Housing Provision

1. Would the Council's modified Plan (December 2011) result in a serious undersupply of housing?
2. How significant are current economic circumstances on the overall level of housing that is feasible during the plan period - could the amount of housing proposed in either the draft Regional Strategy or the Secretary of State's proposed alterations be delivered if targets were increased to these levels?
3. Is the phasing of housing realistic and deliverable?
4. Should the Council provide an additional 5% or 20% in excess of a 5 year housing land supply as required by the Planning Framework?
5. Is there information to show windfalls should be taken into account as a valid source of housing land supply?

Housing provision

1. Would the Council's modified Plan (December 2011) result in a serious undersupply of housing?

Historically South Gloucestershire has taken a significant proportion of the development arising from changes in Bristol's economy and overspill, because of the limited capacity within the Bristol urban area and the Bristol City Council administrative area. Part of the Bristol urban area is within South Gloucestershire District and as part of the West of England functional area South Gloucestershire District is greatly influenced by the number of people, jobs and facilities in Bristol as well as itself accommodating significant amounts of housing, regional important levels of employment and a regional shopping retail centre. The functional links between the Bristol administrative area and South Gloucestershire District are particularly significant therefore.

However, the approach being now taken by the four local authorities in the West of England is not collaborative. Following the election of the Coalition Government and on a highly partisan interpretation of statements about localism, not borne out by the Localism Act or the Planning Framework, South Gloucestershire, Bath and North East Somerset and North Somerset Councils are all suggesting that the housing requirement to be met in their respective District plans are only what represents the growth arising from changes in the population in their Districts. The aggregation of the provision planned on this basis is leaving a significant amount of development that is expected to be required – and acknowledged as such by the local authorities in their other role as partners in the West of England Local Enterprise Partnership – going unmet.

Bristol City Council's position is that it cannot supply more housing because of capacity issues and this was accepted by the Inspector and the Core Strategy is adopted. North Somerset Council has also sought to make housing provision in its Core Strategy for only what the Council claims is the District's locally arising requirement, though the adoption of the plan prepared on this basis is now the subject of a legal challenge. Bath and North East Somerset Council is seeking to provide only a limited amount of housing based on the requirements of the District's own population ignoring any previous shortfall and backlog. The wider West of England requirement (and indeed the relationship with parts of Wiltshire) are ignored in the BANES Core Strategy. The Inspector's report from the Examination of this Core Strategy is awaited, though may be available prior to the South Gloucestershire Hearing. South Gloucestershire is the last of the four West of England authorities to have its Core Strategy Examined. Whilst there are different opinions on whether the Council in preparing its Core Strategy is subject to the legal duty to cooperate, (we believe it is), the Council is required by the Planning Framework to work with other local authorities in the preparation of its plan, and the test of soundness to be applied by the Inspector requires the plan to have been positively prepared, which explicitly includes having 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'.* The Council is not doing this, and with North Somerset and Bath and North East Somerset having equally ignored the wider housing requirement, the unmet requirement in the West of England is mounting. It is not for South Gloucestershire as the last in the group to remedy this problem on its own, and there are spatial issues in relation to where the requirement is arising and where it is best met, but neither can South Gloucestershire avoid making provision for its 'share' – however determined. At the very least therefore, South Gloucestershire should take an element of the West of England generated growth requirements. This would recognise the significant need for housing created by the economic led objectives for the West of England, which cannot be accommodated within the administrative boundary of Bristol, and which should be provided for in the most sustainable locations.

Evidence about how the functional area of the West of England area works indicates what is required in terms of housing provision to be delivered through the combination of the Core Strategies of the four local authorities when fulfilling the role clearly spelt out by the Government in legislation and policy. This evidence from the most up to date information shows that there is a significant amount of potential employment growth for the West of England, and hence a need for housing to support the economic growth. This should be accommodated in the most sustainable location, in large part as close to the city as possible, but it cannot all be accommodated within the administrative boundary of Bristol City.

According to a high and low growth scenarios this figure is between 32,000 – 52,000 dwellings. The table below shows the implications of the scenarios in terms of population change and their translation through the reduction in household size into the household requirement.

