristol for employment.

Overall, as a principle, we do not object to the enhanced self-containment of the principal towns in North Somerset as a part of the strategy. Indeed, we support the employment-led development strategy for Weston-super-Mare, despite having reservations about its achievability.

Our fundamental objection with the Council’s strategy is that it assumes that any housing development in North Somerset is ‘inherently unsustainable’. Indeed, it states as such in paragraph 8 of the Council’s response to the Inspector’s initial letter dated 6 July 2013 (August 2013).
This is a very broad, sweeping conclusion which ignores the proximity of Bristol. We assume the reference to ‘inherent unsustainability’ is alluding to the dormitory status of some of the settlements within North Somerset and the scale of economic out-commuting to Bristol, not the sustainability of the authority area as a whole.

We have arrived at this assumption because the concerns that further development in North Somerset would be ‘inherently unsustainable’ would clearly not apply to Ashton Park. Instead development at Ashton Park would maximise the benefits of what is arguably one of, if not the, most sustainable locations for growth within the Authority area. We explain later in this section of these representations why we consider development in North Somerset, whether to meet the additional 3,130 dwellings proposed in Policy CS13 or a further increase in the housing requirement (as advocated through these representations) should be directed towards Ashton Park on the edge of Bristol.

Whether the Spatial Strategy is consistent with achieving sustainable development

It goes without saying that it is not just a matter of good planning but also the law that local planning authorities should seek to deliver ‘sustainable development’. Indeed, Section 39(2) of the Planning and Compulsory Purchase Act 2004 requires that “the person or body [whose function it is to prepare Local Development Documents] must exercise the function with the objective of contributing to the achievement of sustainable development”.

The NPPF is consistent with the provisions of the 2004 Act, and defines the role of the local planning authority in planning for sustainable development. Most notably, paragraph 7 explains that there are three dimensions to sustainable development: economic, social and environmental. Paragraph 8 states that “to achieve sustainable development, economic, social and environmental gains should be sought jointing and simultaneously through the planning system. The planning system should play an active role in guiding development to sustainable solutions”.
The subsequent provisions in paragraph 9 of the NPPF further emphasise that “pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people’s quality of life”.

Given the concerns expressed by the Council regarding the inherent unsustainability of development within North Somerset, we find the Council’s response to the increased scale of housing somewhat baffling. In response to the rise in the overall housing requirement the Council proposes to increase the scale of the allocations at Weston-Super-Mare, Clevedon, Nailsea, Portishead and the service villages. The majority of the increase is proposed within the Weston Urban Area (1678 dwellings / 53%), with smaller increases in the other settlements. The Council is therefore promoting further development which it itself considers to be inherently unsustainable.

It is for this reason that we consider the Core Strategy does not contribute, to the extent that it could, to the delivery of sustainable development. It is in our view therefore inconsistent with both the requirements of the Planning and Compulsory Act 2004 and the NPPF. The Core Strategy ignores the significant sustainability credentials of development on the edge of Bristol which, when considered in the context of other development proposals, are substantially and demonstrably more sustainable. Even with the scale of the increase to the housing requirement proposed in the Core Strategy we consider that the Council must revise the distribution of development to ensure that this addresses the legal and policy requirement to achieve sustainable development.

Whether an increase to the housing requirement for North Somerset can be accommodated in a sustainable manner

The land on the edge of Bristol at Ashton Park is capable of making a substantial contribution to the delivery of housing and employment in a highly sustainable location over the remainder of the plan period. The sustainability credentials of the site are
undeniable and should be afforded considerable weight in defining the spatial strategy and distribution of development.

In accordance with the NPPF we have summarised below the significant advantages of the site in the context of the three strands of sustainability: economic, social and environmental. In all cases the site scores extremely well compared to other locations in North Somerset.

**Economic Sustainability**

- Included within the proposals at Ashton Park are a wide variety and mix of uses. These include not only direct provision of employment floorspace but also related employment through the additional service provision such as retail, leisure and supporting facilities. Ashton Park is, in itself, therefore capable of making a significant direct contribution to economic growth within North Somerset.

- A development the scale of Ashton Park will generate a substantial number of jobs throughout the time period of the construction. There is an opportunity to significantly enhance apprenticeship and training opportunities and to increase employment in the construction sector.

- Ashton Park is extremely well located to support the significant economic growth projections and objectives of the LEP for central Bristol. Housing growth in this location would provide a significant increase to the housing stock in a location extremely well placed to support the economic growth needs of Bristol, the economic power house of not just the HMA but also the South West region.

**Environmental Sustainability**

- One of, if not the, key advantages that Ashton Park has over alternative locations for growth in North Somerset is its proximity to Bristol City Centre. The edge of the Ashton Park site is located only 2.8 miles on road from the centre of Bristol (defined
as by the Hippodrome on St Augustine’s Parade). Compared to other locations both within North Somerset and elsewhere on the edge of Bristol within neighbouring authority areas, Ashton Park is extremely close to the City Centre.

- Not only is Ashton Park in close proximity to the City Centre but it also benefits from significant existing and improving infrastructure which will support the sustainable delivery of growth. This includes the following:
  
  o There is a direct, predominantly off-carriageway, cycle path currently between Long Ashton and Bristol City Centre which is approximately 3.0 miles and along relatively flat terrain. Development proposals at Ashton Park would integrate cycling links into the infrastructure, providing similar benefits from the development. Based upon an average cycling speed of 12.5 miles per hour (20 km per hour), Bristol City Centre is accessible in approximately 14 minutes.

  o In the north east corner of the Ashton Park site is the Long Ashton Park and Ride. There are bus services from the Park and Ride at a frequency of 10 minutes in the morning and evening peak hours, and 12 minutes during the day outside of peak times.

  o The most significant new infrastructure which has a bearing upon the sustainability of Ashton Park is the Bus Rapid Transit Link (BRT). The Ashton Vale to Temple Meads Rapid Transit route will link into the existing Park and Ride facility at Long Ashton and provides a dedicated, high quality public transport link to Bristol Temple Meads Station and number of locations, in a circular route, around the City Centre. The BRT route will provide a high

8 Source: SUSTRANS Cycle Map.
9 Sources: SUSTRANS reporting of average cycle speeds in a study in Copenhagen.
10 Source: South West Public Transport Information.
quality, predominantly segregated, bus link between Ashton Vale and the City Centre every 6 minutes\textsuperscript{11}.

In addition, the South Bristol Rapid Transit Route will link from Ashton Vale to Hengrove Park, where it will in turn link into the North Fringe to Hengrove Rapid Transit Route, providing services all of the way through from South Bristol to Bristol Parkway, Cribbs Causeway and Emembers Green to the north of Bristol.

The Transport and Works Act Order was granted on 6 November 2013 for the BRT and the funding is now committed. There is therefore a considerable degree of certainty over the delivery of this infrastructure.

- The proximity and connectivity of Ashton Park to the employment opportunities and wide range of services and facilities within Bristol via non car modes of travel, represents a considerable opportunity to deliver a large scale urban extension in a highly sustainable location. No other opportunity for growth, large or small, has such potential for maximising the use of non car modes of transport and reducing carbon consumption as a consequence.

- There are no environmental constraints which would preclude the delivery of development at Ashton Park. The site is considerable in size and includes within it areas of land which would rightly remain undeveloped and protected for their environmental value. However, it is entirely feasible to integrate these areas within development proposals for the site in such a way that they are retained and enhanced through the development. Similarly, there is sufficient land within the ownership and control of Taylor Wimpey to protect, and where appropriate, mitigate any impacts upon protected species. There are therefore no ecological constraints to development.

• The sustainable travel measures represent a significant competitive advantage over the use of the private car. Not only would it be possible to travel to Bristol city centre in less time than it would take to drive during peak hours, but the cost would be considerably less.

Social Sustainability

• For the reasons outlined elsewhere in these Representations, it is considered highly likely that a high proportion of future residents within North Somerset will continue to commute to Bristol for employment. Meeting the needs of these people in a location which is so readily accessible to large areas of employment within Bristol by sustainable modes of travel represents not only an environmental, but also an important social sustainability benefit.

Indeed future residents of both the market and affordable housing within North Somerset would be able to access a wide variety of employment and education opportunities along with the range of social and community infrastructure that is available in Bristol without the need to own a car. For those that are either unable to drive or unable to afford to drive, this represents an important consideration.

• The proximity to Bristol City Centre and the short travel times would reduce the duration of commuting for many of those living at Ashton Park and working in Bristol compared to other locations within North Somerset. It would be possible to access the City Centre by bicycle and by high quality public transport. The duration of the commute will have both environmental and social benefits, reducing not only carbon emissions but also the time spent by employees travelling to and from work.

• There are significant housing affordability issues both in the West of England HMA and North Somerset which it is necessary to proactively address. Increasing the supply of housing, and doing so in a highly sustainable location, will not only have a positive bearing upon the cost of market housing, but would also lead to a substantial increase in affordable housing across all tenures.
• Alongside the delivery of housing and employment floorspace would be the wide range of community and social facilities needed to support a new sustainable community. New schools, both primary and secondary, retail outlets, health facilities and community infrastructure would all form part of the urban extension. This can be masterplanned in such a way that future residents have safe and usable links to brand new, modern facilities which will support social interaction and mobility.

There are no other opportunities for growth within North Somerset which benefit from such significant and undeniably strong sustainability credentials as Ashton Park. In forming this opinion we are conscious, not only of the Council’s conclusion regarding the sustainability of further development in North Somerset, but also the views of the Panel in their assessment of the Areas of Search following the examination of the draft Regional Strategy.

The conclusions of the Panel on this matter are provided in Appendix D of these representations. Of particular relevance are the Panel’s conclusions that:

• the balance of advantage in terms of sustainability lies with urban extensions on the inner edge of the Green Belts rather than substantial further dispersal beyond the Green Belt boundaries (paragraph 4.0.32);

• greater weight should be attributed to sustainability principles than the Green Belt assessment as a rigid application of the latter would not generate the most sustainable outcome (4.03.33); and

• the releases of land proposed from the Green Belt (which included Ashton Park) were founded on sufficiently rigorous evidence (4.0.34) and would not threaten the main purposes of the Green Belt.

