

North Somerset Council

Interim response to Inspector's letter to the Council following the closure of the hearings dated 26 June 2017

1. Thank you for your letter of 26 June 2017. The Council accepts your conclusion that additional housing supply needs to be identified to provide additional flexibility to ensure that the Core Strategy housing requirement is delivered by 2026, and the five year supply requirements are addressed. The purpose of this note is to set out the Council's proposed approach and timetable for the testing of the provision of additional housing sites within the Site Allocations Plan.
2. Paragraph 24 of your letter refers to three sources to form the framework for the testing of additional supply. We agree that this forms the starting point of the assessment.

Sites broadly consistent with the Core Strategy spatial strategy. We will work on the basis that this should only include sites within or adjacent to Weston, the towns or service villages and previously developed land. We will not be testing sites in the Green Belt or at infill villages or in the countryside.

There are sites being promoted now through the Site Allocations Plan that are more appropriately addressed as part of the strategic development locations in the Joint Spatial Plan with detailed allocations taken through the new Local Plan. The implications of these will be addressed through the assessment process.

Sites considered through the SAP examination process. This assessment will only address those sites identified through the examination process which have also been demonstrated to be deliverable and therefore are also in the development pipeline.

Sites which are in the development pipeline. All sites which have been submitted into the development management process (primarily pre-application advice or planning applications) will be assessed for their delivery. This process has already commenced. The landowners, developers or agents of sites have been contacted and asked to complete the attached housing deliverability questionnaire. All responses will be published on the Council's website.

3. Following the hearings a number of sites have been submitted as planning applications or for pre-application advice. In order to identify a clear cut-off, we have included any such sites in our assessment which were received up to the date of the Inspector's letter.
4. All sites will be assessed on a consistent basis using the attached template. For consistency the approach broadly replicates the methodology employed in earlier stages of the Site Allocations Plan, but combines the HELAA, deliverability and SA information for each site. This enables a balanced conclusion to be drawn as to the appropriateness of each location. At the end of the template we will draw together a summary of the site suitability, availability and achievability from the HELAA assessment and the social, economic and environmental dimensions of sustainability. This will be used to inform the overall conclusion. The completed templates will be published on the website and interested parties invited to comment.

5. The Council's Executive Committee will consider the response to the Inspector's letter on 5 September, taking account of any comments received from the development industry or other parties.
6. The timetable for the assessment of additional housing sites is summarised as follows:

26 June 2017	Deadline for new consideration of new sites in the development pipeline.
1 June 2017	Landowners and developers contacted for housing site delivery information.
15 June 2017	Deadline for receipt of housing site delivery information.
20 July 2017	Schedule of sites to be assessed published with this letter.
24 July 2017	Site deliverability information published and comments invited.
1 August 2017	Site assessments published and comments invited.
21 August 2017	Closing date for comments from interested parties.
5 September 2017	Executive Committee to consider response to Inspector's letter.

7. While the Council will test the provision of 'up to 2,500 homes', we have a number of concerns in relation to the derivation of this figure and its relevance. Various comments were made during the hearings in relation to how a non-implementation figure should be applied. There are a number of alternative approaches.
8. The rate could be applied to:
 - a) The whole Core Strategy housing requirement 2006-2026 (20,985 dwellings);
 - b) The residual number of dwellings to be built over the remainder of the plan period 2017-2026 (12,138 dwellings);
 - c) The element of the residual housing requirement not agreed as being deliverable in the statement of common ground within the plan period 2017-2026 (6,473 dwellings); or
 - d) The element of the five year supply not agreed as being deliverable 2017-2022 in the statement of common ground.
9. The Council firmly believes that option a) should be discounted – it is meaningless to apply a non-implementation contingency to dwellings completed by April 2017. To be fair, the majority of examination participants agreed with this.
10. Option b) was broadly the development industry's position – that an uplift should be applied to the residual requirement, taking account of completions to date. Completions between 2006 and 2017 are recorded as 8,847, leaving a plan period residual requirement of 12,138 units. This ignores the fact that an additional quantum of development has been agreed as deliverable in the statement of common ground.