West of England	**High**	**Low**
Job Growth to 2026	90,800	55,500
Economically active at 2006	549,600	549,600
Economically active at 2026	640,400	605,100
Population 2026	1,217,646	1,150,527
Private households population	1,190,857	1,125,215
Number of households	567,075	535,817
No. of additional households	123,075	91,817

Figure 1

This high growth scenario projects a likely increase in jobs of over 90,000. This compares with the current West of England Local Enterprise Partnership (LEP) targets for job growth which is seeking to create 95,000 jobs by 2031.

South Gloucestershire should take a share of the unmet requirement. The unmet requirement can be calculated by comparing what is currently being delivered across the West of England, with the employment led requirement identified above and the most recent CLG household projections.

	Household projections 2008 CLG	Core Strategy Provision	Under delivery
BANES	16,000	11,500 (D)	4,500
South Glouc	32,000	26,400 (D)	5,600
Bristol	72,000	26,400 (A)	45,600
North Somerset	36,000	14,000 (A)	22,000
TOTAL	156,000	78,300	77,700

Figure 2: under delivery A – Adopted D – Draft

The table above illustrates the scale of this under delivery of housing using latest 2008 household projection figures as a basis of 'objectively assessed need'. This is shown as 77,700 across the West of England over the plan period. It is also possible to calculate the unmet need in terms of the requirement from the economic scenarios set out in figure 1 (91,817 or 123,075) compared to the Core Strategy provision (82,500) which demonstrates a shortfall of housing within the range of 9,300 to 40,600. The proportional share that South Gloucestershire should therefore make provision for in addition to their locally generated need is between 3000 to 13,500 dwellings in the plan period.

The combination of the way that the West of England can and should perform in the future, historic administrative boundaries and the present pattern of development, means that South Gloucestershire, as with Bath and North East Somerset and North Somerset, must provide for more development than the application of a 'local area only' approach would indicate. An element of the employment based growth generated from the Bristol urban area, which is a central economic driver for the West of England, needs to be added to the individual South Gloucestershire requirement. There are a number of ways of doing this, such as by dividing the un-accommodated development requirement by three, or by considering the capacity of the most appropriate peripheral locations as has previously been done through the spatial strategy developed in the reported-to-be-sound RS.

There are serious consequences of under delivery of the unmet need both for South Gloucestershire and across the wider sub regional area. This is particularly in terms of the achievement of LEP objectives and also the impact on the economy of the City of Bristol and the wider West of England area. The implications include of course denying access to housing to a significant number of people who legitimately regard this area as the place in which they want to live.

2. How significant are current economic circumstances on the overall level of housing that is feasible during the plan period - could the amount of housing proposed in either the draft Regional Strategy or the Secretary of State's proposed alterations be delivered if targets were increased to these levels?

Much is made by the Council of the argument that there is an economic downturn and that this reduces the housing requirement for the plan period, notwithstanding the Council's entirely contradictory belief in achievable growth as expressed in its role as a partner in the LEP. However, the logic of this assumed relationship between the state of the economy and the requirement for housing is not clear. While the number of jobs and growth prospects may reduce, the number of economically active workforce in an area is determined by the population size and structure and by migration. Unless migration changes significantly there is no reduction in the number of households requiring housing simply because the economy is performing differently. Even if migration in and out of a district changes, unless it is international migration the level of households continues to be determined by demographic structure and the demand for housing continues to arise somewhere. What is happening at present and reflected in the sale of homes is that the ability to realise finance to buy a property has reduced, leading to higher levels of renting and of concealed households. This is hiding a considerable latent demand for house purchases and results in unmet need which will be realised as soon as the lending situation improves.

There is a strong housing market in South Gloucestershire and considerable suitable sites which could provide a level of delivery envisaged in the Regional Strategy. The housing market reflects the advantages of regional employment and retail centres and unrivalled regional communications affordable by the M4 and M5 motorways intersections.

The RS proposed modifications provision is for 32,800 dwellings, or 1,640 dpa, which was based on both household and population projections, taking account of migration and demographic change, as well as a consideration of the housing market capacity. Between 1989 and 2000 the average annual completion rate was 1,411 dpa, reflecting both prosperous and recession years.