It is essential that the Council review the housing requirement and spatial strategy in the context of the potential for substantial sustainable mixed-use growth at Ashton Park. Failure to do so would not only result in poor planning, but it would also be
inconsistent with the requirements of the 2004 Act to plan for sustainable growth and the provisions of the NPPF which support this requirement.

We recognise that this matter has a direct bearing on the spatial strategy but it is also of fundamental importance to the strategic housing requirement, particularly the scale of growth to be delivered to meet the needs of Bristol.

Conclusion
Our conclusions in respect of this specific matter are that:

7.1 Not all development in North Somerset would be ‘inherently unsustainable’ as contended by the Council.

7.2 Housing growth on the edge of Bristol at Ashton Park represents the most sustainable location for growth in North Somerset and would assist in the delivery of housing to meet the needs of Bristol. Development at Ashton Park should form part of the Spatial Strategy for North Somerset whether the housing requirement is increased by 3,120 or to the 1,400 dwellings per annum level proposed in these representations.
Matter 8: The Spatial Distribution of Growth

We have explained elsewhere within these Representations why we consider the retention of the existing Spatial Strategy, despite the increase in housing requirement, to be an unsound response to the evidence. Proper planning for growth requires, in accordance with the NPPF, an objective assessment of housing need and the subsequent derivation of a spatial strategy and distribution for growth which will deliver the housing requirement in the most appropriate and sustainable manner.

The evidence also demonstrates that there is a strong functional relationship between North Somerset and the neighbouring authority of Bristol City which currently results in an annual migration flow of 1,306 people per annum from Bristol to North Somerset and a substantial daily commuting flow from North Somerset to Bristol for employment purposes.

We understand that the Council wish to seek to address this through the Core Strategy and to more closely align housing and employment growth at the principal settlements in North Somerset in order to enhance their self-containment, however:

i. the evidence of commuting flows between 2001 – 2011 (see Figure 2) indicate that no progress has been made in enhancing self-containment in the 10 year period for which data is available; and

ii. even if the Council were successful in enhancing self-containment, there is virtually no prospect of this occurring to the extent that it will eradicate out-commuting from North Somerset to Bristol. Whilst there remains a likelihood of continued out-commuting, this should be reflected in the Spatial Strategy and planned for in the most sustainable manner.
In the previous section of these Representations we outline the substantial sustainability credentials of the land at Ashton Park on the south west edge of Bristol. Not only is future housing in this location well placed to meet the needs arising from Bristol in a sustainable manner, but it is arguably a far more sustainable location for growth than any potential allocations at the principal settlements. The accessibility to a wide range of employment, education, social and service facilities within Bristol by sustainable modes of travel would result in substantially less vehicle movements, and hence carbon emissions, than development elsewhere within North Somerset. Add to this the social and economic sustainability of the site and it becomes very clear that Ashton Park represents a highly sustainable location for growth.

Growth on the edge of Bristol at Ashton Park would not only represent a highly sustainable component of the Spatial Strategy for North Somerset, but it would also assist in supporting housing delivery and economic growth within the HMA. Providing housing specifically to meet the needs of Bristol and in a location which is in close proximity to significant employment growth within Bristol will enable those households who wish to remain within close proximity to Bristol to meet their housing aspirations.

Given the constraints on capacity to delivery within Bristol and the significant demand as demonstrated by the Household Projections, the delivery of housing on the edge of Bristol at Ashton Park would help support a significant boost to housing delivery within North Somerset.

Conclusion
Our conclusion in respect of this specific matter is that:

8.1 The spatial strategy for the delivery of development within North Somerset must acknowledge the important and strong functional relationship with Bristol to the north. The distribution of development should respond to this relationship and
plan for the delivery of growth on the edge of Bristol at Ashton Park, as this represents the most sustainable strategy.
Conclusion

Through these Representations we raise a number of objections to the strategic housing requirement in the North Somerset Core Strategy and the supporting evidence base. We contend that the housing requirement proposed in Policy CS13 is not based upon robust and credible evidence. Furthermore, the Council’s interpretation of the findings from the Edge Analytics Report are unjustified, inconsistent with the NPPF requirement to ‘plan positively’ and ‘boost significantly the delivery of housing’ and will substantially undermine the economic growth objectives of the Council.

The housing requirement also fails to acknowledge the important functional relationship that exists between North Somerset and Bristol. North Somerset falls within the Bristol HMA and, in accordance with the provisions of the NPPF, the housing requirement must therefore respond to the growth needs across the authority boundaries.

As a result of these fundamental flaws, we do not consider that the current housing requirement is sound or that the Council should proceed to Examination based upon the current housing requirement in Policy CS13.

The Remedy

In order to address our objections and remedy the current unsoundness of the Core Strategy housing requirement, we advocate the inclusion of a scale of housing growth based upon the ‘economic growth forecast’ scenario in the Edge Analytics Report. This scenario will provide sufficient additional workforce to meet the economic growth aspirations of the Council whilst at the same time maintaining a consistent rate of in-migration to meet a proportion of the needs arising from Bristol. In advance of the
West of England SHMA this scenario in our view represents the only reasonable basis upon which to plan for the future growth of North Somerset.

In addition to the revised housing requirement in Policy CS13, we consider that it is imperative that the Council revisit the Spatial Strategy and distribution of development. Even with a relatively modest increase in the housing requirement during the plan period, the Spatial Strategy should be revisited in order to ensure that the Core Strategy plans for the most sustainable form of development. Reliance upon the existing Spatial Strategy without any assessment as to whether this remains the most appropriate and sustainable distribution of growth is not only inconsistent with the NPPF, but also contrary to the Planning and Compulsory Purchase Act 2004.

In revisiting the Spatial Strategy, the Council must give due weight to the considerable sustainability merits of the delivery of an urban extension on land to the south west of Bristol at Ashton Park. For the reasons outlined in these Representations, this represents a highly sustainable and suitable location which is capable of delivering a significant mixed-use urban extension to meet the growth needs of Bristol.
Appendix A

‘Housing Requirements in North Somerset’, Savills (January 2014)
HOUSING REQUIREMENTS IN NORTH SOMERSET

Final Report

Savills Research
14th January 2014
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<td>20</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

This report assesses the level of housing need in North Somerset, with regard to household projections at a national and local level as well as market signals, having reference to the housing market area in which North Somerset is located. It also assesses the market capacity for the absorption of new homes.

The housing market area
The strategic housing market areas (HMAs), developed by the Centre for Urban and Regional Data Studies (CURDS) at Newcastle University, show North Somerset in a HMA that also contains Bristol and South Gloucestershire. Analysis of ONS migration data confirms that this HMA is the relevant context within which to assess housing need in North Somerset.

The national requirement for new homes
It is widely acknowledged that the household projections published by the Department for Communities and Local Government are the starting point for assessment of the country’s housing need, with the most recent interim 2011-based projection indicating the annual formation of 221,000 additional households across the whole of England.

Work by Holmans shows that the headship rates within the interim 2011-based projections are constrained by the state of the housing market since 2007. Taking account of the economic and market downturn, he concludes that an additional 240,000 new homes per annum are needed over the 20 years to 2031, equivalent to an expansion of housing stock at an average rate of 1.04% per annum.

Housing need in North Somerset
Analysis of market signals indicates that housing need in the HMA, including North Somerset, Bristol and South Gloucestershire, is higher than the national average. This indicates that housing supply in excess of 1.04% of stock is needed.

The most recent household projections (interim 2011-based) indicate that housing need is 1.2% of stock in the HMA. Whilst this is substantially lower than the 2008-based projection, it is higher than the national average required to achieve housing delivery in line with Holmans’ conclusion and, taking account of market signals, would be a conservative level to take forward as a measure of need in North Somerset and the HMA.

Housing delivery at this level requires 4,723 new homes per annum across the HMA. Local plans in place in Bristol and South Gloucestershire include housing provision of 2,890 dwellings per annum in these two local authorities. For the HMA to deliver new homes at a rate of 1.2% of stock per annum, this would require 1,833 new homes per annum to be delivered in North Somerset.

Against this context, the household projection figure of 1,450 additional homes per annum should be considered a minimum level of housing need. However, delivery at this level would result in housing delivery at less than the 2011-based household projection level across the HMA as a whole.

Market capacity
Higher rates of delivery in the connected markets of Bristol and South Gloucestershire indicate that market capacity has not been a limit to housing supply in North Somerset over the three years to 2012/13.

To satisfy the housing need identified above, delivery at a rate of 1.2% per annum is required across the HMA within which North Somerset lies. This has been achieved, even in the relatively poor market conditions of 2010-13, in a number of similar markets across the country. This indicates that housing delivery at this level would have been achievable in North Somerset.

The residential market across the country has seen a substantial strengthening over the last six months, with market capacity for absorption of new build homes increased by at least 30% compared to 2010-13 as a result. This indicates that there is market capacity to absorb new homes in the HMA at a rate of at least 1.2% of stock per annum.
1 INTRODUCTION

This report assesses the level of housing need in North Somerset, with regard to household projections at a national and local level as well as market signals. It also assesses the market capacity for the absorption of new homes.

The first part of the report defines the relevant housing market area (HMA) within which North Somerset lies.

Section 3 looks at the national requirement for new homes and how this should vary across the country in response to market signals. Section 4 looks at the household projections for North Somerset and the wider HMA within which it lies, analysing the market signals and making conclusions on the level of housing need in the local authority.

Section 5 assesses the market capacity for the absorption of new homes at the levels indicated by the analysis in Section 4.
2 DEFINING THE HOUSING MARKET AREA

It is important to derive a housing market area, based on sub-regional evidence as part of meeting the NPPF Duty to Co-operate requirement. The draft NPPG states that the “Need for housing in the context of the guidance refers to the scale [...] of housing [...] that is likely to be needed in the housing market area over the plan period”. The NPPG also states that local authorities “should assess their development needs working with the other local authorities in the relevant housing market area [...] in line with the duty to cooperate.”

