



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

29th January 2016

Dear Sir / Madam

WEST OF ENGLAND JOINT SPATIAL PLAN – ISSUES & OPTIONS CONSULTATION

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

The HBF is supportive of a Joint Spatial Plan (JSP) for the West of England (WoE) which should provide a high level strategic planning policy framework for the constituent authorities of the WoE sub-region. It is understood that the JSP will cover the combined administrative areas of the four authorities within the defined area of the WoE Local Enterprise Partnership (LEP) (para 1.3 of the Consultation Document). Therefore the HBF commends the four authorities of Bristol City Council, Bath & North East Somerset (BANES), North Somerset and South Gloucestershire District Councils and the WoE LEP for coming together to prepare the JSP for the plan period 2016 – 2036. Indeed this strategic planning policy framework should also assist with the forthcoming review of Local Plans for each constituent authority which are currently programmed as:-

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

However at this time the evidence base for the calculation of objectively assessed housing needs (OAHN) covers only the Wider Bristol Housing Market Area (HMA) defined as Bristol City, South Gloucestershire and North Somerset but excluding BANES. Whilst it is argued by the authorities that BANES is its own HMA (para 1.8 of Consultation Document) no authority exists in isolation. The Inspector's Report on the BANES Core Strategy was not an endorsement of this approach but represented a pragmatic view taken at a moment in time when a SHMA for the whole WoE was absent. It has been acknowledged by the authorities and the LEP that the Wider Bristol and BANES HMAs are inter related and overlapping (para 3.2 of Consultation Document) and form part of the same Functional Economic Market Area (FEMA). Indeed the LEP promotes the WoE as a single entity so to pursue a JSP not based on the entirety of the WoE area would question the WoE LEP's *raison d'être*. As recommended in the PAS Guidance "*it is useful to combine the HMA and functional economic area into a single boundary*".

The HBF as a member of the Housing Market Reference Group (HMRG) is not supportive of this current approach. It is known that many other parties from the development industry who are also members of the HMRG are unsupportive too. The HMRG was established "*to provide challenge and to act as a critical friend considering key issues, assumptions and methodology at key stages of the SHMA review, adding robustness and transparency in the process*" as set out in the Terms of Reference dated May 2014 yet to date our criticisms have been ignored.

This gap in the evidence base of the JSP is a fundamental flaw. Unless the evidence base for the JSP covers the entire WoE the overall purpose to ensure that the housing land requirements for the Wider Bristol HMA is met (para 1.3 of Consultation Document) could not be achieved because if the full OAHN for the whole WoE remains uncalculated the need to accommodate Wider Bristol HMA growth in BANES (para 1.8 of Consultation Document) could not be properly assessed. It is the HBF's opinion that an Inspector examining the JSP would find this proposition unsound.

To rectify this identified fundamental flaw it is necessary for OAHN to be calculated for the entire JSP area. Ideally the Wider Bristol SHMA should be amended to include BANES. Alternatively if this is not possible then a separate companion SHMA Report for BANES should be prepared based on the same input data, methodology and timeframes as the Wider Bristol SHMA Report.

It is agreed that the JSP should be "*delivering homes needed for future generations*". It is also agreed that the JSP should be "*planning for more homes to meet needs and to be economically successful and prosper economically*". However it is the HBF's opinion that the proposed housing requirement of at least 85,000 dwellings (4,250 dwellings per annum) by 2036 for the Wider Bristol HMA is too low and it is based on an overly conservative estimate of OAHN. If the JSP is based on an OAHN calculated from an overly conservative estimate of economic growth then as a consequence the lack of housing could itself become a constraint on economic growth. At this time the

HBF would encourage a vision for the WoE sub-region which is as ambitious as possible and aligns strategies for both economic growth and housing. With regard to the Wider Bristol SHMA Volume 1 dated July 2015 the HBF have particular concerns about :-

- Demographic modelling based on 2012 SHPP adjusted downwards for 10 year migration trends combined with assumptions on unattributable population change to lower future population growth ;
- Balancing jobs and houses based on optimistic assumptions about economic participation rates and only one economic forecasting by Oxford Econometrics ;
- Only 7.5% uplift for worsening market signals and no adjustment of household formation rates which continue to suppress household formation in younger age groups.

It is known that an alternative OAHN prepared by Business West has been submitted to the WoE LEP. This alternative OAHN provides an estimate of 130,000 dwellings. It is also known that an alternative OAHN has been commissioned by a consortium of developers and it is anticipated that this alternative OAHN will also be higher than the 85,000 dwellings proposed by the authorities.

The proposal for the delivery of 29,100 affordable homes is ambitious representing 34% of the proposed housing requirement of 85,000 dwellings. Historically the authorities have only delivered 22% affordable housing provision. When account is taken of existing commitments for affordable housing provision on the existing 44,000 planning consents affordable housing provision on the residual housing requirement would have to exceed 60%. Such a proposition is extremely challenging. The authorities should provide viability evidence that this is financially achievable and therefore deliverable.

It is agreed that the authorities should make the best use of land but since insufficient previously developed land exists to meet future needs sustainable development on green-field sites will occur. It is noted that the authorities propose to adopt a sequential approach to development in order to maximise the use of brownfield land and minimise green-field development in doing so the authorities should not lapse back into a brownfield first approach which would be contrary to the National Planning Policy Framework (NPPF).

At this time it is understood that the authorities estimate capacity for 68,000 dwellings exists as 44,000 existing planning consents plus 12,000 windfall plots and 12,000 further plots from urban intensification. Until the Economic Development Needs Assessment and urban capacity studies are completed the HBF cannot provide any detailed comments. In the meantime it is suggested that a combination of the four scenarios (urban intensification, urban expansion, town expansion and other locations) proposed by the authorities would deliver best on the objectives of the JSP. However until the full OAHN for the entire JSP area is established a strategy for the distribution of housing and sustainability assessments cannot be determined. It is also noted that the Housing Capacity Evidence Paper only covers three authorities

excluding BANES so the HBF concerns about a sound evidence base covering the whole JSP area are applicable.

In conclusion for the WoE JSP to be found sound under the four tests of soundness as defined by paragraph 182 of the NPPF, the JSP should be positively prepared, justified, effective and consistent with national policy. It is recommended that the authorities give further consideration to the above mentioned representations in order to produce a sound WoE JSP. In the meantime it is hoped that these comments are helpful in informing the next stages of the WoE JSP. If you require any further information or assistance please contact the undersigned.

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



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