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Planning. Design. Economics.

**North Somerset Core Strategy
Remitted Policies**

Hearing Statement: Matter 2

Barratt Homes (BDW Trading Ltd)

17 May 2016

31345/JCO/CK

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1.0 **Matter 2 – Housing Calculation**

Is the Council’s calculation of a residual housing requirement of 1,715 dwellings for the remainder of the plan period an appropriate figure to incorporate into consequential changes to the Policies?

- 1.1 North Somerset Council’s (NSC) contend that current capacity in terms of completions, commitments and windfalls amounts to 19,270 dwellings which leaves a shortfall of 1,715 dwellings to be identified through the Sites and Policies Plan to meet the minimum housing requirement figure of 20,985 adopted by way of Policy CS13 of the Core Strategy.
- 1.2 NLP does not consider that the Council’s calculation of a residual housing requirement of 1,715 dwellings for the remainder of the plan period is an appropriate figure to incorporate into the consequential changes to policies and we set out below our rationale:

Non-delivery

- 1.3 NSC explains that only 1,715 dwellings need to be identified to meet the (minimum) housing requirement figure of 20,985.
- 1.4 Adding the 1,715 dwelling figure to the Council’s existing supply of 19,270 equates to exactly 20,985. The supply figure therefore fails to provide any flexibility whatsoever in terms of housing delivery and expects that 100% of the supply (including the 1,715 dwellings to be identified) will be delivered by 2026.
- 1.5 NLP considers that this is extremely unrealistic and fails to embody any form of flexibility to respond to changing circumstances over the Plan period. It is widely accepted within the development industry that for sound reasons, a site may not be delivered as quickly as anticipated or sometimes may not be delivered at all. This can be for a range of reasons including viability, site specific issues such as contamination or simply because the landowners circumstances change. For this reason, the supply identified by NSC to deliver the minimum housing requirement of 20,985 should include a reasonable buffer to take into account the non-delivery of sites.
- 1.6 For example at a planning appeal¹ in Worcestershire in 2012, the Inspector concluded that a buffer of 10% was reasonable:

“In terms of housing supply calculations and the need to identify a supply of specific and developable sites, I am aware that the Appellant’s approach was not to argue for exclusion of any site. The Appellant simply referred to the circumstances of each and concluded that a 10% reduction was justified overall and reasonable having regard to lapses, delays and reduced

¹ APP/H1840/A/12/2171339

delivery.... I recognise from the table included in the Appendix to APP16 that delivery is often less than expected. Overall I consider it is reasonable to allow for a 10% discount on sites with planning permission.”

- 1.7 This approach was also taken in an appeal² at Pulley Lane, Newland Road and Primsland Way, Droitwich Spa where the Inspector states:

“Given the previous shortfalls of delivery within this LPA, a 10% lapse rate is entirely reasonable and should be applied here in order to ensure a robust 5-year supply figure.”

- 1.8 NLP considers that the failure to allocate more dwellings than is required to meet the housing requirement is contrary to the ‘*positively prepared*’ test of soundness which is set out in paragraph 182 of the NPPF and also the NPPF’s general point of principle which is to boost significantly the supply of housing. Paragraph 182 is unequivocal in that the plan should be prepared based on a strategy which seeks to meet the objectively assessed development requirements. Currently, NLP does not consider that the plan has any possibility of meeting the housing requirement as it is reliant on 100% of the identified supply to be delivered by 2026. NSC acknowledged this at paragraph 3.186 of the Adopted Core Strategy (April 2012):

“Based on a North Somerset housing requirement of 14,000 dwellings this leaves 5,259 dwellings to be identified to 2026 (although it cannot be assumed that all permissions will be implemented).”

- 1.9 We note that the above reference has been deleted from the revised version of the Core Strategy following the adoption of Policy CS13 in September 2015.

Is the 1,715 figure put forward by NSC the correct figure?

Notwithstanding the above point regarding NSC not allocating enough land to meet the housing requirement, NLP considers that there is a need to scrutinise the supply put forward by NSC to understand if the residual requirement figure of 1,715 is correct.