The NPPG suggests using migration data to “identify the area within which a relatively high proportion of household moves (typically 70 per cent) are contained.” This is in line with existing SHMA guidance.

There are a range of possible methodologies for deriving a HMA. The Centre for Urban and Regional Data Studies (CURDS) at Newcastle University have formulated a range of non-overlapping strategic HMAs based on migration, travel to work flows and house prices.\(^1\) There are two levels of detail in their results:

- **Gold standard** – uses the maximum level of detail possible, grouping census wards into HMAs. Within this there are strategic HMAs and local HMAs, for more urban areas.
- **Silver standard** – these represent the best possible match of the gold standard HMAs to whole local authorities.

The Silver standard strategic HMA within which North Somerset lies, also includes Bristol and South Gloucestershire (Figure 1).

Figure 1 – CURDS Silver standard strategic HMA

\(^1\) “Geography of housing market areas”, Colin Jones (School of the Built Environment, Heriot-Watt University), Mike Coombes (Centre for Urban and Regional Development Studies, University of Newcastle), Cecilia Wong (Centre for Urban Policy Studies, University of Manchester), November 2010, Department for Communities and Local Government
The Gold standard strategic HMA within which North Somerset lies is shown in Figure 2. As well as the local authorities included in the silver standard HMA, parts of Stroud, Bath & North East Somerset, Mendip and Sedgemoor are also included.

The CURDS HMAs are dominated by the principal urban areas within them. In the case of the HMAs shown above, Bristol is the major influence.

The NPPG says that any “assessment of need should be realistic in taking account the particular nature of that area (for example geographic constraints and the nature of the market area).” It is therefore necessary to assess the market area taking account of the particular nature of North Somerset. The CURDS HMAs do not overlap and the silver standard HMA for North Somerset omits three adjoining boroughs, which may be relevant to a more ‘North Somerset-centred’ HMA. We can test this using 2001 Census data and ONS internal migration data.

Analysis of the 2001 Census origin-destination migration data (there is not yet a publication date for the 2011 Census migration data) reveals which local authorities need to be included to account for 70% of all moves within, into and out of North Somerset. These are shown in Table 1 and indicates a HMA including only North Somerset and Bristol.

![Figure 2 – CURDS Gold standard strategic HMA](image)

Source: CURDS

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Cumulative percentage of all moves</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Somerset</td>
<td>61%</td>
</tr>
<tr>
<td>City of Bristol</td>
<td>69%</td>
</tr>
<tr>
<td>From an unknown address</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: 2001 Census
A method developed by Holmes and Haggett gives a variable threshold for the significance of flows. Deploying this method on the 2001 migration data gives the same result: that the only local authority with a significant migration connection to North Somerset is Bristol.

Whilst the 2011 Census flow data has not yet been released, the ONS has published internal migration data for local authorities in the year ending June 2012. The Neighbourhood Statistics website uses the Holmes and Haggett method to present this data as an interactive graphic to show which are the most significant inflows and outflows from each local authority.

Analysis of the same 2011/12 data using the same methodology, but looking at the total number of moves between local authorities, gives the same result as the analysis of 2001 Census data: that the only local authority with a significant migration connection to North Somerset is Bristol.

Carrying out the same analysis on Bristol and South Gloucestershire reveals that the only significant migrations connection to each of these local authorities is from the other. These results are summarised in Table 2.

Table 2 – Summary of migration analysis

<table>
<thead>
<tr>
<th>Subject local authority</th>
<th>Significant migration connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Somerset</td>
<td>Bristol</td>
</tr>
<tr>
<td>Bristol</td>
<td>South Gloucestershire</td>
</tr>
<tr>
<td>South Gloucestershire</td>
<td>Bristol</td>
</tr>
</tbody>
</table>

Source: Savills using ONS

2.1 Conclusion

Bristol is clearly the most substantial external influence on housing need in North Somerset, with other adjoining local authorities being relatively unimportant. The relevant housing market area within which to consider North Somerset is therefore a Bristol-centric one.

In line with the CURDS work, analysis of the migration connections between Bristol and South Gloucestershire suggests that a HMA containing Bristol should also contain South Gloucestershire.

An HMA containing North Somerset, Bristol and South Gloucestershire is therefore the relevant context within which to assess housing need in North Somerset.

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2 Graph Theory Interpretation of Flow Matrices: A Note on Maximisation Procedures for Identifying Significant Links, Holmes, J. H. and Haggett, P., Geographical Analysis, Vol. IX (October 1977)
3 HOUSEHOLD PROJECTIONS AND THE NATIONAL REQUIREMENT FOR NEW HOMES

It is widely acknowledged and stated in the draft NPPG that the “household projections published by the Department for Communities and Local Government (DCLG) should provide the starting point estimate of overall housing need.” This analysis starts by reviewing housing requirements at a national level, examining the market case for differing levels of housing demand in different regions of England.

3.1 National level household projections

The 2008-based household projections were for an average annual increase in the number of households in England of 245,000. The 2011 Census found that there were 375,000 fewer households in 2011 than had been indicated by the 2008-based household projections.

The interim 2011-based household projections changed the estimate of England average increase in households to 221,000 per annum. We are aware that the 2011-based household projections were produced before revised mid year population estimates had been prepared for the period from 2002 and 2010, in the light of new information from the 2011 Census. They therefore rely on information which has since been changed by later analysis of Census data.

Work by Alan Holmans for the Town and Country Planning Association[^3] takes these factors into account and shows that there are two key factors which explain the shortfall between the 2008-based projection for 2011 and the actual numbers recorded by the Census:

- Firstly, that large numbers of recent immigrants have lower household formation rates than the population as a whole. This effect will not be reversed.
- Secondly, that the state of the housing market during the downturn prevented the formation of new households and this effect is likely to be gradually reversed.

Taking account of these factors, Holmans concludes that “over 240,000 additional homes will be required each year to meet newly arising demand and need.”

Both the ONS 2011-based projections and Holmans work assume a headship rate that continues to decline, although on different trajectories. When assessing housing need in North Somerset and the HMA, this continuing trend towards smaller households (and lower headship rates) should be considered as a key factor.

Figure 3 – Headship Rates

![Headship Rates Graph](image)

Source: ONS, TCPA

The most recently published 2012-based population projections are consistent with the 2008-based population and household projections. Both sets of household projections are based on a continued fall in headship rates, driven by changing demographics. Holmans work shows that the headship rates within the interim 2011-based projections are constrained by the state of the housing market since 2007.

Data from the Department for Communities and Local Government (DCLG) show that there were 23,111,000 dwellings in England as at 1st April 2012. The required increase in households as a proportion of dwelling stock is therefore:

- 1.06% per annum, according to the 2008-based household projections;
- 0.96% per annum, according to the interim 2011-based household projections.
- 1.04% per annum, according to Holman’s conclusions.

Assuming these assessments of housing need at a national level are correct, the increase in the number of households across all local authority districts in England should be at an average of around 1.0% of stock per annum.

### 3.2 Regional level household projections

There is substantial regional variation in the household projections, with the highest growth in London and the East. The 2011-based household projection for the South West is lower than the national average at 0.9% of stock per annum, significantly reduced from the 2008-based projection, when it was at 1.2% per annum, higher than the national average.

#### Table 3 – Regional household projections

<table>
<thead>
<tr>
<th></th>
<th>Household projections, per annum</th>
<th>Household projections, per annum, as % stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>52,571</td>
<td>37,898</td>
</tr>
<tr>
<td>East</td>
<td>28,087</td>
<td>33,878</td>
</tr>
<tr>
<td>South East</td>
<td>38,399</td>
<td>41,081</td>
</tr>
<tr>
<td>East Midlands</td>
<td>18,837</td>
<td>22,958</td>
</tr>
<tr>
<td>South West</td>
<td>21,553</td>
<td>28,584</td>
</tr>
<tr>
<td>Yorkshire &amp; Humber</td>
<td>18,107</td>
<td>28,662</td>
</tr>
<tr>
<td>West Midlands</td>
<td>17,759</td>
<td>19,436</td>
</tr>
<tr>
<td>North East</td>
<td>7,668</td>
<td>9,229</td>
</tr>
<tr>
<td>North West</td>
<td>17,545</td>
<td>23,717</td>
</tr>
</tbody>
</table>

*Source: DCLG*
This is reflected in historic economic performance and forecasts, which are linked to household projections via the size of the workforce. Economic growth, as measured by Gross Value Added (GVA), was stronger in southern regions of England between 2001 and 2010 and is forecast to be strongest in the same regions between 2010 and 2020.

Figure 4 – GVA growth

Source: Oxford Economics

3.3 Regional market signals

The NPPG states that the “housing need number suggested by household projections […] should be adjusted to reflect appropriate market signals”. The charts below show analysis of the three most easily accessible market signals to assess whether there is regional variation in the level of demand.

The measure of affordability referred to by the NPPG is the lower quartile house price to lower quartile earnings ratio, which is published by DCLG.

Figure 5 shows that affordability in the two most southerly regions of England is worse than the England average and substantially worse compared to the North East. This indicates that demand is much greater relative to supply in the south of the country than in the north.

Source: DCLG
Since the economic downturn, there has been a wide divergence in the performance of average house prices, determined by the relative levels of demand in different areas. House prices have recovered relatively strongly in the South East, where prices were only 4% below their peak in November 2013. Conversely, house prices in the north east were 22% below peak. This is further evidence of greater demand for housing in the south compared to the north, in line with household projections.

The proportion of dwelling stock classified as long term vacant has been lower in southern regions compared to the national average and substantially lower compared to the north east. This indicates a greater degree of housing scarcity in the south.

The 2011-based household projections suggest that housing need is lower as a percentage of stock in the South West compared to the England average. Two of the market signals analysed above indicate that demand for housing, relative to supply, in the South West is approximately in line with the South East and is substantially higher than the England average. In terms of house price growth, the South West is in line with the England and Wales average.