South Gloucestershire has historically accommodated a high proportion of the development requirements of Bristol that cannot be met within Bristol City Council's administrative boundaries, a fact which only really says anything about where the boundary is drawn. Major developments have taken place at Bradley Stoke, Emersons Green, Yate and Thornbury, as well as in older suburbs such as Kingswood, Longwell Green, Mangotsfield and Filton. In functional terms, South Gloucestershire acts as an integral part of the City, accommodating significant amounts of housing, as well as regional employment and retails centre at Aztec West and Cribbs Causeway, taking advantage of unrivalled regional communications advantages afforded by the M4 and M5 motorways that intersect at Almondsbury, and the main Plymouth - Scotland, and London - Swansea railways that meet at Bristol Parkway.

The housing market in South Gloucestershire reflects these advantages. There is no doubt that the level of development envisaged in RS of 32,800 (1,640 dpa) could have been delivered had timely planning permissions been in place. Over 1,400 dpa were delivered over an 11 year period to 2000, and more could have been built if sites with permission were available. All developers and agents we have consulted confirm that the South Gloucestershire area is a 'prime' regional market.

A number of urban extensions are proposed through the emerging RS, and other urban extensions are emerging through the Core Strategy at Thornbury and at Fishpool Hill (Cribbs/Patchway), and south west of Filton Airfield. The Core Strategy makes an allowance of about 2500 dwelling completions at Filton Airfield. There is a high concentration of development in the north fringes of the Bristol urban area, around Harry Stoke, Filton, Patchway and Cribbs.

South Gloucestershire District's proposed housing supply through the Core Strategy is made up as the table below.

completions to 2011	4,060
commitments (permissions)	4,090
Existing allocations	7,385

Additional large urban extensions	
E of Harry Stoke	2,000
Cribbs/Patchway (inc. Filton Airfield)	5,700
N of Yate	2,700
Thornbury	500
South Glos total	**26,435**

There is an imbalance in location of the Core Strategy New Neighbourhoods that allocates 7,700 (70%) out of the 10,900 units to the North Fringe, raising serious questions about market capacity and the deliverability of this level of housing in what is essentially one housing market area. The deliverable supply is limited by two constraining factors:

- Start dates for the urban extensions, governed by the planning system
- Achievable completion rates.

None of the urban extensions can start until planning permission is granted, and these will follow the adoption of the Core Strategy. The anticipated timescale for Core strategy is set out below:

Core Strategy examination	Summer 2012
Inspectors' Reports	Autumn 2012
Adoption, Masterplanning, applications	2013
Legal agreements, Permissions,	2014
priming infrastructure and first low level completions	2014-15

There must be great concern that the achievable delivery rates assumed in the Core Strategy have not been adequately assessed. There is no proper analysis of phasing, start dates, achievable completion rates, numbers of developers on each site, delivery rates of affordable housing. This makes the plan unsound in terms of implementation and fulfilment of the key housing target to 2027.

There is a very high reliance upon completions from the North Fringe of Bristol, accounting for over 70% of all the new supply in the New Neighbourhoods. None of the New Neighbourhoods are located in the East Fringe of Bristol, since the remaining 30% of New Neighbourhoods are located at Yate and Thornbury.

A significant element of demand and housing need arise from the East Fringe, in older suburbs such as Kingswood, Mangotsfield, and Longwell Green. Past completions indicate the nature of market demand, and affordable housing need. The 2011 AMR indicates that 37% of completions in 2010-11 took place in the East Fringe of Bristol, with a further 37% in the North Fringe, with the remaining 26% in the rest of South Gloucestershire.

Discussions have taken place with experts in the development industry, with regard to achievable completion rates from the start dates indicated above, taking account of the planning process, and the fact that a large number of major developments in close proximity in the North Fringe will all be developed at the same time. These include land E of Harry Stoke - 2000 dwellings, and Cribbs/Patchway (Fishpool Hill, [Persimmon/Redrow], and Filton Airfield - 5,700 dwellings.

