

North Somerset Site Allocations Plan Examination

Inspector's letter to the Council following the closure of the hearings on the 18 May 2017

1. Firstly I would like to thank all those who have attended the Hearings for their contributions and, in particular, the Council's officers for the hard work and high level of commitment that they have shown in seeking to achieve a sound Site Allocations Plan (SAP) for North Somerset.
2. A number of matters were covered at the hearings, and the Council has indicated that work has started in dealing with changes to the SAP which were discussed. One matter on which I indicated that I would provide further written guidance relates to the delivery of housing. In order to secure the delivery of Core Strategy (CS) Policy CS13, this is the need to test the provision of additional housing sites for up to 2,500 homes within the SAP.
3. I would make the following key points before setting out my reasons for this request:
 - The additional sites for up to 2,500 dwellings are not a proposal to increase the overall housing target identified in Policy CS13.
 - The identification of additional sites would help to provide flexibility and certainty that the CS housing requirement can be met since:
 - due to constraints on sites allocated in the SAP it is not certain that they will be developed by 2026;
 - additional sites are required to make up for those which are unlikely to be delivered.
 - The increased choice and flexibility provided by additional allocations in the SAP would assist the Council in demonstrating that they have a five year housing land supply.

Reasons

Core Strategy requirement and the purpose of the Site Allocations Plan

4. As acknowledged in the Inspector's report in March 2015 [ED9], the housing requirement in Policy CS13 does not comply with national guidance since it is not based on a full objective assessment of housing need in the whole of the recognised Housing Market Area. The Inspector recommended that the figure be adopted as an interim position subject to a review by the end of 2018, and Policy CS13 includes the statement that "*the appropriate level of new homes will be reviewed by 2018*".

5. The conclusions of the Inspector on Policy CS13 were reviewed by the Government, and the Secretary of State wrote in September 2015 that he was *“satisfied that the inspector has taken a pragmatic approach to establishing the housing requirement for North Somerset in the context of national planning policy as a whole and I agree with his recommendations, chiefly that a housing target of 20,985 over the plan period is appropriate”*. [ED39].
6. It has been agreed with the Council that the purpose of the SAP is *“to identify the new residential allocations necessary to deliver the CS requirement, taking into account the need to supply deliverable sites to ensure the Council can maintain a 5 year housing land supply”* [ID1; SD18]. It does therefore fall to me to review in detail the deliverability of the sites proposed in the SAP, in accordance with para 47 of the NPPF.

Delivering the Core Strategy requirement

7. The CS requirement is for a minimum of 20,985 dwellings in the period from 2006 to 2026. The SAP identifies the potential for the development of 21,281 homes which includes a windfall allowance based on past rates.
8. Completions to 31 March 2017 are agreed with the housing industry at 8,847 dwellings. This means there is a residual requirement for some 12,138 dwellings to be completed in the remaining 9 years of the CS period, which need to be delivered through the SAP. Against the annualised rate of 1,049 dwellings required to deliver the CS requirement of 20,985 dwellings, the shortfall in the delivery of dwellings since the start of the CS period is some 2,692 dwellings. In terms of a five year supply, if the Sedgefield methodology is adopted to deliver the shortfall in the first five years of the remaining CS period, together with a 5% buffer, some 8,334 dwellings are required to be delivered through the SAP, (2017-2022) at an annual average rate of 1,667. With Sedgefield and a 20% buffer this rises to 9,524 with an annual average rate of 1905.
9. In his report on the remitted policies of the CS in November 2016 [ED10], the Inspector considered that Sedgefield with a 5% buffer was appropriate based on the evidence he heard at the examination of past rates of delivery of housing. Evidence on past delivery was also heard at two S78 planning appeals. These cases were determined prior to the publication of the CS Inspector’s report, but on the evidence available to them, both Inspectors concluded that a 20% buffer should be applied.
10. I understand the Council’s argument that the rate of delivery in the early part of the Plan period should not be measured against the figure in Policy CS13. I note that the adopted housing requirement at

the time was significantly lower, that the Council largely met those lower figures, and that there was a period of economic recession. However, the adopted CS requirement is representative of the need for homes within North Somerset. The fact that homes have not been built at a rate which meets that need during the first part of the CS period, for whatever reason, is an indication that housing need is not being met.