11. Option c) was raised by the Council at the hearings. The uplift should not need to apply to either the completions or the commitments that are agreed as deliverable between the examination participants. This means that as well as removing the 8,847 completed dwellings from the requirement, the 5,665 dwellings that are agreed as deliverable within five years in the housing supply statement of common ground should also be deducted. This leaves a residual of 6,473 dwellings to apply an uplift to.
12. Option d). Having considered the evidence and other factors such as the immediate review of the local plan in the light of the Joint Spatial Plan, the Council's preference is for a further variation – that the uplift should only apply to the disputed element of the five year supply. There is no evidence that those sites that the Council has identified as longer term supply cannot be developed – therefore the focus should be on boosting the short term supply to ensure that a five year supply of deliverable sites can be maintained. Assuming the Inspector concludes that the five year supply buffer should be 20%, as suggested in the letter, the Council's supply requirement (using the Sedgfield methodology and incorporating the buffer) is 9,524 units. As set out above, the statement of common ground on housing land supply confirms that there is 5,665 units of agreed deliverable supply. Therefore 3,859 units of supply are disputed. Any non-implementation allowance need only be applied to this quantum.
13. The development industry suggested an allowance of 20% of the residual requirement during the hearing sessions. There is no evidential basis for this. The figure of 20% was referred to in the hearing statement from Persimmon (reference HS/2/1). Appendix 2 of the Persimmon statement presents 'two sources for the HLS contingency of at least 20%':
 - 1) A DCLG presentation slide from September 2015
What this actually shows is that only 10-20% of permissions do not materialise into a start on site within a year. It does not relate to allocations, and is not an evidential basis for identifying additional sites in a development plan. There is no source for the data used to produce the slide.
 - 2) A reference to the Local Plans Expert Group (LPEG) Report recommendations
Part of a recommendation to make provision for developable reserve sites is quoted. The recommendation is clear that this suggestion relates to suitability, and developable land for the medium to long term; it is not about boosting short term supply. The reserve sites referred to are 'land that can be brought forward to respond to changes in circumstances'. It is also worth noting that whilst a number of the LPEG recommendations have been taken forward in the Housing White Paper, this one has not.
14. The Council is unaware of any examples where a contingency figure of 20% has been used in a similar context. Increasing the five year supply buffer from 5% to 20% increases the requirement for further short term supply which in addition to the commitment to an immediate review of the local plan means that in the Council's view a 10% allowance provides sufficient contingency.
15. The various options and resulting figures are set out below.

Amount of the housing requirement to apply uplift to	Rate to be applied	
	10%	20%
Option B: 12,138	1,214	2,428
Option C: 6,473	647	1,295
Option D: 3,859	386	772

While all these figures fall into the 'up to 2,500 dwellings' category, there is clearly a significant variation in the scale of the amount of contingency which would be appropriate depending on the assumptions used.

16. The Council will prioritise the identification of sites which contribute to five year supply. The disagreement with the development industry was about sites which would have certainty of delivery within 5 years. There was very little dispute over whether sites would come forward within the plan period – the issue was not about suitability, it was about delivery. In which case the focus should be to address the 5 year supply position, particularly as the plan is being immediately reviewed. This would be consistent with the approach of the Inspector at the recent B&NES examination into the Placemaking Plan where the evidence suggested that the housing trajectory (12,690 dwellings) would be just short of the Core Strategy requirement (13,000) over the plan period but the approach was sound given the need for review which, like North Somerset, was taking place through the Joint Spatial Plan to 2036 and a new local plan (see appendix - Inspector's Report 28 June 2017).

17. In conclusion, the intention is to finalise and publish the site assessment work by 1 August. This will enable a period of engagement with interested parties before responding formally to your letter immediately following 5 September Executive Committee. We would appreciate any comments you may have on the proposed approach.

Michael Reep

Planning Policy Manager

20 July 2017

Appendices

1. Schedule of sites to be assessed.
2. Site assessments template.
3. Housing deliverability questionnaire.
4. B&NES Placemaking Plan Inspector's Report 28 June 2017.