The implication of these analyses is that the average housing requirement in the South West of England is higher than the national average, so in excess of 1.0% of stock per annum.
4 HOUSING REQUIREMENT IN NORTH SOMERSET AND THE WIDER HMA

This section uses the household projections and analysis of market signals to look specifically at the level of housing need in North Somerset and the wider HMA, to include Bristol and South Gloucestershire. To put this in context, the first part of this section looks at historic levels of supply, which will have had a bearing on the household projections and market dynamics.

4.1 Historic supply

In our assessment of historic supply in North Somerset, we have used the net additional dwellings figures published by DCLG. This gives us a consistent dataset with which we can compare housing delivery in North Somerset with other areas as well as national and regional averages. The figures before 2011 are different from those provided by North Somerset Council as they have been adjusted to reflect the increase in dwelling stock recorded by the 2011 Census. This difference is shown in Figure 8.

Figure 9 shows that housing delivery in North Somerset was at or above national and regional average levels from 2002 until 2008. Since the downturn, the rate of housing delivery in North Somerset has fallen more than the regional and national averages.

The green bars in Figure 9 show historic housing delivery in North Somerset as the number of net additional dwellings (on the left hand axis) and as a percentage of housing stock (on the right hand axis). The purple dashes show housing delivery in the whole HMA (North Somerset, Bristol and South Gloucestershire) as a percentage of stock, on the right hand axis. The lines for England and the South West also show housing delivery as a percentage of stock on the right hand axis.

Until 2008, North Somerset also performed broadly in line with the HMA as a whole, but since the downturn and until 2012/13 the rest of the HMA has delivered new homes at a much higher rate.
4.2 Household projections

The local authority level household projections for the HMA in which North Somerset lies are shown in Table 4. Across all three local authorities, the 2008-based projections are equivalent to an increase in stock of 1.9% per annum. The 2011-based projections are equivalent to a 1.2% increase in stock per annum.

**Table 4 – Household projections**

<table>
<thead>
<tr>
<th></th>
<th>Annual change in the number of households, 2011-2021 (as % stock in parentheses)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>North Somerset</td>
</tr>
<tr>
<td>2008-based projections</td>
<td>1,852 (2.0%)</td>
</tr>
<tr>
<td>2011-based projections</td>
<td>1,450 (1.6%)</td>
</tr>
</tbody>
</table>

*Source: DCLG*

In 2012, DCLG recorded 92,210 dwellings in North Somerset. An increase in housing at 1.04% per annum, in line with Holmans’ national assessment, is 959 additional units per annum. The local level household projections therefore indicate a higher need for new homes than the national average.

The following section follows the same approach taken in Section 3.3 to assess whether the market signals indicate that housing delivery in North Somerset should be higher or lower than the national average.

4.3 Market signals

Affordability in North Somerset was broadly in line with the HMA as a whole, but a gap has opened up since housing delivery in North Somerset fell more than the HMA average from 2008 (see Figure 9).

Affordability in both the HMA as a whole and in North Somerset is worse than the national average.

This indicates that housing demand in North Somerset is higher than the national average and higher than the rest of the HMA.

*Source: DCLG*
House price growth in North Somerset and the wider HMA has been in line with the national average, reaching 10% and 9% below the 2007 peak in November 2013 compared to 9% across England & Wales.

This indicates that housing demand in North Somerset is in line with the national average.

![Figure 11 – House prices](source: HM Land Registry)

The proportion of dwelling stock classified as long term vacant in North Somerset was much lower than HMA and national averages, at 0.5% of housing stock in 2012, 0.9% in the HMA and an England average of 1.1%.

This indicates that housing scarcity in North Somerset is higher than the national and regional averages.

![Figure 12 – Vacant housing stock](source: DCLG)

The analyses of affordability and the level of vacant stock indicate that demand is higher in North Somerset and the HMA than the national average. The analysis of house prices indicates that housing demand in North Somerset and the HMA is in line with the national average.
4.4 Conclusions

Taken together, the three market signals indicate that housing need in the HMA, including North Somerset, Bristol and South Gloucestershire, is higher than the national average. This indicates that housing supply in excess of 1.04% of stock is needed.

The most recent household projections (interim 2011-based) indicate that annual housing need is 1.2% of stock in the HMA. Whilst this is substantially lower than the 2008-based projection, it is higher than the national average required to achieve housing delivery in line with Holmans’ conclusion and, taking account of market signals, would be a conservative level to take forward as a measure of need in North Somerset and the HMA.

Housing delivery at this level requires 4,723 new homes per annum across the HMA. Local plans in place in Bristol and South Gloucestershire include housing provision of 2,890 dwellings per annum in these two local authorities. For the HMA to deliver new homes at a rate of 1.2% of stock per annum, this would require 1,833 new homes per annum to be delivered in North Somerset.

Against this context, the household projection figure of 1,450 additional homes per annum should be considered a minimum level of housing need. However, delivery at this level would result in housing delivery at less than the 2011-based household projection level across the HMA as a whole.

The following section assesses whether there is market capacity to deliver new homes at this rate within the HMA.
5 MARKET CAPACITY FOR RESIDENTIAL DEVELOPMENT

Housing delivery in North Somerset has fallen to an average of 0.5% of stock per annum over the three years to 2012/13. This section assesses the whether there is market capacity for a higher level of housing delivery in North Somerset and whether there is market capacity within the HMA to absorb the level of housing need identified in Section 4.

Figure 13 expands on Figure 9 to show the level of housing delivery in each of the three local authorities within the HMA. Over recent years, North Somerset has been the poorest performing of the three local authorities. The closely connected markets of Bristol and South Gloucestershire show that there is market capacity for housing delivery at a higher rate than has been achieved in North Somerset, with both delivering at an average rate of 0.8% of stock over the three years to 2012/13. This rate of delivery in North Somerset is equivalent to 738 new homes per annum.

Figure 13 – Historic housing delivery

Source: DCLG

To satisfy the level of housing need indicated by the analysis in Section 4, housing delivery would need to be at a rate of 1.2% of stock per annum across the Bristol, South Gloucestershire and North Somerset HMA.
There are a range of markets across the country with similar characteristics to North Somerset where housing delivery has been achieved at much higher rates, even during the difficult market conditions of the three years to 2012/13. A selection of these is shown in Table 5, which also includes the data for North Somerset for ease of reference.

- These markets are all equally or less active than North Somerset, as measured by the number of transactions as a percentage of stock;
- All have similar or lower levels of house price, indicating similar or lower levels of demand;
- With the exceptions of Central Bedfordshire and Maidstone, all have similar or better levels of affordability, indicating less scarcity of housing.

Despite being generally weaker markets, all of these areas have seen housing delivery in excess of 1.0% of stock per annum over the three years to 2012/13. This indicates that the level of delivery seen in North Somerset over recent years has not been limited by market capacity and higher levels of supply could have been absorbed into the market.

Table 5 – Market capacity precedents

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North Somerset</td>
<td>0.5%</td>
<td>3.5%</td>
<td>£192,000</td>
<td>7.5</td>
</tr>
<tr>
<td>Ashford</td>
<td>1.0%</td>
<td>3.1%</td>
<td>£198,000</td>
<td>7.9</td>
</tr>
<tr>
<td>Tewkesbury</td>
<td>1.0%</td>
<td>3.0%</td>
<td>£190,000</td>
<td>7.5</td>
</tr>
<tr>
<td>Colchester</td>
<td>1.0%</td>
<td>3.7%</td>
<td>£185,000</td>
<td>7.1</td>
</tr>
<tr>
<td>North Kesteven</td>
<td>1.0%</td>
<td>3.2%</td>
<td>£142,500</td>
<td>7.5</td>
</tr>
<tr>
<td>Central Bedfordshire</td>
<td>1.1%</td>
<td>3.5%</td>
<td>£200,000</td>
<td>8.9</td>
</tr>
<tr>
<td>Bedford</td>
<td>1.1%</td>
<td>3.0%</td>
<td>£178,000</td>
<td>7.4</td>
</tr>
<tr>
<td>Maidstone</td>
<td>1.2%</td>
<td>3.2%</td>
<td>£205,500</td>
<td>8.4</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>1.2%</td>
<td>3.5%</td>
<td>£180,000</td>
<td>7.1</td>
</tr>
<tr>
<td>Sedgemoor</td>
<td>1.3%</td>
<td>3.1%</td>
<td>£170,000</td>
<td>7.3</td>
</tr>
<tr>
<td>Forest Heath</td>
<td>1.3%</td>
<td>3.2%</td>
<td>£160,000</td>
<td>7.8</td>
</tr>
<tr>
<td>Milton Keynes</td>
<td>1.4%</td>
<td>3.3%</td>
<td>£190,000</td>
<td>6.9</td>
</tr>
<tr>
<td>Corby</td>
<td>1.9%</td>
<td>3.1%</td>
<td>£121,000</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Source: DCLG, HM Land Registry
The residential market has undergone substantial strengthening over the last six months, increasing market capacity for the absorption of new homes above that experienced over the three years to 2012/13. In addition, the Government Help to Buy scheme has provided a significant boost to the market. In the new build market, the equity loan part of the scheme has made a substantial impact, with over 15,000 reservations in the first six months.

The improvement in market strength is becoming increasingly clear, with mortgage approvals in November 2013 being 42% higher than the 2010-13 average and all residential transactions 28% higher. This indicates that market capacity has already increased by at least 30% compared to 2010-13, with the residential market expected to continue to strengthen. Therefore the market capacity of 1.0% per annum observed in the comparable markets above will have increased by at least 30%, to in excess of the 1.2% per annum required in the HMA for housing need to be met.

**Figure 14 – UK mortgage approvals**

![UK mortgage approvals graph](image1)

*Source: Bank of England*

**Figure 15 – UK residential transactions**

![UK residential transactions graph](image2)

*Source: HMRC*
5.1 Conclusions

Higher rates of delivery in the connected markets of Bristol and South Gloucestershire indicate that market capacity has not been a limit to housing supply in North Somerset over the three years to 2012/13.