- 1.10 The housing supply put forward by NSC is as follows:

Figure 1.1 Housing Land Supply to 2026

² APP/H1840/A/13/2199085 and APP/H1840/A/13/2199426

Completions 2006-2015	7,426
Permissions	6,558
Allocations	1,472
Proposed allocations	2,025
Other identified sites	589
Small site windfall allowance	1,200
Total capacity identified 2015-2026	11,844
Total (completions + capacity)	19,270
Shortfall in relation to plan target of 20,985	1,715

Source: NSC Consultation on consequential changes to Policies CS6, CS14, CS19, CS28, CS30, CS31, CS32 and CS33

1.11

Figure 1.1 above is the data provided by NSC in the consultation paper on the remaining remitted policies (20/10/15). However in March 2016 NSC produced a new table for the purpose of the emerging Site Allocations Plan which differs slightly in terms of the categories used and the specific figures. We understand from discussions with NSC that the only change is that the proposed new allocations figure has been amended from 1,715 to 2,033, partly because of the passage of time between the two calculations and partly to ensure that enough short term deliverable capacity is available to boost the housing supply.

Figure 1.2 Breakdown of housing supply

	Completions 2006-2015	Proposed allocations and large sites with planning permission	Other large sites with consent (not proposed to be allocated)	Small sites with consent	Windfall allowance (based on past rates)	Total commitments
Weston urban area	2,758	2,764	104	121	627	6,374
Weston Villages	372	6,128	0	0	0	6,500
Clevedon	288	234	20	31	134	707
Nailsea	123	865	15	26	51	1,080
Portishead	2,746	409	38	46	64	3,303
Service villages	675	1,247	17	54	139	2,132
Remainder of North Somerset	464	243	31	95	185	1,018
Total	7,426	11,890	225	373	1,200	21,114

Source: NSC Consultation on the Site Allocations Plan

- 1.12 Both tables confirm that 7,426 dwellings have been completed by April 2015. This leaves a further 13,559 dwellings to be delivered in the residual 11 years until the end of the plan period in 2026. This equates to an annual requirement of 1,232.

Supply

Planning Permissions

- 1.13 According to Figure 1, planning permissions are in place amounting to 6,558 dwellings. To expect 100% of these to be delivered by 2026 is clearly unrealistic. As set out above, NLP considers that a minimum 10% deduction should be applied to this source of supply to take account of non-delivery.
- 1.14 This category includes dwellings that form part of the Weston Villages strategic allocation of 6,500 dwellings. The Weston Villages development trajectory³ (September 2015) explains that at the peak of the development between 2018 and 2021, 650 dwellings will be completed per annum. We note that the average completions per annum at WSM Villages between 2011 and 2015 were 103 dwellings
- 1.15 The trajectory therefore appears to be very ambitious when compared to delivery rates achieved on other major residential sites. For example, both Bristol Northern Fringe and Cranbrook in East Devon only delivered slightly in excess of 450 units in 2013/14. NLP therefore questions whether all of the dwellings will be completed by 2026.

Existing allocations rolled forward

- 1.16 This category comprises 372 dwellings forming the unimplemented housing allocations carried forward from the North Somerset Replacement Local Plan (2007) and 1,100 units capacity remaining as part of the Core Strategy Weston Villages strategic allocation. NLP considers that the failure of the Replacement Local Plan (2007) sites to come forward in the first 9 years of the Local Plan is a strong indication of long term constraints preventing the delivery of the sites. There is no compelling evidence presented by the Council as to why these sites are now all expected to be fully completed by 2026. By way of example, the Local Plan (2007) allocated 14 dwellings at the Stowell Concrete site in Kenn (Allocation H50). This allocation has been rolled-forward, however, we understand that this site is still operational as a concrete facility and there is no firm evidence that the site will deliver homes by 2026. Another allocation that has been carried over is a site for 50 dwellings at Bridge Farm, Bristol Road, Weston-Super-Mare (Allocation H63) which is yet to be the subject of any planning application. It can be gathered from NSC's proof of evidence for a recent appeal at Land at Brinsea Road, Congresbury⁴ that the Bridge Farm site is within flood zone 3A which presents a constraint to its development.