11. In such circumstances, where the need for housing has not been met, the NPPF advises a 20% buffer on the five year supply in order to provide a realistic prospect of achieving a planned supply and to ensure choice and competition in the market for land. In the circumstances of N Somerset, the need has not been met for a number of years. I therefore consider that the SAP should, as far as possible, aim to identify land to meet that need over the first five years of the residual period of the CS in accordance with the Sedgfield approach. In addition, in order to provide an early boost to the housing supply to help meet the overall CS requirement within the remaining 9 years of the plan period, I consider that the Council should aim to provide a 20% buffer for those first 5 years.
12. On the basis of a 5% buffer, the Council argues that it can provide 5.15 years of supply. This is not agreed with the development industry which estimates the deliverable supply to provide for 3.39 years. With a 20% buffer the Council's figure provides a supply for 4.51 years, whilst the developers figure is 2.97 years.[SG2 Table 6.2]
13. Having regard to the figures produced by the Council and the development industry, I make no finding as to the level of delivery which it is realistic to expect over the next five years. However, from the evidence which I read and heard concerning the deliverability of allocated sites, I consider that the rate of delivery expected by the Council in their housing trajectory is optimistic, and that their estimate of five year supply is unlikely to be achieved. There are sound reasons for considering that there are a number of sites within the SAP which are unlikely to come forward for development in the timescale envisaged by the Council, either within the first five years after adoption of the SAP, or in the remaining period of the CS to 2026.

Constraints to the delivery of allocated sites

14. These reasons include technical issues relating to flood and surface water management which affect a large number of allocated sites. The need for a flood risk assessment and surface water or flood management scheme for each of these sites would add to either the lead in times for development, or the costs of developing a site such that its viability would be in question. Furthermore, the saved Local Plan sites which have been brought forward in the SAP have been identified for housing for a number of years, but have not been

implemented. For those sites for which the circumstances have not changed, there remains uncertainty as to their delivery within the remaining nine years of the CS period.

15. In relation to the strategic allocations at Weston-super-Mare and Weston Villages the potential for slippage in the delivery of housing was identified by the Inspector in his report of November 2016[ED10]. Evidence to the examination of the SAP indicates that slippage is occurring, such that the strategic sites are not delivering at the rate envisaged by the Council, and are unlikely to deliver the number of houses planned for the CS period by 2026. Policy CS20 also requires the development at Weston villages to be employment led, which could act as a further constraint on delivery.
16. Other issues which indicate that the Council's assessment of delivery is unlikely to be achieved include the lapse rate on small sites with consent, and the lead in times for emerging allocations. A 10% lapse rate is adopted by the Council, but evidence indicates this is optimistic for North Somerset. Lead in times for emerging allocations will vary according to the characteristics of each site, but are likely to be closer to the 5.5 years put forward by the development industry for larger sites and those which are subject to technical constraints.
17. With the uncertainty as to the deliverability of a number of sites identified in the SAP to meet Policy CS13 by 2026, I consider that there is a need for a more significant buffer within the SAP between the CS requirement for 20,985 dwellings and the provision for 21,458 dwellings which is currently identified by the Council(ED28).

Securing delivery of the Core Strategy requirement

18. There is no requirement for the SAP to deliver more housing completions than the need identified in Policy CS13 for a minimum of 20,985 dwellings by 2026. However, such are the constraints to the delivery of the sites allocated in the SAP identified in the evidence to the examination, that the identification of a significant level of additional housing sites in the SAP would be unlikely to result in the minimum of 20,985 dwellings required by Policy CS13 being exceeded in 2026. Through the allocation of additional sites to provide increased choice and flexibility, there is the opportunity for alternative sites to come forward and compensate for delays in the delivery of those sites currently identified in the Plan. In this way the purpose of the SAP, to deliver the housing requirement of the CS and to secure the maintenance of a five year housing land supply is more likely to be achieved.
19. Provision is made through the CS (Policies CS28, CS31, CS32) for unallocated housing schemes to come forward outside the settlement boundaries of the towns and service villages. The intention is to thus

provide increased flexibility and to reduce the risk of housing under-supply. However, the scale of such schemes is restricted and without the benefit of a positive allocation in the SAP, the negotiation of planning permission could delay delivery. Having regard to the level of need that remains unmet within the last 9 years of the CS period, I consider that, in addition to this provision in the CS, further sites should be allocated in the SAP to secure delivery over the remainder of the CS period.

