



Programme Officer
South Gloucestershire Council
PO Box 2081
South Gloucestershire
BS35 9BP

Date: 25 July 2013
Our Ref: FT/EB M7/0201-15
Your Ref: 2883585

FAO: Mr P Crysell

By email only: Programme.officer@southglos.gov.uk

Dear Mr Crysell

RE: CORE STRATEGY EXAMINATION – 5YR HOUSING SUPPLY UPDATE

We represent the **South West HARP Planning Consortium** which includes all the leading Housing Associations Registered Providers (HARPs) across the South West. Our clients' principal concern is to optimise the provision of social/affordable housing and to ensure the evolution and preparation of consistent policies throughout the region.

We welcome South Gloucestershire's efforts to clarify their position on the district's 5-year housing supply and recognise the benefit of contracting an objective person to undertake the assessment. We accept the Council's use of the housing target as indicated in the Inspector's Modifications, dated October 2012, of 28,355 although note, in line with our previous representations, that we are concerned that this figure falls significantly short of the RSS's target of 32,800. This shortfall, and the shortfall across the Greater Bristol Region as a whole, places increasing weight on the deliverability of a 5-year housing land supply.

Assumptions

While the report challenges the assumptions used by WYG in the Engine Common planning appeal (APP/P0119/A/12/2186546), it itself places considerable reliance on assumptions formed by BNP Paribas.

There is considerable reliance on the impact of new mortgage products entering the market and fuelling growth. While any financial incentive to invest in property is likely to encourage movement in the market, its potential to stimulate long term recovery is not yet certain. Numerous critiques of the Help to Buy scheme have indicated that it has the potential to boost demand not supply. The scale of lending available under the Help to Buy schemes is relatively small and the 'pot' is limited with the majority of the schemes due to end on 31 March 2016, or earlier if the funding is taken up. It is questionable that the mortgage products will have as substantial as predicted impact on site-specific housing delivery.

Methodology - Sedgefield vs Liverpool

We challenge the use of the Liverpool Method of averaging the housing shortfall over the plan period, noting in line with Savills that the Sedgefield Method is becoming the dominant method supported both by the Secretary of State and Appeal Inspectors.

"What we have witnessed since the NPPF came into force is a shift towards the Sedgefield Method of calculating the five year land supply..... This ensures the current housing shortfall is made up quickly, and not simply averaged out over a much longer time frame" (National Planning Policy Framework (NPPF) One Year On, Savills March 2013).

For example, in a recent appeal decision against North West Leicestershire DC (APP/G2435/A/13/2192131), the Inspector considered the “*Sedgefield Method of recovering the shortfall to be the most effective way of meeting the Framework objective*” (para 17). The Inspector was particularly mindful of the Framework’s objective of boosting significantly the housing supply (para 47) and the Government’s wider statements, in particular *Planning for Growth* (delivered March 2011), noting that the idea of ‘to boost significantly’ “*implies a substantial and immediate effect, above and beyond the normal provision*” (para 17).

The Inspector for the planning appeal at Engine Common (APP/P0119/A/12/2186546) was clear in his methodology for applying the housing shortfall to 5 year land supply figures, noting that the NPPF’s objective of boosting the supply of housing combined with persistent under delivery makes the Sedgefield Method the correct approach to use. It would be questionable to apply an alternate methodology within the same planning area to a planning appeal and a Local Plan examination.

Addressing the use of the Liverpool Method directly, it has most recently been applied with the justification that Local Plans should be aspirational but realistic, with the higher target implied by the use of the Sedgefield Method felt by some Inspectors to be unrealistic in the current economic climate (APP/K2420/A/12/2188915). There are specific reasons why this justification in approach should not apply to South Gloucestershire. Firstly, as evidenced by the objective assessment provided from BNP Paribas, the housing market over the last 12 months has significantly improved within the area, with sale and build rates increasing. It would be difficult to apply the argument that the current economic climate justifies the application of the Liverpool Method and not challenge the proposition of South Gloucestershire that by the nature of the recovery of the housing market over the last 12 months, that they are now able to demonstrate a 5 year supply of housing through increasing delivery on key sites. Secondly, South Gloucestershire’s housing market is not to be considered in isolation, it is within the Greater Bristol Region, and will accommodate substantial amounts of the city’s growth. While recognising we are not yet at recovery, as noted in our concerns on site-specific delivery below, pro-active planning over the next few years through ensuring the identification of a range of sites ensuring the boosting of housing supply would indicate the Sedgefield Method more appropriate in this case.