To satisfy the housing need identified in Section 4, delivery at a rate of 1.2% per annum is required across the HMA within which North Somerset lies. This has been achieved, even in the relatively poor market conditions of 2010-13, in a number of similar markets across the country. This indicates that housing delivery at this level would have been achievable in North Somerset.

The residential market across the country has seen a substantial strengthening over the last six months, with market capacity for absorption of new build homes increased by at least 30% compared to 2010-13 as a result. This indicates that there is market capacity to absorb new homes in the HMA at a rate of at least 1.2% of stock per annum.
IMPORTANT NOTE

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.
Appendix B

Aylesbury Vale Inspector’s Letter, dated 7 January 2014
Dear Mr Byrne,

**Vale of Aylesbury Plan Strategy Examination:**

- **Duty to co-operate**
- **Soundness in terms of the overall provision for housing and jobs**

1. Further to the initial hearing sessions held on 10, 12 and 13 December 2013 I set out below my conclusions in respect of the duty to co-operate (Matter 1) and soundness in terms of overall provision for housing and jobs (Matter 2) and explain the implications for the examination.

**Background**

2. The Council submitted the Vale of Aylesbury Plan Strategy (the Plan) for examination in August 2013, having previously published the Proposed Submission version of the Plan in May 2013.

3. Section 33A of the Planning and Compulsory Purchase Act 2004 (as amended) imposes a duty to co-operate in terms of the preparation of a development plan document as far as it relates to a strategic matter. The duty to co-operate came into effect in November 2011 and the Council does not dispute that it is required to meet it in relation to overall housing provision within the Plan, amongst other strategic matters. The duty requires the Council to have co-operated in maximising the effectiveness of the preparation of the Plan and in particular to have engaged constructively, actively and on an ongoing basis.

4. It is also of relevance that the National Planning Policy Framework (NPPF) was published in March 2012, over a year before the Proposed Submission version of the Plan was published and some seventeen months before the Plan was submitted for examination. The NPPF clearly sets out the approach that should be taken in terms of identifying and meeting needs for development including housing and emphasises the need for co-operation and collaboration, particularly where housing markets cross administrative boundaries and where local planning authorities may not be able to accommodate development requirements wholly within their own areas.

5. In the early stages of plan preparation, the Council commissioned work to consider the potential needs for housing and employment growth in the District. The Housing and Economic Growth Assessment (HEGA) was published in September 2011. This set out a number of scenarios for growth and informed the identification of initial
options for the overall scale of housing and employment to be planned for in the District. The HEGA focussed on the scale and distribution of growth within Aylesbury Vale; it did not specifically consider the potential development needs of other authorities or assess wider housing markets.

6. In light of the duty to co-operate and the publication of the NPPF, the Council commissioned the Strategic Housing Market Assessment: Validation Study (the Validation Study) in May 2012. The Validation Study (published in February 2013) undertook a review of the HEGA, defined a sub-regional housing market area (HMA) and identified potential housing requirements across it. The Validation Study considered that Aylesbury Vale is most appropriately regarded as being within the Luton and Milton Keynes HMA which also includes the local authority areas of Milton Keynes, Central Bedfordshire, Bedford and Luton.

7. Further work on demographic projections undertaken on behalf of the Council was published in April and May 2013. A supplementary report to the Validation Study was published in June 2013 to take account of updated information. This sets out the Council’s up to date position in terms of potential housing needs and provision for each of the local authorities within the HMA.

**Duty to co-operate**

8. Whilst there are a number of cross-boundary issues requiring co-operation between the Council, other local authorities and relevant bodies, the overall provision for housing is of particular significance given the pattern of commuting and migration between Aylesbury Vale and other authorities, interrelationships in housing markets and the role that the District has had in accommodating growth on a sub-regional level.

9. The District boundary adjoins the urban area of Milton Keynes, which is likely to continue to be a major focus for housing and economic growth. The relationship between Aylesbury Vale and the growth of Milton Keynes has long been recognised as a key issue, in particular the potential for future growth of the urban area, partly or wholly within Aylesbury Vale. The need for joint working and effective co-operation on this matter is clearly set out in the recent Inspector’s Report on the Milton Keynes Core Strategy (May 2013) and in the Core Strategy itself (Policy CS6) adopted in July 2013.

10. Based on the Validation Study, the Council acknowledges that Aylesbury Vale forms part of a wider HMA along with Milton Keynes, Central Bedfordshire, Bedford and Luton. It also accepts that there are interrelationships with other areas and is aware of concerns that due to environmental constraints, a number of authorities may not be able to accommodate all of their identified housing needs and may be looking to Aylesbury Vale to accommodate some additional growth.

11. The duty to co-operate is not a duty to agree. In addition, whilst consideration must be given to joint working and the production of joint local development documents, these are not specific requirements of compliance with the duty. The lack of jointly produced evidence and the fact that a number of other local authorities continue to have concerns in respect of the level of housing provision set out in the Plan are not in themselves reasons to conclude that the Council has failed to comply with the duty. It is the actions of the Council in terms of co-operating to maximise the effectiveness of the preparation of the Plan which are critical to my consideration of the matter.
12. There is no Strategic Housing Market Assessment (SHMA) or other assessment of housing needs produced jointly with other authorities. The Validation Study and supplementary report which considered housing needs across the wider HMA were commissioned and produced solely on behalf of the Council. The conclusion that a joint SHMA or equivalent document was not a realistic proposition appears to have been reached on the basis of discussions with officers of the other authorities concerned. Other authorities were not formally approached to undertake joint work on housing needs and provision.

13. Quite correctly, in light of the duty to co-operate and the publication of the NPPF, the Council acknowledged that the housing needs of the wider HMA should be identified and that further work to supplement the HEGA was necessary. Given the context of the strategic issues relating to housing provision, this was clearly a fundamental element of effective plan preparation requiring constructive, active and ongoing engagement with other relevant authorities.

14. The Council point to a number of meetings and discussions with adjoining authorities during the preparation of the Validation Study. However, these authorities were not actively involved in establishing the scope of the Validation Study. Indeed, the Council confirmed at the hearing session that there was no written brief for the Validation Study and it was commissioned on the basis of verbal instructions. Whilst the objectives of the Validation Study are set out in paragraph 1.10, it is not clear what level and form of engagement with other authorities was intended.

15. There are various references to consultation with other authorities within the Validation Study. The adjoining authorities present at the hearing session considered their involvement in the Validation Study to be essentially that of consultees. They did not consider that they had been actively or directly involved in its preparation. Although adjoining authorities were sent the draft of the Validation Study in January 2013, no request for formal endorsement from these other authorities was made.

16. In the case of Bedford Borough Council, there does not appear to have been any direct contact from the Council or its consultants during the preparation of the Validation Study. For Luton Borough Council, consultation consisted of a telephone call on 27 November 2012. Neither Bedford nor Luton Borough Councils were sent the draft of the Validation Study. The two authorities in question do not adjoin Aylesbury Vale and the linkages in terms of commuting, migration and housing markets are less than for adjoining authorities. In neither case has the authority identified a specific unmet housing need that they consider should be met in Aylesbury Vale. However, it may be that the pattern of migration and housing markets could change over time, particularly given the significant issues in terms of the ability of Luton Borough to accommodate its own growth. In any event, they both form part of the Luton and Milton Keynes HMA and the Validation Study draws clear and specific conclusions in relation to their housing needs.

17. Adding to this concern is the fact that neither Bedford nor Luton Borough Councils were consulted on the Proposed Submission version of the Plan in May 2013.

18. The timing of the Validation Study in relation to the Council’s decisions on overall housing provision is also of relevance. Following earlier consideration by the Cabinet meeting of 15 May 2012, the level of housing provision of 6,000 houses (in total approximately 13,500 including existing commitments) was agreed by the Cabinet at its meeting on 14 August 2012. At its meeting on 17 October 2012, the Council

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1 Also South Bucks District Council
agreed to the submission of the Plan following necessary publicity, on the basis of providing for a total of 13,500 houses, including existing commitments.

19. Whilst it was agreed that amendments to the Plan could potentially be made by the Head of Planning, these appear to relate to the timing of the revocation of the South East Plan and the potential need for revisions to explanatory text and supporting material along with minor presentational amendments. There is no indication in the Council’s decision or the supporting papers that substantive changes to the policies or overall strategy for growth would be contemplated at that stage. Specifically, there is no mention of the potential for overall housing provision to be reconsidered in the light of continuing engagement with other authorities. The Council had already taken significant steps to determine its preferred level of housing provision at or around the time of commissioning the Validation Study. Its position on the matter had been clearly established whilst the Validation Study was still in preparation and the Council’s decision to submit the Plan on the basis of overall provision for 13,500 houses was made before adjoining authorities were consulted on the draft Validation Study and before the final report was published. The conclusions of the Validation Study were drawn in the context that the Proposed Submission version of the Plan was making provision for 13,500 houses (Paragraph 7.16).

20. The extent to which engagement, particular of the limited form undertaken, could have genuinely influenced the overall level of housing provision appears to have been minimal. The response of other authorities to the Validation Study needs to be seen in this context along with their understanding of their role in the process. There is no record of any substantive engagement with other authorities in relation to the Updated Demographic Projections Reports of April and May 2013, or the supplementary report to the Validation Study of June 2013.

21. As I have noted above, the duty to co-operate does not place an obligation on the Council to have a agreement with other authorities in terms of the overall level of housing to be planned for in Aylesbury Vale or how any unmet needs from other authorities will be met. However, the nature of representations from other authorities is an indication as to what extent engagement has been constructive in resolving strategic issues. Of the four other authorities within the HMA, only two, Milton Keynes and Central Bedfordshire Councils were invited to make representations on the Proposed Submission version of the Plan. Central Bedfordshire Council are supportive of the overall provision for housing. However, Milton Keynes Council expresses concern as to the balance between the provision for houses and jobs. It considers that the relationship between Aylesbury Vale and Milton Keynes, and specifically the potential need for the growth of the urban area of Milton Keynes into Aylesbury Vale has not been adequately addressed. It highlights the need for joint working on this issue and raises concerns as to the extent of engagement earlier in the process and the effectiveness of the consultation process.