20. As to the scale of additional allocations which would be appropriate, a figure of 20% of the residual requirement of 12,138 dwellings was discussed at the hearings. A buffer based on 20% of the residual requirement would call for sites to accommodate some 2,500 additional units. A level of up to 2,500 units would also help to close the gap between the calculations of housing land supply produced by the Council and the development industry; and it would provide more certainty that the 20,985 dwellings required by the CS would be delivered by 2026.
21. The Council and others indicated that the allocation of this additional amount of land could be difficult to achieve because of the environmental constraints to development within North Somerset. Furthermore, I have considered the advantages of getting the SAP adopted as early as possible against the additional time that would be required to bring forward additional sites. However, if the SAP is adopted in its current form with the high level of uncertainty as to the deliverability of allocated sites and in particular the need for more sites that can be developed within the next five years, it would fail to deliver the CS requirement or to ensure that the Council can maintain a 5 year housing land supply.
22. Sources from which additional allocations can be sought have already been identified by the Council, and some preliminary work is being carried out to test for suitable sites. Having regard to the urgent need to boost the supply of housing, I consider that the Council should test the potential for the provision of up to 2,500 additional houses in order to identify the environmental costs of allocating a wider choice of housing sites. Furthermore, where new allocations are to be made, there is a need to identify and allocate sites which can be made available for development at an early date to help meet the five year supply as well as secure the overall delivery of the housing requirement by 2026.
23. A further potential constraint to the identification of additional allocations is the distribution of housing identified in Policy CS14. However, CS14 refers to the "*broad distribution of new dwellings*" which indicates that the net additional dwellings listed in the policy do not constitute a straight jacket to be achieved, and that there is some flexibility for the distribution of housing provision within the settlement

hierarchy in the CS. Nevertheless, the starting point must be to identify sites which are broadly consistent with the CS spatial strategy.

24. The following sources are identified by the Council for the additional allocations which are to be tested:

- Sites which are broadly consistent with the Core Strategy spatial strategy (sites within or adjacent to Weston, the towns and service villages, but not infill villages, countryside or Green Belt).
- Sites which have been considered through the SAP examination process.
- Sites which are in the development pipeline – as these are more likely to be deliverable and could potentially contribute to 5 year supply.

25. In the identification of potential opportunities and in the comparative assessment of sites, I would urge the Council to work closely with the development industry. The aim should be to increase the likelihood of delivery through a wider choice of sites, and through the identification of sites which developers would commit to bringing forward within the timescale of the CS, and in particular within the first five years of the residual period to meet the shortfall in five year supply. Developers who wish to promote omission sites may assist the Council through the preparation of a delivery trajectory for those sites.

26. I would reiterate the view that with the various constraints to the delivery of sites currently allocated in the SAP, the allocation of additional deliverable sites in the SAP would not inevitably result in the construction of significantly more than the 20,985 dwellings required by Policy CS13 by 2026, the end of the CS period. Furthermore, the Council is currently working on the Joint Spatial Strategy and a new North Somerset Local Plan is to be prepared to cover the period to 2036. Sites which are allocated in the SAP and on which delivery continues beyond 2026 may contribute towards the supply required for the new Local Plan.

Conclusion

27. I therefore look to the Council to test the allocation of additional sites within the SAP which would have the capacity to accommodate up to 2,500 dwellings, and which have a realistic chance of being delivered by the end of the CS period in 2026.

28. A timetable should now be identified for the work required to test the provision of additional allocations, and to draft proposed modifications to the Plan which should include the additional housing site allocations. The work should include an evidence base to support the Council's position on new housing site allocations together with a

detailed (site specific) trajectory which sets out the timescale for delivery. The trajectory should be agreed as far as possible with the development industry.

29. In addition to the work on housing land, the need for a number of changes to the SAP were identified in the course of the hearings. The Council is requested to produce a set of worked up main modifications which include these changes, and which will form the subject of public consultation in due course. I look forward to hearing from the Council with a timetable for the work as soon as possible.

Wendy Burden

Inspector

26 June 2017