It is also pertinent to address the underlying objectives of housing land supply; ensuring sufficient housing to meet the needs of the community. The failure to deliver housing supply to meet the objectively assessed needs of the community has an immediate impact. The dispersal of unmet housing need over a significant time period in the Liverpool Method, in this case over the next 14 years, produces a significant delay in meeting housing needs. This is particularly important when considering affordable housing land supply, see below.

When applying the Sedgefield method to BNP Paribas’s projected figures, there would be a **4.17** year housing land supply. This does not account for the ambitious delivery rates on some sites, see below.

Affordable Housing Land Supply

The NPPF is clear in its objective that central to delivery of housing is the need to deliver objectively assessed affordable housing need. The old Local Plan 2006 identified a target of 230 affordable homes per annum, which has been achieved only in four out of the last seven years, with affordable housing representing just 28.5% of total housing delivery over the entire seven year period. The West of England SHMA (2009) identified affordable housing need at 903 units per annum between 2009 and 2021, with Policy CS18 of the Core Strategy setting a target of 35% (threshold 10+ units). The gap between need and delivery places increasing emphasis on the requirement to ensure sufficient housing supply is delivered.

Assessing sites as available, suitable and achievable should consider the ability to deliver affordable homes at the Core Strategy policy level. Recognising that a number of permissions were granted prior to the Core Strategy target of 35%, it is noted that the old Local Plan 2006 target was 33.5%, implying little difference in the policy context. Taking a number of the key sites from Appendix B of the AMR amendment which are predicted to deliver a substantial proportion of housing land supply

over the next 5 years, it is pertinent to note that a number substantially fail to meet policy targets. For example, Charlton Hayes (RLS Ref 0008, 0008g, 0008m, 0008n and 0008o) is set to deliver 746 homes over the 5 year period, but only achieve 25% affordable units across these sites. 270 homes at Douglas Road, Kingswood (RLS 0035) will deliver 25% affordable and Emersons Green (RLS 0036a and 0036b) will deliver 1,319 homes at 25-28.5%.

As part of the Council's evidence for the examination of their Core Strategy, we believe it would be pertinent in ensuring they meet their obligations to provide sufficient affordable homes in line with local need, to assess the delivery of affordable units across their 5 year housing land supply. This is in line with the NPPF para 47, which states that local authorities must use an evidence base which fully and objectively assesses the needs for market and affordable housing in their area, and then requires the identification of sufficient sites to provide five years worth of delivery. This indicates the Government's intention that affordable housing delivery and site supply should also be assessed. It is becoming increasingly common for local authorities to produce a separate housing land supply specifically for affordable units. Evidently, the Council's decision to use a percentage target without the use of a minimum annual affordable homes delivery target brings issue with this approach. However, taking the housing trajectory given in Appendix D Inspector's Further Main Modifications (March 2013), we feel it would be pertinent for the Council to consider if sufficient housing land supply is available to achieve their projected affordable housing completions, given those sites with permission already granted.

This is particularly pertinent given the new opportunity afforded by the Growth and Infrastructure Act 2013 to renegotiate affordable housing obligations, which may further diminish affordable housing delivery. Failure to deliver sufficient affordable dwellings in the short term in the advancement of sites not achieving the Core Strategy policy target will have immediate impacts on the authority.

Implementation Barrier

The introduction of the 'additional buffer' via the NPPF does not preclude the inclusion of the standard practice buffer generally applied to the housing completion predictions used within the assessment of 5 year housing land supply figures to cover non-implementation or part implementation of identified housing land sites. As indicated in the NPPF, the additional 20% buffer is designed to ensure "*choice and competition*" to boost housing delivery and relates to the identification of additional housing land sites, not to cover the non-implementation of planning permissions and its impacts on housing completions over the plan period.

Appendix 2 of BNP Paribas's report indicates that for sites of less than 10 units with planning permission, an implementation barrier of 10% has been applied. However, there is no indication of a similar buffer being applied to the other identified housing sites. In practice, this implementation barrier ranges from 10-30%. We would request confirmation of the application of an implementation barrier or a justification for its exclusion.