22. Luton Borough Council has subsequently raised concerns regarding the potential scale of its housing needs and the inability to accommodate such levels of growth within its own boundaries. It has identified a potential level of housing need well in excess of the figure set out in the supplementary report to the Validation Study. Whilst accepting that links with Aylesbury Vale are less than those with other authorities, Luton Borough Council considers that given the potential scale of unmet housing need, it may be that some of it will need to be accommodated beyond adjoining authorities, including in Aylesbury Vale. Luton Borough Council wrote to the Council in June 2013, setting out these concerns and suggesting a member meeting and a jointly commissioned SHMA. Such a meeting has not taken place and the offer of commissioning a joint SHMA has not been taken up. Although at a late stage in the
process, the Council had the opportunity to reconsider submitting the Plan in the light of this request.

23. A number of other authorities beyond the HMA raise concerns in respect of the overall provision for housing and the implications for their areas\(^2\). There are particular concerns in the case of Dacorum, Chiltern, Wycombe and South Bucks that the Plan does not give sufficient recognition to the interrelationships with Aylesbury Vale, constraints within these other areas and the potential need for Aylesbury Vale to accommodate some unmet housing needs.

24. The Council points to the practical difficulties in working jointly with numerous other authorities in identifying housing needs across authority boundaries and planning to ensure that these are met, given the different stages of plan preparation and evidence gathering. It also highlights the fact that other authorities were not in a position to demonstrate alternative clear and specific evidence regarding housing needs or quantify the level of potential unmet housing need. The Council emphasises the benefits of progressing the Plan to adoption rather than delaying the process to allow evidence in relation to the housing needs of other authorities to be gathered.

25. I note that discussions have taken place recently with the other authorities in Buckinghamshire and a shared framework relating to the alignment of Local Plan timetables and co-ordination of evidence was produced in November 2013. The Council have also sought to build in a contingency approach to the Plan to enable it to respond should unmet housing needs be identified by other authorities. I deal with the effectiveness of such a contingency approach in relation to soundness below. However, in my view, both of these actions represent a recognition by the Council of the need for co-ordination of evidence gathering and plan preparation and the potential for unmet needs from other authorities to be accommodated in Aylesbury Vale.

26. The key question is that of timing and the choice between having an adopted plan as soon as possible or a plan that at the point of adoption, effectively resolves strategic housing issues following genuine co-operation and collaboration with other authorities based on constructive, active and ongoing engagement.

27. As it stands there are significant issues in terms of potential unmet needs from other authorities and how they will be accommodated. There are particular issues concerning the relationship of Aylesbury Vale to Milton Keynes and its future growth. These issues have been left unresolved. The Council has been aware of these issues from early in the plan preparation process, if not before. There has been a substantial period of time since the duty to co-operate came into force and the NPPF was published. Whilst noting the lack of specific evidence on potential unmet needs from other authorities and accepting that collaboration and joint working is a two way process, it is the Council’s duty, as the authority submitting the Plan for examination, to have sought to address these issues through constructive, active and ongoing engagement.

28. On the basis of the above assessment I consider that the Council has not engaged constructively, actively and on an ongoing basis and that this has undermined the effectiveness of plan preparation in dealing with key strategic issues. It is with regret therefore that I must conclude that the Council has not complied with the duty to co-operate.

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\(^2\) Chiltern District Council, Wycombe District Council, South Bucks District Council, Dacorum Borough Council, Hertfordshire County Council, South Northamptonshire Council and the West Northamptonshire Joint Planning Unit.
Soundness in terms of the overall provision for housing and jobs

29. Notwithstanding the above, I consider it appropriate to also set out my findings in respect of soundness, insofar as it relates to the overall provision for housing and jobs given that I held initial hearing sessions on the matter.

30. In order to be considered sound the Plan must be positively prepared, justified, effective and consistent with national policy. Paragraph 182 of the NPPF explains that it should be based on a strategy which seeks to meet objectively assessed development and infrastructure needs, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development. It should be the most appropriate strategy when considered against reasonable alternatives, be deliverable and based on effective joint working on cross-boundary strategic priorities. It should enable the delivery of sustainable development.

31. In terms of housing, local planning authorities should use their evidence base to ensure that the local plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies in the NPPF (Paragraph 47). The need for joint working and collaboration where there are cross-boundary issues and where development requirements cannot wholly be met within individual local authority areas is emphasised (Paragraphs 178-181).

32. In respect of overall housing provision, the Council initially consulted on options ranging from 12,000 to 21,000 additional houses between 2011 and 2031 (including commitments). These options were based on the scenarios for growth identified in the HEGA. The HEGA itself did not recommend a particular level of growth. As noted above, the Council had already taken significant steps to determine its preferred level of housing provision at or around the time of commissioning the Validation Study and its position on the matter had been clearly established whilst the Validation Study was still in preparation. The Validation Study, demographic projections of April and May 2013 and the supplementary report to the Validation Study were all produced against the background of the Council’s decision in respect of housing and jobs growth.

33. The proposed level of housing growth is close to the bottom of the overall range of options initially consulted upon. The Council confirmed that it considered each of the options to be a credible assessment of housing needs and reflected reasonable alternatives. It also confirmed that there are no fundamental environmental or infrastructure constraints to higher levels of growth within the overall range identified.

34. The Plan would provide for an average of 675 houses per year. This compares with past completion rates which have averaged approximately 750 houses per year. I appreciate that past levels of growth were in the context of higher requirements set out in the South East Plan and in recent years a significant proportion of completions have been affordable houses supported by government funding which may not be available in future. However, the District has seen annual completions above the level proposed in the Plan even in the very difficult economic circumstances that have prevailed in recent years. In 2011/12 completions totalled 1,103 houses and in 2012/13 they totalled 934 houses.

35. On the basis of the Council’s assessment, the Government’s 2011-based interim household projections published in April 2013 indicate an annual need for 961 houses. The 2008-based household projections indicated a need for 765 houses annually. I note the Council’s concern in relation to the 2011-based interim
projections, particularly in terms of migration assumptions given data from mid-year population estimates. However, whilst an over estimation of migration may play a significant part in the other (unattributable) component of change in the mid-year estimates, there is insufficient basis to conclude that it accounts for 100% of this figure. Indeed the ONS itself considers that it would be sensible to exclude the unattributable figure from migration trends (see Appendix 1 to M2/17) given the degree of uncertainty. Attributing all of this to migration, as the Council has done, has the effect of substantially reducing the estimates of past net in-migration to the District. The very recent trend suggests an increase in annual net in-migration, to approximately the levels assumed in the 2011-based interim household projections. Whilst the Council has concerns as to the assumptions which underpin the projections, I find insufficient evidence to conclude that they are inaccurate to the extent suggested.

36. The proposed level of housing in the Plan most closely reflects the projection in the HEGA based on a five year migration trend. The May 2013 Demographic Projections Report concludes that this scenario would require approximately 12,900 houses between 2011 and 2031 and see a growth of approximately 5,500 jobs. It also considers four economic led projections (two used in the original HEGA and two based on more up to date forecasts). All of the economic led projections show significantly more houses would be required than provided for in the Plan (approximately 16,600 to 21,500). The figures would be even higher if existing patterns of out-commuting were to remain. Notwithstanding the difficulties associated with economic forecasting, it is clear that the Council is planning for a level of housing well below that indicated by its own evidence in terms of potential economic growth.

37. The Plan seeks to make provision for at least 6,000 new jobs in addition to those on committed sites (approximately 10,000). Despite the doubts expressed by the Council in its statement and at the hearing sessions in relation to the implementation of existing commitments, the Plan is clearly based on a strategy of delivering some 16,000 additional jobs between 2011 and 2031. The Council's evidence indicates that significantly more housing than that planned would be required to support this level of jobs growth. There is no substantive evidence that the jobs density or patterns of out-commuting are likely to change to the extent required to support the planned level of employment growth without the need for significantly more housing. In simple terms there is a clear and substantial mismatch between the level of housing and jobs planned.

38. The Validation Study concluded (Paragraph 7.20) that potential economic growth could lead to a higher requirement for housing than proposed in the Plan and that an objective assessment of housing needs would be for between 6,000 and 9,000 houses in addition to commitments. It raises some doubt as to the realism of reducing out-commuting to the levels required to support housing provision at the lower end of this range and recognises that provision towards the upper end of the range would potentially allow for some unmet needs from other authorities to be met and support higher levels of job growth (Paragraph 7.21). It goes on to recommend a plan, monitor and manage approach to housing and employment growth. It seems to me that the Council’s own evidence base raises concerns as to the appropriateness of the level of growth planned.

39. The decision on the level of housing provision was based on the needs of the District following initial consultation. There is no evidence that the potential needs of other authorities was a specific factor taken into account at that stage.

40. As explained above, I do not consider that the overall level of housing provision in the Plan is a result of effective co-operation and collaboration with other relevant
authorities. A number of key strategic issues remain unresolved. The contingency approach included in the Plan is not an effective or appropriate way to deal with the issue of potential unmet housing needs from other authorities. The decision on whether unmet needs had been identified and justified and that these should be met in Aylesbury Vale would be taken by the Council itself. On a practical level, the only effective response to such a situation would be a review of the Plan, given that the issue would be the overall level of housing provision rather than phasing and also that the Plan does not include site allocations. This is likely to take some time, even if the Council agreed to such a course of action. There is considerable uncertainty as to when and indeed whether strategic issues would be addressed.

41. There are significant strategic housing issues which need to be effectively resolved as soon as possible through the plan making process following genuine co-operation and collaboration with other authorities. Putting this off by relying on a potential future review wholly dependent on the Council’s own interpretation of the situation would not be appropriate. Whilst there are clearly benefits in having an adopted plan as soon as possible, these would not in themselves outweigh the need for that plan to be effective in respect of housing issues.