³ Weston Villages Development Trajectory (September 2015) Prepared by NSC as a background document to the examination of the remaining remitted policies.

⁴ Appeal Ref

- 1.17 It is clear based on the above two examples that there can be no certainty that the rolled over replacement plan allocations will be delivered by 2026 or delivered at all.

Proposed Allocations

- 1.18 The starting position in respect of the proposed allocations is that the Site Allocations Plan is at an early stage of preparation, it has not been scrutinised at Examination and therefore the consistency of the proposed allocations to the relevant policies in NPPF is unclear and the scope and quantum of unresolved objections remains unknown. Paragraph 216 of NPPF provides clarity on the weight that should be afforded to emerging plans and it is NLP's opinion that only limited weight can be afforded to the emerging proposed allocations.
- 1.19 NLP questions whether all of the 2,025 dwellings categorised as proposed allocations will be delivered by 2026. For example a new mixed use allocation is proposed South of Herluin Way, Weston for 750 dwellings. This is a significant scheme, on a brownfield site that requires the construction of a new spine road. No application has been forthcoming. Whilst the site is in joint Council/HCA ownership, NLP considers that to complete 750 dwellings in 11 years on a site which does not benefit from planning permission will be challenging. Even if full permission is granted by 2019, to deliver 750 dwellings by 2026, an average of 107 dwellings per annum is ambitious, especially given that the site is a former landfill site which will require remediation works.
- 1.20 Likewise, the Wales & West Gas Works site in Weston Super Mare which is allocated for 240 dwellings is currently operational. We are advised by Wales and West Utilities that the high pressure gas holders on the site are one of a limited number nationally and would need to remain on site. It is therefore unlikely that residential development within proximity of this facility would be considered acceptable by the Health and Safety Executive under the PADHI regulations. The ability of this site to deliver 240 dwellings by 2026 is questionable. Indeed NSC's proof of evidence for the appeal at Brinsea Road, Congresbury acknowledges that the site will not come forward by 2020.
- 1.21 There are also doubts regarding the delivery of the North East Nailsea allocation due to the need to underground power lines associated with the Hinckley Point C project. Given the uncertainty regarding the financing of Hinckley Point C, it is unclear when this site will be ready for development and therefore if it will deliver 450 dwellings by 2026.

Other identified sites

- 1.22 The consultation paper on the remitted policies explains that 589 dwellings are categorised as '*other identified sites*'. It is unclear why this source of potential supply is not included within the proposed allocations category. If NSC has confidence that these sites will come forward by 2026 then surely they should be included as proposed allocations. For this reason, NLP considers that there is doubt about the delivery of this category. At the very least, NSC should be

required to justify why these sites will deliver housing by 2026 and provide a trajectory for their delivery.

Summary

- 1.23 It is essential that NSC allocates more dwellings than is required to meet the minimum housing requirement figure in order for the Core Strategy to be positively prepared and based on a strategy which seeks to meet objectively assessed development requirements.
- 1.24 The 1,715 figure put forward by the Council is not appropriate to meet the shortfall identified. NLP considers that this figure should be significantly greater owing to the overly optimistic delivery rates associated with particularly complex brownfield sites in WSM, the failure of NSC to make any provision for non-delivery of sites and the reliance of proposed allocations which are yet to be found sound. It is also important to take into account that the WSM housing market is unlikely to sustain the sales rates required to support NSC's projected delivery. Hearing Statement 3 will explain the over reliance on WSM in further detail but NLP considers that over supply is likely and a cautious approach should therefore be applied .
- 1.25 NLP considers that in order for the remaining remitted policies to be found sound, the emerging policies need to be amended to provide sufficient flexibility to deliver additional sustainable development and as a bare minimum a flexibility buffer needs to be applied to the shortfall identified.