The completion rates achievable estimated by developers and agents is as follows:

urban extensions/annual completion rate	Total deliverable capacity to 2027
E of Harry Stoke 200 dpa	2,000
Cribbs/Patchway (inc. Filton Airfield) 450 dpa from 2016	5,500
Thornbury 150 dpa	500

The annual completion rate is arrived at by estimating the number of developers likely to be on site at any one time, and the likely annual completion rate of each. In good market conditions, in a 'prime' market typical of the early 2000s, a large urban extension might expect to accommodate 5 - 6 developers, each completing 50 open market and 20 affordable dwellings annually, a total of 70 dpa. In more challenging economic times, as currently, each developer would expect to complete about 40-50 dpa including affordable. This would give a range of 200 - 300 dpa, and an average of about 250+ dpa. A smaller urban extension with fewer developers might average 150 - 250 dpa.

Each potential urban extension in South Gloucestershire has been discussed with developers and agents, arriving at a consensus delivery rate, leading to a deliverable capacity by 2026, taking account of the lead-in period to provide infrastructure, and a build-up period at the start of a development when completions will be lower than at the peak.

This analysis shows that there is likely to be a small shortfall in delivery in the North Fringe of about 200 dwellings, caused by a combination of market capacity, start dates, and achievable delivery rates

The Council itself seems concerned about completion rates. In the Core Strategy Supplementary Housing Paper, doubt is cast upon the ability of the industry to deliver the high levels of completions that were achieved during the development of Bradley Stoke. It emphasises that the full capacity of 8,000 homes on greenfield land at Bradley Stoke took 20 years to complete, an overall average of 400 dpa, with up to 20 developers on site at the peak.

The Council considers that is very unlikely that build rates and the scale of construction activity that was seen at Bradley Stoke would be repeated in the current and foreseeable future. It is therefore unrealistic to assume that these conditions can be replicated for each year up to 2026. This adds considerable weight to the view that, in establishing deliverability, the ability of the market to actually deliver must be a key consideration.

The over-reliance on delivery in the North Fringe should be avoided. Analysis of past rates of delivery in South Gloucestershire indicates that a high proportion of past completions have taken place in the East Fringe of Bristol. It was noted earlier that the 2011 AMR indicates that 37% of completions in 2010-11 took place in the East Fringe of Bristol. Moreover, there is a very high requirement for affordable housing in this sub-area, with 46% of all affordable units completed in 2010-11 taking place in the East Fringe.

Notwithstanding all of these real and practical considerations, there is no significant housing allocation adjoining this major urban area of South Gloucestershire. The RSS proposed an urban extension to East Bristol of 8,000 units, and the analysis of market capacity in this area indicates that there is market capacity for a completion rate of about 400 dpa, with an average of 8 developers all completing about 50 dpa, including affordable units.

If an urban extension started in 2014/15 averaging 400 dpa, about 5,000 units could be completed by the end of the plan period in 2027.

4. Should the Council provide an additional 5% or 20% in excess of a 5 year housing land supply as required by the Planning Framework?

The level of development envisaged by the RSS post modifications figure was 32,800 dwellings between 2006 and 2026, an average of 1640 dpa. The Residential Land Survey of 2011 records that between 2006 and 2011 the average completion rate was 812.8 dpa. This level of dwelling completion is well below the target and demonstrates persistent under delivery.

The Core Strategy plan period 2006-2027 requires 1,257 dwelling per year, so between 2006-2011 the Core Strategy requires 6,286 dwellings to be completed. Applying the CLG 2008 based forecasts 7,855 houses should have been delivered. In fact there have been 4064 completions, leaving a shortfall of 2,222 dwellings using the Core Strategy figures and a shortage of 3,791 using the CLG Figures. Para 47 of Planning Framework states that:

> *"Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land."*

Clearly this applies in South Gloucestershire, which should provide 5 years' supply, plus 20% additional supply.

Housing Distribution

1. Is the distribution of housing proposed in the CS consistent with sustainable development objectives?
2. Is the level of allocation in each of the main locations broadly appropriate having regard to the character of these places?
3. Is there evidence to support opportunities for alternative/additional housing provision in other parts of South Gloucestershire?
4. Is there enough flexibility in the CS to allow for alternative sites to come forward?

See position statement 7 in relation to the spatial strategy which provides a comprehensive response to these questions.