42. Taking all of the above into account, I consider that in relation to the overall provision for housing and jobs, the Plan has not been positively prepared, it is not justified or effective and it is not consistent with national policy. It is therefore not sound.

**Overall conclusions**

43. You will appreciate that there is no mechanism to rectify a failure to comply with the duty to co-operate. Accordingly I must recommend non-adoptions of the Plan and give reasons for the recommendation.

44. In terms of soundness, there would be a need for a substantial amount of additional work to rectify the deficiencies I have identified. This would require significant cross boundary co-operation with a number of other authorities and is likely to take some time, particularly given the difficult issues that would need to be addressed. Modifications required to make the Plan sound would make it fundamentally different to that submitted in terms of its overall strategy and the approach to growth. In the light of this, a suspension of the examination would be inappropriate, notwithstanding the failure to comply with the duty to co-operate.

45. Under the circumstances this leaves two options. Firstly the Council could choose to receive my report. Given my findings, I must recommend non-adoptions of the Plan. Alternatively the Council may choose to withdraw the Plan under S22 of the Planning and Compulsory Purchase Act 2004 (as amended) I appreciate that you will be disappointed by my conclusions. However, I would be grateful if you could confirm the Council’s position via the Programme Officer as soon as possible.

46. In the meantime, it would be inappropriate to proceed with the further hearing sessions scheduled to begin on 18 February 2014. I will be asking the Programme Officer to inform relevant parties that the further hearing sessions will not be taking place and there is no need to submit statements. The Council’s website should also be updated to reflect the situation. A copy of this letter should be placed on the website and made available on request.

Yours sincerely

*Kevin Ward*

INSPECTOR
Appendix C

Brighton & Hove City Plan Inspector’s Letter, dated 13 December 2013
This letter reflects my initial conclusions on the soundness issues I have identified at this stage in the examination process. I am writing to you now to enable you to consider the best way to address these issues. However, these comments are not intended to be comprehensive, and are made without prejudice to the content of my final report.

Housing

Objectively Assessed Need for Housing

The Framework requires local authorities to assess their full housing needs, including affordable housing. The Housing Duty to Cooperate Study for the Sussex Coast Housing Market Area, May 2013, identifies that an objective assessment of housing need would fall between 16,000 – 20,000 dwellings for the period to 2030. The study notes that the higher end of the range takes account of the shortfall of affordable housing in the City, and includes the provision of 210 dwellings per annum to contribute to reducing the affordable housing backlog.

At the hearings there was a reasonable degree of consensus that the range of 16,000 – 20,000 (as set out in Main Modification MM26) was an accurate reflection of the full, objectively assessed need for housing, although some participants argued that the need could be higher, having regard to the significant need for affordable housing.

Bearing in mind the Framework’s requirements that local authorities should assess their full housing needs (my emphasis), including affordable housing, my view is that the Plan should indicate that the full objectively assessed need is the higher end of the range, i.e. 20,000 new dwellings.

Duty to cooperate.

I accept that the Council has sought to engage positively with neighbouring authorities in the region. My initial conclusion is that it has met the legal requirement under S.33A of the Act. Unfortunately, the cooperation with neighbouring Councils has not led to a positive outcome, in the sense that none has offered to assist Brighton and Hove by offering
to meet all or part of the objectively assessed needs that cannot be met in Brighton and Hove.

**Housing supply.**

The Plan proposes a target for the provision of new housing of 11,300. This represents only 56.5% of the full objectively assessed need. Even if the lower end of the range were to be used (which for the reasons given above, I do not accept is the correct approach), the target would meet only 70.6% of the need. These figures represent a significant shortfall and substantial weight must be given to the consequent failure to meet the social dimension of sustainable development.

I recognise that there are significant constraints to providing land for development, and that there are competing priorities for any land which may be available. However, given the significant shortfall in meeting housing needs, it is important that the Council rigorously assesses all opportunities to meet that need. It is my preliminary view that the following sources potentially offer an opportunity to increase the target for the provision of new housing.

**Windfall sites.**

The Council should investigate whether or not it would be appropriate to make an allowance for windfall sites, bearing in mind the requirements of paragraph 48 of the Framework.

**Urban Fringe Sites.**

These sites are not subject to nationally recognised designations, which would indicate that development may be restricted. Whilst it may be the Council’s aspiration to designate some of these sites as Local Green Space, this is not being pursued through Part 1 of the Local Plan and I have doubts as to whether some of these areas would meet the requirements of paragraph 77 of the Framework. In my letter of 22 July 2013, I commented that the analysis of the urban fringe sites “identifies perceived constraints, but includes no analysis of whether such constraints could be satisfactorily overcome, and what the residual adverse impacts of developing some of the less constrained sites would be”. The revised version of TP002a published in September 2013 includes additional commentary on constraints, but does not provide the further analysis that I referred to in my letter. Having now seen some of the sites and had the opportunity to examine more closely the underlying evidence on which this analysis is based, I am not persuaded that the protection from development implied by Policy SA4 is justified in relation to all urban fringe sites. In coming to this conclusion, I have taken account of paragraphs 73 and 74 of the Framework. However, your own analysis concludes that some of these sites do not make a significant contribution to the provision of useable open space, and have limited potential to do so in the future. No consideration appears to have been given to the possibility of allowing development on these sites, which would enable the provision of good quality public open space, as part of a package of
development. Similarly, no consideration appears to have been given to the extent to which other constraints, such as archaeological significance, should prevent development altogether, or whether adequate mitigation would be possible by, for example, careful consideration of design and layout and the imposition of conditions. The site at Toads Hole Valley, which is proposed for development, suffers from some of the same constraints that are said to affect other sites, including its proximity to the National Park. However, the more positive approach taken towards development on this site contrasts with the negative approach taken to other sites. The overall impression given is that the starting point for analysis of these sites has been the desire to resist development, which is at odds with the Framework’s requirement that the plan should be positively prepared. The Sustainability Appraisal (SA) makes general observations that the higher housing targets tested would result in significant losses of employment land and open space, but without a more detailed analysis of the sites concerned, I do not consider that great weight can be placed on the conclusions of the SA.

Main modifications MM21 and MM27 indicate that a review of the built up area boundary will be undertaken in Part 2 of the City Plan. However, Document TP/002a seems to pre-judge that exercise by concluding whether or not the sites have any development potential and if so, how many new dwellings may be provided. The expected yield of new dwellings from this analysis is about 100. In view of the significant shortfall in meeting objectively-assessed needs I consider the Council should undertake a more rigorous analysis of the urban fringe sites, along the lines I have already suggested, to determine whether there is greater potential for the delivery of new housing from this source.

Land currently in employment use.

I recognise that the Plan aims to make appropriate provision for land for employment uses to support the local economy. However, doubts have been raised about the ability of some sites to support the kind of employment and/or mixed-use development envisaged in policy CP3. Bearing in mind the shortfall in land to meet new housing needs, I consider the Council should rigorously reassess whether this policy should be modified to allow for the loss of employment land to housing, where an employment or mixed-use development is not viable. The requirement of the Policy that there should be no net loss in employment floor space may inhibit redevelopment for mixed uses, particularly on sites where viability is marginal.

Five-year land supply

I note that the Council achieved a good rate of housing delivery from the mid 1990s through to 2007. The lower rate of delivery in recent years is related to poor market conditions. In the circumstances, I consider there is not a record of persistent under delivery and therefore the appropriate buffer, in accordance with the Framework, is 5%. The most common method of calculating a five-year land supply is to use the annualised housing requirement derived from the overall target. I note the Council’s
approach is to base its calculations on the housing trajectory, which has
the effect of reducing the five-year land supply requirements in the early
years of the Plan. The Framework is not prescriptive about the method
that should be used to determine the five-year supply of land for housing.
However, a method of calculation that suppresses housing land supply in
the early years of the plan period does not, in my view, accord with the
Framework’s general intent to boost significantly the supply of new
housing. Such an approach could be justified if essential infrastructure
requirements are likely to constrain the delivery of new development, but
I am not persuaded that the impact of the economic recession is a valid
reason for taking this approach. Once you have addressed the issues
relating to the overall target for new homes, you will need to demonstrate
that a five year supply of housing land based on an annualised dwelling
requirement plus 5% will be available at the time the Plan is adopted.

Overall conclusions on housing

The City Plan Part 1 falls well short of meeting the objectively assessed
need for new housing, and although I note the Council’s continuing
commitment to engage with neighbouring authorities, there is no evidence
before me to show that any of the unmet need will be met elsewhere. For
the reasons given above I am not persuaded that the City Plan Part 1
meets the requirements of paragraph 14 of the Framework which requires
local planning authorities to meet objectively assessed needs, unless any
adverse impacts of doing so would significantly and demonstrably
outweigh the benefits, when assessed against the policies in the
Framework taken as a whole. I recognise the constraints faced by the
Council but if I am to find the Plan sound, notwithstanding such a
significant shortfall in the provision of new housing, I would need to be
satisfied that the Council had left no stone unturned in seeking to meet as
much of this need as possible. Furthermore, depending on the scale of
unmet need it may be necessary to reduce the plan period in order that
the City Plan can be found sound.

Brighton Marina

I have considered the representations made both orally and in writing
regarding the Brighton Marina Act. However, it is not part of my
examination to consider whether any planning permissions granted by the
Council are lawful. There is no evidence before me that extant planning
permissions are being challenged through the Courts, and I have seen
nothing to persuade me that these permissions cannot be implemented.
Bearing in mind the failure to meet objectively assessed housing needs,
and the limited opportunities available to meet that need, it is important
that the Marina makes as significant a contribution to the provision of new
housing as is reasonably possible. At the hearings there was discussion
about the criterion in Policy DA2, which requires development not to
breach the cliff height, and there is evidence that this restriction threatens
the viability of development at the Marina, and would reduce the amount
of housing that could be provided. My attention was drawn to an appeal
decision relating to a scheme, which would have breached the cliff height.
The appeal was dismissed because of the inadequacy of the accompanying legal agreement. However, neither the Inspector nor the Secretary of State concluded that the breach of the cliff height was a reason to refuse the scheme. Those conclusions were, of course, specific to that scheme and at the examination hearings the Council expressed the opinion that it was the particular qualities of that scheme that had led to those conclusions. Policy DA2 requires a high quality of building design and includes various safeguards for important environmental assets. There is a statutory duty to pay special attention to the desirability of preserving or enhancing the character and appearance of the Kemp Town Conservation Area. In all the circumstances I consider that the Policy should be modified to remove the cliff height restriction to enable a viable scheme to come forward, which can make a significant contribution to meeting housing needs.