Site-specific Delivery Rates

In line with our comments above, we believe the assumptions placed upon increasing sale rates resulting in increasing completions has yet to be evidenced to a sufficient degree to be relied upon in relation to substantially increasing the anticipated housing delivery on specific sites. While we accept that there are a number of independent predictions of the housing market beginning to improve due to increasing sale rates and the availability of funding packages, there are considerable variations in expert opinions on the exact level of sale rates increases to be seen over the coming period, how substantial the impact of sale rates will be on actual completions, the localised variations of this recovery of the housing market and the longevity of the impact of the mortgage products on build completions.

As a result, the predicted increase in completions over the next 5 years on a number of sites could be challenged. Whilst we recognise that BNP Paribas have significant experience within the market, other equally qualified persons have asserted significantly lower site specific completions. For

example, Morton Way Thornbury (RLS 0151) it is noted that the applicant (Bloor Homes Ltd) predicts 130 completions within the next 5 years, while the housing land supply uses a figure of 300 completions.

Predicted completions on other sites has also increased. Cribbs/Patchway (South of Airfield) (RLS 0134b) has increased predicted completions of 117 over the next 5 years, Peg Hill & Yate (RLS 0133 and 0133a) an increase of 139 and Coldharbour Lane (RLS 0011) of 354. This is despite a number of issues on these sites yet to be resolved. The Cribbs/Patchway site is awaiting a decision on an outline planning application for 1,100 units which was predicted to be decided in August 2013, however a Highways Agency Holding Objection has been extended for an additional 6 months preventing a decision until November 2013. Similarly, the Peg Hill & Yate site is for a number of permissions but with the majority of the site awaiting a decision from an outline application submitted by Heron Land in June 2012, anticipated in the BNP report for July 2013; however from the application's Committee Report this has already been delayed until late August 2013. Finally, Coldharbour Lane's planning permission has yet to be submitted but predicts submission in Autumn 2013 with decision in Spring 2014, noting timelines for previous applications of a similar nature in South Gloucestershire, it is questionable that this is deliverable.

Given the above highlighted issues, irrelevant of any predictions on increasing levels of completions on these sites, it is questionable that development upon them will begin as soon as predicted within the housing land supply tables.

Windfall

While accepting that South Gloucestershire has a history of delivering on windfall sites, the figures presented in the housing supply are higher than those used by the Inspector within his Main Modifications issued March 2013.

The housing land supply now includes windfall sites and SHLAA sites and predicts the combined delivery over the next 5 years on these sites at 1,020 units. Having reviewed the Council's SHLAA Update 2013, of the sites it feels appropriate for development and within the phase 2012-17, there are only three sites which have yet to gain planning permission which are not in the New Neighbourhoods, thus not already counted individually in the housing land supply tables, totalling 130 units. Extending from 2017-22 there are 85 additional units falling into this category, with the addition of two sites with delivery between 2012-2022 totalling 1,880.

Appendix JTRC VIII of the BNP Paribas Report notes that windfall sites predicted for delivery include school sites, brownfield sites within urban areas and the Council's dispersal of its own sites programme. Notably, a number of sites have already been included with the SHLAA 2013 which fall into these categories; specifically school sites and Council land disposals. Given the timescales involved in the decision making on the disposal of such sites it would be questionable that aside from the SHLAA identified sites, numbers discussed above, other sites within these categories will come forward. In relation to the inclusion of other potential windfall sites, although accepting a number of proposals will come forward, having regard to Policy CS13 of the Core Strategy, the Council seemingly do not favour the reuse of employment land for residential schemes unless it can be proved an employment use could not be maintained on the land. Thus increasing the predicted delivery of such sites would seem questionable.

These comments are intended to be constructive and we look forward to maintaining a mutually beneficial relationship as you take your Core Strategy forward.

Yours sincerely



FELICITY TOZER BSc (Hons) PG Dip
For and On Behalf Of
TETLOW KING PLANNING

cc Aster Group Knightstone Housing Association
Curo Raglan Housing Association
GreenSquare Group Ltd Sanctuary Housing Group
Guinness Trust Sovereign Housing Association
Jephson Housing Association

South Gloucestershire Housing Enabling Officers:
Karen Ross
Kerry Metcalfe
Tim Borthwick