*Brighton Marina Shopping Centre.*

The Council’s own evidence does not support the designation of Brighton Marina as a District Centre. That aspect of Policy CP4 is not justified and the Policy should be modified accordingly. The Council’s aspiration to improve the shopping centre is included in Policy DA2 and if this is successful, it may be appropriate to designate it as a District Centre when a review of the Plan is undertaken.

**Viability**

The Council’s Combined Policy Viability Study, which was unfortunately finalised after the plan was submitted for examination, finds that the combined requirements of the Plan raise serious doubts about the viability of development across the Plan area. The Council seeks to rely on the flexibility clauses in the policies, which it says will enable development to go ahead. It is useful to build in such flexibility to allow for site specific issues to be taken into consideration, but this is not an acceptable substitute for ensuring that the plan facilitates development throughout the economic cycle, as required by the Framework (paragraph 174). I am therefore inviting you to draft modifications to the Plan to ensure that the requirements of the Framework are met in relation to this issue and in accordance with the evidence now available. In particular, you may wish to consider whether the requirements of Policy CP8 can be justified in this context, particularly bearing in mind forthcoming changes to the Building Regulations. Furthermore, the characteristics of the housing stock in Brighton are not dissimilar to those in many established urban areas and I am not convinced that this justifies a local requirement, which is more onerous than the national standards provided by the Building Regulations.

I look forward to receiving your response but it may be of assistance for you to know that I will be working on the Rother Local Plan Examination throughout January 2014.

*Laura Graham*  
Inspector
Appendix D

Extract from the South West Regional Strategy Panel Report
Examination in Public
April – July 2007   Exeter

Panel Report
December 2007

Section 1: Main Report
Section 2: Appendices A, B & C
Section 3: Appendices D, E & F

Draft Regional Spatial Strategy for the South West
Recommendation 4.0.2

- There is no need for any phasing of the greenfield supply to support the brownfield supply.
- There is a need to bring forward as soon as possible Area Action Plans and Master Plans to ensure the required level of provision.

Greenfield Release and Greenbelt Implications

4.0.30 Many participants supported the view taken in the draft RSS that there will be a need for greenfield housing development and that the most sustainable response to that requirement is a release of urban extensions around the main urban areas to avoid longer distance commuting generated by a more dispersed form of development. We note in this respect that paragraph 2.10 of PPG2 indicates that account should be taken of the need to promote sustainable patterns of development. The higher level of development which we support will require further greenfield development and, while not all of the proposed urban extensions lie within Green Belts, the Green Belts within the region are affected. Green Belts have been established in the West of England, South East Dorset and the Gloucester/Cheltenham area. As a result of our proposals there is a need to consider possible amendments to the general extent of Green Belt coverage.

4.0.31 National policy on Green Belts is set out in PPG2 Green Belts. We were advised by GOSW that as PPG2 has not been updated as a Planning Policy Statement (PPS) it should be read in the context of the major emphasis that Sustainable Development and Climate Change have been given in the revision of other planning documents. Nevertheless, GOSW indicated that, as stated in paragraph 2.6 of PPG2, an approved Green Belt should only be altered in exceptional circumstances and that the draft RSS needed to demonstrate such circumstances exist. Policy SS4 of RSS10 indicates a need to review the Green Belt to examine whether boundary alterations are needed to allow for long-term sustainable development needs. It also seeks the removal of land from the Green Belt for development which would provide the most sustainable solution for accommodating future development requirements.

4.0.32 We have considered the opportunities for further development within the urban areas defined by the approved Green Belts within the region. While we have identified limited additional opportunities in a few locations, we are of the opinion that further land will be required to meet the increased level of demand. We have also considered the scope for development beyond the Green Belt boundaries and have identified further opportunities in sustainable locations, but we accept the conclusion of the Regional Assembly that the balance of advantage in terms of sustainability lies with urban extensions on the inner edge of the Green Belts rather than substantial further dispersal beyond the Green Belt boundaries. We conclude therefore that the scale of demand and the application of the principles of a Sustainable Future for the South West as set out in Policies SD1 – 4 provide the exceptional circumstances to justify alterations to the Green Belts within the region.
4.0.33 PPG2 sets out five purposes for including land in Green Belts and these formed the basis for a review of the Green Belt boundaries by Colin Buchanan and Partners on behalf of the Regional Assembly. It was pointed out to us that this study concluded that across all three Green Belts there are a limited number of locations where urban expansion could be achieved without significantly and adversely affecting the purpose of the Green Belts. Other participants highlighted the fact that the Buchanan analysis of the impact on the five purposes demonstrates that the areas shown to generate least harm to the purposes, if developed, tend to be in less sustainable locations and that the areas showing most harm are those relatively well linked to transport and other facilities. This suggests to us that a rigid application of the five purposes to guide the selection of the required urban extensions would not generate the most sustainable outcome. We conclude that greater emphasis on the sustainability principles set out in the draft RSS is necessary in the selection of the urban extension search areas and are content that the selection of the Areas of Search in the draft RSS has taken this approach.

4.0.34 Many participants claimed that the selection of the Search Areas for the urban extensions was not the result of a sufficiently rigorous and consistent process. We will deal with some aspects of this matter in the sub-regional sections, but consider that there is some merit in setting out our views on the adequacy of the overall approach, particularly as it relates to the justification for Green Belt alterations. Our attention was drawn to the review carried out by Arup on behalf of the Regional Assembly of the urban extension evidence base. We note that the review did identify gaps in the evidence base for particular JSAs, but that it concluded that the evidence base available was sufficient to allow credible decisions to be made. We are content therefore that the Areas of Search process was reasonably sound and that the consequential Green Belt Alterations can be supported.

4.0.35 A number of participants quoted from paragraph 2.12 of PPG2 which states ‘When planning authorities prepare new or revised structure plans and local plans, any proposals affecting Green Belts should be related to a time scale which is longer than that adopted for other aspects of the plan’. Our attention was also drawn to paragraph 2.8 of PPG2 which states that ‘If boundaries are drawn excessively tightly around built-up areas it may not be possible to maintain the degree of permanence that Green Belts should have’. We also observe that the Buchanan report notes that the reviews of the Green Belts will probably not be able to provide for the period beyond the time-horizon of the draft RSS. GOSW emphasised that PPG2 was drafted in the era of structure planning with shorter time periods than that proposed for the draft RSS. We accept that planning will at some point in time have to deal with the post 2026 period. In the absence of reliable evidence of demand it is difficult to see how a judgement could be made now on the scale of any further release to achieve the degree of permanence desired. We accept the point made by some participants that the master planning of the search areas may identify sustainable and sensible opportunities to extend the capacity of some of the search areas. We conclude that there is no justification for any formal allowance for ‘permanence’, but that opportunities should be taken for sustainable and sensible additions to the capacity of the Areas of Search.

4.0.36 The Green Belts within the region have been designated for particular purposes. Paragraph 4.2.5 of the draft RSS indicates that the Bath & Bristol Green Belt is to prevent the coalescence of settlements principally Bristol, Bath and Weston-super-
Mare. Paragraph 4.2.34 indicates that the Green Belt for the Gloucester and Cheltenham area is to prevent coalescence between Gloucester and Cheltenham and also between Cheltenham and Bishops Cleeve. The purpose of the South East Dorset Green Belt is described in paragraph 4.3.3 as the prevention of coalescence and urban sprawl. We have considered the proposed Green Belt exclusions, including our additional proposals, against these intentions. We conclude that the proposals do not threaten the main purposes of the Green Belts within the region.

4.0.37 The draft RSS also proposes extensions to two of the Green Belts, but it was put to us that the proposals are not supported by any evidence that the extensions are needed as opposed to the more general policies dealing with development in the countryside. We visited the areas concerned as part of the Panel Tours and did not observe any particular evidence of urban sprawl. We note in this context that paragraph 2.14 of PPG2 indicates that where a local planning authority proposes to establish a new Green Belt, it should demonstrate why normal planning and development control policies would not be adequate. The draft RSS provides no justification for these extensions, but during the EiP discussions the Regional Assembly indicated that the extensions were justified on the basis that they would make the sub-regions concerned more sustainable. No evidence was led to demonstrate that major changes of circumstances had arisen which would justify the extensions. We were left with the impression that the extensions had been brought forward to counterbalance the loss of the Areas of Search. While the sub-regional sections will deal with the details of the extensions, we conclude that the extensions to the Green Belts have not been justified in principle.

Rates of Development

4.0.38 We acknowledge that the rates of development implied by our proposals are higher than average rates of development in the past. We note however that many parts of the region have been able to achieve significantly higher levels over short periods. We assume that these higher rates may have been linked to surges in land availability and that the increased land release, initiated by the RSS, will similarly enable higher levels of development.

4.0.39 We raised the issue of the ability of the house-building industry to respond to higher rates of development. We did this because of the response of certain development interests that ‘the market could not absorb’ further development in certain areas. We were assured by a wide range of development industry representatives that the industry could respond if the planning system provided the confidence that the land supply would be made available timeously.

4.0.40 We are aware of the Growth Point approach being implemented by the Government to support local authorities willing to accommodate higher levels of development. A number of authorities within the region have already been designated as “Growth Points” and we believe that this will have the intended effect of bringing land forward for development. Our attention was drawn to the proposed South West Regional Infrastructure Fund to forward fund development infrastructure and we consider that such initiatives will also facilitate higher rates of development.

4.0.41 We have concluded earlier that there is a need to bring forward as soon as possible Area Action Plans and Master Plans to ensure the delivery of the required level of provision.